



## Forget Shopify (TSX:SHOP)! 1 TSX Tech Stock That Could Grow More

### Description

A Canadian tech stock not named **Shopify** made [headline news](#) recently because of its stellar quarterly results. Dax DaSilva, CEO of **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)), said the e-commerce company's revenue soared to a record high in Q2 2021, as the economy roared back. While the trailing one-year price return of Lightspeed is 202.75%, the year-to-date gain is only 32.4% (\$118.95 per share).

Lightspeed has the potential to duplicate the success of Shopify, given the e-commerce boom. However, [another tech name](#) could grow more than the top two TSX tech companies. Lost in the excitement over Lightspeed is **Nuvei** ([TSX:NVEI](#)). Thus far, in 2021, this [technology stock](#) outperforms with its 67.39% year-to-date gain (\$130.21 per share).

### Head to head

The one-stop commerce platform of Lightspeed is a novelty, and the company has successfully reached its intended target market. Nuvei is a payment technology company whose proprietary technology is likely to win over more merchants globally in the months ahead. Also, Nuvei from Montreal has a market capitalization of \$18.11 billion, larger than Lightspeed's \$16.82 billion.

In Q1 fiscal 2022 (quarter ended June 30, 2022), Lightspeed reported total revenue of US\$115.9 million, which represents a 220% year-over-year growth. Its transaction-based and recurring subscription revenues grew 453% and 115%, respectively.

Nuvei's Q2 2021 (quarter ended June 30, 2021) results are equally explosive. Management reported 146% and 114% increases in total volume and revenue versus Q2 2020. For the first half of the year, the total volume and revenue increases were 139% and 97% compared to the same period last year.

Lightspeed's net loss in Q1 fiscal 2022 expanded by 145.27% to US\$49.3 million versus Q1 fiscal 2021. However, Nuvei recorded a 177.86% increase in net income to US\$38.9 million compared to Q2 2021. In the first half of 2021, Nuvei reported US\$66.7 million in net income versus the US\$48.4 million net loss in the same period last year.

## Loss expectations

Lightspeed POS changed its corporate name to Lightspeed Commerce, because it's now a full-scope, not just a point-of-sale, solutions provider. Besides facilitating payments, the cloud platform delivers an omnichannel consumer experience and provides a comprehensive back-office operations management suite for customers' efficiency and insight.

While Lightspeed raised its revenue forecast for fiscal 2022 (between US\$510 and US\$530 million), it expects losses. Management forecasts an adjusted EBITDA loss of about US\$35 million, or 7% of revenue. Still, the company will not stop shopping around for new businesses with growth opportunities.

## Better financial outlook

Nuvei is more upbeat about its financial outlook and growth targets. Because of the strong performance in Q2 2021, management projects revenue of between US\$690 million and US\$705 million for the full year. Regarding medium-term growth targets, Nuvei forecast a +30% CAGR growth in total volume and revenue.

The strategy to achieve an adjusted EBITDA margin of +50% over the long term is to accelerate investments in distribution, marketing, innovation, technology, and infrastructure. Also, consistent with Nuvei's growth strategy is to list with NASDAQ. The company's application with the tech-heavy U.S. stock exchange is pending.

## Screaming buys

Lightspeed Commerce and Nuvei are screaming buys if you want exposure to the tech sector and superior returns in the future. However, Nuvei appears to be the better choice today because of its profitability. The growth stock belongs to TSX's the cream of the crop.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)
3. TSX:NVEI (Nuvei Corporation)

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