



Should You Buy Nuvei (TSX:NVEI) Stock Now?

Description

Short-seller reports continue to take aim at Canadian tech stocks with the latest one targeting **Nuvei** ([TSX:NVEI](#)) ([NASDAQ:NVEI](#)).

Nuvei's share price was already under pressure in recent weeks amid the broader pullback in the tech sector and is now down significantly from the 2021 high as a result of the negative report. Investors with a contrarian investing style are wondering if Nuvei is now [undervalued](#) and a good stock to buy.

What does Nuvei do?

Nuvei's goal is to "make the world a local marketplace." The Montreal-based company is a payment technology firm providing businesses around the world with solutions that enable them to easily receive payment from global customers.

The company operates in 204 global markets helping 50,000 customers via 500 payment methods, including 150 currencies.

The business is an end-to-end payment platform that implements leading payment technologies. Solutions include online payments, mobile payments, in-store payments, omnichannel payments, and cryptocurrency payments, as well as alternative payment methods.

Nuvei stock price

Nuvei went public in September 2020. The stock rose from \$46 shortly after the IPO on the TSX to above \$170 per share in September 2021. The share price has steadily pulled back over the past two months. It was as low as \$115 in recent days before the latest hit.

A negative [report](#) from Spruce Point Capital then sent the shares plunging to \$55 on December 8. The stock finished the day near \$73.

Financial results

Nuvei reported Q3 results that exceeded the outlook the company had previously given and raised its outlook for full-year 2021.

For the first nine months of 2021 Nuvei saw total volume increase by 119% to US\$64.1 billion. Revenue increased by 97% to US\$512.7 million and net income came in at US\$94.7 million compared to a loss of US\$126.2 million in the same period last year.

The updated full-year 2021 revenue outlook is for US\$717 to \$723 million compared to the previous outlook of US\$690-US\$705 million. Adjusted EBITDA is expected to be US\$312-316 million for 2021 compared to the previous outlook of US\$295-305 million.

Nuvei's growth goals over the medium term are for better than 30% growth in total volume and revenue, and 50% adjusted EBITDA margin growth.

The company continued to make strategic acquisitions in the third quarter and added several new customers in the online gaming and sports betting segments. The business also added multiple new alternative payment methods, boosting the portfolio to more than 500 at the end of the quarter.

Should you buy Nuvei on the dip?

Fans of the company and its growth potential might consider taking advantage of the steep drop in the share price to start a position in Nuvei stock. Based on the Q3 and year-to-date results, the company is growing at a decent pace and the international payments segment has significant growth potential in the coming years. If the market decides the pullback is overdone, the stock could deliver some big gains for new investors in the coming days and weeks.

That being said, ongoing volatility should be expected, and new investors should be prepared for possible additional downside. Sometimes stocks rocket higher after these events and other times they continue to hit new lows.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. aswalker
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/07/19

Date Created

2021/12/09

Author

aswalker

default watermark

default watermark