



## Lightspeed Commerce (TSX:LSPD) Surged by 45% in 1 Week: Is it Time to Buy?

### Description

Tech companies soared to phenomenal new heights after the pandemic struck and created tailwinds for the industry that didn't exist. However, things can turn around quickly, and the last year has shown how drastic the change could be. Rising inflation, impending interest rate hikes, and a return to relative normalcy in a post-pandemic era led to a meltdown in tech stocks.

The combination of investors fleeing risk by avoiding [growth stocks](#) and uncertainties in the stock market dragged some of the most well-established tech stocks through the dirt. However, tech stocks are going through a bit of a [revival on the stock market](#) right now. More and more money is flowing into the tech sector with the hopes of recovery after such a long decline in valuations across the board.

**Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock posted 45% gains on the TSX in seven days between March 14 and March 21, 2022. Let's look at Lightspeed Commerce stock to help you determine why it might be an excellent investment right now.

### Stellar quarterly performance

Lightspeed stock recently reported its third-quarter earnings for fiscal 2021. The company reported US\$152.7 million in revenue for the quarter, translating to a 165% growth in revenues compared to the same period in the previous year. The revenues generated by the company saw a boost through its acquisitions combined with solid organic growth.

The company's average revenue per customer increased by 61% to hit US\$290, and it increased its customer locations to 159,000 compared to 115,000 in the previous year. Lightspeed stock reported an adjusted EBITDA loss of 4.7%, but it was a massive improvement from 11.4% from the same period last year.

### Future outlook

Despite a return to relative normalcy after the pandemic, online shopping and omnichannel selling

models are in high demand today. The addressable market for Lightspeed Commerce is vast, and it has plenty of room to grow. The company is constantly working towards capturing a greater market share by diversifying its payments solutions to new business verticals and different markets.

The coming quarters look positive for Lightspeed stock, as it continues to expand its customer base, acquires more companies under its banner, and upsells to existing customers. Lightspeed Commerce's management has increased its fiscal 2022 revenue guidance based on the third-quarter earnings report.

The company had previously expected to generate between US\$520 million and US\$535 million. After the quarterly earnings report, Lightspeed Commerce's management raised that figure to between US\$540 million and US\$544 million.

## Foolish takeaway

It is important to remember that all stock market investments carry inherent risk. Capitalizing on high growth requires identifying high-quality assets with the potential to deliver returns in a sustainable manner. Lightspeed Commerce boasts a business model that appears to be ideal for this purpose.

At writing, Lightspeed Commerce stock trades for \$36.94 per share. Despite its recent-most surge on the TSX, the stock is trading for a 78% discount from its September 2021 all-time highs. Investing in its shares at current levels could set you up for [substantial capital gains](#) as it recovers.

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**Date**

2025/08/24

**Date Created**

2022/03/26

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