



Why Nuvei Stock Popped 11% on Tuesday

Description

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) [released](#) its earnings report for the fourth quarter of 2021 on Tuesday morning before the market opening bell. After reporting its upbeat Q4 results, NVEI stock jumped by well more than 10% to as high as \$63.29 per share this morning, despite sideways broader market movement.

Nuvei stock price jumps 10% on Q4 earnings beat

Here are the key highlights from Nuvei's Q4 financial results:

Nuvei reported total revenue of US\$211.9 million, showcasing nearly 83% YoY (year-over-year) increase and beating estimates of US\$209.2 million by a narrow margin.

The Canadian payment technology provider reported a solid 78.2% YoY jump in its adjusted EBITDA to US\$91.5 million with a strong margin of about 43.1%.

Nuvei's adjusted earnings for the quarter stood at US\$0.47 per share — up 42.4% YoY and also slightly higher than Street's estimate of US\$0.45 per share.

Its solid Q4 financial performance could be the key reason why [NVEI stock rallied by nearly 10% today](#).

Key takeaways from Nuvei's Q4 earnings

In Q4 2021, Nuvei's revenue in Europe, the Middle East, and Africa segment jumped by 170% YoY to US\$127.9 million, boosting its overall top-line growth. During the quarter, the company expanded local card acquiring capabilities and enhanced its payment capabilities in the United Arab Emirates, which could be one of the reasons for its solid performance in the Middle East.

Also, Nuvei continues to focus on the international market expansion. In line with its expansion plans, Nuvei "secured licences with Visa in Hong Kong and Singapore." Similarly, it enabled smart routing

technology of payments in the United Kingdom and Europe — enhancing its global payment capabilities.

Nuvei's management is confident about the future growth

In its Q4 report, Nuvei's founder and CEO Philip Fayer highlighted how the company managed to exceed its financial outlook in 2021 and showed confidence in its future growth potential. While commenting on Nuvei's expansion efforts, Fayer noted, "we have made tremendous progress while investing in our flexible, scalable, modular technology platform to address the rapidly evolving global and local needs of our customers."

He considers "product innovation, growth with existing customers, attracting new customers, and acquisitions" as four key pillars of the company's strategic priorities to accelerate growth.

Nuvei's strong growth outlook

Encouraged by its solid financial performance, Nuvei expects to total revenue to be in the range of US\$ 208-214 million in Q1 2022 — showcasing a strong growth over its Q1 2021 revenue of nearly US\$150 million. Similarly, the payment services company expects its adjusted EBITDA in Q1 to be in the range of US\$82-85 million — much stronger compared to its adjusted EBITDA of US\$65.5 million in the first quarter of 2021.

Overall, Nuvei expects "to accelerate its investment in distribution, marketing, innovation, and technology." While these positive factors have triggered a rally in Nuvei stock, the ongoing geopolitical tensions could keep NVEI highly volatile in the near term.

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