



Why Lightspeed Commerce's (TSX:LSPD) Stock Price Fell 49% in November

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) shares continue to drop, falling another 49% in November alone. That's on top of the plummet since September, where shares are now down 60% since all-time highs. So, let's look at why Lightspeed stock continues to plummet.

What happened?

Lightspeed stock continues to crash, and while there are a variety of [reasons](#), the main one still seems to be the short-seller report. Back in September, Spruce Point Capital Management accused Lightspeed stock of not being truthful about its metrics and that it really was losing money, even with several acquisitions on the books.

Then came the company's earnings report. Shares fell yet again, and this was due to Lightspeed's stock guidance. The company announced that supply chain disruptions would continue to weigh on Lightspeed, even during the holiday season. This would affect both Lightspeed itself and its merchants. While it's unlikely it would see a major drop in performance, it just wouldn't see the massive numbers it has in the past.

So what?

Lightspeed stock managed to continue posting solid numbers during its latest earnings report, but the guidance is what caused shares to plunge. There was also an increase in losses. Overall, analysts have been shocked by the major drop, as the company had yet another record quarter.

Lightspeed stock saw total revenue up 193% year over year, with subscription revenue up 132%. It had two acquisitions come online and saw record Lightspeed Payments. However, acquisition costs brought its net loss to \$59.1 million, up from \$19.5 million the year before.

Even still, analysts stuck to their target price around \$125. And through it all, Lightspeed stock continued to drop. Analysts now believe pretty much unanimously that Lightspeed is oversold, and the

numbers agree. Lightspeed stock now trades at around 20 on the relative strength index — far below the 35 that marks it as oversold.

Now what?

If you're a long-term buyer, then Lightspeed stock is a solid purchase these days. Shares continue to trade at \$57 per share as of writing, marking it as a huge discount. True, it continues to be plagued by supply chain demands, but its acquisitions are bound to bring in solid and large income for years to come.

Lightspeed stock continues to be an [e-commerce](#) company on the growth path. It's using its larger peers as a way to identify what areas need strengthening, and one of those areas is the retail and restaurant industry on a global scale.

And, as mentioned, analysts continue to give it a target price of \$125. So, that's a potential upside of 119% as of writing! If you have the patience, Lightspeed stock could certainly pay off at these oversold prices. And as Warren Buffett says, be greedy when others are fearful and fearful when others are greedy. Right now, when it comes to Lightspeed stock, it's the perfect time to get [greedy](#). And you'd better do it fast, before others see the share price for what it is: an absolute bargain.

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