



Ignore Shopify (TSX:SHOP)! This Tech Stock Could Grow Faster

Description

If all Canadian investors are asked to make a list of most [oversold growth](#) stocks currently trading on **TSX**, chances are that **Shopify** will be on all the lists. It has always been a rapid growth stock, but if you take a look at the patterns after the March crash, its growth has been nothing short of monstrous. Coincidentally, it has also been one of the engines of TSX's recovery.

While the heavyweight sectors of TSX, especially financials and energy, are suffering and can't manage to find proper traction or get on a decent growth track, the tech sector has seen improvement in epic proportions. Most of the largest tech stocks have already recovered, and have gone way past their pandemic values. This growth phase has been instrumental in keeping the TSX index from falling down again, despite the sector's lightweight.

And since Shopify shines like a bright sun in the sector, many people miss some amazing stocks standing in its shadow. One of those stocks is **Lightspeed POS** ([TSX:LSPD](#)).

The company

Lightspeed was founded in 2005 and had its IPO in March 2019. After Shopify, it was one of the most successful initial public offerings in the history of the TSX. The company focuses on small- to medium-sized businesses. It provides Point of Sale services and e-commerce software to small businesses, but it also claims to be much more than that.

Ours is a data-driven world, and Lightspeed leverages that data to allow its business partners to create a rich experience for their clients and customers.

Since its IPO in 2019, the company acquired four major businesses, a golf management solution, and three POS services (one of them cloud-based). The company has divided its client portfolio into three segments: retail, restaurant, and golf.

Catering to small- and medium-sized businesses, and providing a future-leaning e-commerce service (though in a different capacity) offers Lightspeed some of the same advantages as Shopify. The

company has customers in over 100 countries around the globe. It grew its revenue by 70% in the fourth quarter of the year (YoY), and its customers experience a 20% increase in their Gross Transaction Value (GTV) in the first year of using Lightspeed's POS.

The stock

If we consider it from its lowest point in the crash, Shopify's stock price has grown to almost 208% in just a matter of four months. This is a phenomenal growth pace, and Lightspeed has exceeded that. The company grew its market value over 222% since its March crash, and that's *without* recovering to its pre-pandemic value yet.

Lightspeed has a solid balance sheet, \$46.5 million in debt, and \$211 in cash. The current price to books ratio is about 7.3 times, and the price is just about fair, making it a perfect time to invest in this affordable growth tech stock that may be poised for faster growth than Shopify.

Foolish takeaway

E-commerce is one of the most rapidly growing market places, and still has a lot of growth potential left. While many investors believe that Shopify has lived through its glory days, Lightspeed is just starting.

And if it is to become another Shopify, now would be [a very good](#) time to buy into the company. The perfect time would have been at the company's IPO.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

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1. Business Insider
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