



Lightspeed Stock (TSX:LSPD) Down 46% Near 52-Week Lows: A Buy?

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) continue to trade [lower](#) and lower on the **TSX**, with shares at \$85 as of writing. While that's still a ways off from the \$51.32 of this year, some Motley Fool investors may fear that Lightspeed stock is headed in that direction.

What happened

You wouldn't be crazy to think so. Shares of Lightspeed stock are down a whopping 46% since all-time highs. Just as the tech stock reached those heights, it was hit with a short-seller [report](#) sending it for a loop. Spruce Point Capital Management stated the company's fundamentals were "smoke and mirrors," putting a question mark on the true value of the company.

This was followed by an earnings report that left Motley Fool investors underwhelmed, if not disappointed. The company still saw year over year improvements in the double digits, but it seems investors became used to the record-setting revenue.

Yet it seems the fears felt by many could be overblown, according to analysts. And I mean *most* analysts. So let's take a look at whether today's share price may actually be a huge deal.

Analysts weigh in

Analysts took their time to weigh on Lightspeed stock, and it's clear why. The short-seller report, while interesting, really can be chalked up to gossip. While Spruce Point identified problems in the company, the creators of the report offered few solutions. So it wasn't until earnings came out that analysts provided any true opinion.

The day after earnings, a flood of analyst recommendations came in. Most believed the sell-off after the report was "overdone," in the words of analyst Paul Steep from Scotia Capital. This came after a 30% drop in Lightspeed stock, despite better-than-expected earnings results.

The main worry was the future, with supply chain disruptions causing the company to back off its annual guidance a touch, especially as COVID-19 continues to disrupt operations. There could therefore be an affect on holiday [sales](#), according to analysts.

Opportunity awaits

However, this short-term issue means there is a strong opportunity for Motley Fool investors. Given the huge sell-off, there is likely to be a major recovery for long-term holders, even those holding for the next few months. As the pandemic improves and the global supply chain issues resolve, it's like Lightspeed stock will rebound dramatically.

Therefore, analysts remained positive over Lightspeed stock's long-term vision as a leading software-as-a-service company. There continues to be strong multi-year revenue growth opportunities, especially as it expands Lightspeed Payments to new global markets.

So while the next few quarters could be somewhat volatile, within the next year analysts believe the stock should outperform. The consensus price estimate now sits at \$127.47. This was a drop after the short-term headwinds put pressure on the stock, but a potential upside of 49% as of writing!

Bottom line

Yes, there will be short-term issues for Lightspeed stock. But analysts remain confident Lightspeed can weather the storm. In fact, today's 46% drop in share price creates a stellar opportunity for long-term Motley Fool investors.

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