



Lightspeed (TSX:LSPD) Revenue Exploded in 2021: Buy Now?

Description

Market analysts saw the [explosion](#) of Canada's one-stop commerce platform coming. **Lightspeed POS (TSX:LSPD)(NYSE:LSPD)** reported record revenue in Q1 fiscal 2022. The company also announced a change in corporate name to Lightspeed Commerce effective August 6, 2021.

According to Lightspeed Founder and CEO Dax Dasilva, the company is no longer a point-of-sale solution provider only. Dasilva said the \$15.9 billion tech commerce-enabling Software-as-a-Service (SaaS) platform had outgrown Lightspeed POS.

Dasilva believes it's appropriate to sign the company name to its current offering and long-term vision. As of August 13, 2021, the tech stock trades at \$118.95 per share. If you're a current shareholder, the gain so far this year is 32.4%.

However, had you invested \$10,000 one year ago, your money today would be triple or \$30,182.69. Over the last 2.44 years, Lightspeed's total return is 529.37% (112.82% compound annual growth rate). Market analysts are bullish and have set a 12-month average price target of \$139.74 (+17.5%), although hitting \$200 soon isn't remote.

Technology of choice

Lightspeed's total revenue in Q1 fiscal 2022 (quarter ended June 30, 2021) rose nearly 220% to US\$119.5 million versus Q1 fiscal 2021. Management credits the impressive year-over-year revenue growth to the combination of strong organic growth and three strategic moves. The recently acquired ShopKeep, Upserve, and Vend contributed US\$50.5 million to revenue.

Transaction-based and subscription revenues climbed 453% and 115%, respectively. The increase in gross transaction value grew 203% to US\$16.3 billion. Dasilva said, "As economies reopen and new business creation accelerates, Lightspeed's one-stop commerce platform is emerging as the technology of choice for retailers and restaurateurs the world over."

Dasilva added, "Our customers are entering into a [new world of commerce](#) forever altered by COVID-

19, and they are turning to Lightspeed to help them simplify their operations, scale their businesses and deliver exceptional customer experiences.”

Educating the market

Lightspeed CFO Brandon Nussey mentioned the continuing momentum into fiscal Q1 due to the strong recovery by customers that helped accelerate GTV growth. He said, “Lightspeed achieved outstanding results this quarter as demand for both our software and payments solutions were bolstered by economies reopening around the world.”

Management described fiscal 2021 as one of the most transformative years yet for Lightspeed. Furthermore, the listing on the **NYSE** was a profile-raising moment (September 2020). Dasilva said that besides impressing American investors, Lightspeed has been educating the market on why the company is a really good solution now for merchants embracing online commerce.

Acquisition spree

The e-commerce industry remains fragmented. However, Lightspeed appears to be at the forefront of the consolidation trend. Its acquisition spree is likewise ongoing. The point-of-sale software provider bought an e-commerce platform (Ecwid) and a B2B ordering platform servicing wholesales, brands and retailers, for \$425 million (NuOrder).

Lightspeed believes the twin deal could be the common thread that would unite merchants, suppliers, and consumers. “It should enable innovative retailers to adapt to the new world of commerce,” said Mr. Dasilva.

Business outlook

Lightspeed has a long growth runway ahead. The acquisition of NuOrder, in particular, should accelerate the objective to revolutionize retail. For fiscal 2022, management projects a total revenue increase of between 130% and 139% from the US\$221.7 revenue in fiscal 2021. This [technology stock](#) could match the growth and phenomenal success of Canadian tech giant **Shopify**.

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