



This Little-Known Montreal Company Had Its IPO This Year—and Is Up 79%

Description

The Canadian IPO scene has seen a lull in activity in the past few years. While marijuana stocks and offerings like **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)) made waves years ago, the activity has slowed down significantly, with few new offers available.

One Montreal company, however, has bucked the trend.

It's a high-tech stock operating in a lucrative niche that's already doing over \$13 billion in transaction volume. A growth company that some are comparing to Shopify in its early days. Since its IPO, this stock has already risen 79%. The incredible part is that it may still have a long way to go.

Lightspeed POS Inc

Lightspeed POS Inc ([TSX:LSPD](#)) is a [point-of-sale \(POS\) company](#) developing an integrated e-commerce, hospitality and supply chain management ecosystem. More than just a point of sale system, its products incorporate cloud, mobile and analytics functionality.

The company's POS system is designed to run on iPads and tablets and provides sales data on the back end. This is a major incentive for retailers to use Lightspeed over a conventional POS cash register system, which only processes sales.

It appears that retailers are starting to take notice, too. Lightspeed is currently being used in 100 countries worldwide, growing revenue at 36% year-over-year, and processing \$13 billion worth of transactions. In its most recent quarter, the company posted \$21 million in revenue and \$14 million in gross profit—both figures up approximately 40% year over year.

Why POS systems are so lucrative

POS systems and online shopping carts are lucrative product categories that capitalize on the massive growth in small-to-medium sized businesses. Essentially, these systems upgrade the simple cash

registers of years past, adding features such as inventory analytics and supply chain management into the mix.

These features have the potential to replace several software tools that businesses are already using, providing the potential for an all-in-one sales and inventory ecosystem that saves businesses money.

Shopify for brick and mortar?

The value of POS systems can be illustrated by the success of Shopify.

Although Shopify is not technically a POS system, its e-commerce shopping cart service is similar. Shopify's subscription services are growing at [50% year over year](#) by giving online retailers an integrated system that includes payment processing, analytics, and a web interface. None of the features Shopify offers were individually lacking before Shopify existed.

It's the way Shopify packaged them together in one system that made the service so convenient for retailers. With over 800,000 customers worldwide, it's clear how popular this service has become.

It's possible that Lightspeed could become a kind of Shopify for brick and mortar businesses. Like Shopify, Lightspeed offers payment processing plus a host of other features; in this case, sales analytics, employee data, profit estimates and mobile reporting.

This is a set of features that not every point of sale system can boast, and it may help the company appeal to its total accessible market of 226 million businesses worldwide. Exactly what share of that market Lightspeed can reach remains to be seen. It's already clear, however, that the company is in a major growth spurt.

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1. Investing
2. Tech Stocks

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2. TSX:LSPD (Lightspeed Commerce)
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