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Q3 2021 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Greetings. Welcome to the Nuvei Corporation Third Quarter 2021 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. [Operator Instructions] Please note this conference is being recorded.

I will now turn the conference over to your host, Anthony Gerstein, Vice President and Head of Investor Relations. You may begin.

Anthony Gerstein

Vice President & Head-Investor Relations, Nuvei Corp.

Thank you, operator. And good morning, everyone, and thank you for joining us. With me today are Philip Fayer, Chair and CEO; and David Schwartz, CFO. As a reminder, this conference call is being recorded and webcast and is copyrighted property of Nuvei and rebroadcast of this information in whole or in part without written consent of Nuvei is prohibited. This morning, Nuvei issued a press release announcing financial results for the three-month period ended September 30, 2021. The release, as well as an accompanying presentation, are available in the Investor Relations section of the company's website, nuvei.com, under Events & Presentations.

During this call, we may make certain forward-looking statements within the meaning of the applicable securities laws. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the business or developments in Nuvei's industry could differ materially from the anticipated results, performance, achievements and developments expressed or implied by such forward-looking statements. Information about these factors that could cause actual results to differ materially from the anticipated results or performance can be found in Nuvei's filings with the Canadian securities regulatory authority and on the company's website.

Our discussion today will include non-IFRS measures including adjusted EBITDA, adjusted net income, and adjusted net income per share. Management believes non-IFRS results are useful in order to enhance our understanding of our ongoing performance but they are not supplement to and should not be considered in isolation from or as a substitute for IFRS financial measures. Reconciliation of these measures to IFRS measures are available in our earnings release and MD&A. We'll open the call up to your questions after our prepared remarks.

With that, I'd like to now turn the call over to Phil.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Thanks, Anthony and thank you, everyone for joining our call today. We're proud to celebrate our first year as a publicly traded company and excited to now be dual-listed company, also trading on the Nasdaq following our highly successful US IPO in early October.

Turning now to the quarter, we have a lot of really exciting things to share with you this morning but before we begin, I want to extend a warm welcome to our newest colleagues including those from Simplex and Paymentez, who joined us in September following the closing of those acquisitions.

The newest members of our executive leadership team, Guillaume Conteville, our new Chief Marketing Officer, and Nikki Zinman who is appointed to the newly created position of Chief People Officer and 116 new team members who joined the company from all over the world in third quarter. We're excited to have you all as part of the Nuvei family.

We had another exceptional quarter and I'm super pleased with our results, our progress, and how the business is tracking. Our unrelenting focus and passion for helping our customers connect with their customers is key to our success while the investments we're making today in technology, innovation, distribution, and talent are of driving performance and laying the foundation for sustainable long-term growth.

For the quarter, total volume increased 88%, revenue increased 96%, and adjusted EBITDA increased 97%. Growth was broad based with North American volume increasing 118%, EMEA volume increasing 62%, and APAC and LATAM volume increasing 93% and 140% (sic) [140% and 93%] (00:04:20), respectively. This is a testament to how we're executing on our strategic initiatives. Importantly, it's still early days and we see a lot of whitespace in each of our verticals and our current geographies as well as significant opportunity in our underpenetrated geographies in LATAM, APAC, Africa, and the Middle East.

Our comprehensive technology platform offers the most complete set of capabilities to help our customers connect with their customers from pay-in support in 204 markets, local acquiring in 45 markets, 500-plus alternative payment methods, 40 cryptocurrencies and growing, to our payout offering seamless disbursements, to card issuing, to risk-as-a-service, to our extensive value-added solutions driving better operational oversight, to our enhance client authentication, and to our better authorization rates, all available to our customers in a single integration.

As you know, our bespoke solutions go far beyond acquiring, allowing our customers to collapse inefficient technology stacks, all the while driving state-of-the-art engagements with their customers online, in-app, or via mobile. We believe Nuvei is one of the few leading payment technology solution providers with this depth of capabilities, which is the underlying driver to our performance.

We remain focused on executing our strategic growth pillars, including growing with our customers, expanding our geographies, driving technological innovation, and pursuing strategic M&A. Growing with our customers is a primary contributor to our growth story. As our customers grow, their needs grow and their solution requirements change. They may be expanding from country-to-country, growing not only in one market, but many markets around the world. They may need additional functionality for pay-ins, they may need payout functionality, they may need more alternative payment methods or they may need to simplify their technology stack. Whichever is the need, our customers end up requiring additional capabilities and consuming more of our flexible offering and that's what's really powerful. It's what drives our strong net dollar retention rate.

Our experience shows that as we add and deliver more solutions to our customers, it enables us to create relationships and grow with them. And that's what our business is all about, helping our customers connect with theirs. It's a foundation of our land-and-expand strategy.

A perfect example of this is our recent work with longstanding customer, Entain and their BetMGM partnership, in which Nuvei assisted them with their pay-in and payout functionality in North America. And we see many such opportunities like this ahead.

From the time of our IPO last year, we talked about having an under distributed business model, which has been an area of investment focus. We've accelerated investments originally scheduled for 2022 into 2021, expanding

our commercial teams globally. Today, our commercial team has more than doubled from the first half of last year and we're extremely pleased with the talent that we brought on board. The team is making real contribution and there's a lot of momentum, which is both very exciting and at an important inflection point.

We manage our commercial teams by having regionally, vertically focused salespeople that are in-country, in time zone, and in language supported by team of local solution engineers, integration specialists, and account managers. This white-glove service is crucial to building relationships with our customers, given the complexity and importance of the problems we are solving for them and the sophistication and capabilities [ph] are (00:08:00) industry-leading technology, which is unmatched in our opinion.

The conversations with customers we're having today are so powerful because we're not just talking about simply helping them with acquiring. We're talking about helping them with our vast solution set that is purpose built, specifically for their verticals and their geographies. In our opinion, there are only one of the few industry participants capable of this.

Alongside our investment in direct sales is our increased investment in marketing, account management and corporate development. Enhancing our brand awareness is translating to increasing and more frequent engagements with large growing enterprise customers we wouldn't have spoken to within the past. Our pipeline has never been deeper and the teams engaging really the who's who in the verticals in which we operate, and we're starting to see the results with our recently announced wins.

