



Forget Shopify (TSX:SHOP)! This Tech Stock Could Double if COVID-19 Infection Rates Tank

Description

Shopify has been a white-hot stock of late, posting new all-time highs amid the coronavirus (COVID-19) crisis. The valuation has surged above and beyond what any value-conscious investor would consider reasonable.

At these heights, there's no telling how much longer the company can keep posting such incredible returns. For [growth](#) investors who don't want to risk their shirts on a business that they can't value, consider commerce-enabler [Lightspeed POS](#) ([TSX:LSPD](#)), which has been knocked off the podium amid this pandemic, with shares currently down around 60% from all-time highs.

The COVID-19 pandemic has crushed Lightspeed stock

Before the COVID-19 pandemic, Lightspeed stock was shaping up to be Canada's next red-hot tech stock, with its high double-digit growth numbers (the company averaged 36% in top-line growth over the last three years) in a pretty lucrative niche industry. I viewed Lightspeed as the Shopify of the physical realm, with its massive growth ceiling consisting of small- and medium-sized businesses (SMBs), including brick-and-mortar retailers and restaurants.

Fast forward to today, and the Lightspeed story has gone sour as a considerable chunk of its client base has been ailing from the detrimental impact brought forth by the COVID-19 pandemic. Restaurants are shuttering; the hospitality industry has collapsed, and many physical SMBs are at risk of closing their doors permanently. Lightspeed's customers are under an unfathomable amount of pressure, and it knows it, as a lot of its valuable recurring customers are at risk of being wiped out.

The bull case: Lightspeed could double if COVID-19 infection rates plunge

If the economy is re-opened sooner rather than later, many physical SMBs will be able to escape their

deaths, and that bodes well for Lightspeed. Over the coming months, as more folks are open to re-opening the economy, I suspect Lightspeed is one of the names that could come roaring back in what could be a very sharp upside correction.

Sure, Lightspeed's clients are at "ground zero" of the pandemic, but the damage done to the stock, I believe, has been overblown beyond proportion. Shares of LSPD lost around 70% of their value within weeks. And if it turns out that we're closer to re-opening than most think, Lightspeed could be your ticket to a quick double by summer.

Lightspeed stock is not for the faint of heart, though, as it could continue crumbling if COVID-19 headlines get worse over the coming weeks and months. If you're a youngster with ample liquidity, however, the high risk involved with an investment in Lightspeed, I believe, is well worth taking.

Foolish takeaway

Lightspeed's long-term story is so ridiculously attractive. Heck, you could even call it Shopify-like. Unfortunately, nobody can see past the COVID-19 pandemic, which is wreaking havoc on many SMBs across the globe. If you've got an extra bit of TFSA cash to put on a name that you'd be willing to hold for a decade, Lightspeed may be the best horse to bet on, as pessimism surrounding physical SMBs couldn't be higher.

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Date

2025/10/02

Date Created

2020/04/26

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