



\$1,000 Invested in Nuvei (TSX:NVEI) Last Year Is Worth This Much Today

Description

There are very few tech multi-bagger stocks in Canada as there are south of the border. Canadian fintech company **Nuvei** ([TSX:NVEI](#)) entered that catalogue this year. Notably, a \$21.5 billion payment-processing company is in great shape after recently completing its listing anniversary late last month.

Nuvei stock has notably outperformed markets in 2021

Shopify holds the throne among the tech biggies with a 5,350% return so far after going public in 2015. **Lightspeed Commerce** has also created robust shareholder wealth in the last few years. Since 2019, it has returned almost 700%.

Nuvei is the latest among these three that went public in September last year. Nuvei priced its IPO at \$26 and has returned 500% so far. If you'd invested \$1,000 in Nuvei's [IPO](#) last year, you would have accumulated almost \$5,923 today.

Nuvei acts as a payment processor for companies spanned across a range of verticals. From crypto platforms to travel websites and from e-commerce to regulated online gaming, Nuvei values its total addressable market at over US\$13 trillion.

Nuvei earns its revenues by charging transaction fees to merchants. It also makes money from value-added services like analytics and insights to merchants.

Nuvei's integrated platform lets merchants accept payments in more currencies in more markets. Even if it operates in the industry with no barriers to entry, competitors could stay at bay because of its expertise in complex verticals like online betting. Moreover, its exposure to several verticals enables revenue and earnings stability in the long term.

Operational and financial growth

As more and more shoppers have turned to online shopping since last year, payment processors like

Nuvei have seen a significant increase in revenue contributions from their e-commerce verticals. Interestingly, the company management expects the momentum to continue and has given upbeat revenue guidance for 2021.

Since 2017, Nuvei's revenues have grown by 52% compounded annually. That's certainly a handsome growth for a tech stock. Notably, it has also managed to keep the gross profit margins fairly stable over the years.

As earlier stated, Nuvei sees its addressable market at US\$13.3 trillion. Of which it generates annual revenues of around US\$700 million, indicating [huge growth potential](#) in the long term. The company expects revenues to grow by 30% CAGR in the medium term.

It has been aggressive on the [acquisitions](#) front in 2021. It announced or completed the acquisitions of Mazooma, Simplex, and Paymentez so far this year.

Investors can expect strong revenue growth driven by contributions from these buys in the next few quarters. Additionally, we can see more of such acquisitions in the near future, given Nuvei's expanding balance sheet.

Bottom line

Driven by all these positives, NVEI stock has risen 125% so far this year. The stock certainly is expensive and is trading 31 times its 2021 revenues. It is currently trading at \$154 and has dropped 15% from its all-time high last month. So, despite looking overvalued, bulls might return to this high-growth tech stock given the recent correction.

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2. Tech Stocks

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