



Nuvei (TSX:NVEI) Stock: Should You Buy This Fintech Company?

Description

The **TSX** rose by double-digits to finish at 20,644.44 on August 27, 2021, a new record high once more. Energy, materials, and tech sectors led the day's gainers. Emerging [tech superstar Nuvei \(TSX:NVEI\)](#) sizzled, advancing 5.05% to an all-time high of \$161.29.

National Bank of Canada financial analyst Richard Tse is bullish on the \$22.44 billion payment technology company. He said, "In our view, we think the company is just scratching the surface given its meaningful breadth – from products, verticals, to geographic markets." Tse also sees significant spikes in revenue and cash flow this year versus 2020.

The bank's positive outlook stems from Nuvei's better-than-expected Q2 2021 financial results. At the current per share, current investors already enjoy a 108% year-to-date gain. Since its initial public offering (IPO) in September 2020, the total return is 249%. If you're scouting for a [fintech company with massive growth potentials](#), buy Nuvei shares.

Runaway leader

Led by **Shopify**, Canada's [tech sector](#) was the market leader in 2020. Thus far, in 2021, it's the second-best performing sector (+29.65%) after energy (+35.92) and outperforms the broader market (+18.42%). However, Nuvei is the runaway leader with its +107.34% year-to-date gain.

Had you invested \$5,000 on September 20, 2020, your capital would have grown to \$17,474.54 today. Payment platforms are rising in popularity, and Nuvei is among the fastest-growing. The Canadian enables thriving brands to access global markets and manage all payment options through one integration.

In a nutshell, Nuvei unites payment technology and consulting. Its proprietary technology removes payment barriers and enhances businesses' pay-in and payout capabilities. Currently, the purpose-built technology platform supports more than 408 local and alternative payment methods. If your business is a participating merchant, you can capture payment opportunities.

Highly differentiated business model

Apart from North America, Nuvei operates in Latin America, the Asia -acific, and the EMEA (Europe, Middle East & Africa) region. Management cites five key factors that differentiate Nuvei's business model. The first is the single integrated platform, which paves the way for expansion into new markets.

Because of its focus on continued product innovation plus the depth and flexibility of its products and solutions suite, more merchants hook up with Nuvei. Likewise, customers can tailor-fit the solutions to their specific needs. Last, the focus on complex high-growth verticals effectively creates a moat around the businesses.

Strength and momentum

Nuvei's most recent quarterly results saw total volume, revenue, and adjusted EBITDA grow by 146%, 114%, and 112%, respectively. It's an incredible feat amid a challenging environment. Chairman and CEO Philip Fayer said the revenue and adjusted EBITDA results for Q2 2021 exceeded management's financial outlook and underscored the strength and momentum in the business.

The most notable highlight during the first half of 2021 was Nuvei's net income of US\$66.7 million. In the same period last year, the company lost US\$48.4 million. Given the strong year-to-date performance, management expects year-end revenue to be between US\$690 million and US\$705 million. The forecast is 84% higher than the actual revenue in the full year 2020.

Top buy today

Nuvei's recent agreement with casino operator Carousel Group and acquisition of Mazooma Technical Services should further expand its global footprint. The company is indeed scaling new heights. This fintech stock is the best buy today and no other, so please don't dilly-dally.

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