We have a lot of momentum that's building and it's very exciting to see what's happening across all our geographies and further strengthen LATAM with the additional payment test. I'm really proud of what the team is doing. Our success is built on our reputation, our delivery and our focus. We expect more good things to come.

Turning now to technology innovation. This year's third quarter was without exception, the most significant quarter for solution deployment, offering meaningful opportunities, including TAM expansion, growing discussions with customers and servicing new geographies. Let me highlight five key innovations for this quarter. First, we launched card issuing in Europe, a brand new line of business that further expands our product offering and solution capabilities to our customers in the region and presenting an exciting incremental market opportunity for future growth.

Second, we launched Visa Direct and Mastercard in payouts in North America, further expanding and enhancing our suite of real-time payment options, fully reconciled and net settled to a customer. Our payout offering is integrated into the flow of funds, meaning we offer net settlement to the customer after reconciling the funds collected, paying the disbursement, and subsequently net settling the customer.

This is critically important in simplifying customer operations when considering the multiple types of pay-ins and the complexity associated with driving instant or near-instant payouts, so our customers create stronger relationships with their customers. Today, we offer one of the industry's most robust suites of digital payment options in both North America and in Europe.

Third, we've added more than 50 new alternative payment methods since the beginning of the year, increasing our portfolio of alternate payment methods to more than 500 at the end of the third quarter 2021, allowing our customers to operate in more countries and accept more funds at regionally familiar and preferred digital payment methods in order to drive higher conversion rates.

Fourth, our platform is fully live, supporting US online gaming, an incredible team effort. Today, we offer the most comprehensive payment acceptance, payouts, alternate pay methods, and integrations for US online gaming and sports betting operators. Many of you heard me talk about crawl, walk, run. We're definitely walking now. It's still early innings, but we recently announced some exciting wins, including BetMGM, 888, Sports Illustrated Sportsbook, Carousel Group amongst several others.

Finally, we made the investments to continue scaling our technology to offer no latency, minimal downtime and burstable capacity to support our customers' future growth. In the third quarter, we achieved record transactions per second of 325 compared to our previous record of 222.

Turning now to M&A. We completed three acquisitions in the third quarter including Mazooma, Simplex, and Paymentez. While not currently material to our results, each of these early stage companies has significant capabilities and momentum, adding exciting breadth of products and expanding both regional and market opportunities for Nuvei.

As a brief reminder, Mazooma enhances and expands Nuvei's portfolio of North American payment options with instant bank-to-bank payments for pay-ins and payouts and real-time payments for accelerated withdrawals, allowing our customers to provide their customers with instant and immediate payouts into their bank accounts, 24/7 365. Mazooma is seeing exceptional momentum with monthly buying growth for September, up 25% over August. Combined with Nuvei, Mazooma is an integral part of our North American payment offering and we're excited to see momentum there continue.

Simplex expands Nuvei's capabilities to offer bespoke fraud prevention and risk management tools backed by proven artificial intelligence technology, resulting in higher conversion rates and better liquidity, simplifying instant fee at purchases for cryptocurrencies, NFTs, and decentralized finance providers. We are productizing Simplex as a risk-as-a-service and intend on offering our expanded solutions to all our existing customers. Similarly, we're introducing all of Nuvei's product solutions and capabilities to Simplex customers.

And Paymentez further increases our total addressable market by significantly expanding, strengthening our presence in Latin America, enhances our regional processing capabilities, enables us to support additional local payment methods, and ensures we are well-positioned to service new and existing global customers in this fast-growing region for online commerce. What's important to recognize about our M&A strategy is our focus on strengthening and broadening our product suite by adding unique and valuable capabilities to our already extensive solution offering for our customers that are relevant to their industries but also looking for regional market expansion opportunities, further extending our leadership position. Let me highlight that we have an exceptionally strong balance sheet allowing for flexibility as we explore future opportunities.

With respect to global concern over supply chain constraints, we haven't seen nor do we expect to have any impact on our business. Our customers and verticals are predominately digital and, if such, are insulated from the recent supply chain constraints. For our physical good customers, we see more mature expansion offsetting any potential slowdown.

Given the solid results and the momentum we're seeing quarter-to-date, the depth of our sales pipeline, acceleration of investments and distribution, introduction of new product capabilities, and expansion to new geographies, we are raising our financial outlook for 2021. We're also reiterating our medium and long-term targets previously provided.

Before I turn the call over to Dave, I repeat, I'm incredibly pleased we are with our results driven by the execution of our strategy. We're extremely well-positioned as a company for the opportunity ahead. We believe its early days and we're still very much on the ground further. As always, I want to recognize and thank all my colleagues who contribute to our success each and every day. I also want to wish you and your families the very best as we approach the upcoming holiday season.

With that, I'll now turn over to Dave to discuss the financials and our updated financial outlook for 2021.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

Thanks, Phil, and good morning, everyone. We are pleased to report another strong quarter. Our performance continues to be driven by our team's focus on executing on our strategy. For the third quarter, total volume increased by 88% over the same period last year to \$21.6 billion. We are very pleased with the growth across all four regions. North America and EMEA, which represent 95% of our volume, we experienced strong growth of 118% and 62% respectively. Both of these regions also represent meaningful growth opportunities for us because of their market size and TAM expansion in our verticals.

In the emerging markets of Latin America and Asia-Pacific, volume grew 93% and 140% respectively. However, these regions represent significant opportunity for us on a combined basis as they account for only \$1 billion of total volume for the quarter which is less than 5% of our total volume. With the addition of Paymentez, we now have a meaningful beachhead within Latin America which we expect to further fuel our growth in the region.

The strong total volume performance in the quarter resulted in revenue growth of 96% to \$184 million. As we have noted previously, total volume and revenue may grow at different rates depending on the relative mixes within each. We are focused on solving the needs of our customers. Ultimately, this drives additional volume on our platform resulting in incremental gross profit dollars. Due to the scalability and leverage in our operating model, this provides for the potential for increased profitability.

