



Why Lightspeed POS (TSX:LSPD) Stock Has Soared 29% in the Last Week

Description

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) continues to rally big and [trade at 52-week highs](#) today. This momentum stock keeps roaring on, as Lightspeed's business is in a sweet spot.

As a software development tech company that offers omni-channel point-of-sale platform solutions, Lightspeed POS is seeing rapid growth. The pandemic is driving huge growth in e-commerce and digital experiences, and Lightspeed is riding this wave.

So, let's look more specifically at why Lightspeed POS stock is up so strongly again in the last week?

Lightspeed POS stock rises on its strong earnings

Revenue growth over at Lightspeed in its latest quarter increased 62%, and its customer count increased 68%. The quarter blew away expectations and further highlighted the momentum in the company's business. This was Lightspeed's strongest quarter yet, with strong signals for next quarter. In fact, management's outlook for next quarter is for revenue growth in the range of 36-45%. The [rapidly accelerating second wave](#) dampened the short-term outlook. This is due to lockdown measures that have been initiated again in certain of Lightspeed's global markets.

Lightspeed POS: Improving and expanding

Lightspeed has continued to work on its business. The company is expanding its e-commerce offering for restaurants, adding a cost-efficient online order platform and expanding its payments offering. "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."

It is these types of solutions that Lightspeed offers that is driving its success. The restaurant industry is hurting badly from indoor dining restrictions. If Lightspeed can facilitate a home-dining experience to drive sales at these restaurants, then maybe more restaurants will survive. And after the pandemic,

maybe a new way of doing business will emerge — one in which the option of takeout at all restaurants is a value-added option for both the customer and the merchant.

The second wave of the coronavirus pandemic drives Lightspeed POS stock higher

The pandemic has rapidly accelerated Lightspeed's growth path. It was actually investor darling Shopify's CEO who said that the pandemic has accelerated the growth of e-commerce by 10 years. That's significant. So, from a long-term standpoint, the pandemic has been a catalyst for Lightspeed's business as well.

The first wave of the coronavirus pandemic made it clear to everyone that a digital presence is the answer. It was the answer for the healthcare industry as well as for retailers. As our medical needs were met via online appointments, we saw the value. As retailers were forced to close their physical stores and we shopped online for our food and essentials, we saw the value. E-commerce brought some life back to restaurants and retailers who had an online presence, allowing some to survive and maybe even thrive.

So, as the second wave accelerates, we are all already believers in the necessity of e-commerce. Its value proposition is undeniable. The second wave of the coronavirus is increasingly highlighting its necessity again.

Motley Fool: The bottom line

Lightspeed POS stock continues to feed off of the momentum of e-commerce. It is a point in history that was coming anyway. But the coronavirus pandemic certainly accelerated this. Lightspeed's stock price continues to rally as a result. It is a very attractive momentum stock at this time.

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