



This Sets Shopify up for a Monster Run

Description

Earnings season is finally upon us! That means we can expect big movement after companies report earnings. One thing to watch for are the companies that operate in your favourite company's industry. While each business will post results based on their own earnings, it isn't uncommon to see trends appear from similar businesses.

Take **Facebook** and Google, for example. These are the two largest distributors of ad space. Both companies recently reported earnings and smashed it out of the park. This not only bodes well for the tech sector but for stocks in general. As we come out of the pandemic, institutional investors will be pleased to see outstanding reports like these. One Canadian company reported earnings yesterday, and its results bode well for **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Which company?

One of the biggest growth stories since the March crash

In late February and early March, retail investors were clamouring about [the opportunity](#) that presented itself when **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) fell more than 70% from its pre-pandemic highs. Investors that got in around that time are now looking back at returns of nearly 700%! That is incredible growth for such a short period.

Yesterday, Lightspeed reported \$57.6 million in quarterly revenue. This represents a 79% increase year over year. In terms of its recurring software and payments revenue, Lightspeed reported a year-over-year increase of 85%! Clearly, the company is [continuing to grow](#) at break-neck speeds.

Lightspeed has also been keeping up with its competition through the acquisitions of ShopKeep and Upserve. The addition of these two companies into its portfolio has added another 31,000 locations into the Lightspeed network. The payments industry is cut-throat, and companies are currently fighting for market share. Lightspeed's recent results and acquisitions suggest that it may be able to become a winner in this space.

What does that mean for Shopify?

With Lightspeed's earnings behind us, all eyes will turn to Shopify for its earnings call on February 17. Like I mentioned in the opening, companies in the same industry often report similar outcomes. If one company beats, then there is a very good chance its peers will. Much like Lightspeed, Shopify operates as an e-commerce enabler. It provides POS systems, e-commerce networks, and more.

Shopify has produced excellent numbers since turning public. Each year, it has reported annual revenue growth of over 45%. Its Q3 2020 revenue was reported as being 96% greater than the year prior. In terms of monthly recurring revenue, Shopify has managed to increase its numbers at a compound annual growth rate of 47% since 2015. Never has the company reported a decrease in monthly recurring revenue.

This past November, the company reported its strongest Black Friday-Cyber Monday event ever. Shopify merchants posted a total revenue of \$5.1 billion over the weekend. With much of this year's Christmas shopping occurring online, investors are expecting Shopify to greatly outperform.

Foolish takeaway

Lightspeed is a company that has caught the attention of many. Yesterday, the company posted amazing numbers which set the stage for Shopify. It is in an excellent position to follow up with excellent numbers of its own. Perhaps consider adding it to your portfolio before it explodes after earnings.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. canada
2. growth
3. growth stocks
4. investing
5. lightspeed
6. lightspeed stock
7. long term growth
8. market
9. Retail
10. Shopify
11. Shopify Stock
12. Stocks
13. tech
14. tech stocks
15. technology

16. technology stocks
17. tsx growth stocks
18. tsx tech stocks

TICKERS GLOBAL

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

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Yahoo CA

Category

1. Investing
2. Tech Stocks

Tags

1. canada
2. growth
3. growth stocks
4. investing
5. lightspeed
6. lightspeed stock
7. long term growth
8. market
9. Retail
10. Shopify
11. Shopify Stock
12. Stocks
13. tech
14. tech stocks
15. technology
16. technology stocks
17. tsx growth stocks
18. tsx tech stocks

Date

2025/09/29

Date Created

2021/02/05

Author
jedlloren

default watermark

default watermark