Gross margin in the third quarter was 79.2% compared to 81.9% in the third quarter of 2020. The change in gross margin is as a result of the inclusion of certain acquisitions which have a higher associated cost of revenue. The increase in selling, general, and administrative expenses is as a result of both inorganic and organic growth. We continue to invest in the business including distribution and technology. We believe these investments will continue to drive our growth.

Adjusted EBITDA increased by 97% in the third quarter to \$80.9 million. Adjusted EBITDA margin was 44% in the quarter compared to 43.7% in the prior-year period. Net finance costs decreased by \$95 million, primarily as a result of \$83 million in noncash finance costs in Q3 of 2020, resulting from the IPO in September last year, as well as the reduction in debt since that time.

Net income for the quarter was \$28 million or \$0.19 per diluted share, compared to a net loss of \$78 million or \$0.88 per share in the third quarter of 2020. Adjusted net income was \$62 million or \$0.42 per diluted share, compared to \$16.5 million or \$0.17 per diluted share in 2020. Our cash position and cash generation remained strong. Operating cash flow for the nine-month period was \$202 million compared to \$49 million for the comparable prior period.

As at September 30, 2021, we had cash of \$289 million, while amount outstanding under our credit facilities was \$512 million. Our balance sheet remains solid and does not reflect the impact from our US IPO on October 6,

which resulted in net proceeds to the company of \$411 million. Furthermore, our \$385 million revolving credit facility remains undrawn, providing us with flexibility as it relates to our M&A strategy.

I will now discuss our financial outlook for the fourth quarter and full year 2021 and we'll prefer you to our forward-looking information disclosure in our Q3 earnings press release and our MD&A. For the fourth quarter, we expect total volume of between \$25.5 million and \$26.5 million, revenue of between \$204 million and \$210 million and adjusted EBITDA of between \$86 million and \$90 million. And based on our performance for the three and nine-month periods ended September 30, 2021, as well as continued momentum in the business, we are raising our full-year outlook and now expect total volume of between \$90 billion and \$91 billion, revenue of between \$717 million and \$723 million and adjusted EBITDA of between \$312 million and \$316 million.

The updated financial outlook for both the fourth quarter and full year include the recent acquisitions of Mazooma, Simplex and Paymentez from their respective acquisition dates. As Phil mentioned earlier, while not currently material to our results, each of these early-stage companies add for solution set and expands regional and market opportunities for us.

The outlook, specifically, the adjusted EBITDA, reflects our strategy to accelerate our investments in distribution, marketing, innovation, technology as well as the infrastructure resulting from the acquisition of Mazooma. We are also reiterating the medium and long-term growth markets we disclosed last quarter of total volume and revenue growth in excess of 30% annually in the medium term, an adjusted EBITDA margin of greater than 50% over the longer term. We're very excited about the remainder of this year and what lies ahead for Nuvei.

We're now happy to answer your questions. Operator, please open the lines for Q&A.

QUESTION AND ANSWER SECTION

Operator: Thank you. At this time, we will be conducting a question-and-answer session. [Operator Instructions] And our first question comes from the line of George Mihalos with Cowen. Please proceed with your question. Hello, George. Are you there on the line? George, your line is live if you're there. Not sure if you're on mute. Okay, if George is not on the line, I believe we can just go ahead with the next question. Our next question comes from the line of Sanjay Sakhrani with KBW. Please proceed with your question.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.



Thanks. Good morning and congratulations on the listing. I guess my first question is the organic growth. Obviously, you guys have been doing quite well there, tracking well above the 30% long-term targets. Can you just talk about how the M&A strategy is, sort of, feeding into the organic growth if any. And I understand the newer deals are going to help. And then, how well you're set up in the future to sort of outdo those expectations as we've seen prior? Thanks.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.



Good morning, guys. Yeah. Thank you. So, on a pro forma basis, we saw 54% growth in the quarter. You unpack our M&A strategy, we've been very clear to always look at how do we enhance our capabilities, how do we grow our geographic presence, and how do we add scale into the markets that we're subscale. And we have executed on that. When you look at the acquisitions that we closed this quarter, Mazooma, which we've talked about in the

previous quarter, the bank-to-bank payment opportunity that we expand from a acceptance capability to our customers we think is critical in terms of wallet share opportunity, in terms of flexibility, as well as offering to our customers. While it's early stage, we believe Mazooma will play an important part to our US growth story.

The same is true for Simplex. When you look at Simplex's risk-as-a-service, it expands our solution stack and our capabilities to our customers, which today they may be using a risk of fire or of water or other where we can provide greater capabilities to them through the single integration. And then turning over to Paymentez, a wonderful team in LATAM where we felt subscale, great leadership that we've added and really focused on building out our merchant record opportunities and expanding throughout the region. So, all of them today are early stage, but we believe, for the upcoming years, they give us a wonderful platform for continued organic growth.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Got it. And then when we think about any potential M&A going forward, can you give us a sense of sort of what the flavor is for some of the high priorities that you're looking to add to your arsenal in terms of products? And then, David, just one quick clarification question on the revenue guidance range at that midpoint, it seems like none of the deals that you guys closed is very incremental, materially incremental. Is that fair? So, should we think about that the revenue guidance range is organic? Thanks.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. I'll take the first one, Dave. On M&A side, yeah, important for you guys to appreciate we're not solving growth issues with our M&A strategy. We're really looking at capabilities to help our customers connect better with their customers and that is driving us. We look at regions today, very pleased with what we are doing in Europe, Americas, and LATAM. We believe we're subscale at APAC, so certainly has some geographic opportunities for us there.

But in reality, with our strong balance sheet and the profile of our business, we have tremendous optionality and we want to remain entrepreneurial and we want to really follow our customers into the regions that are important to them. But we will continue focusing on really enhancing that wallet share expansion opportunity, that will drive our M&A strategy if needed and if at all.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Hey, Sanjay. On your second question, I think that's right. I mean, the way to think about it and still talked about, these are really early-stage acquisitions. So, from a contribution perspective, they're still in kind of the early stages. And the 54% organic growth, that Phil mentioned, I think, is a good data point. I think I'd also point you to the medium-term growth targets of 30%. That's also good data point. So, I think that, that brings – the acquisitions really for the most part provide capabilities that will be very interesting in the near term as we kind of integrate those businesses into ours. And then they also open up other markets. So, from a TAM perspective, it helps us well from a geographic TAM perspective.

