



Millennials: Lightspeed POS Is a Top Pick Today

Description

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has been a top performer among growth stocks on TSX. However, I believe that the future holds much more in the way of growth for this company. Lightspeed is a high-growth, higher-risk option with absolutely incredible growth potential. This makes Lightspeed perfect for younger investors looking to stash some risk capital away in a Tax-Free Savings Account (TFSA) right now.

Here's more on why I think younger investors should take a look at this growth play today.

Growth-by-acquisition strategy is effective right now

It's clear that growth is what investors demand these days. Yes, there's some indication a growth to value rotation could be underway. However, broadly speaking, risk assets are outperforming defensive options today.

Indeed, companies like Lightspeed and **Constellation Software** ([TSX:CSU](#)) are continuing to do very well. I've talked about the [growth prospects](#) of both companies in the past. And in some ways, investors will notice some similarities in the business models of both these companies.

Comparing the hardware aspect of these companies can be quite complicated. However, on the basis of software, there's definitely some overlap. Similar to Constellation, Lightspeed has adopted an aggressive acquisition strategy to facilitate long term growth. And, we've seen how this strategy has been terrific for the former.

Undoubtedly, Constellation's management team is efficient in picking the right companies. However, I believe that if Lightspeed mimics Constellation's approach and makes suitable acquisitions, it can strengthen its top-line easily.

Acquisitions will be crucial for long-term growth

With a great core product portfolio, Lightspeed has expanded its customer base, and its retention rate appears to be great too. Indeed, organic growth has contributed to Lightspeed's success. However, I believe that Lightspeed has to continue its acquisition strategy to sustain its growth in the long term.

Recently, it purchased two companies. In November, it acquired POS system ShopKeep for approximately \$145 million. The following month, it took over Upserve for an estimated \$430 million. These acquisitions are a clear indication that Lightspeed is specifically targeting retail and restaurant POS businesses to gain more market share.

As the point-of-sale business is fragmented, SMEs have the liberty to consider various options. However, Lightspeed's high-quality and low-cost system has strengthened its position in the market since last year. Additionally, its ability to grow even during [pandemic-induced economic turmoil](#) has made investors bullish on this stock.

Indeed, I believe that this company has tremendous growth potential. At the same time, I'm aware that its growth rate in future will depend on prudence and how effectively it implements its growth-by-acquisition strategy.

CATEGORY

1. Investing
2. Tech Stocks

POST TAG

1. growth
2. growth stocks
3. investing
4. lightspeed
5. lightspeed stock
6. Stocks
7. tech
8. tech stocks
9. technology
10. technology stocks
11. tsx growth stocks
12. tsx tech stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:CSU (Constellation Software Inc.)
3. TSX:LSPD (Lightspeed Commerce)

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. growth
2. growth stocks
3. investing
4. lightspeed
5. lightspeed stock
6. Stocks
7. tech
8. tech stocks
9. technology
10. technology stocks
11. tsx growth stocks
12. tsx tech stocks

Date

2025/07/21

Date Created

2021/03/17

Author

chrismacdonald

default watermark

default watermark