



## 3 Mid-Cap Stocks That Could Deliver Superior Returns in the Long Run

### Description

Mid-cap companies have their market capitalization falling between \$2 billion and \$10 billion. These companies are less risky than small-cap stocks while possessing higher growth potential than [large-cap stocks](#). So, investors who want to enjoy the best of both worlds can buy the following three mid-cap stocks.

### Nuvei

Amid the weakness in the tech space and a short report from Spruce Point Capital Management, **Nuvei** ([TSX:NVEI](#))([NASDAQ:NVEI](#)) has lost close to 75% of its stock value compared to its 52-week high. The sharp correction has dragged its NTM [price-to-earnings](#) multiple down to an attractive 16.1.

Meanwhile, Nuvei continues to drive its financials with its revenue and adjusted EPS growing by 42% and 31.5% in the first quarter. Amid the rising popularity of digital payments, the company continues to add new alternative payment methods (APM), increasing its portfolio to 550 APMs. It is also expanding geographically and introducing new innovative products to expand its customer base and increase average revenue per customer. Also, it has accelerated its investment in distribution, marketing, innovation, and technology.

The online betting market is expanding amid increased legalization. The company is broadening its portfolio of partners in the United States to drive growth. So, given its growth initiatives and discounted stock price, I expect Nuvei to deliver superior returns in the long run.

### Lightspeed Commerce

Second on my list is **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), which has also witnessed a selloff over the last few months and trades over 80% lower than September highs. The expectation of growth slowing down amid the reopening of the economy, multiple rate hikes, and a short report from Spruce Point Capital Management have dragged the company's stock price down. Amid the pullback, the company's NTM price-to-sales multiple has declined to 4.5, which is lower than its historical

average.

Meanwhile, the secular shift to online shopping has created a long-term growth potential for Lightspeed Commerce. Amid the expanding addressable market, the company is expanding its product offerings, venturing into new markets, and making strategic acquisitions to drive growth. Last month, it launched a new B2B platform, which provides North American merchants with a seamless order and sales experience. So, the company's growth potential looks healthy.

## BlackBerry

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is my final pick, which reported better-than-expected first-quarter earnings last month. Supported by the strong performance from its IoT segment, the company beat analysts' revenue expectations by \$8 million.

Meanwhile, the company could continue to benefit from the growing demand for advanced driver-assistance systems and digital cockpits. Its IVY platform could be a substantial growth driver in the coming years, as it has already received several requests to develop proof-of-concept from OEMs.

The rising demand for cybersecurity solutions amid digitization and remote working and learning has expanded the addressable market for BlackBerry. Amid the increasing competition, the company looks to strengthen its market share through innovative product offerings, increasing headcount, and strengthening its distribution channels. Given its growth initiatives, BlackBerry's management expects its revenue to grow at a CAGR of 13% through 2027, while its operating margin could expand by 100 basis points annually for the next five years.

Despite its healthy growth potential and improving financials, BlackBerry is trading at over 50% lower than its 52-week highs, making it an attractive buy.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. NYSE:BB (BlackBerry)
3. NYSE:LSPD (Lightspeed Commerce)
4. TSX:BB (BlackBerry)
5. TSX:LSPD (Lightspeed Commerce)
6. TSX:NVEI (Nuvei Corporation)

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#### **Date**

2025/06/29

#### **Date Created**

2022/07/05

#### **Author**

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