



## Street Analysts Expect This High-Growth Stock to Climb 170% in a Year

### Description

The recent market crash has increased the pain of tech investors lately. While a tech meltdown started way back in December 2021, worrisome factors like rising geopolitical tensions, high inflation, and fears of a slowdown in the global economy are causing stocks across sectors to fall in May 2022, intensifying the crash in [high-growth tech stocks](#) further. As a result, these market uncertainties are keeping investors on their toes. On the positive side, the tech sector-wide selloff is also making many Canadian growth stocks look really attractive.

### Analysts expect this high-growth stock to jump 170%

While the **TSX Composite Index** has lost nearly 5% of its value in 2022 so far, some of the most popular tech stocks in Canada, including software company **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)), have seen well more than 50% value erosion. Nonetheless, the recent market selloff has seemingly failed to shake Street analysts' confidence in some fundamentally strong tech stocks.

For example, most analysts covering LSPD stock give it a “buy” recommendation with a target price of around \$68.88 per share for the next 12 months, according to Street analysts' consensus data. This target price reflects nearly 170% upside potential from its current market price of \$25.46 per share. Let's take a closer look at Lightspeed's recent financial performance and find out possible reasons behind analysts' continued optimism about its stock.

### Lightspeed's recent financial growth trends

The ongoing growth trend in Lightspeed's financials looks impressive. It has consistently been beating analysts' top-line estimates in each quarter since it went public in March 2019. In its latest reported quarter ended in December 2021, the company's revenue [jumped](#) by 165% YoY (year over year) to around US\$153 million — higher than estimates of US\$143 million.

A massive 249% YoY growth in its transaction-based revenue was the main reason for its overall outstanding sales growth in the last quarter. During the quarter, Lightspeed's organic transaction and

subscription-based revenue growth also increased by 74% from a year ago. This helped the company report a much narrower-than-expected quarterly adjusted net loss of US\$0.07 per share.

## Its strong growth outlook could help the stock recover

On a year-to-date basis, Lightspeed stock is currently trading with massive 50% losses, despite its outstanding financial growth track record — mostly due to worrisome macro factors and a recent sector-wide crash. The company will report the results for the fourth quarter of its fiscal year 2022 (ended in March) later this week. Street analysts expect the company to report strong double-digit revenue growth along with continued YoY improvement in its bottom line.

It's important to note that the demand for Lightspeed's omnichannel commerce platform is growing rapidly in the post-pandemic world amid reopening economies. This consistent demand and the company's increasing focus on business expansion could help it continue posting stronger-than-expected results in the near term and trigger a sharp recovery in LSPD stock from its massive year-to-date losses. That's why I wouldn't be surprised if this high-growth stock manages to surge above analysts' target price of \$68.88 per share in the next year.

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