

Move Over, Shopify (TSX:SHOP): This Tech Stock Grew 200% This Year!

## **Description**

However, Shopify's stock rally slowed in July to less than 10% from 50% in April. The stock jumped as high as 220% in the last five months. There's no point buying the stock now, as investors have already priced it for the next 10 years. No doubt, it's a good stock and worth holding on to if you purchased it below \$1,200. However, don't be disheartened if you didn't enjoy the Shopify rally.

It's time to look at other tech stocks that have the potential to become the next Shopify.

# One stock grew 200% while you were stuck on Shopify

If you think Shopify gave the best returns during the pandemic, think again. The COVID-19 pandemic created a sudden surge in e-commerce activities, and Shopify was at the core of this wave with its easy-to-use e-commerce platform. Other stocks also rode the e-commerce wave. Among them are air cargo service **Cargojet**, supply chain solutions provider **Descartes Systems**, and cloud-based point of sales (POS) solutions provider **Lightspeed POS** (TSX:LSPD).

Stocks of Cargojet and Descartes surged 90% and 60%, respectively, between April and early August. These stocks are seeing a correction in August as the e-commerce volume slows.

However, one stock is still growing. Lightspeed POS stock has surged 240% from its March low and has returned to its pre-pandemic level. If you had invested \$10,000 in this stock in March, your money would have more than tripled to \$34,500.

## Lightspeed's growth potential

Lightspeed is a perfect growth story. The company provides hardware devices, cloud-based payment solutions, and omnichannel solutions that integrate the in-store platforms with an online platform. It earns revenue from hardware device sales,

Its solutions are mostly directed toward brick-and-mortar stores of retailers and restaurants. When the

government announced a nationwide lockdown with only essential stores open, Lightspeed saw a huge dip in gross transaction volume. A large number of customers ended their subscriptions. However, it saw a 400% increase in e-commerce volumes in April compared to February.

Lightspeed adjusted to the changing needs of users and added solutions that facilitate social distancing. It added curbside pickup, appointment booking, shipping, Lightspeed payment, Lightspeed capital, and an option for buyers to check the availability of the item they are looking for in local stores' inventory.

All these features saw a large number of retailers subscribe to Lightspeed platform, which more than offset the number of customers who withdrew their subscriptions. The company's customer locations <a href="mailto:crossed 77,000">crossed 77,000</a> in June from 75,500 as of April 30.

### **Investor corner**

Lightspeed stock has returned to the pre-pandemic level. The company started trading on the stock exchange in March 2019 and grew 93% that year. Its revenue rose 55% that year. The company is still at an early growth stage, and the stock's growth depends on its revenue growth.

In the quarter ended March 31, Lightspeed revenue surged 70% YoY (year over year), and in the June quarter, revenue rose 51% YoY. The stock is trading at 27 times its sales per share, which is normal for a growth stock. As its revenue increases, so will its stock price.

Looking at its revenue growth, the share has the potential to double your money in the next two to three years. Lightspeed has the potential to become the next Shopify for investors.

#### **CATEGORY**

- 1. Coronavirus
- 2. Investing
- 3. Tech Stocks

#### **TICKERS GLOBAL**

- 1. NYSE:SHOP (Shopify Inc.)
- 2. TSX:LSPD (Lightspeed Commerce)
- 3. TSX:SHOP (Shopify Inc.)

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