



Why Lightspeed POS (TSX:LSPD) Stock Is Trading at 52-Week Highs

Description

Lightspeed POS (TSX:LSPD)(NYSE:LSPD) is really having its day in the sun. [Through all the macro chaos and the individual struggles related to the pandemic](#), Lightspeed is shining. It is, in fact, trading at 52-week highs today.

Here at the Motley Fool, we always want to shed light on what is driving a stock's performance. Let's take a look now.

Lightspeed POS stock has rallied along with the sector

As a software development tech company that offers omni-channel point-of-sale platform solutions, Lightspeed is in a sweet spot. The pandemic continues to change the way we do business. It continues to change the way we shop. We cannot go out shopping as freely and happily as before. We do business from our homes. E-commerce is therefore booming.

Back to Lightspeed POS stock's performance. The stock has rallied 316% since its March lows to just under \$50 today. The company doesn't have earnings, but its revenue is growing at a 50% plus rate. It is one of the many e-commerce stocks that have outperformed this year.

Shopify stock is also going strong. It has rallied 216% since its March lows. It too continues to grow rapidly.

Lightspeed POS stock rallies on upgrade

For Lightspeed, [this has been a rally that has been supported by fundamentals](#). It is supported by macro trends and good news from the company. This is reflected in a recent upgrade by Barclays to overweight with a \$40 price target. The company doesn't generate earnings yet, but its revenue is growing at a 50% plus rate.

Lightspeed is growing its offering in order to capture a greater piece of the e-commerce pie. It is

continuously striving to add new customer solutions to its platforms. This, in turn, is driving revenue. For example, new delivery and payment solutions have diversified the company's revenue. And new data-driven solutions will enable deeper customer relationships and further growth.

Recent announcements highlight the growth runway of Lightspeed POS stock

With lockdowns continuing, the restaurant business has been hit hard. But Lightspeed is front and centre, as the hospitality business attempts to reinvent the dining experience. "Order Ahead" is Lightspeed's solution to enable and facilitate restaurant-to-consumer delivery. The software is a "cost-efficient online ordering management system designed to facilitate takeout. It enables restaurants to provide customers with a completely contactless dining experience."

In another recent announcement, Lightspeed was selected by Landscapes Golf Management to manage its business on its cloud-based software. This means that Lightspeed's software will manage its pro shops, clubhouses, and golf courses. The business is being digitally transformed with Lightspeed's help.

Motley Fool: The bottom line

In conclusion, although Lightspeed POS stock is trading at 52-week highs, there are many good reasons why. This means that the stock's rise is backed up by fundamentals and strong growth. The company is riding a secular trend. It is a trend that has been sped up by the pandemic. But it is a trend that would have happened even without this boost. E-commerce is here to stay, and it is becoming an ever more important way to do business than ever before.

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