



## Lightspeed POS (TSX:LSPD): A Top Growth Stock With More to Come?

### Description

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) was one of the [top-performing Canadian tech stocks](#) during 2020, as the global landscape shifted towards tech-based solutions. The company initially suffered significant losses, as its customers had to shut down amid lockdowns. Lightspeed quickly pivoted to expand its offerings to accommodate its clients in the changing conditions.

Its e-commerce empowering and omnichannel selling solutions allowed the company to significantly grow its customer base and increase revenues from each customer. However, Lightspeed's organic growth has not been the only reason for the company's prolific run. Its strategic acquisitions have added more services and product offerings under its belt while expanding its customer base and revenues over several months.

Lightspeed has continued its growth-by-acquisition strategy by completing yet another two deals in recent weeks.

### Ecwid

Lightspeed has been on a stellar run in terms of acquiring companies, but the US\$500 million deal to buy Ecwid is its most substantial acquisition yet. Before the purchase, Lightspeed's largest acquisition was ShopKeep for US\$440 million. Ecwid is a far more significant deal, and it may prove to be a critical new name under Lightspeed's belt.

Ecwid is an e-commerce platform based in the United States. The prospective goal for Lightspeed to acquire the company is to have access to helping merchants reach shoppers through several platforms and marketplaces. Ecwid boasts more than 130,000 customers worldwide in over 100 countries. The company recently generated \$20 million in revenues, growing by 50% in 12 months.

### NuORDER

Lightspeed's second-largest acquisition in recent months was announced on the same day as the

Ecwid deal. The company acquired NuORDER for a massive US\$475 million.

NuORDER is a digital platform that will help Lightspeed merchants reach more suppliers and simplify the ordering and shipping procedures for them. The addition of NuORDER to Lightspeed will also boost the company's financial services offerings, like Lightspeed Capital and Lightspeed Payments. The company's connection with big-name brands like Converse, Steve Madden, and **Canada Goose Holdings** make an even more attractive deal for Lightspeed.

NuORDER offers more to Lightspeed than these major brand names. The company boasts over 3,000 brands and a massive 100,000 retailers. It generated over \$11.5 billion through orders in the last 12 months, generating over \$20 million in revenues.

As economies begin to reopen and business creation speeds up, companies like Lightspeed will be there to empower entrepreneurs and help them scale their businesses. Lightspeed's growing offerings to entrepreneurs and merchants are effectively helping the company achieve its goals for democratizing the retail sector for independent businesses worldwide.

## Foolish takeaway

Some analysts believe that Lightspeed's management paid too much for the companies, because they account for almost half of its US\$2.3 billion investments through acquisitions. The high price-to-earnings ratios for both companies also add to their worries. However, Lightspeed's management continues to stand firm and believes that the businesses will provide it the boost it needs to grow.

Trading at \$87.21 per share at writing, Lightspeed stock has a worrying trailing 12-month price-to-sales ratio of 51.63. I would suggest practicing some caution and fully understanding its potential beyond acquisition deals before deciding how much you would want to invest in the company if you are keen on buying Lightspeed stock.

Lightspeed's growth outlined in the next five years could prove to be good for [long-term investors](#), but it does not come without its risks.

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. 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

**Date**

2025/06/29

**Date Created**

2021/06/11

**Author**

adamothonman

default watermark

default watermark