



This Trending Company Could Triumph Over Shopify (TSX:SHOP)

Description

Since its IPO launch four years ago, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has been shaking things up in the stock market.

The prospects of the Canadian tech giant seem quite positive for the upcoming few years, since the company has [plenty in the pipeline](#) to dissuade us from thinking that it has peaked. That being said, its growing revenue at 50% year over year comes at a price.

The stock price of Shopify is increasing a lot faster than the actual underlying business itself. Shopify's shares are becoming quite expensive. Some people might even argue that it is becoming an overvalued stock.

Like a lot of investors, I still believe that tech stocks are the most promising right now. The only thing is, we have to look into other prospects, since Shopify's shares are priced too high for some people to consider as a practical option.

A better alternative to Shopify?

Enter **Lightspeed POS** ([TSX:LSPD](#)) — a software company that develops advanced POS and analytics software. Lightspeed is being touted as being the [next possible competitor](#) to Shopify as Canada's star in the tech industry. Just like Shopify, Lightspeed develops sale processing software and caters to users all over the world.

The company's POS systems are different from conventional POS software because of the supply chain analytics that it offers.

Lightspeed's POS system does not just let users process sales, but it also tracks goods during different stages of the supply chain process. POS system users see this as a valuable asset. This aspect of Lightspeed's POS systems gives users more convenience and an incentive to choose Lightspeed over its competitors.

Strong performance after Lightspeed IPO launch

Lightspeed's IPO in early March started with an asking price of \$16. At the time of writing, that figure has climbed to \$44.11 per share. This is over 275% more than its price at the IPO launch. Lightspeed's strong start might not have been as good as the performance Shopify initially had, but the company has been breaking records left, right, and centre.

Lightspeed's IPO brought in a remarkable \$240 million, making it Canada's biggest IPO in the last nine years. The company has generally seen a steady performance in the stock market, but only recently it saw a bit of a decrease after it escalated to around \$48 per share.

The latest earnings report by the company showed that the year-over-year revenue growth stood at 36%, and the management expects the 2020 revenue growth to go up to as high as 48%.

Can Lightspeed dwarf Shopify?

In terms of potential, I think Lightspeed has what it takes to possibly dwarf Shopify in the coming few years. At the same time, I would like to point out the uncertainty of the stock market. With the [possibility of a market crash](#), you should know that tech stocks are usually dropped like hot stones when that happens.

Of course, the risks are always there, especially with new stocks. But this stock has the potential to double in price and offers massive long-term growth potential.

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