



Forget Lightspeed Stock (TSX:LSPD): Buy a Tech Stock up 78% in 2021

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) continues to be the bane of the e-commerce industry's existence these days. Lightspeed stock seemed to be the next big thing, soaring to all-time highs of near \$166 in 2021. Yet several key factors sent the e-commerce company's shares plummeting over the last few months.

What happened

Lightspeed stock bottomed out from a variety of factors. However, it can't be denied that the catalyst was the short-seller report by Spruce Point Capital Management. The report stated that Lightspeed stock wasn't being forthcoming with investors. It went on to say there were a number of problems with its metrics that made the company seem like it was doing better than it was.

This sent shares dropping 30% from all-time highs. There was a bit of a recovery after that, but since then, shares have fallen yet again. And this time, it doesn't seem like it will suddenly stop.

That's because Lightspeed stock then released its earnings report. Honestly, analysts don't feel the report was that bad. But the problem was twofold for investors. First, its net income loss increased by 203% to \$59.1 million year over year. Furthermore, management believes supply chain difficulties will continue to hinder performance. This comes both from supply issues in its own systems and also on its merchant side.

Should you ignore Lightspeed stock?

Here's the thing. Lightspeed stock could very well make a comeback. Down 55% from all-time highs at writing, some good news could send shares back upwards yet again. However, investors are now on alert. So that could also mean the exact opposite happens, sending shares even lower. We call this volatile, to say the least.

So if you're a long-term investor, it could be a good time to pick up Lightspeed stock. However, if

you're worried about volatility, then I would highly recommend this other household name [tech stock](#).

Buy the e-commerce king pin

Instead of Lightspeed stock, I would consider **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) instead. Shopify stock remains a top choice thanks to several factors. The [e-commerce](#) giant continues to beat analyst estimates time and time again, finding new ways of bringing in revenue. This comes from acquisitions, its own payment methods, and even running its own fulfillment facilities.

This last point has been incredibly important during today's supply chain difficulties. Shopify stock remains unconcerned with supply and demand because its merchants continue to provide the supply, and Shopify hosts its own channels to meet demand.

Its total revenue recently surpassed the \$1 billion mark, and as of its latest earnings report flew past it even higher. Its gross merchant value (GMV) hit \$400 billion during that quarter as well, as it continues to bring on new subscribers.

Now yes, Shopify stock is expensive, especially in comparison to Lightspeed stock. But even so, it's expensive for a reason. It has a solid business model that investors would do well to research if they want solid, reliable, long-term income.

Foolish takeaway

Lightspeed stock could rebound soon, sure. When it does, you might miss out. But you could also lose a lot more should the share price sink even lower. Shopify stock, on the other hand, continues to surge past the \$2,000 point, and has remained relatively stable during the last year, climbing at a strong clip.

From its lowest point to its highest, Shopify stock climbed 78% in 2021 alone. Since its initial public offering, it's up 5,697% to date. While these numbers aren't likely to continue for long-term investors, you can feel confident that strong [growth](#) will. And it's why I would recommend Shopify stock as a buy instead of Lightspeed stock today.

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