



## Lightspeed Commerce Named Top Investment Idea by Royal Bank

### Description

Opportunity is knocking for those wanting in on a **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) rebound. Or at least that's what **Royal Bank of Canada** ([TSX:RY](#))([NYSE:RY](#)) Capital Markets believes. RBC Capital Markets recently named Lightspeed among its top five investment ideas in the payments, processing, and IT services industry for 2022.

Lightspeed was the only Canadian company among RBC's top choices. Let's look at why the Big Six Bank has touted the company as a huge winner in 2022 and perhaps [beyond](#).

### What happened?

Lightspeed was chosen mainly because of its underperformance this year. If you're unfamiliar, the payment company was the victim of short-seller report by Spruce Point Capital Management. The company accused Lightspeed of hiding behind acquisitions that were all "smoke and mirrors" and metrics that were inaccurate.

Lightspeed denied the accusations, but it didn't help that its quarterly earnings fell below investor [standards](#). While revenue exploded, so did its losses to \$59.1 million. Further, the company stated that its next quarter would fall behind as well. This comes from the continuing supply chain disruptions for both the company and its merchants.

Yet the selloff in Lightspeed has been way overblown, according to RBC. The original selloff after the short-seller report was 30%. Yet since 52-week highs of \$165, shares are now down near 52-week lows. That's a decrease of 68% as of writing.

### So what?

Not only does RBC Capital Markets believe Lightspeed will rebound, but the bank also believes the entire sector of the payment industry isn't likely to suffer the same issues of 2021. Instead, the industry could be the first to see signs of global economic growth.

While near-term growth may be slower, RBC analyst Dan Perlin believes it's a time for investors to take advantage of the lower share price.

"Overall FQ2/22 came in ahead of our estimates and likely in line with buy-side expectations," Perlin said. "[T]he underlying fundamentals remain strong and believe the transitory issues will abate within the next one to two quarters."

Perlin isn't alone in these thoughts. Analysts have called the Lightspeed sell off "[overdone](#)." Sure, the last earnings report led analysts to cut their targets across the board. But certainly not to \$50 per share. And furthermore, it's to reflect the short-term problems Lightspeed faces. COVID-19 lockdowns and supply chain disruptions — all of it is temporary and should normalize soon enough.

## Now what?

Get in while you still can! I do mean that considering we are mere days away from when a Santa Claus Rally usually takes place. This could lead to a significant increase in buying up Lightspeed shares. And with analysts continuing to have their target price at around \$125 per share, that's a potential upside of 140% as of writing.

Lightspeed is expected to continue achieving year-over-year growth for the foreseeable future. That makes today's share price far more reward than risk. While it could be volatile for the next quarter or two, long-term investors should see this as an opportunity buy and forget the stock.

With its acquisitions coming online, further expansion and partnerships, and an expanding customer base, Lightspeed is trading at a share price you simply don't want to miss.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:RY (Royal Bank of Canada)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:RY (Royal Bank of Canada)

## PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred

5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

## PP NOTIFY USER

1. alegatewolf
2. kduncombe

## Category

1. Investing
2. Tech Stocks

## Date

2025/08/20

## Date Created

2021/12/16

## Author

alegatewolf

default watermark

default watermark