



Year-End Fire Sale! This 1 Stock Could Surge 140% in 2022, According to Analysts

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) has been one of the most beaten-down stocks on the **TSX** lately. At the end of August 2021, LSPD stock was trading at around \$140 per share, with a solid 56% gain for the year. Then came a short [report](#) — severely attacking the tech company's management towards the end of September. This report is the key reason why Lightspeed stock has lost more than 60% of its value since August end and now trades with 43% year-to-date losses.

In this article, we'll look at some key factors that could drive its stock in the next year. But first, let's look at Street analysts' consensus ratings on LSPD stock.

Analysts on Lightspeed stock

According to Street analysts' latest consensus data, about 80% of analysts covering Lightspeed stock gave it a "buy" rating. Most analysts expect the stock to surge in the next year, as they have a consensus target price of around \$123 per share for the next 12 months.

This LSPD stock target price reflects a nearly 140% upside potential from yesterday's closing price of \$51.50 per share.

Arguments against Lightspeed in the short report

Spruce Point's 125-page short report on Lightspeed made several allegations on the company and its management. No matter how convincing these allegations might look to many at first, many of the arguments used don't make much sense to me.

As I [highlighted](#) in one of my articles a couple of months ago, the short report “broadly seemed to question why Lightspeed’s management had a bullish tone, even during the peak pandemic phase, when its competitors were struggling.” In my opinion, the management’s positive tone was mainly backed by Lightspeed’s significantly accelerated overall business growth during the COVID-19 phase.

For example, in its fiscal year 2021 (ended in March 2021), Lightspeed’s year-over-year revenue growth jumped to 83.8% from just 55.8% in the previous year. Its annual revenue for the first time crossed the US\$200 million level to stand at US\$221.7 million. So, I don’t see why its management would have made any negative comments when the company was actually growing faster than ever before during the pandemic.

Why LSPD could recover in 2022

No matter what, Spruce Point’s critical report has clearly affected investors’ sentiments. But I still expect the company’s stock to stage a sharp recovery in 2022 given its consistent expansion efforts, solid sales growth, strong demand, and quality acquisitions. These factors could be the reasons why most Street analysts have seemingly ignored the recent short report to remain bullish on Lightspeed stock.

The broader market is set to end the year 2021 with solid double-digit gains. In contrast, the recent massive drop in Lightspeed stock has made it look really cheap. Let me quickly remind investors that Lightspeed is the same stock that most long-term investors were willing to pay well more than \$100 per share for. It’s now trading close to \$50 per share without any big negative change in its fundamental outlook or financial trends. That’s why LSPD stock seems to be on a year-end fire sale.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. TSX:LSPD (Lightspeed Commerce)

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. jparashar
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/07/07

Date Created

2021/12/30

Author

jparashar

default watermark

default watermark