



## Lightspeed Stock Is a Screaming Buy, Even After a 15% Pop

### Description

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) pulled the curtain on its fourth-quarter fiscal 2021 numbers on Thursday, and they were absolutely incredible. The blowout numbers crushed analyst expectations and the firm's guidance, sending shares soaring over 15% on the day.

High-growth tech companies blowing away the numbers but [retreating](#) anyway has been a common theme in 2021, especially with the latest bout of inflation jitters. So, the fact that Lightspeed stock was able to defy broader market trends by skyrocketing double-digit percentage points in a single day, I believe, is a testament to the type of incredible growth business you're getting with Lightspeed.

Earlier in the week, I'd urged investors to start buying Lightspeed stock before earnings had a chance to be released, despite the market's blatant disregard for many solid estimate-beating earnings results over the past several weeks.

"With pandemic tailwinds in full swing, I think Lightspeed could be next in line to blow away consensus expectations. While blowout numbers haven't been enough to move the needle in red-hot tech stocks this earnings season, I think there's a case for buying a few Lightspeed shares before the big day." I [wrote](#) in earlier this week.

Going into the quarter, the odds stacked against the incredible commerce enabler. Not even the great **Shopify** was able to sustain its post-earnings rally with its top-notch quarterly results, as the market turned its back against even the greatest of beats. Inflation and Fed rate hikes were all that seemed to matter these days.

But when Lightspeed POS stepped up to the plate on Thursday, it not only blew away the numbers; it knocked them right out of the ballpark. The numbers were so great that I think it could send Lightspeed stock on a sustained rally to even greater higher, perhaps even all-time highs.

## Lightspeed's incredible blowout quarter

Lightspeed clocked in an absolutely ridiculous 127% in year-over-year revenue growth. The top line

surged to \$82.4 million in revenue, well above the \$69.4 million consensus. The company saw a narrower-than-expected loss of \$9.6 million, better than the \$12.5 million loss that the Street was expecting.

The strength was prevalent right across the board. The most impressive of them all was the software and transaction revenues which grew nearly 140% on a year-over-year basis. Payment sales broke a quarterly record, and I suspect such strength to continue propelling Lightspeed POS stock higher well into year's end.

In a prior piece, I'd urged investors not to discount the growth behind Lightspeed Payments. Undoubtedly, the segment, which made records once again, surpassed even my high, seemingly far-fetched expectations.

Moving forward, the company expected sales to come in between \$430-\$450 million, with EBITDA losses in the \$30 million range. The impressive guide surpasses what the biggest bull on the Street had called for before the quarter.

## Should you buy Lightspeed stock right now?

It's tough to justify buying a stock after a 15% single-day pop. Although I'd much prefer waiting for a near-term pullback, I'm not sure it'll happen. So, if you've yet to punch your ticket into the name, I'm not against buying into a partial position right here at \$80.

Lightspeed POS is still a vastly misunderstood company. Its stock cratered over 70% during the 2020 stock market crash, only to make new all-time highs less than a year later. The latest blowout from Lightspeed caught everybody off guard, and I think the company has even more such blowouts left in the tank, as it looks to move into a post-pandemic environment that could further fuel such beats.

Lightspeed stock was a buy before the quarter, and I still think it's a buy after Thursday's pop.

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1. NYSE:LSPD (Lightspeed Commerce)
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**Date**

2025/07/28

**Date Created**

2021/05/21

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