Sanjay Sakhrani

Analyst, Keefe, Bruyette & Woods, Inc.

Q

Great. Thank you.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thank you.

Operator: And our next question comes from the line of George Mihalos with Cowen. Please proceed with your question.

George Mihalos

Analyst, Cowen and Company

Q

Hey. Good morning, guys. Apologies. I got disconnected. A lot of good stuff here that you went over. I guess, first question, Phil, when you look overall, some of your peers have talked about some slow and some have attributed uncertainty to the supply chain, which sounds like it's not a real big issue for you. Can you just talk a little bit about your confidence? What, sort of, reinforces this view that you're going to be able to outperform relative to some of your peers that are seeing these issues? And maybe somewhat related to that, you've been very successful incorporating more and more APMs, different payment methods and the like.

As we hear about, potentially additional new payment methods coming to market. I guess, you know, Account2Account is not necessarily you certainly not in Europe. But as you have other peers or competitors looking to roll out new payment systems. Does that give you any pause? Do you think that would have any impact to your business or is it just as simple as, again, you just enabling another payment tender?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. Good morning, George. Great questions. I think from a growth perspective, you have to really unpack our solution stack. And what gives us confidence really are the tools that we built and the pace of innovation that we're driving through and how we're assisting our customers. And that allows us when we look at pipeline, we look at conversions, we look at market expansion from our current customers and how we're bringing them from country-to-country. You know, that drives quite a bit of confidence in our execution and hence, the result that we're seeing today and the updated outlook for Q4.

So we're really comfortable in where we are. We think the additions that we've made in the business, be it risk-as-a-service, strengthening LATAM, expanding merchant record product capability in LATAM, which will be really important to simplify our customers from entering the market and then certainly Mazooma for direct banking, fully integrated, and within the cycle of card payments, debit card payments, direct bank-to-bank guaranteed or not or ACH fully reconciled, managing payouts and driving those capabilities is what sets us apart.

And I can't comment on our peers but I believe our focus on verticals mean that we're creating bespoke technology for our customers is what really sets us apart as well, right? We're not selling and helping merchants sell teacups and helping online gaming. We're really focused on our seven verticals, and we are leaders within those verticals, and we think that is the right strategy.

When it comes back to payment methods, it's a very interesting question because payment methods are naturally changing. Our ethos is to help our customers connect with their customers. And so, we will always have every relevant payment method for the country. That is a medium that is familiar so that the customer, when he wants to purchase from one of our customers, sees what he knows and he recognizes to streamline that purchase. And so, when you look at, be it SEPA, which we just announced, our real-time payments that we just announced in

Europe as part of our Q4 launches. We're always going to be making sure that everything there is relevant. Any form of connecting with our customers, customers will be provided within that single integration.

But more important to that is that, we unify the experience and that's very critical guide. When you think about all the complexities, they pay differently, they reconcile differently, they pay in different currencies. From our merchants' operating standpoint, we streamline that. So it's as if accepting any form of payment really, credit, debit, ACH, alternative payment method, really the entire experience for them from the back office is fully reconciled. And we think that is a most important part to making sure that they focus on what's important for them in their business.

George Mihalos

Analyst, Cowen and Company

Q

Okay. That's great color. Really appreciate that. Obviously, we're getting questions around that. And then, David, very quickly, I know you guys obviously don't manage through to a revenue yield and the like, but that was higher than what we had modeled in the quarter. Just curious what drove that, is it the inclusion of Simplex? And it looks like Simplex contributed a little over \$3 million, \$3.5 million or so in the quarter, say over a month. Is that a good number to kind of extrapolate for a full quarter, kind of, getting you almost a \$10 million or \$11 million a quarter?

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Hey, George. I think that on the Simplex question, on the last question, yeah, I think that's a fair representation of, kind of, where the business is at, but obviously it brings a lot of capabilities and opportunity for growth in the future.

In terms of yield and take rate, like we've said in the past, it's not a focus of ours. I think really what it is, it comes down to is execution on our strategy. I'd say that's really kind of what I would point to. But it's going to, as you've seen, there's going to be fluctuations in some quarters, maybe ups some quarters, and may be down from the take-rate perspective. It's really about the mix of volume and offering to the extent that we add. Phil talked about earlier in the prepared remarks. He talked about this is a very significant quarter in terms of innovation and deployment from a technology perspective.

So, as we can continue to innovate and expand our solution set that potentially drives take rate on either new volume or existing volume. So it really depends on where it all comes from. At the end of the day, what we've said and it's true, we're really out there to solve the needs of the merchant. And because our platform is of a certain scale and has that operating leverage, it drives gross profit dollars and those gross profit dollars can drive EBITDA dollars as well. That being said, we continue to invest in our business, whether it's marketing and technology and direct sales. Those are some of the key focuses right now.

So, hopefully, that gives you a bit of color and answers your questions, George.

George Mihalos

Analyst, Cowen and Company

Q

That's great. Nice job, guys. Thanks.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Thanks, George.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Thanks, George.

A

Operator: And our next question comes from the line of Bob Napoli with William Blair. Please proceed with your question.

Robert Napoli

Analyst, William Blair & Co. LLC

Good morning, Phil, David, Anthony. Congratulations on strong results and on the US listing. Your crawl, walk, run, Phil, it seems like you're gathering speed from the crawl to walk to the run in US sports betting. I'd love a little more color, you've got a lot of wins there and what you think that opportunity, kind of, the momentum you have going into 2022 and 2023 and how important that is to contributing – that can contribute to long-term growth?

