



## Why Nuvei (TSX:NVEI) Stock Jumped 3% Last Week

### Description

**Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a Montreal-based company that provides payment technology solutions to merchants and partners in North America and around the world. Today, I want to look at how this [top tech stock](#) has performed, as we look to close out the month of January. Is it worth buying, as it continues to recover from a devastating short attack? Let's jump in.

### Nuvei stock looked solid over the past week

Shares of Nuvei stock increased 3.1% week over week as of close on January 28. In the middle of January, I'd [discussed](#) the momentum its shares were gathering to kick off the new year. Still, the stock is down 9.2% so far in 2022.

This tech stock has absorbed sharp losses since last 2021. Should investors expect this to continue?

### Here's why the short report is about to be tested

The catalyst for Nuvei's sharp dip was a short report from Spruce Point Capital Management. A few months earlier, the firm took aim at another tech company: **Lightspeed Commerce**. In both instances, Spruce Capital spurred a steep selloff, as the respective reports lobbed disturbing allegations at these companies.

In the short report, Spruce Capital alleged that Nuvei is helmed by characters who had previously been embroiled in questionable business practices. It stated that Allan Lacoste, hired on as a merchant services expert at Nuvei, played a role in a multi-million-dollar fraud. That said, its source included a YouTube exposé.

Beyond the attacks on the company's personnel, Spruce Capital also alleges that Nuvei is overstating its growth trajectory. The report said that Spruce Capital found evidence that Nuvei delivered virtually no organic growth between 2010 and 2018. Moreover, it has cast a shadow over the company for its alleged lack of transparency.

Nuvei would go on to challenge the report as "intentionally misleading" in the days that followed. The company reaffirmed its full-year and long-term growth targets.

## Should you buy Nuvei stock today?

Back in late 2020, I'd discussed why millennials should [target Nuvei](#) for the long haul. Despite the short report, I'm still interest in this tech company. That same year, Grand View Research projected that the global payment-processing solutions market is expected to grow at a CAGR of 14.5% from 2020 through 2027.

Investors can expect to see Nuvei's final batch of 2021 earnings in early March. In Q3 2021, the company delivered total volume growth of 88% to \$21.6 billion. Meanwhile, it delivered revenue growth of 96% to \$183 million. Moreover, adjusted EBITDA climbed 97% year over year to \$62.3 million.

For the year-to-date period, the company reported revenue of \$512 million — up 97% from the previous year. Adjusted EBITDA rose 102% to \$225 million.

Shares of this tech stock are trading in favourable value territory at the time of this writing. It is still set to deliver very strong earnings growth in the quarters ahead, if we assume its projections pan out. I'm still looking to snatch up Nuvei stock as we move into February.

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2. Tech Stocks

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