



Why Lightspeed Commerce (TSX:LSPD) Rebounded on Friday

Description

It looks like **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is down but not out quite yet. Shares of Lightspeed Commerce rebounded on Friday with a new announcement coming out for restaurant owners. And the news looks to perhaps put recent short-seller fears behind it. For now.

What happened?

Lightspeed Commerce jumped by 5% in early morning trading after the company announced its new [“Lightspeed Restaurant”](#) platform. The platform aims to bring restaurants into a post-pandemic world; it “brings together an innovative POS, contactless integrated payments, online ordering, advanced inventory, and analytics to create a powerful hospitality platform for running a smarter, more efficient restaurant,” according to the statement.

Lightspeed Commerce announced the platform is now available in North America after rolling it out in Europe over the summer. The service allows operators to see what brings customers back, gives daily data emails, tracks inventory, contactless ordering, online payments, and is easy to use.

The post-pandemic world needs to stay on top of online adoption, using every resource to keep customers coming and stay afloat. Lightspeed Commerce hopes this new platform will aid in the recovery of the hospitality industry.

So what?

So far, this may sound like a sales pitch. However, Lightspeed Commerce still has a lot of fire to wade through. The rebound in Lightspeed Commerce is great, bringing shares back up to around \$121 as of writing. However, that’s still 27% lower than all-time highs hit last month.

So, the question is, “is it enough?” The new platform is both strong and helps to address the [allegations](#) brought up by the Spruce Point short-sellers report. The report stated that the quality of metrics were mere “smoke and mirrors,” and that the true metrics were hidden among the flurry of recent

acquisitions.

However, the recent announcement puts to work at least some of those acquisitions — namely, the acquisitions of Upserve, Gastrofix, Kounta and iKentoo were made to simplify processes for merchants with Lightspeed Restaurant.

And this is the most recent announcement addressing the acquisitions. Lightspeed Commerce also announced two weeks ago the completion of the Ecwid acquisition for about \$163.6 million and 4.8 million voting shares. This acquisition aims to help merchants reach shoppers, so it's more of an e-commerce focus than the Lightspeed Restaurant platform.

Now what?

What are Motley Fool investors to do? As one analyst stated, the allegations remain just that: allegations. There is no “smoking gun” that proves the company isn't making as much as it stated. That being said, it's left investors wondering if now they should take their gains.

That could indeed happen again even with this good news. In the drop off last [month](#), some investors may have worried that shares were too low. Now, a rebound may cause another selloff. And then there's the issue of Spruce Point Capital Management.

Lightspeed Commerce responded to the short-seller report that there were both inaccuracies and benefits for Spruce Point. And while the company has been successful in the past, there have been several times where it fell short, and shares continued to climb, even after an attack on a company.

The telling sign will be how Lightspeed Commerce responds during its earnings report on Nov. 4. The question is whether the company will start trying to show more of its organic growth data or remain the same and hope no one notices.

Finally, Lightspeed Commerce has made these acquisitions to race towards the head of the pack. And it may have gone into a sprint instead of taking a marathon approach. If it continues to lose money from hardware sales and isn't able to implement these major acquisitions quickly, shareholders could be left with another crash on their hands.

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