



## Nuvei (TSX:NVEI): This Top Tech Stock Is Still Undervalued

### 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. Back in January 2022, I'd looked at how this top [tech stock](#) had [performed](#) to open the year. Today, I want to discuss why investors may want to jump on this stock today.

### How has Nuvei performed so far in 2022?

Shares of this top tech stock have [dropped 6.2%](#) in 2022 as of mid-morning trading on April 26. Nuvei stock has plunged 12% in the year-over-year period.

The company's stock took a major hit after it was targeted by a short report in December 2021. At the time, Spruce Point Management alleged that the company had inflated its growth projections. For its part, the company was quick to call the short report "intentionally misleading." In any case, the tech stock was throttled in the trading days that followed.

### Should investors be encouraged by its recent earnings release?

Nuvei unveiled its fourth-quarter and full-year 2021 earnings on March 8, 2022. In Q4 2021, the company delivered revenue growth of 83% to \$211 million. Meanwhile, total volume jumped 12% year over year to \$31.5 billion. Better yet, the company achieved adjusted EBITDA growth of 78% to \$91.5 million.

This quarter was very encouraging after the company had been hit by bad news in late 2021. It continued to deliver on strong revenue and earnings growth. Meanwhile, it released a financial outlook that projected revenue growth between 30% and 35% for fiscal 2022.

In 2021, the company achieved total volume growth of 121% to \$95.6 billion. Revenue jumped 93% to \$724 million. Moreover, cash flow from operating activities increased 182% to \$266 million. On the business front, Nuvei expanded its payment capabilities in Latin America. It delivered on further

international expansion and is set to play a role, as Ontario prepares to roll out regulated online gaming and sports betting.

## Here's why Nuvei looks undervalued in late April

Back in 2020, MarketsAndMarkets unveiled a report on the future of the payment-processing solutions market. It estimated that the market was worth US\$74.4 billion in 2020. Meanwhile, it projected that the market would grow to US\$120 billion by 2025. This would represent a CAGR of 10% over the forecast period. Investors should be eager to get in on tech stocks that offer exposure to this space.

Nuvei's most recent earnings report has inspired some much-needed optimism after it suffered from the short report in 2021. However, the company still has a lot to prove going forward.

Shares of this top tech stock are trading in favourable value territory compared to its industry peers. It last had an RSI of 39, which puts Nuvei just outside technically oversold levels. That said, this company is still on track for very strong earnings growth going forward. Better yet, it has recently achieved profitability. I'm still looking to snatch Nuvei up even in this choppy market.

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