



Lightspeed (TSX:LSPD) Stock Is Up an Insane 228%: Buy Now?

Description

The market crash was hard for companies across the board. Almost all stocks and all sectors suffered. Tech has been fortunate enough to be a sector full of stocks that made rapid recoveries, and despite its light weight, contributed to the recovery pull of the broader **TSX**. **Shopify** became one of the most potent forces of recovery.

There is another hidden gem in the tech sector – a relatively newer player in the e-commerce marketplace and the tech sector, i.e., **Lightspeed** ([TSX:LSPD](#)). However, it's not so hidden anymore, because its recovery from the crash and [subsequent growth](#) are helping it shine brighter than most other stocks currently trading on TSX.

Insane recovery of Lightspeed

When the crash came, the \$3.65 billion market cap stock fell down hard, over 73% of its pre-pandemic high. But along with its sector, the company started recovering swiftly and was back to its start of the year valuation before the end of July. Right now, the company is trading at a price that's almost 228% higher than its rock bottom valuation of \$12 per share in March.

If you had bought into this e-commerce company then and invested \$10,000, you would now have almost \$33,000 in Lightspeed, thanks to its insane recovery and growth.

The company

Lightspeed is a cloud-based commerce platform that exclusively works with small- to medium-sized businesses. It caters to customers (77,000 customer locations) in over 100 countries worldwide and has offices in Canada, the US, Europe, and Australia. Its core-product is its point-of-sale system, which ranks among the top five POS systems, standing beside giants like Shopify.

In its [second-quarter results](#), the company grew its revenues and gross profit quite substantially from the second quarter last year. Its assets are over 3.6 times its total liabilities, and the company has

almost negligible debt, which can easily be covered with its decent-sized cash pile.

The company is growth-oriented. It recently expanded its Lightspeed Capital that furnishes loans to small businesses to the US. Many small business owners might jump on the opportunity, and the company is likely to benefit from this new avenue of revenue generation.

The company has a strong product in a growing marketplace and a diversified customer base. More than 33% of its revenue is generated outside North America. It focuses on establishing a loyal consumer base, which will, in turn, ensure consistent cash-flows and revenue growth.

Foolish takeaway

After the crash, many companies recovered back to their start of the year valuations. It's not a very uncommon phenomenon, especially in the tech sector. But recovering after falling almost 73%, in the same time frame that other companies recovered from their 30% and 40% devaluations is an impressive feat.

Unlike Shopify, which many investors believe has reached its peak, Lightspeed may still have the potential for a lot of future growth.

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