



Could Nuvei Stock Rally After its Q4 Earnings Event Tomorrow?

Description

Shares of **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) continue to slide this month, as [the ongoing Russia-Ukraine conflict](#) has intensified the tech sector selloff. The war has increased uncertainties about the global economic outlook — badly hurting tech investors' sentiments. Before we take a closer look at Street analysts' expectations from Nuvei's upcoming earnings event [scheduled](#) for March 8, let's quickly review its recent stock price movement.

Nuvei stock continues to fall

Last week, Nuvei stock fell by 10.2% to \$60.56 per share against a 1.4% rise in the **TSX Composite Index**, marking its third consecutive week of losses. With this, NVEI is now down by 26% on a year-to-date basis. Meanwhile, its home market peers like **Shopify** and **Lightspeed Commerce** have seen 56% and 44% value erosion in 2022, respectively.

Notably, it's the second consecutive quarter when Nuvei stock is continuing to fall sharply. Previously in Q4 2021, it lost about 44% of its value after a New York-based short-seller, Spruce Point Capital, severely criticized the company and its management in its latest report. Released in early December, the report not only made vague allegations on Nuvei, but also made personal attacks on its top leadership, including its CEO. While the allegations made in Spruce Point's short report are unlikely to affect Nuvei's growth outlook, they certainly did hurt investors' sentiments, triggering a massive selloff in its stock.

In early 2022, Nuvei stock continued to slide down, as rising inflation and speculations about tightening monetary policy led to a tech sector-wide crash. The recent Russian invasion of Ukraine is also making investors nervous and not letting tech stocks recover, including NVEI.

Nuvei's Q4 earnings event

Nuvei will announce its latest quarterly results on Tuesday before the market opening bell. Street analysts expect the ongoing strength in its financial growth trends to continue. According to the latest

estimates, Nuvei is expected to report a more than 80% year-over-year jump in its revenue to US\$209.2 million. Similarly, its December quarter earnings are expected to be around US\$0.45 per share, showcasing 36.5% positive growth from a year ago.

With this, the Canadian tech company's earnings for the full year 2021 are expected to double from a year ago to US\$1.67 per share with the help of a 92% positive growth in its top line.

Could Nuvei stock rally after its Q4 earnings?

If we observe closely, the recent massive drop in Nuvei stock has primarily been driven by external factors so far. Whether we talk about Spruce Point's short report, the recent tech meltdown, or the ongoing Russia-Ukraine war, none of these external factors should affect Nuvei's long-term growth potential.

Given that, if Nuvei manages to beat its Q4 earnings estimates by a big margin tomorrow, its latest earnings event could act as a catalyst to initiate a long-term recovery in its stock. On the flip side, the ongoing geopolitical tensions still have the potential to keep NVEI stock under pressure in the short term and delay the expected recovery.

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2. Tech Stocks

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