



## Nuvei Stock Lost 58% in 2022: Does That Make It a Deal Today?

### Description

Last year was tough for growth stocks, including **Nuvei** ([TSX:NVEI](#)), which lost around 58% of its stock value. Rising interest rates, an expensive valuation, and uncertain economic outlook had dragged the company's stock price down. However, the company has made a solid start to 2023, with its stock price rising 23.4% year to date.

Last week, Nuvei announced that it has started working on acquiring Paya Holdings, an integrated payment and commerce solutions provider in the United States. The announcement appears to have increased the company's stock price. Despite the surge, it still trades at a discount of 57% compared to its 52-week high. So, as the stock begins to recover, I believe it is an excellent time to start accumulating the stock.

Let's look at three top reasons to buy Nuvei.

### Nuvei's Solid performance in 2022

Despite the challenging environment, Nuvei continued to post solid performance last year. [Revenue](#) and total volume grew by 22% and 36%, respectively, in the first nine months. New product launches, expansion of its products into new markets, strengthening its platform architecture and infrastructure to support higher transactions per second, and adding new alternative payment methods drove its topline.

Despite the revenue growth, the company's net earnings declined by 44% to \$52.6 million, mainly due to a surge of \$83.4 million in its share-based payments. However, by removing one-time items, the company's adjusted net income increased by 16% to \$206.2 million. It also generated adjusted EBITDA (earnings before interest, tax, depreciation, and amortization) of around \$266 million, representing year-over-year growth of 18%. With the company closing the quarter with a cash balance of \$754 million, I believe it is well-positioned to support its upcoming growth initiatives.

### Nuvei's healthy growth prospects

The popularity of digital payments is growing amid the increasing penetration of internet services and adoption of omnichannel selling models. Meanwhile, *Precedence Research* expects the digital payments market to reach US\$375 billion by 2030, representing an annualized growth of 17.3%. Given its wide range of product offerings and expansion across new markets, the company is well-equipped to benefit from the expanding addressable market.

Nuvei recently launched “*Nuvei for Platforms*,” which is a highly customizable platform that serves the payment needs of eCommerce platforms, marketplaces, banks, and large fintech companies. Also, it recently received gaming licenses in Maryland and Kansas, thus expanding its footprint in the online gaming industry across the United States.

Further, the company expects to close the acquisition of Paya Holdings by the end of this quarter. The acquisition could strengthen Nuvei’s integrated payment strategy while diversifying its business into non-cyclical verticals, with a total addressable market of \$1.2 trillion. So, the company’s growth prospects look healthy.

## Attractive valuation

Although Nuvei has witnessed solid buying since the beginning of this year, it still trades at a substantial discount compared to its 2021 highs. NVEI stock lost around 75% of its value compared to its all-time high of \$167.5 in October 2021. The steep correction has dragged its valuation down, with the company currently trading at 16.4 times its [estimated earnings for the next four quarters](#).

## Bottom line

Amid the challenging economic outlook, with central banks expected to continue with their monetary tightening initiatives, I expect the [volatility](#) in the equity markets to continue in the near term. However, long-term investors can start accumulating Nuvei stock, given its healthy growth prospects and cheaper valuation.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. 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. cleona
2. rnanjapla

#### **Category**

1. Investing
2. Tech Stocks

#### **Date**

2025/08/14

#### **Date Created**

2023/01/20

#### **Author**

rnanjapla

default watermark

default watermark