



Could Lightspeed (TSX:LPSD) Stock Increase by 100% in 2020?

Description

From the time it started trading on the Toronto Stock Exchange, **Lightspeed POS** ([TSX:LSPD](#)) has witnessed an explosive growth. The stock had gained 157.2% in the space of just three months of its IPO, almost mirroring the growth of **Shopify** itself. Since then, Lightspeed has dipped in price, trading for \$33.66 per share.

Shopify is a darling stock that has grown so much that investors who want to leverage its growing value will stay away from its [high valuation](#). Lightspeed, however, is relatively quite cheap and presents itself as a promising prospect in tech stocks.

The company is an e-commerce enabler that is helping retailers bring up their game and allow them to compete with e-commerce stores that have been affecting their business.

At the speed of light

While I wouldn't say Lightspeed is growing at the speed of light, the company can offer you phenomenal returns. In the past few months, Lightspeed has hit the ground running in the e-commerce industry. The company has carved out a niche for itself with its play in big data and digital payment solutions.

At this time, the segment in the e-commerce industry that Lightspeed operates in is up for grabs. Being one of the first entrants will allow it to skyrocket, as the industry matures in the coming months. LSPD has a gross profit margin of \$53.88 million at writing, and it is continuously looking to grow.

Lightspeed is expanding its potential to earn in its early stages, as it acquires more names. The most recent acquisition for Lightspeed POS is Kounta, a cloud-based POS firm that operates in the Asia-Pacific region.

A company on the dip

Lightspeed stocks are trading for almost 31% below the 52-week high of \$47.70 at the time of writing. Despite losing a significant chunk of its value, Lightspeed can have a high demand from businesses all over the world. Right now, it seems that Lightspeed is focused more on growth, and that can affect its profitability for the short term. The acquisitions mean that there is potential for the company to grow massively as the industry picks up pace.

Instead of handling few but major clients, Lightspeed is currently focusing on catering to medium and small businesses. Its [unique business model](#) makes the company relatively safe due to high potential demand.

Foolish takeaway

While I cannot guarantee that Lightspeed will explode just as much as Shopify did back when it started, I am expecting Lightspeed to grow significantly in 2020. The company has everything going in its favour right now. The industry is ripe for the taking, while Lightspeed has no real competition and the company is trading for a low value of \$33.66 per share.

Already up by 11.1% since November 22, 2019, I think buying Lightspeed stocks right now could be ideal before it becomes untouchable in 2020.

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