



The 1 Best Canadian Tech Stock I'd Buy This Week

Description

[Canadian tech stocks](#) continue to be highly volatile in 2022, as concerns about high inflationary pressures and rising interest rates make investors nervous. While the recently released cooler-than-expected U.S. inflation data for July initiated a tech sector-wide recovery, global economic uncertainties along with the ongoing second-quarter (Q2) earnings season are hurting the recovery in many quality high-growth stocks from the tech sector.

In this article, I'll talk about one of the best Canadian tech stocks long-term investors can consider buying this week after its recent drop.

One top Canadian tech stock to buy this week

Nuvei ([TSX:NVEI](#))([NASDAQ:NVEI](#)) is a Montréal-based payment technology solutions provider with a market cap of about \$6.4 billion. Its stock currently trades with 45% year-to-date losses against a 4.9% decline in the **TSX Composite** benchmark.

On August 9, this tech stock tumbled by 21.4% to \$42.50 per share after the company [announced](#) its second-quarter results. During the quarter, Nuvei's total revenue rose by 18.6% YoY (year over year) to US\$211.3 billion, missing analysts' estimate of around US\$220.7 million. Its revenue miss could be one of the key reasons triggering a massive selloff in its stock after its earnings release. Nonetheless, I find its stock even more attractive after this steep drop. Let me talk about some other key highlights from its latest quarterly earnings report to explain why.

The strong financial growth trend is still intact

While Nuvei missed Street's sales estimate by a narrow margin in the last quarter, its total revenue rose by 24% YoY at constant currency to around US\$220.7 million — at par with analysts' expectations. Similarly, its total volume witnessed a 44% YoY jump in the last quarter at constant currency. Clearly, an unfavourable foreign exchange movement due to external macro factors affected the company's top-line growth in the last quarter.

The ongoing global economic uncertainties and unexpected currency headwinds forced Nuvei to trim its financial outlook for the remainder of the year. Nonetheless, the company still remains confident in achieving its medium- to long-term goal of US\$1 billion in annual revenue. It implies that these external factors, which are likely to impact its top line in the ongoing year, haven't changed its medium- to long-term financial growth goal. Given that a massive crash in NVEI stock after its recent earnings event makes it look [undervalued](#).

Moreover, Nuvei managed to exceed Street's earnings expectations in the last quarter, despite facing currency headwinds. It reported adjusted earnings of around US\$0.51 per share, representing 15.9% YoY positive growth and about 9.3% higher than estimates.

Strengthening demand trend

In recent years, Nuvei has accelerated its focus on global business expansion. In the first quarter of 2021, it added support for about 40 cryptocurrencies to its payment solutions, which increased the pace of its customer acquisition. The company currently has customers in over 200 markets across the world with the support of 150 currencies and more than 550 alternative payment methods.

Given the consistently rising demand for e-commerce and secure digital payments solutions worldwide, I expect Nuvei to meet its medium- to long-term targets much sooner than expected, which should help this tech stock yield outstanding returns.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NASDAQ:NVEI (Nuvei Corporation)
2. TSX:NVEI (Nuvei Corporation)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News

9. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/20

Date Created

2022/08/15

Author

jparashar

default watermark

default watermark