



Why Lightspeed Commerce (TSX:LSPD) Stock Dropped 2.8% Last Week

Description

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Montreal-based company that provides commerce-enabling Software-as-a-Service (SaaS) platform for small and midsize businesses. Today, I want to look at how this [top tech stock](#) has performed in the opening months of 2022. Is it worth targeting for the long term? Let's jump in.

Lightspeed Commerce has had a rough first quarter in 2022

Shares of Lightspeed Commerce have dropped 2.8% week over week as of early-morning trading on March 28. The stock has plunged 27% so far in 2022. However, Lightspeed stock has increased 8.8% in the month-over-month period.

The stock was the target of a damaging short report back in September 2021. Spruce Point Capital Management alleged that the company had inflated its performance metrics and deceived shareholders and prospective buyers alike. For its part, Lightspeed denied the accusations and vowed to deliver on its growth projections.

It was up to investors to depend on its word. Back in October 2021, I'd [discussed](#) why Lightspeed stock looked discounted after the short attack. This stock is still worth your attention as we kick off the spring season.

Where is this tech stock heading in the months ahead?

Back in 2020, I'd [discussed](#) why investors should be eager to get in on the e-commerce space. The COVID-19 pandemic greatly accelerated the growth in global e-commerce as brick-and-mortar retailers were forced to close their doors for months on end. That said, this is a very competitive space. Lightspeed has its work cut out for it in competing with giants like **Amazon** and **Shopify**.

The company released its third-quarter fiscal 2022 earnings on February 2. Total revenue shot up 156% from the previous year to \$152 million. Meanwhile, subscription revenue jumped 123% to \$68.6

million. It delivered a net loss of \$65.5 million — deeper than its net loss of \$42.7 million in the third quarter of fiscal 2021. Moreover, it posted an adjusted EBITDA loss of \$7.1 million.

Management was pleased with the results and touted its growth trajectory. Indeed, it delivered transaction-based revenue growth of 249% to \$75.8 million. Gross transaction volume (GTV) jumped 124% year over year to \$20.4 billion.

Lightspeed offer an outlook for the rest of fiscal 2022. It is projecting total revenue between \$540 and \$544 million — up from its previous projection between \$520 million and \$535 million. Moreover, its adjusted EBITDA loss was on the higher end of its previous outlook.

Should you buy Lightspeed Commerce stock on the dip?

This top e-commerce company is still delivering strong revenue growth. However, investors are increasingly hungry for progress toward profitability. That pressure has only increased due to the damaging short attack it suffered in late 2021. Those investors may need to wait for a few more years before it hits that desired target. That said, Lightspeed is still worth a look today. It possesses a strong balance sheet, and its GTV and revenue growth have been impressive.

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