



\$1,000 in Nuvei (TSX:NVEI) Stock Would Be Worth This Much in 6 Months

Description

Nuvei ([TSX:NVEI](#)) has been one of the best-performing stocks this year. If you'd invested just \$1,000 in this opportunity six months ago, it would be worth \$1,800 today. That's 80% in just about half a year.

The stock has also more than tripled in value since going public last year. This impressive performance has everything to do with the company becoming a big player in the payment sector. A sector that, in my view, is well positioned for the economic upheavals of the year ahead.

Here's a closer look at what's driving Nuvei stock and why this ticker should be on your radar for 2022 too.

Inflation hedge

One of the key reasons for Nuvei's outperformance, despite the slump in the tech sector, is its business model. Payment processors benefit from inflation as merchants raise prices. Higher transaction volumes translate to more revenue and better profits. That's evident in Nuvei's recent earnings reports.

Nuvei's growth metrics

In addition to being a global payment technology company, Nuvei also provides intelligence and data that helps enterprises accelerate decision-making processes. Its proprietary payment data platform is currently in use in [204 markets worldwide](#).

The most recent earnings report has all but affirmed why Nuvei is a force to reckon with in the burgeoning digital payment space. The company registered a 146% year-over-year increase in total transaction volume to \$21.9 billion, with quarterly revenue increasing by 114% to \$178.2 million. Revenue in the first two quarters of the year was up 97% compared to the same period last year.

As other growth companies grappled with losses, Nuvei posted a 112% increase in EBITDA to \$79.4

million. Nuvei sales increased from \$245 million in 2019 to \$375 million in 2020 and are now projected to touch record highs of \$918 million next year. The expected growth comes on the expansion of a suite of solutions that continue to drive sales higher.

Acquisition drive

The impressive performance also stems from strategic acquisitions that have only strengthened Nuvei's competitive edge in the payment sector. The acquisitions have also affirmed that the company is well positioned to grow through an aggressive merger and acquisition strategy. One of its most recent acquisitions is Simplex; it expands its footprint into the cryptocurrency payment space

Nuvei stock trades at a forward price-to-earnings (P/E) multiple of 56. However, that is expected of a company growing at such an impressive pace. The stock is also cheap considering **Sangoma Technologies** is trading with a P/E of 105, while **Lightspeed Commerce** is yet to turn a profit.

Additionally, the company has returned over 200% since going public, affirming its ability to generate shareholder value. As it stands, Nuvei is a buy-back play on any pullback after the recent price spike.

Bottom line

Nuvei stock is up 80% in just six months, as transaction volumes and revenues surge. Nevertheless, it's still fairly valued when compared to other digital payment processors or when adjusted for its growth rate. In short, this growing tech stock should be on your radar for the year ahead.

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