



## Why Nuvei Stock Rose 7% Last Week

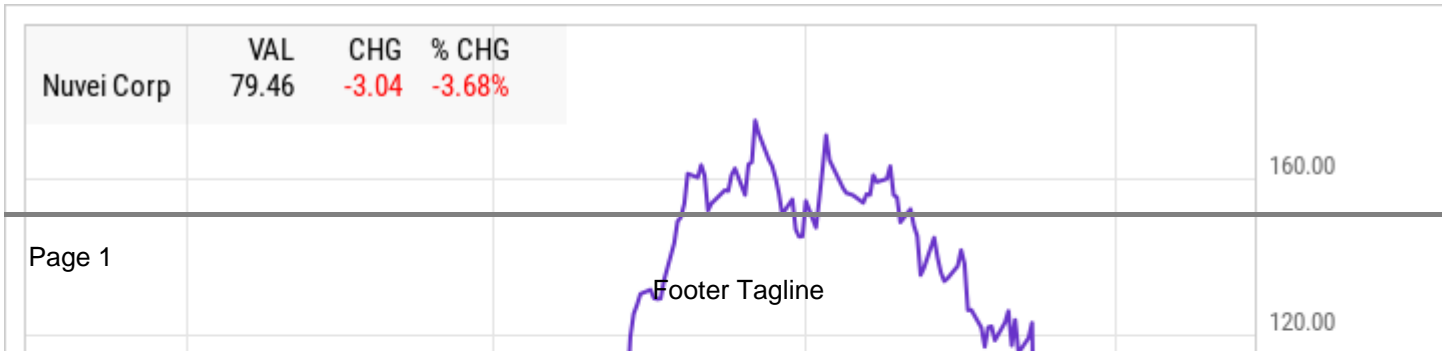
### Description

If you just look at **Nuvei's** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) short-term price, it might seem like it's moving up or down a lot in a day or week. In the last week, Nuvei stock rose 7%, as shown below.



TSX:NVEI data by YCharts

If you look at a longer-term chart of, say, one year, you'll notice that Nuvei stock has been basing after the infamous tech stock market crash in late 2021.



TSX:NVEI data by YCharts

## Nuvei's short report

Nuvei stock may have been punished more harshly by the tech stock selloff, because of the Spruce Point Capital [short report](#). One point brought up by Spruce Point was there was "evidence that Nuvei has experienced declining North American organic growth." It provided screenshots that the company went from serving more than 90,000 merchants in July 2017 to only 70,000 by March 2019. However, it seems the company has also since captured larger-scale merchants into its electronics payment network.

If Nuvei could provide more insight, such as grouping its merchants by revenue distribution and providing the percentage of each category, say, from less than \$5 million to more than \$1 billion, it may put some investors at more ease.

Additionally, Nuvei is a global company now, so its focus on its North American results may have been turned down a notch. As of Q3 2021, its network covered more than 200 global markets, supported more than 500 local and alternative payment methods, about 150 currencies, and 40 cryptocurrencies, allowing merchants to capture every payment opportunity that comes their way.

5i Research provided the following comment in December 2021:

"A short report came out and the stock sold off sharply. Usually, these short reports are skewed to look as bad as possible. None of the allegations are proven at this time. Just because a stock is down, it does not mean the report is valid."

## Is the Nuvei stock selloff valid?

Many high-multiple tech stocks sold off, and they weren't depressed from short-seller reports. Some pundits believe multiple compressions were happening to these tech stocks because of liquidity leaving the financial markets due to rising interest rates. This environment encourages investors to transfer money from higher-risk investments to lower-risk ones.

Going forward, it's a matter of Nuvei's execution. If it continues with its business as usual and releases solid financial results, the tech stock will eventually turn around.

For now, Nuvei has medium-term +30% annual growth for total volume and +30% annual growth for revenue. Furthermore, it has a long-term target of +50% adjusted EBITDA margin. For reference, its year-to-date total volume growth was 119%, revenue growth was 97%, and the adjusted EBITDA margin was 44%.

## What investors are waiting for

Cautious investors are probably still waiting on the sidelines for [Nuvei stock](#). They could be waiting for news next month to gain greater clarity on the company's outlook. First, Nuvei will report its fourth-quarter and full-year 2021 results on March 8. Second, it will be hosting a Capital Markets Day on

March 28 when management will provide insights and an update on the business, its solutions, and market opportunities.

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2. Tech Stocks

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kayng

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