



Lightspeed (TSX:LSPD) Stock: What Should Investors Do Now?

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) shares plunged on Thursday after a less-than-ideal earnings review. The company announced a loss that doubled the year before by 203% to US\$59.1 million. However, revenue nearly tripled. So, what should investors do now with Lightspeed stock?

What happened?

Lightspeed stock [crashed](#) by 30% after the announcement of the loss. Further, management basically stated that the company expects more losses — both implicitly and explicitly. First, it stated that supply chain demands continue to weigh on both merchants and Lightspeed from providing hardware to its customers. Also, the pandemic is still creating problems in both retail and the e-commerce sector.

But the explicit losses also come from the announcement of an increase in losses for fiscal 2022 in adjusted EBITDA. This quarter, the company announced adjusted EBITDA losses of \$0.20 per share, double the expected \$0.11 loss from analysts. That loss could reach \$45 million in fiscal 2022, up from an expected \$35 million.

So, should investors stay away from the stock, sell it, or buy it in bulk? Here's what your next move might be.

So what?

If you're an investor looking to make a quick buck, it's not the time to invest in Lightspeed stock. The [short-term](#) issues will continue to weigh on the company at least for the next quarter. Even with the holidays upon us, it seems the supply chain demands on the company will significantly impact company losses.

Even though revenue is up, it came from organic growth but also from two acquisitions coming online. Ecwid and NuORDER may have actually increased revenue to a point that will stabilize almost

immediately. So, while it looks impressive in the short term, in the long term, perhaps not so much.

However, long-term investors may want to consider Lightspeed stock right now. Shares are down to levels not seen since May of this year. And should the company begin soaring upwards again, it's not likely to come back down. Once supply chain demands are solved (they will be) and the pandemic ends (which it will), these will be short-term issues for long-term buyers.

Now what?

The revenue outlook for Lightspeed stock actually increased this quarter to as much as \$535 million for fiscal 2022. That's a significant increase from the year before, and analysts tend to agree with the number. Further, shares of Lightspeed stock are up 367% since coming on the market just about two-and-a-half years ago. That's significant growth, and analysts give it a potential upside of around 60% for the next year as of writing.

So, yes, it's a turbulent time for Lightspeed stock and its investors. A short-seller report and supply chain demands all weigh on the stock. But if you're a long-term investor, this might be a great opportunity to buy it while you can. The company's acquisitions and organic growth are setting it up for [long-term](#) gains, not just short-term boosts. So, if you can wait out the storm, it might be a great time to consider the stock before it starts climbing back into the triple digits.

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