



Nuvei (TSX:NVEI): Is the High-Growth Stock a Good Buy at Current Levels?

Description

Nuvei ([TSX:NVEI](#)) stock continued its terrific bull run on the stock market in style during 2021. From the start of the year to mid-September, Nuvei stock appreciated by over 142% on the stock market. The **S&P/TSX Composite Index** appreciated by 17.54% in the same period.

The Canadian tech firm clearly highlighted why [investing in technology](#) has become one of the best ways to get market-beating returns.

The broader stock market saw a dip immediately after mid-September. The Canadian benchmark index declined by over 2% in a matter of days. Nuvei stock also experienced the impact of the broader pullback, declining by 11.65% from its all-time high in 10 days.

At writing, the stock is trading for \$154.65 per share. Despite the over 11% decline over the previous week, its valuation is still in expensive territory. Today, I will discuss the stock to help you determine whether it is a [good growth stock](#) to add to your portfolio, especially after the recent pullback.

A stellar performance in the first half of 2021

The rising popularity of online shopping and digital payments have immensely benefitted the company, and during the first six months of the year, Nuvei managed to grow its top line to \$328.7 million, reflecting a 97% growth. The industry tailwinds continue to blow strongly in its favour, allowing the company to continue delivering stellar top-line growth.

The company's improved revenue growth, lower interest costs, and higher operating margins increased its adjusted EBITDA to \$115.7 million, reflecting a 105% growth. The company also generated \$139 million in operating cash flows, allowing it to amass a significant \$533.7 million to end its second quarter for fiscal 2021.

Growth potential

The ongoing growth of the e-commerce industry is working in favour of Nuvei, and the company is continuously working on expanding its offerings through innovative products that can help it capture a wider customer base. Organic growth has been a major driver for its stellar performance on the stock market. Nuvei has also made several acquisition deals that have expanded its presence in other markets worldwide.

The healthy growth prospects and a strong performance in Q2 2021 have seen the company's management raise its guidance for Q3 2021 and the overall fiscal year. Nuvei's management expects its revenues for fiscal 2021 to be between \$690 and \$705 million, while its EBITDA could grow at a CAGR of 50% in the long run.

Foolish takeaway

Nuvei stock has a forward price-to-sales multiple of 59.25, even after the recent pullback in its share price. It is an expensive stock to consider. However, analysts have a positive outlook on the company's prospects of growing into its expensive valuation and continue providing its investors with stellar shareholder returns.

Despite the decline in its share prices, the stock is up by a massive 235% since it began trading on the stock market just over a year ago. Volatility in the broader market could cause the stock to underperform in the short term. However, the \$22.58 billion market capitalization stock could be an ideal asset to consider for your portfolio if you have a [long investment horizon](#).

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adamothonman

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