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Yeah. Thanks, Bob. You know, we've always taken a cautious approach on US gaming. I want to first congratulate our team for what was achieved this past quarter, just a monumental delivery of product to enable gaming and that has allowed us to engage really with the who's who across the board from current customers that are looking to expand, from clients that are operating, that are looking at their entire payment ecosystem. And more importantly, in terms of the flexibility of our product offering in the fully integrated experience on multiple forms of pay-in, reconciles and payouts.

A

I believe we have a very, very strong offering for US gaming and that's why we're walking today. We've had some significant successes this quarter, Q4, that we're seeing some very interesting momentum in. But from our perspective, US gaming will remain – not quite material in 2022. We think we'll see an inflection point in 2023, but most importantly, though, we are live, we're executing and we are engaged today with the who's who in US gaming. So really pleased with where we sit right now.

Robert Napoli

Analyst, William Blair & Co. LLC

Thank you. I appreciate that. Just on monthly, it seems like a number of payment companies had slowed down in September and then seemed to reaccelerate in October. Have you seen similar trends and how did October look versus September? And then, just my last question on card issuing, it's the new product line, was pretty interesting and the thoughts around the opportunities in card issuing?

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Sure. From a volume standpoint, it was the opposite for us. We saw a softer July with uptick in August and September and certainly continued momentum into October as well as month-to-date November. From a volume perspective, what's really exciting to see what's happening across our portfolio. In the quarter, there were two integrations on the ACH side that slipped into Q4 which have since activated. So, we're very comfortable with what we see on the volume and the momentum.

A

For card issuing, there's a lot of platforms for us around card issuing. So, it's still early innings. We have less than 100,000 cards issued. So, we're starting that process today. It's predominantly Europe but obviously, we have a

roadmap to bring that into all of our markets. And most importantly, it allows us to offer merchants flexibility with respect to expanding our payout business, simplifying and reducing costs for the pay-in and creating relationships with these customers across key verticals. So, we're actually really excited about what card issuing does from a product offering perspective and the uniqueness that we think we'll create.

And then, if you take it one level higher, all your pay-ins, all your risk management, all your transaction authentication, enhanced authorizations as well as all your payouts and card issuing, we become a really sticky vendor to our customers and a critical vendor that allows us to help them focus on what's important to them growing their business. So, we think card issuing is an important aspect. It's obviously very early for us, but we'll start gaining momentum. Predominantly, it'll be probably more meaningful in 2023, but we'll start seeing some momentum in 2022.

Robert Napoli

Analyst, William Blair & Co. LLC

Great. Thank you. Appreciate it, Phil.

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Thanks, Bob.

A

Operator: And our next question comes from the line of Jason Kupferberg with Bank of America. Please proceed with your question.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Thanks, guys. Good morning. I just wanted to start by asking about the push into Latin America, how much of that is focused on building a cross-border business in that region versus any kind of domestic acquiring. And on the cross border side, do you see the opportunity more to bring your existing merchants into the region or to actually win new global merchants who perhaps are using a different provider currently for their LATAM payments?

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Hey, Jason, great question. For us, when you look at LATAM, it's the same for every geography. You know, the first element that drives us is how do we help our customers enter or operate within that market. So first, naturally, is taking our customers that are born elsewhere and train. You know, as we look at Paymentez now, we also have feet on the ground, which allows us to engage with clients that are in market and LATAM, obviously, every country has different sort of payment method requirements and different issues around how merchants accept and how they transfer funds from country-to-country. So it will be in-market.

A

And then lastly, it's going to be LATAM out, meaning helping some of these amazing companies that we service now, be it Rappi or [indiscernible] (00:38:27) and others within the region as they seek to expand outside of LATAM. I think the biggest element for us in LATAM is the merchant [ph] of (00:38:34) record product, that some of our peers do very well. We think that is going to be critical in terms of simplifying the complexity of operating in LATAM, be it from tax considerations or repatriation considerations. And we think it's going to be an important push for us to continue developing the region.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

Okay. Thanks for that. And then I just want to ask a follow-up on the payment volume in the quarter. I think it came in kind of near the lower end of the guidance range. I was just curious if there were any call outs there? I think you had mentioned in answering a previous question some slippage in ACH activations, a couple of integrations there into Q4. So I don't know if that was a factor or anything from a political perspective?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah, yeah, that actually is the exact factor. There is some expected integrations which slipped from August to October 1. So they have since gone live and that was the rationale for a slightly lower volume but overall, we're really pleased with Q3.

Jason Kupferberg

Analyst, BofA Securities, Inc.

Q

Okay. Just the timing issue then. Okay. Terrific. Thanks, guys.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Jason.

Operator: And our next question comes from the line of Joseph Vafi with Canaccord. Please proceed with your question.

Joseph Vafi

Analyst, Canaccord Genuity LLC

Q

Hey, guys. Good morning. Nice results. I just wanted to drill down just a little bit more on Simplex and risk-as-a-service relative to exactly what Simplex is bringing versus what you had before and then how Simplex perhaps helps on the gaming side versus some of the other vertical markets. And then just one quick follow-up?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Good morning, Joe. Yeah. Happy to. If you look back at Simplex today, they bridge the fiat world to the digital asset world. So their risk-as-a-service and guarantee effectively underwrites the customer purchase. It guarantees the fund so there could be instant delivery of any digital asset which is really important. We think about the frictions between the fiat and we're seeing the digital asset in real time which could be little broad and the fantastic job really second to none from a profile perspective, from a conversion perspective, and from an ease-of-use perspective, so it really [indiscernible] (00:40:50).

They've been predominantly focused on digital asset. For our perspective, this risk engine is probably the best we've seen and we are building it out as a risk-as-a-service, so we can offer to our customers across every vertical the ability to score transactions and the ability for us to assume risk on those transactions, should that be the desire. It's going to be across the board not just for gaming, across the board as a value-added solution that our customers they choose to use from [indiscernible] (00:41:21)

Joseph Vafi

Analyst, Canaccord Genuity LLC

Q

That's great. And then, just on the organic growth. Can you just update us on – which is still just really impressive. Where just maybe a little bit of a breakdown there between just kind of core payment volume growth with existing customers versus add-ons of new functionality into the base versus kind of brand new logos. Thanks a lot.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. We really do love Joe [indiscernible] (00:41:55) right. So, for us, we'd love to keep it simple. We see momentum across the board actually because our performance is driven by our customers. A significant portion of the growth comes from expanding relationships with our customer and expanding geography or capabilities we are truly focused on. And connecting customers with their product road maps that we can adhere to where they're going, what they need and how [indiscernible] (00:42:21). So, that is part of the fabric of the organization.

