



## Why Nuvei Stock Jumped 16% Last Week

### Description

### What happened?

Last week, **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) stock staged a sharp rally to touch its highest level since February 17, despite the broader market's mixed movement. [NVEI stock](#) ended the week at \$70.49 per share with solid 16.4% gains against a minor 0.3% rise in the **TSX Composite Index**. Last week's sharp rally helped Nuvei stock trim its year-to-date losses to 14% and enter the positive territory on a month-to-date basis.

### So what?

On March 8, Nuvei [announced](#) its latest quarterly results. In the fourth quarter of 2021, the Canadian payment technology company registered a sharp 82.8% YoY (year-over-year) rise in its total revenue to around US\$212 million — also exceeding analysts' consensus estimates. Interestingly, e-commerce made up nearly 88% of its total revenue in the last quarter. Growing demand from the e-commerce sector helped the company post stronger volume, leading to a 42.4% YoY rise in its adjusted earnings to US\$0.47 per share in the December quarter.

In the full year 2021, Nuvei's total volume jumped by 121% from the previous year to nearly US\$95.6 billion — clearly reflecting its rapidly expanding business. On the profitability side, its adjusted EBITDA jumped by 95% YoY last year to about US\$317 million. In addition, Nuvei's strong 2022 outlook helped the company regain investors' confidence, triggering a buying spree in NVEI stock last week.

### Now what?

Nuvei has been among the worst-performing TSX tech stocks since the New York-based short-seller Spruce Point Capital slammed the company and its management in early December. Back then, Spruce Point's short report highlighted "40% to 60% downside risk" in Nuvei stock, hurting investors' sentiments, which led to a massive selloff.

Despite last week's sharp recovery, the stock has lost nearly 57% of its value in the last four months. Given its consistently strong financial growth performance and solid outlook, this selloff has made Nuvei stock look really cheap. I expect the ongoing Russia-Ukraine crisis and interest rates hikes to keep the broader market highly volatile, which could continue affecting NVEI stock price movement in the near term. Nonetheless, any near-term dip in this amazing Canadian growth stock could be an opportunity for long-term investors to buy it at a bargain.

### **CATEGORY**

1. Investing
2. Tech Stocks

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