



3 Reasons to Buy Lightspeed Commerce (TSX:LSPD) This Month

Description

The Canadian market as a whole had a rough month in September. The **S&P/TSX Composite Index** ended the month at a loss but is still up more than 15% on the year.

The market may have only lost a couple of points last month, but many other TSX stocks slid much more than that. **Lightspeed Commerce** ([TSX:LSPD](#)) ([NYSE:LSPD](#)) stock tanked close to 20% in the last week of September.

In addition to the market's bearish momentum, a short report released by a U.S.-based investment research firm sent shares of the [tech stock](#) spiraling last month. Nervous investors caused an instant selloff following the release of the bearish report.

As a long-term investor that's very bullish on Lightspeed Commerce, the recent selloff was one that I was not going to miss out on.

Shares are still far from cheap, from a valuation perspective, but now is an excellent time for long-term investors to start a position in this [top growth stock](#).

Reason #1: Lightspeed Commerce is trading at a discount

At a price-to-sales (P/S) ratio above 30, Lightspeed Commerce is certainly not a cheap stock. It was, however, valued at a P/S ratio closer to 50 last month. That price had it ranked it as one of the most expensive companies on the TSX.

The recent selloff now has the tech stock trading more than 20% below all-time highs. It's not the first time Lightspeed Commerce stock has endured a steep selloff, and I wouldn't bet it will be the last.

It's been a volatile ride for the tech company since it joined the TSX in March 2019. Patient investors have been well rewarded, though, with shares up more than 500% since going public.

If you were waiting for a pullback to start a position, now is as good a time as any.

Reason #2: Continuous product innovation

[Canadian investors](#) are willing to pay a premium for Lightspeed Commerce because of the massive growth potential.

The Montreal-headquartered company was once known primarily as a point-of-sale hardware provider. Today, the company does far more than just provide payment solutions to brick-and-mortar retailers.

Lightspeed Commerce's cloud-based software is now used by its customers throughout their entire businesses. Digital marketing, analytics, and accounting are just three examples of Lightspeed Commerce's growing product line.

E-commerce might be one of the largest growth opportunities for the tech company. Lightspeed Commerce has a long way to go to catch fellow Canadian tech giant, **Shopify**, but there's plenty of room for more than one winner in the e-commerce space.

Reason #3: Massive global opportunity

In addition to growing internally through product innovation, Lightspeed Commerce has been busy growing the business's international presence.

In the company's most recent quarter, it reported serving more than 150,000 customer locations spread across over 100 countries. That was up from 77,000 customer locations in the quarter just one year prior.

A key driver in Lightspeed Commerce's international growth has been its aggressive acquisition strategy. CEO Dax DaSilva has not been shy about putting capital to work by acquiring companies to both expand its product line and its geographic footprint.

If you can stomach the volatility, this tech stock has no shortage of growth potential over the coming decade.

I'd act fast on this discount, because I don't think it will be long before the growth stock is back to all-time highs.

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