



## Lightspeed POS (TSX:LSPD) Stock Can't Stop Winning

### Description

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has been on a heck of a tear lately. Up 139% over the past 52 weeks, it has solidly beaten the market. Thanks to its red-hot gains and a recent revenue beat, LSPD has garnered comparisons to the likes of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) — an even bigger TSX tech success story.

Like Shopify in its early days, LSPD is posting scorching-hot revenue growth, while racking up huge gains in the process. And the comparisons don't end there. Also like SHOP, LSPD is heavily involved in e-commerce — a massive growth industry that has been taking over everything lately.

In this article, I'll explore the similarities between Shopify and Lightspeed, including both business and financial similarities. First, though, let's look at that revenue beat.

### Huge revenue beat

Lightspeed's [most recent quarter](#) was a winner by any standard, with the following metrics defying all expectations:

- Revenue: \$57.6 million, up 79% year over year
- GTV: up 48% year over year
- Recurring software revenue: \$52.5 million, up 85% year over year.
- Adjusted EBITDA loss: -\$6.6 million, down to 11% of revenue from 16%

These were, quite frankly, phenomenal metrics. Not only is Lightspeed's revenue growing, but it's accelerating. When LSPD went public, revenue grew at 36%. Last year, it grew at 62%. Now it's up to 79%. This kind of growth is what tech investors like to see, so don't be surprised if LSPD rises even further from here on.

### Comparisons to Shopify

Usually, when companies release solid earnings, their shares go up. Stock prices are based largely on earnings expectations; when those expectations are surpassed, the stock is perceived as more valuable. However, the bulk of LSPD's rally over the last 12 months occurred well before the recent revenue beat. The market's reaction to the earnings release was muted. The stock did [briefly rise 26%](#), but it came crashing down after that. That may be because the EPS figure was actually a miss — although, when you miss on earnings with such strong revenue growth, you can be forgiven.

What's really driving most of LSPD's gains is probably its similarities to Shopify. Shopify is currently Canada's largest company, and its stock has risen more than 2,000% since its IPO. Many think that Shopify has matured and won't keep growing like it has been. Lightspeed, which has many similarities to Shopify, could be the next TSX tech stock to go parabolic.

Among LSPD's similarities with Shopify are the following:

- High revenue growth and revenue growth acceleration in recent quarters
- Business model focused on payment processing
- Involvement in both retail and e-commerce
- Growing market share

These similarities are pretty significant. Lightspeed's business model is quite similar to Shopify's, as are its revenue-growth metrics. However, Lightspeed has a long way to go before it catches up. SHOP is going billions a year in revenue, while LSPD did "only" \$56.7 million in its most recent quarter. You could argue that that just gives LSPD more room to grow. But it has a long way to go before it reaches a Shopify-like market cap.

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3. TSX:LSPD (Lightspeed Commerce)
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