From a new logo perspective, we've been making meaningful investment and highlighted that in my prepared remarks. But the biggest pipeline, the most active discussions that we've had across the board of really, the who's who in the verticals that we operate in. And both of them are showing tremendous momentum. Highlights of new logos is designed in a year in [indiscernible] (00:42:49) that when you sign a customer, it typically takes several months for them to activate and go live. So, you really see the benefits of what you do this year. You got it in here. You see the benefits next year.

When you look at what we sign is being implemented and depth of the conversation we're having today, we're really excited about continued profile of our organic growth.

Joseph Vafi

Analyst, Canaccord Genuity LLC

Q

Great. Thanks a lot, Phil.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Joe.

Operator: And our next question comes from the line of Paul Treiber with RBC Capital Markets. Please proceed with your question.

Paul Treiber

Analyst, RBC Capital Markets

Q

Thanks very much, and good morning. Just like to speak about the philosophy around press releases and customer wins. It seems like the company has been more active in press release and customer wins. The philosophy, did that change or are you seeing a higher frequency of customer wins at the moment?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Great question, Paul. Actually, a little bit of both. We've always been heads down on executing. I think marketing and positioning has been an area that the company lapped. We welcome the Chief Marketing Officer and we are making investments across the board in marketing. And so, you'll see the pace, a refresh of our brand, the pace

of marketing, making sure that we are top of mind and strengthening our brand awareness for our salespeople as they continue expanding the geographies that we operate in.

So, a little bit of both. And certainly in an area that we are going to be making additional investments in Q4 and 2022.

Paul Treiber

Analyst, RBC Capital Markets

Q

That's helpful to know. Just in regards to the sales force expansion and your sales pipeline, can you speak to the trend that you've seen in win rates, particularly, as you know, the sales force has ramped up, become more familiar with your target customers and your value proposition?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. A great question, I think it's more important to take it one step further from win rates, is that you engage with customers and some conversation could last years, Paul, and some conversations can last weeks, really just depends on where they are. And so, the way we end up looking at it is obviously what is closing in a particular quarter and what are the needs and discussions for particular customers. So, we focus on large established customers, meaning that we are often replacing or coming next to another payment provider.

And so, it always depends on what they needed and what country they're going into and what they're looking as for from a solution standpoint. So, it's not just a win or loss. It's a discussion and that probability of close changes depending on the roadmap of where that customer is.

For example, I'm entering the United States in October or, no, it's going to be next November. That is not a loss. That's just a dependent on when that customer goes live. So, that's the first element. The second element is we obviously build it by revenue metrics per body and it takes between six and nine months from onboarding to start seeing positive momentum in each individual folks that we have around the world.

We are at that point right now. So, it's exciting to see the expansion of the pipeline, the conversation that we're having, and really the productivity of the workforce. And I think that's what excites us quite a bit of what we're seeing in all the geographies that we're operating to the conversations of productivity and the presentations that we're doing.

So, like what we see, we're kind of in that first-year inflection point and I highlighted in the prepared remarks it's an important inflection point because really of the time that the sales force has been active and the opportunity they're starting to present themselves.

Paul Treiber

Analyst, RBC Capital Markets

Q

Okay. Thanks for taking my questions.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Paul.

Operator: Our next question comes from the line of Paul Steep with Scotia Capital. Please proceed with your question.

Paul Steep

Analyst, Scotia Capital, Inc.

Q

Great. Good morning. Just a quick clarification on some of the investment commentary and what's baked into Q4, David. Maybe you could talk a little bit about how much this is you accelerating the plan or pulling forward investments you were going to make next year based on what you've already seen with customer wins? And then I've got one very quick follow-up.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

Yeah. Hey, Paul, good morning. Look, consistent with what we've said in the past, we're seeing really strong momentum in our execution on our plan. And so what we decided last quarter was to pull forward some of the investments that we have planned for 2022 with respect to direct sales and other areas. Marketing is a new addition in terms of investments that we're planning to start implementing more so in the fourth quarter of this year. It's really no significant change, I'd say, other than, a bit more focus on marketing as we have our chief marketing officer joining, we're really excited to have him on board. So that would be the only, I guess, incremental consistent with what we said in the past as well from how that translates to an EBITDA margin.

You know, we're still in – this quarter, we're at 44%. That's the right range and that's kind of where we're providing outlook to for Q4. So, very consistent overall with the past. But we will continue to take incremental dollars you're seeing from a top line perspective and reinvest it back in the business to capitalize on the success that we're seeing.

Paul Steep

Analyst, Scotia Capital, Inc.

Q

And then not to pull us too far forward but we're going to lap some exceptionally strong organic growth that you predict in Q4 one and two of this year. I think Phil's comments gave us a good sense for the mix and some of what you're assuming out of the supply chain. Is there anything we should think about just in terms of ramp-up of these new customers or sort of variability that we want to be aware of as we lap some of those comps? Thanks, guys.

David S. Schwartz

Chief Financial Officer, Nuvei Corp.

A

I don't think there's anything specific Paul, to point to. You know, there's certainly ramp up time for customers but that's normal. That hasn't changed or elongated in any way. In fact, we're getting better at it, if anything. And then, the other part is as well on the direct sales team, Phil just mentioned on the previous questions around the six to nine-month ramp-up to get direct sales going. But, yeah, we're very excited with the momentum we're seeing. We're very excited about the white space that we have in front of us.

You know, some of the increase in TAM as we think about payment tariffs in Latin America and what that does there. Although small today, we see a lot of opportunity. And then, some of the capabilities provided to us through the other acquisitions, Simplex, Mazooma. There's a nice opportunity ahead of us, both from a capability perspective but as well from a geographic perspective.

