



## Could Lightspeed POS (TSX:LSPD) Stock Double Again This Year?

### Description

**LightSpeed POS** ([TSX:LSPD](#)) has been, without a doubt, the most successful TSX IPO of 2019. Offered for \$16 and closing out its first trading day at \$18.9, it has risen 109% as of this writing. Part of the reason for the stock's success is the company's strong revenue growth; another could be its perceived similarity to **Shopify** in its early days. Whatever the reason, LSPD stock has more than doubled this year, with particularly strong gains in June. Can Lightspeed can repeat this performance in the second half of the year? To answer that question, we first need to look at what the company does and how much it could grow.

### What Lightspeed does

Lightspeed is first and foremost a point-of-sale (POS) company, which on the face of it isn't remarkable. POS software is a fairly crowded space, with many new entrants each year and high levels of competition. However, Lightspeed differentiates itself with the advanced analytics and supply chain management tools built into its offerings.

The company's retail POS, for example, combines a number of features like bundled products, inventory tracking, and inventory level alerts into a single interface — previously, this would have required several different apps. This product differentiation helps the company stand out in the competitive but fast-growing POS industry, which is growing at 20% CAGR, according to MarketWatch.

### Q1 results

In Q1 2020 (its first quarter as a publicly traded company), LightSpeed delivered solid results across the board. These results included \$24.1 million in revenue (up 38%), recurring payments of \$23.1 million (up 40%), and adjusted EBITDA of \$5.1 million (up from \$2.9 million). For the full fiscal year 2019, the company reported revenue of \$77.5 million, [up 36% from a year before](#). These strong results indicate that Lightspeed's product is gaining traction and growing rapidly in the [100 countries the company serves](#).

## 2020 outlook

In addition to its already strong growth in Q1, the company is projecting even stronger growth for the full 2020 fiscal year. This includes \$115 million in full-year revenue (an increase of 48%), operating cash flows of \$9.5-\$11 million, and adjusted EBITDA in the \$18-\$20 million range. These figures represent even greater growth than the company reported in Q1; if they materialize, they could drive LSPD shares much higher than they've already gone.

## Foolish takeaway

Since its IPO, Lightspeed has taken the markets by storm and delivered returns that few other TSX stocks can match. Driven by solid revenue growth and strong future prospects, the stock continues to rack up positive sentiment from investors. If the company's 2020 outlook is any indication, then its strong growth should continue for the foreseeable future. And with that, we may expect the stock to continue to defy expectations, as it has already this year.

### CATEGORY

1. Investing
2. Tech Stocks

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

### Category

1. Investing
2. Tech Stocks

## Tags

1. Editor's Choice

### Date

2025/08/26

### Date Created

2019/08/22

### Author

andrewbutton

default watermark

default watermark