



## Where Will Lightspeed (TSX:LSPD) Stock Be in 10 Years?

### Description

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock has made some impressive gains since its initial public offering (IPO) two years ago. Closing at \$18.90 on its IPO date, it has risen all the way to \$120—a 540% rise. If you had invested \$10,000 in LSPD at its IPO date, you'd have a \$64,000 position today.

Not a bad result for a mere two years.

And there is some possibility that these big gains will continue. LSPD is still a fairly small-cap stock, valued at \$17.8 billion by the stock market. At that kind of market cap, there is still potential to deliver outsized returns. In this article, I will try to gauge where LSPD will be in 10 years. I'll start by looking at LSPD's financials and then examine the growth in similar companies.

### Lightspeed's financial results

Lightspeed's [financial results](#) have generally been very strong since its initial public offering (IPO). For the trailing 12-month period, its revenue is up 129%. In its most recent quarter, it delivered:

- \$116 million in total revenue, up 220%.
- \$50 million in subscription revenue, up 115%.
- \$57 million in transaction revenue, up 453%.
- \$-12 million in EBITDA, or 10% of revenue.

Those are pretty solid results overall. While the company is still losing money, the losses aren't too big as a percentage of revenue. So, LSPD could achieve profitability in relatively short order.

### Growth in similar companies

Having looked at Lightspeed's financials, we can now turn to the growth in similar companies. Lightspeed is only two years out from its IPO, so it's hard to determine a clear trend in the stock's

performance. There are, however, some fairly established companies that are similar to Lightspeed in many ways. We can use these companies to gauge the size of Lightspeed's total addressable market (TAM), which has bearing on its growth potential.

The first of those is **Shopify** (TSX:SHOP)([NYSE:SHOP](#)). Shopify is Canada's top tech stock. In fact, it is Canada's biggest publicly traded company by market cap. Since going public in 2015, SHOP stock has risen about 5,000%. It has a \$226 billion market cap and \$1.12 billion in quarterly revenue; \$1.12 billion in a quarter equates to \$4.48 billion in a year. Obviously, Shopify's TAM is at least that much. In fact, Oppenheimer has estimated it as being much more—a [full \\$255 billion](#). If Lightspeed's TAM is the same as Shopify's, then it has much further to go beyond its current \$119 million in quarterly revenue.

Another company worth looking at here is **Amazon** ([NASDAQ:AMZN](#)). Amazon has a \$1.71 trillion market cap and \$400 billion in annual revenue. Its stock has risen tens of thousands of percentage points since its IPO in 1997. If AMZN is an example to go by, then Lightspeed may have far, far more room to run.

It's important to note, though, that Amazon is a once-in-a-generation "unicorn" whose success is unlikely to be replicated by smaller competitors. Further, its business model is a little different from Lightspeed in that it actually holds inventory and sells it directly, while Lightspeed only facilitates sales by other businesses

## CATEGORY

1. Investing

## TICKERS GLOBAL

1. NASDAQ:AMZN (Amazon.com Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. NYSE:SHOP (Shopify Inc.)
4. TSX:LSPD (Lightspeed Commerce)
5. TSX:SHOP (Shopify Inc.)

## PARTNER-FEEDS

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

## PP NOTIFY USER

1. andrewbutton
2. arosenberg

## Category

## 1. Investing

**Date**

2025/08/16

**Date Created**

2021/11/02

**Author**

andrewbutton

default watermark

default watermark