



## Here's Why I'm Buying Lightspeed (TSX:LSPD) Stock Today

### Description

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Montreal-based company that provides commerce-enabling Software as a Service (SaaS) platform for small and midsize businesses in Canada and around the world. Shares of this [tech stock](#) were down 1.2% in early afternoon trading on December 2. Today, I want to discuss why I'm looking to snatch up Lightspeed as it continues to plunge to close out 2021. Let's dive in.

### Why this top Canadian tech stock has been pummeled in late 2021

The company found itself the target of a short attack from Spruce Point Capital Management. Spruce Point alleged that the e-commerce firm had been overly aggressive when it comes to its revenue reporting and overall growth projections. This killed the momentum that Lightspeed had built over the past year in the [burgeoning e-commerce](#) sector. The company moved to refute the claims in the short report, but the damage was done.

Spruce Point has good reason for celebration as its short attack triggered a major pullback for this tech stock. Shares of Lightspeed have plunged another 51% month-over-month at the time of this writing. The broader pullback in Canadian and global markets has generated even more downward pressure.

### How did Lightspeed look in its recent earnings release?

Lightspeed unveiled its second-quarter fiscal 2022 earnings on November 4. Total revenue grew 193% to \$133 million as subscription revenue increased 132% to \$59.4 million. Moreover, transaction-based revenue surged 320% to \$65.0 million.

Gross transaction volume (GTV) grew 123% year-over-year to \$18.8 billion as customer locations rose to approximately 156,000. The company has moved forward on several strategic initiatives that it hopes to drive growth in the quarters ahead. It closed the acquisition of Ecwid, which led to the launch

of Lightspeed Restaurant, the company's new flagship hospitality platform. Moreover, it expanded Lightspeed Payments to thousands of new merchants in Australia and the United States on the back of its recent Vend acquisition.

In its outlook, the company boasted about its growing customer locations, climbing software adoption, increased GTV, and improved payments penetration rate. However, it conceded that it will be forced to contend with uncertainties in the macro-environment due to the ongoing impact of the COVID-19 pandemic.

The rise of the Omicron variant could further complicate its growth trajectory. North America's supply chain crisis has also presented a huge challenge for businesses ahead of the holiday season.

## Here's why I'm buying the dip in Lightspeed stock

Last month, I'd [discussed](#) whether Lightspeed was a buy-low opportunity or a stock to avoid as it wrestled with the impact of the short attack. Despite its near-term challenges, there are good reasons to be optimistic about the company after a very solid Q2 FY2022 report. Its payments platform has posted very strong growth in the year-over-year period. Lightspeed boosted its revenue projections for fiscal 2022 and fiscal 2023.

Shares of this tech stock last had an RSI of 23, putting Lightspeed in technically oversold territory. I'm looking to snag this tech stock at a nice price point in the final month of 2021.

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