



Is Nuvei (TSX:NVEI) Stock a Good Buy Today?

Description

[Investing in technology](#) became a major trend for Canadian investors as the Canadian tech sector became the primary growth driver for the **TSX** last year as the industry tailwinds created by the pandemic led to several Canadian tech companies soaring to new heights.

This year, the broader stock market has also performed well, sending the **S&P/TSX Composite Index** consistently to greater highs than ever before. At writing, the benchmark index is at 20,821.43, up by 18.9% on a year-to-date basis.

Nuvei (TSX:NVEI) is now the fastest-growing Canadian tech firm that outperformed the broader market by significant margins. The stock is up by almost 113% at writing in the same time it took the market to rise by less than 20%.

The \$22.41 billion market capitalization tech firm has enjoyed terrific financial results this year, and the stock is up by over 230% since its initial public offering (IPO) in September last year.

You might be interested in investing in the stock if you don't already own Nuvei shares in your portfolio. Today, I will take a closer look at the stock to help you determine whether it is worth adding to your portfolio even after its [enormous rally](#).

Factors that led to its prolific performance

Nuvei is a Canadian fintech company that charges transaction fees to merchants for using its payment gateway. In a world where the e-commerce industry is booming, Nuvei's payment solution is in significant demand.

Nuvei recently completed its acquisition of Mazooma, a move that could expand the company's payment option portfolio into the U.S. The Canadian fintech firm also adopted the Alipay+ solution that connects global merchants to a greater number of e-wallet users, making cross-border payments more straightforward for merchants.

A strong performance in the second quarter of fiscal 2021 saw its management release upbeat guidance. The company's management expects its revenues to rise by 86% over its revenues in 2020. However, the guidance did not account for its recent acquisition of Simplex, another move that could send its revenues flying even higher.

Growth potential for Nuvei

From online retail to gaming platforms, Nuvei caters to a wide range of industry verticals with its payment gateway services. The online retail and broader e-commerce industry has grown significantly during the course of the pandemic and has plenty more room to grow further. Nuvei can capitalize on the trend and deliver substantial growth in the coming years.

Nuvei's integrated platform helps merchants accept more forms of payments in more currencies and across more markets than its competitors. It means that as the e-commerce industry grows, Nuvei's competitive advantages could allow it to derive more substantial growth and secure more recurring revenue streams.

Foolish takeaway

Considering all the factors that drove Nuvei stock's growth since its IPO last year and the massive growth potential that lays ahead for the Canadian tech firm, it undoubtedly seems like [one of the best growth stocks](#) to add to your portfolio if you are looking to invest in the fintech space.

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