Paul Steep

Analyst, Scotia Capital, Inc.

Okay. Thank you.



Operator: Our next question comes from the line of Tim Chiodo with Credit Suisse. Please proceed with your question.

Timothy Chiodo

Analyst, Credit Suisse Securities (USA) LLC

Great. Thank you. Thanks for taking the question. I want to spend a little bit of time related to slide 9 in the slide deck, which is you've released a month or so back with some great new logos. I don't believe you had previously disclosed before that and I'm sure investors are taking note of many of those brands on there. But it kind of brings up another question. I think we've covered a lot about modeling stuff on the call. Maybe we could just talk a little bit about just sort of re-educating in terms of the share with some of these customers and bringing it to life.



These types of customers, these big brand names that we know, are they often working with numerous local and regional merchant acquirers, maybe a few of your more global competitors as well? And when you're winning these logos, is the RFP process opened up for maybe a certain region or a certain product, maybe just bring it to life in terms of how you win these logos? And then related to that, I know it's really hard to get to, but on an aggregate basis, could you just directionally talk about how penetrated you might be within this space?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Good questions. I think, Tim, it's very much all of the above. It really just depends. I think when you look at it from a foundation perspective, these customers are typically operating regionally. They outgrow their regional provider and then they look at how can a company like Nuvei help me globally. And I think that's the entrance where we come in.



You know, we complete mostly with the regionals that cannot service their customers. It's differentiating from our integrations versus some of our global peers is that we're able to dismantle the payment flow and drive a bespoke integration that makes sense meaning that we can still – they can enable our technology but they can use the regional provider if they have cash management or other relationships with that particular regional provider and then they can use us around the world.

I think when you end up looking at global e-commerce, most large customers have a two or three acquirer strategy and they pick them based on either region if it's right for them or globally. And we've seen kind of all of the above and do they go through RFP processes, the bulk of them go through RFP processes, yes. And when you think about winning these logos, the interesting thing about Nuvei in terms of our land-and-expand is we may come in to help them on a very small part of the relationship. We may help them for alternative payment methods. We may help them with the risk management or gateway and that allows us to grow with them over time.

And that is exactly what we do. If you look at kind of our structure from onboarding, relationship management, we hear two things, right. Obviously, if we're gatewaying, we'll see the volume and then anecdotally through the payment managers, we get a sense of how penetrated we are. And we, right, if you look at our growth really comes from aligning the product roadmap, growing with our particular customers and expanding wallet share.

And what's fun for us, I think this is really the biggest point is because there's a lot of whitespace and we are now expanding our sales momentum, many of these logos have started smaller with us and have grown with us. And so there's more upside for us in most of these logos than there would be for others where they're at risk at loss and we're at opportunity for gain. And that's why the product, right, the capabilities that we bring and the fact that we're highly differentiated from most of global enablers, we think that puts us in a good position to be able to expand the wallet share with these customers over time.

Timothy Chiodo

Analyst, Credit Suisse Securities (USA) LLC

Q

Okay. Excellent. Thanks a lot. So, it's really helpful. A follow-up, and this is just more mechanical, I'm not asking for the numbers related to it, but we often get this question from investors and it's – the answer is different depending on the merchant, it's depending on the merchant acquirer and how they price things, sometimes things are bundled, and it kind of comes out in the wash. But for a buy-now-pay-later button on one of your merchants' website for where that does exist, are you charging a gateway-like fee on top of that? Maybe a little bit of a markup? Is there a spread that you can put on top? Is it blended as part of a broader pricing strategy for that client? In other words, what are the mechanics for earning a fee on a buy-now-pay-later transaction on one of your merchant's websites?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Right. So, if you look at it, we've integrated Klarna and I think we have one other that we've launched. It's not 100% material for the verticals that we operate in, meaning you're not going to buy now, pay later on a gaming operator or social game. It is probably more relevant for goods and travel. But from our perspective, we integrate it. It depends on the economics that we have with the vendor. Sometimes we receive a commission back from the vendor, but most of the time we just connect. We built the workflow on our cashier and we may receive a transaction fee for it. So, it's not material.

Timothy Chiodo

Analyst, Credit Suisse Securities (USA) LLC

Q

All right. Thanks a lot for that color, Phil. I appreciate it.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, Tim.

Operator: Our next question comes from the line of John Davis with Raymond James. Please proceed with your question.

John Davis

Analyst, Raymond James & Associates, Inc.

Q

Hey, thanks. Good morning, guys. So, I just want to talk a little bit about the investment. You've highlighted several times how you pulled forward investments from next year into this year, but I assume that you will continue to pull forward investments on 2023 into 2022. Yet you continue to kind of have upside to the margin. Every quarter, you've given the 50% plus and I'm not looking for a timeline on that, but should we expect the margin to continue to kind of be around these levels, maybe in the more medium term as you continue to pull forward those investments for growth?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

It depends, John on the marketing spend and that's why we want to give you guys like, really look at the outlook. I think for us, the low-40% as we continue expanding our spend in both sales, corporate account management, and marketing. We feel technology, we're comfortable with the investments that we've made. So, it really just depends on that spend. We are under market advisers as we have been under distributed and we think that's a wonderful opportunity to build the brand out. So, I would guide you back to what we've put out there low-40s post investment period for it to scale up over the longer term to 50% plus.

John Davis

Analyst, Raymond James & Associates, Inc.

Q

Okay. Great. And then just one quick on M&A. You guys have done a handful of these, kind of, more tuck-in deals and gave you capabilities or gets you into a new geography but just wonder if you talk a little bit about the willingness to do maybe something larger and maybe comments on the pipeline. Are you looking at things larger? Has pricing been something that or valuations and something that turned you off? Just curious kind of update there on the willingness to do something bigger?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Yeah. I think the answer is yes. I mean we have a really strong balance sheet, John, that gives us a tremendous amount of flexibility. I think what's different for us and some of the peers is that we're not solving for growth issues. We just want to help our customers and be leaders in the verticals. So, if we find an amazing business that operates within verticals of interest, predominantly digital for us, that is accretive to us, that has similar culture and opportunity for us to continue driving value for our customers.

