



1 TSX Stock to Buy in the Market Sell-off That Could Make You a Millionaire

Description

The stock market is extremely volatile in 2022. Most companies are exposed to macroeconomic challenges such as rising inflation, interest rate hikes, the threat of an upcoming recession, supply chain disruptions, and the Russia-Ukraine conflict.

As a result, several [tech stocks](#) touched 52-week lows in June before recovering a portion of these losses last month. Many growth stocks trading at record highs in November 2021 are now available at a massive discount, considering their historical valuations.

But the ongoing carnage allows you to buy quality growth stocks at a cheaper multiple. One such fundamentally strong tech stock is **Nuvei** ([TSX:NVEI](#))(NYSE:NVEI), which is currently valued at a market cap of \$6.3 billion.

Nuvei is a global payments provider that has lost over 44% in 2022. It has merchants across the globe and connects businesses to their customers in more than 200 markets. The payments processor deals in over 150 currencies while providing 550 alternative payment methods, including cryptocurrencies.

The total transaction value in the digital payments market is expected to hit \$8.5 trillion in 2022, according to Statista. These numbers should keep growing as the shift towards e-commerce continues to accelerate in the upcoming decade, making Nuvei a solid long-term bet right now.

How did Nuvei perform in Q1 of 2022?

In May, Nuvei reported its numbers for Q1. Its revenue increased 43% year-over-year to US\$214.5 million. Organic sales accounted for US\$198 million, while adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) stood at US\$91.6 million.

A company's adjusted EBITDA provides investors with a more accurate measure of its cash flows. Its operating cash flow surged 23% to US\$65.7 million, and Nuvei ended the March quarter with US\$735 million in cash.

For Q2 2022, scheduled to be reported on August 9, Nuvei forecast sales between US\$217 million and US\$223 million while an adjusted EBITDA is estimated between US\$88 million and US\$91 million. Analysts are currently more bullish, expecting sales to increase by 42% year-over-year to US\$282.84 million in the quarter. Over the same period, adjusted earnings per share are forecast to widen by 10% to US\$0.60 per share.

Nuvei expects payment volume and revenue to expand at a compound annual growth rate of 30% in the medium term.

Nuvei is focused on expanding its ecosystem

Nuvei has been consistently building its partnerships in the digital space. The last month has seen it extend its collaboration with Eyas Gaming in the U.K. Further, a Prague-based multi-wholesale supplies company, B2B medical equipment retailer, and Canadian food tech provider WeCook have also chosen Nuvei as their digital payments partner in July.

However, there is one headwind that Nuvei will have to battle before it can derive market-beating gains for shareholders. It supported 136 cryptocurrencies and 97 fiat currencies as of March 31, 2022. With digital assets dropping like flies, Nuvei could face several challenges on this front.

Nuvei stock is currently priced at \$44.76, and analysts have a 12-month average price target of \$108, indicating an upside potential of 140%. If the stock reclaims record highs by the end of 2023, investors could see their portfolio value increase by 300%.

CATEGORY

1. Investing
2. Tech Stocks

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