



## Could Lightspeed (TSX:LSPD) Stock Skyrocket in June 2021?

### Description

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is still attempting to climb back to those all-time highs it enjoyed just a few months ago. Lightspeed stock passed the \$100-per-share mark back in February before shedding 33% of its value. It is now 30% above those lower numbers in the last few months and still up 162% in the last year.

The company has been on a spending spree, buying major companies at record-setting numbers. Yet investors are still nervous at this spending, which makes sense. Let's take a deeper dive into the latest [updates related](#) to Lightspeed stock and see whether June is the month to soar.

### Lightspeed stock spending spree not all good news

Lightspeed stock recently made two purchases that totalled US\$975 billion in acquisitions. It was a combination of cash and shares offered by the company to NuORDER and Ecwid. The former is a digital platform that will aid in merchants reaching suppliers. The latter will help merchants reach consumers. But some question whether the company paid a fair price.

Even Lightspeed stock management admitted the price was steep. However, founder and CEO Dax Dasilva stated of the acquisitions each will eliminate barriers merchants face, and help "rapidly achieve our common vision of democratizing retail for independent businesses worldwide."

### Not just two acquisitions

These two acquisitions are the latest in a [line of acquisitions](#) made by Lightspeed stock. The company has purchased just shy of US\$2.3 billion in acquisitions since January 2020. In this way, it is similar to Android, which gained the market share by making its operating system as user friendly as possible. This is exactly what Lightspeed intends to do, and on a global scale.

The company already has a foothold in over 100 countries and has been adding to that number through its acquisitions. With such a presence in major economies around the world, it could very well

become the go-to rather than its peers that focus on one larger country, like the United States.

These acquisitions have obviously created a massive loss. But once online, these acquisitions should create astounding revenue. Lightspeed's strategy seems to be working, allowing users to get hooked to its platform. It really does have the potential to become the largest global tech company by 2035.

## When will cash come in?

It's likely we won't see the cash coming in from these latest investments until the end of 2021, if not 2022. That's because each acquisition has a closing date of September 30. So, I wouldn't hold my breath until the December quarter.

However, that doesn't mean shares are set to climb. The company expects to double revenue for next year, and during its latest quarter it expects to increase revenue by 127% year over year. This was yet another record quarter for the company, and it's already predicting a record year ahead. That's even with COVID-19 restrictions coming to an end and a potential decrease in e-commerce use.

## Foolish bottom line

Lightspeed stock currently trades at \$87.25 as of writing. It has seen massive gains this year and even more since the March 2020 crash. However, it's still of value, considering it trades well below its all-time high. In fact, it currently trades at an affordable 4.7 times book value.

As COVID-19 restrictions ease, the company also has the benefit to take back its brick-and-mortar sales from its retail locations. The world has changed, and e-commerce has changed with it. Lightspeed stock could very well be on the way to becoming one of the biggest post-pandemic winners of the year and beyond.

### CATEGORY

1. Coronavirus
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1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)

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