



This 1 High-Growth Stock Just Got Irresistible

Description

The Canadian stock market is continuing to outperform key U.S. stock indexes in 2022 so far. The **S&P500** benchmark has seen more than 18% value erosion year-to-date — much worse than the TSX Composite Index's 4.9% decline. Apart from strengthening commodity prices, a recent bounce back in Canadian growth stocks has trimmed the commodity-heavy TSX index's losses. In this article, I'll talk about a fundamentally strong [high-growth stock](#) from the tech sector that has been on my radar for a long time and just got irresistible after posting its solid quarterly results.

Lightspeed stock

Lightspeed Commerce ([TSX:LSPD](#))([NYSE:LSPD](#)) is a Montréal-based software company that provides its innovative omnichannel commerce platform to merchants. The platform mainly makes it easier for merchants to improve their customer experiences and scale their overall business. The company currently has a market cap of about \$ 4.3 billion, as its stock trades at \$28.65 per share.

The recent tech sector-wide selloff and a New York-based short-seller's negative report about Lightspeed have driven it down in the last few months. That's why LSPD stock trades with big 44% year-to-date losses, despite staging a 36% recovery in the last five sessions. The tech company released its latest quarterly results yesterday, which have the potential to accelerate its recently started recovery, I believe. Let's take a closer look.

The solid sales growth trend

In the fourth quarter of its fiscal year 2022, Lightspeed reported a 77.9% YoY (year-over-year) increase in its total revenue to around US\$146.6 million, exceeding analysts' estimates as well as its own outlook. A solid 88% YoY jump in its transaction-based volume and a 77% rise in its subscription revenue helped the tech company maintain an overall strong revenue growth trend.

Its gross transaction volume in the last quarter jumped by 71% from a year ago to around US\$18.4 billion. To add optimism, its gross payment volume saw positive growth of nearly 132% YoY in Q4 to

US\$2.2 billion.

In the last year, Lightspeed's total customer locations expanded by 37% from a year ago to 163,000 at the end of Q4 2022. During its latest earnings conference call, the Canadian tech company's president JP Chauvet [said](#) that "with the world returning to in-person shopping and dining, we are seeing increased demand for our omnichannel solutions." This was one of the reasons why March 2022 turned out to be the strongest month ever for its new business and customer locations.

Foolish takeaway

Investors reacted positively to Lightspeed's Q4 results, as its stock surged by more than 10% on Thursday. LSPD has been one of the most desirable high-growth tech stocks on Bay Street since it went public in 2019. The company is continuing to post solid sales growth and making efforts to expand its business further, which should help it reach sustainable profitability in the coming years. Lightspeed expects its sales growth to be between 35% to 40% YoY in fiscal 2023, despite challenging macro conditions.

Overall, its continued financial growth, strong outlook, and the rising popularity of its services among global merchants make this high-growth stock really attractive to buy now.

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