



1 Tech Stock to Buy Before the Holidays

Description

Finding the right tech stock to buy these days can be a headache — especially when you take into consideration the holidays. The holidays can be a great time for companies. However, this year, it may be harder for companies to make the revenue they hoped for.

That comes from a variety of reasons. As the pandemic continues, production and labour shortages remain. This has led to supply chain difficulties, especially as [consumers](#) get used to speedy deliveries. One area hit especially hard in the last few months has been e-commerce companies. And that includes **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)).

Not just the pandemic

But it's more than the virus causing disruptions for Lightspeed stock. Shares of the tech stock fell 30% back in September after a short-seller report came out against Lightspeed. Spruce Point Capital Management stated the company's metrics were "smoke and mirrors," hiding the true value of the company.

Since then, investors have been on high alert. There have been multiple selloffs of the company in the last two months — most recently, from its earnings report. While earnings beat estimates and the company reported strong revenue, it wasn't the triple-digit growth investors had grown used to.

Furthermore, Lightspeed stock came clean about supply chain issues hurting the tech stock. This is both with its own supply chain problems, getting services to customers, as well as its merchant's supply chain woes. Combined, it led to a less-than-ideal quarter.

Should you sell?

At this point, I would definitely not be selling Lightspeed stock. The key to any good investment strategy is patience. If you have patience, and it's a good stock, eventually the stock will rebound. And that remains the case for this tech stock.

Lightspeed continues to have a solid growth strategy, making acquisitions that are now starting to produce as of this current quarter. In fact, the recent selloff caused multiple analysts to come out and state the share price reduction was "overdone" and Lightspeed stock should continue to "outperform."

In fact, analysts stated the tech stock still managed to pull off better-than-expected second-quarter results, especially with strong sales growth. While the supply chain could affect some holiday sales, it's likely Lightspeed stock will continue on its strong growth path. And that's where analysts state there is a buying opportunity.

"The firm's transition toward becoming an integrated software and payments vendor could result in a multi-year period of accelerating revenue growth as it expands the availability of Lightspeed Payments into new regions and vertical markets," stated Scotia Capital analyst Paul Steep. "We expect the firm's medium-term focus will remain on expanding its range of offerings to its existing customer base, with the potential for new software modules to drive higher customer ARPU and retention."

The drop in share price has also reduced risk, in analysts view. Now, the average price target sits at \$124, creating a potential to *double* in share price over the next year. This has created an opportunity for those seeking the tech stock to get in at near ground-floor levels, and hold on patiently as Lightspeed stock continues its "[outperform](#)" trajectory.

Foolish takeaway

Lightspeed stock remains volatile, but now it seems that the old Warren Buffett saying seems true. Investors are being fearful when they should be greedy. It's time to get greedy. Lightspeed stock remains at valuable levels, down [almost 60%](#) from 52-week highs. Positive news could certainly send the stock upwards again. If analysts are right, that could mean a \$10,000 investment today could be worth double that by next year.

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2. Tech Stocks

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