



Lightspeed POS (TSX:LSPD): A Tech Stock to Double Your Money

Description

Lightspeed POS ([TSX:LSPD](#))([NYSE:LSPD](#)) took a massive hit with the initial panic after the lockdown, because most of its subscribers were retailers who had to close their businesses to follow lockdown mandates. The tech company was quick to pivot and adjust its product offerings to enable merchants through its e-commerce and omnichannel payments platforms to turn the ship around.

Its quick adjustments allowed Lightspeed stock to benefit from the pandemic-induced lockdown. Lightspeed stock's share prices went up by over 560% between its March 2020 bottom and December 31, 2020. The company's stock has continued its strong run this year, and it is up by almost 20% on a year-to-date basis at writing.

The stock's higher valuation might not make it seem like an [attractive investment](#) to consider. However, I feel bullish on Lightspeed stock's growth prospects. I will discuss its recent performance on the stock market and why it could be an ideal investment to consider, even at its current valuation.

Impressive performance to end fiscal 2020

Lightspeed POS stock's fourth quarter for fiscal 2020 ended in March, and the company reported impressive figures. The company's top line grew to US\$82.4 million, reflecting a 127% growth from the same period last year. Its acquisitions of ShopKeep and Upserve aided its organic growth to help the company post these figures.

Lightspeed's Payments segment also posted substantial growth as its revenues reached new all-time highs. As the company's customer base continues to expand, Lightspeed's Software division also saw impressive growth in the quarter.

As the company continues its impressive acquisition-based growth strategy, Lightspeed can still be a more profitable asset for investors to consider adding to their portfolios. The company's adjusted EBITDA declined from US\$17 million in the same period last year to US\$9.6 million in its last quarter. It means that Lightspeed's financial position is robust and presents a positive short-term outlook.

Lightspeed POS's outlook

The pandemic forced many businesses that were considering the aspect of digitization to accelerate their digital migration. Lightspeed benefitted from the trend as an increasing number of small- and medium-sized businesses looked to increase their online presence. Online shopping became more commonplace last year, and it has set a precedent for years to come.

All these developments are good news for Lightspeed, as it continues to expand its product offerings to grow its customer base and establish a more dominant position in the market. The company introduced eCommerce for Restaurants, Order Ahead, and Lightspeed Capital in the last quarter alone.

Its recent acquisitions of Upserve, ShopKeep, and Vend, along with the newly announced deals for NuORDER and Ecwid, will significantly boost its eCommerce business, driving further growth for years to come.

Foolish takeaway

Despite Lightspeed stock's high valuation, it is possible that it can deliver further capital gains. The company has a solid financial position, it continues to offer innovative products to its customers, and its mergers and acquisitions seem likely to continue.

Under these circumstances, I think Lightspeed stock could be an excellent addition to your portfolio if you seek [rapid wealth growth](#) in the coming years.

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