



## Why Nuvei Stock Dropped 5.9% 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. Shares of Nuvei stock dropped 5.9% last week. However, its stock was up 4.4% to start today's trading session. This has pushed the [tech stock](#) into positive territory in the year-over-year period. Today, I want to discuss what is behind its [recent performance](#). Moreover, I want to revisit the short report that sunk its shares in the final month of 2021.

### Why did Nuvei stock plummet last week?

Shares of this tech stock were hit by volatility during the brief market dip in the middle of the previous week. Fortunately, Nuvei managed to bounce back along with the broader market. This does not mean investors are out of the woods. Markets opened to volatility on February 28, as NATO allies ramped up economic pressure on Russia. In response, Russian president Vladimir Putin heightened the country's nuclear readiness.

In this environment, Nuvei stock may be subject to more turbulence than usual due to broader fluctuations. Meanwhile, investors are still digesting the short report that plunged the tech stock into a tailspin back in December 2021.

### How has the company looked after the damaging short report in 2021?

Back in December 2021, Nuvei was targeted in a short report by Spruce Point Management. The 119-page report targeted two company executives that had been involved in criminal and civil proceedings. Moreover, it alleged that Nuvei had neglected to disclose new merchant additions or the churn in merchants on a quarter-by-quarter basis. Investors may remember that similar allegations were thrown at Shopify by another prominent short-seller in the previous decade.

Investors can expect to see this company's final batch of 2021 earnings on March 8, 2022. In the third quarter of 2021, Nuvei delivered total volume growth of 88% to \$21.6 billion. Meanwhile, revenue increased 96% to \$183 million. Adjusted EBITDA climbed 97% year over year to \$80.9 million. Moreover, adjusted net income more than tripled to \$62.3 million.

The company now has something to prove in the wake of a short report that dealt major damage to its stock valuation. Indeed, Nuvei stock is down 56% over the past six months. Management will aim to inject new confidence with the next quarterly report. Should investors jump on this tech stock ahead of this date?

## Is Nuvei stock worth buying ahead of March?

Back in the fall of 2021, I'd [discussed](#) this tech stock's impressive performance since the beginning of the COVID-19 pandemic. Shares of this tech stock are trading in favourable value territory compared to its industry peers. Better yet, it has reaffirmed its strong growth guidance going forward. Nuvei has recently achieved profitability, and it has a strong balance sheet. I'm still looking to snatch up this tech stock ahead of its final batch of 2021 results.

### CATEGORY

1. Investing
2. Tech Stocks

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aocallaghan

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