



Lightspeed (TSX:LSPD) Just Became a Millionaire-Maker Stock!

Description

E-commerce companies had a stellar 2020. While other companies strained to stay afloat, e-commerce boomed in the stay-at-home economy. That includes **Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)). The company started the year with just retail and restaurant locations but soon expanded to e-commerce and never looked back.

While we're still about two months away from any earnings, we can say that the company is likely to announce a strong full-year and quarterly report. Lightspeed stock climbed 181% in the last year and 317% since its initial public offering (IPO). If you compare to other e-commerce giants, this may only be the beginning. In fact, the stock has already come close to hitting triple digits. While there has been a pullback in the tech sector as of late, when the dust clears, another rally may not be far away.

Estimates for Lightspeed

Revenue has soared for Lightspeed stock in the last couple quarters. The company reported that revenue skyrocketed four times from the same period last year, with payments continuing to grow. During the third quarter, revenue was up 79% year over year. Excluding the recent ShopKeep and other acquisitions, revenue was still ahead to \$49.3 million — above its \$44-\$47 million guidance.

Analysts expect sales to continue growing strong for the fourth quarter and beyond. Analysts expect revenue to grow by 45% in the next quarter. As for sales, analysts expect growth of 55% in 2020 and 2021 and up to 69% growth in 2022. This could be even higher, as the company continuously beats analyst estimates.

Can the growth sustain?

What we've learned is that investors loved to see their shares rise in 2020, but they don't want to hear that about pre-pandemic norms. The growth we saw was substantial for all e-commerce companies, and that growth simply isn't going to happen again and again. That being said, the growth achieved in 2020 is absolutely sustainable for Lightspeed stock.

Subscriptions exploded in 2020, and that is all recurring revenue. While demand might slow, as most businesses went online during the pandemic, it won't stop all together. And Lightspeed stock will likely continue to see merchants come in now that it's made a name for itself across North America. So, the company is likely to continue seeing solid year-over-year growth for years to come as e-commerce continues to expand.

Lightspeed stock will make millionaires

The tech industry experienced a pullback recently, and Lightspeed stock has been one of the casualties. After reaching a height of \$105 per share, the stock is now down by 33% as of writing. The stock isn't undervalued, but it certainly isn't overvalued with a price-to-book ratio of 6.3 as of writing. That leaves a perfect opportunity for investors to get in on this stock before it explodes like many of its [peers](#).

The company is expected to see huge growth from both its cloud-based omnichannel payment platform as well as its strategic acquisitions. These two areas are where investors may have seen success before from competitors. This, in turn, will also spur more geographic expansion and, of course, new customers and merchants. Taking the long approach with Lightspeed stock could mean you take advantage of all this growth in revenue in the years to come.

Bottom line

No one can predict what will happen with Lightspeed stock, but right now, it seems to be set up for success. When earnings for the year and quarter come out, no matter what happens, it's worth a buy. If there's a dip, pick up more in your stake. If there's a jump, you'll be glad you bought today. This stock is likely to remain on [growth](#) play for long-term shareholders, turning thousands into millions in the years to come.

CATEGORY

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