The answer is yes, we'd be willing. We have focused more on capability just because we have so much momentum and we are looking to make sure that we create a unique offering. And if you look at where we sit today and you look back to where we were one year ago, right, we've truly differentiated our product capabilities with the acquisitions that we've made.

We're really, really pleased with what we found and we want to continue that as well. So, the short answer is, we don't have to do anything. They have a really, really strong balance sheet. If we find something that is exceptional, we will be interested in learning more about it, otherwise, we have plenty of flexibility.

John Davis

Analyst, Raymond James & Associates, Inc.

Q

Okay. Appreciate all the color. Thanks, guys.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Thanks, John.

Operator: Our next question comes from the line of Todd Coupland with CIBC. Please proceed with your question.

Todd Coupland

Analyst, CIBC World Markets, Inc.

Q

Hi. Great. Good morning, everyone. My question was also focused on the enterprise success you've had so far. I thought it was notably, you called it out last quarter, you clearly talked to a lot about it today. Phil, I'm wondering if you can talk about where some of those share gains are coming from and any color on the market share Nuvei is taking and who it's coming from? Thanks a lot.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Todd, a great question. I think at the end of the day, you have to really look at what we're offering. So the share can come that we're able to provide a more holistic solution. They may be coming from new products and services. It may be coming from geography. We compete really heavily with regional players and certainly, there's a handful of global players, but we do think we're the leaders in the verticals that we operate in.

And when you end up looking at the verticals that we operate in, there is a tendency now more than ever to go from market-to-market, geography-to-geography, and those customers themselves are seeing really interesting tailwinds. And if you put it all together, right, you have expansion of TAM in our customer's verticals, expansion of TAM because of the products and services that we're offering, expansion of our revenue profile with our customers as we're adding more geographies. And I think the fact that we're winning more, all comes together in terms of what you're seeing in our results.

Todd Coupland

Analyst, CIBC World Markets, Inc.

Q

Thanks, Phil.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

Pleasure. Thanks, Todd.

Operator: Our next question comes from the line of James Fotheringham with Bank of Montreal. Please proceed with your question.

James Fotheringham

Analyst, BMO Capital Markets Corp.

Q

Great. Thanks. And most of my questions have been asked and answered, but just one more, I wanted to know the impact of these acquisitions on your outlook for the take rate. And I realize you don't manage the take rate and I realize we might be talking on the margin. But if you take these acquisitions in aggregate in isolation, are they accretive to your go-forward take rate? Thanks.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

A

James, you can't, you can't piece them apart like that, and that's something that we've always been stressing, is that we come to the merchants with total solutions. And if you want to look at, for example, Mazooma today for US gaming operators, really every, every opportunity in the US, where our peers are targeting, acquiring only or they're doing payouts only or doing ACH guarantee only or they're doing direct bank to bank only. There comes a

holistic solution being able to price single – similarly price on all, meaning that we replace four or five different vendors and that's excluding all of our other value-added services.

You cannot look at them individually, you have look at them combined. And I think that's really powerful of the product offering. When it comes back to take rates, today Mazooma and Paymentez have lower take rates.

James Fotheringham

Analyst, BMO Capital Markets Corp.

Thanks so much, Phil.

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Thank you.

A

Operator: Our next question comes from the line of Richard Tse with National Bank. Please proceed with your question.

Richard Tse

Analyst, National Bank Financial, Inc.

Yes. Thanks. So, you talked about some markets opportunity from a geographic perspective, LATAM, Africa, Middle East, and clearly LATAM seems like a focus right now. So, when you think about the midterm targets that you've put out there, how much of a role do these international markets play in that growth here?

Q

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

You know, we look at it from a bottoms up from a merchant perspective. You know, certainly we think our position in LATAM strengthens our capabilities and allow us to expand our wallet share with our customers. We have been underpenetrated in LATAM. So, that has been our first strengthening move with Paymentez. We are underpenetrated in APAC. And certainly, Africa and MENA are new regions completely for us. So, we'll continue focusing on building out organically now with the acceleration of Paymentez, the three markets that we have.

A

And Richard, you have to think about what's happening within our own customers. And so when you look at it, for example, social games, APAC is very, very important. When you look at online gaming, APAC is not important. And so that's just a contrast between them. However, you think about US issuing licenses, we think about Mexico, Colombia and Argentina has issued three licenses for gaming operators. Brazil is expected. In the new year, we have Ontario in Canada. So, you have to break it down by vertical that drives our geographic expansion interest. And we think LATAM certainly is very good for our current customers and something that we will develop. And next on the line would be strengthening our position in APAC.

Richard Tse

Analyst, National Bank Financial, Inc.

Okay. Great. Thank you.

Q

Operator: And our next question comes from the line of Andrew Bauch with SMBC Nikko Securities. Please proceed with your question.

Andrew Bauch

Analyst, SMBC Nikko Securities America, Inc.



Hey, guys. Thanks for taking my question and congratulations on sound set of results in the US listing here. Just a housekeeping question. The growth in Europe, while 60% is obviously quite strong, a little bit slower than what we were anticipating. So, maybe if you guys want to call out anything on the ground there that you're seeing that kind of led to that?

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.



Actually, the growth in Europe has been very strong. I think what we're doing is [indiscernible] (01:02:47) of COVID here where certain things are pushed back from Q3 last year. But momentum in Europe is for us very strong.

Andrew Bauch

Analyst, SMBC Nikko Securities America, Inc.



Great. Thanks.

Operator: And we have reached the end of the question-and-answer session, and I'll now turn the call back over to Philip Fayer for closing remarks.

Philip Fayer

Founder, Chairman & Chief Executive Officer, Nuvei Corp.

Thanks, everybody. Really enjoyed spending time with you today. Really appreciate the questions. Taking the opportunity to wish all happy holidays, and I look forward to speaking with you soon.

Operator: And this concludes today's conference and you may disconnect your lines at this time. Thank you for your participation.

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