



Why Lightspeed (TSX:LSPD) Stock Started Climbing This Week

Description

It wasn't much, and it wasn't that impressive, but **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) moved in a positive direction this week. Lightspeed stock may still be down in the last month — by 23% as of writing. But in the last few days, there has been at least some positive [movement](#).

What happened?

There are two things that are likely to influence the recent movement in Lightspeed stock. The first is the announcement of its “Lightspeed Restaurant” rollout in North America. After a successful deployment in Europe, this new payment platform will help restaurants combine their online analytics and function with their in-store operations.

Then there's the other, less-exciting influence on Lightspeed stock. And that's time. After the short-seller report alleged Lightspeed stock's metrics were “smoke and mirrors,” shares plummeted. But neither Lightspeed or the accuser Spruce Point Fund Management has had anything to say since the report last month.

So what?

It likely means there isn't much more to say. Lightspeed has moved forward, and Spruce Point looks to have moved on. Perhaps it really did benefit from the brief downfall of Lightspeed stock. And honestly, shares were likely overpriced. Even now, it trades at a price-to-book ratio of 6.8, and EV/Sales of 44.9.

But the company was certainly hit by the news. It lost \$2 billion in [market cap](#) after the report but recovered well and now has a \$17.47 billion market cap at writing. Shares fell below \$100 and have since rebounded to \$121.50 at writing. That's still below the all-time highs of last month but perhaps a bit more reasonable.

Now what?

Earnings come out for Lightspeed stock on Nov. 4. The last [report](#) was, of course, stellar. The company reported 220% growth in year-over-year revenue. And it's likely this will be similar yet again, especially as its acquisition of Ecwid and NuORDER come online. Then there is the holiday season to look forward to in the e-commerce world in the next few months coupled with fewer lockdown restrictions.

Now may be a good time to pick up Lightspeed stock on the back of this pullback. True, the average potential upside of analysts sits at \$139 — an upside of 15% as of writing. But that could climb even higher given that just before the short-seller report, shares climbed to above \$160 per share.

Lightspeed stock looks to be coming back to life, and with an earnings report around the corner, investors may want to take this opportunity to climb on the bandwagon. Revenue is expected to climb to \$153.44 million for the quarter according to analysts, though it's likely the company will blow that out of the water once more.

That being said, if you're averse to risk, this likely won't be the stock for you for some time. Who knows whether another short seller report will come out? And if it does, it may be that Lightspeed stock simply won't be able to recover.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. alegatewolfe
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/07/21

Date Created

2021/10/23

Author

alegatewolfe

default watermark

default watermark