



4 Reasons Lightspeed POS (TSX:LSPD) Stock Is Now Unstoppable

Description

Lightspeed POS ([TSX:LSPD](#)) has been one of the most noteworthy tech stocks this year. Lightspeed stock was the first to crash and the most successful rebound during the crisis. Now, it's trading 15% higher than at the start of 2020 and is close to an all-time high.

This V-shaped recovery has generated immense wealth for shareholders who stuck with the company despite the pandemic. Contrarian investors bet on a swift recovery in Lightspeed's business, despite the dip in sales transaction volume.

Here are three reasons why the stock's rise could be unstoppable.

Battle-tested

Surviving a crisis enhances a company's value proposition. Earlier this year, the team found itself at the epicenter of the economic shutdown and health scare. Investors were worried about a nosedive in Lightspeed's transaction volumes, as retail locations and restaurants remained shut for months.

However, the company's management pivoted to digital payments and saved the top line. They effectively mitigated the impact of the lockdown and are now back to pre-crisis volumes. The management's ability to save the business and avert crisis should enhance the value proposition of Lightspeed stock for investors.

Diversified model

As a consequence of this recent pivot to digital payments, Lightspeed's business model is now more diversified. Not only is the company exposed to higher traction for e-commerce, but a recovery in brick-and-mortar retail and restaurants should help the company grow even faster.

With a diverse pool of income streams, Lightspeed stock could sustain its growth trajectory for much longer.

Immense runway for growth

Online shopping alone is a multi trillion-dollar business. With everyone confined to their homes during this crisis, adoption accelerated. Online shopping surged 99% in Canada and 49% in the United States during the pandemic.

Despite this growth rate, the majority of shopping across the world is still done physically. Brick-and-mortar stores are still dominant in developing parts of the world, which means there's plenty of room for payment software companies to expand. The runway for Lightspeed stock is as wide as ever.

Lightspeed stock U.S. listing

Perhaps the most bullish signal for Lightspeed stock is its [recent listing in the U.S.](#). American technology companies usually attract higher valuations and more capital from global investors. Unfortunately, investors tend to overlook Canadian tech stocks. So, listing stock on an American exchange should boost Lightspeed's profile and help it attract more capital.

Usually, dual listings have helped several other Canadian companies gain access to better funding.

A higher valuation will allow the company to fund its operations and even acquire smaller firms to push its growth forward. According to my [Fool colleague Brian Paradza](#), there could be 190 small and medium-sized e-commerce companies on Lightspeed's radar. That's probably the best reason to dive into Lightspeed stock now.

Bottom line

Lightspeed stock has had a V-shaped recovery this year. Now, the upcoming U.S. listing, diversified business model and e-commerce traction could make it unstoppable. Essentially, this hypergrowth stock deserves every tech investor's attention.

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