



Is Lightspeed (TSX:LSPD) Still a Buy After its Huge Q4 Loss?

Description

The tech sector in Canada is experiencing a brutal bearish phase right now. But if you look at the individual stocks or even tech stocks from the same categories, you might find very different patterns. Some stocks have only experienced a modest fall, while others, like e-commerce and crypto companies, are being ravaged by the market.

And even within the e-commerce market segment, **Lightspeed Commerce** ([TSX:LSPD](#))([NYSE:LSPD](#)) stock stands out for its “discount,” and now, there is even more reason for investors to bail out this e-commerce company.

Lightspeed Q4 results

Lightspeed Commerce recently announced its Q4 earnings, and they have been quite discouraging. The company posted a loss of US\$114.5 million for the quarter — a massive shift from the loss of US\$42 million same quarter last year. The yearly loss and adjusted EBITDA (for the fiscal year 2022) have been almost double what it was in 2021.

The loss is quite substantial, but it's not exactly unexpected. The e-commerce activity slowed down quite a bit, especially compared to the boom of 2021. Lightspeed wasn't the only company that suffered from it. **Shopify**, with its different e-commerce exposure and a massive comparative reach, is experiencing the same issues.

Should you buy Lightspeed?

That depends on whether or not you believe the company and the stock will recover, given enough time. The company is quite optimistic about the fiscal year 2023, and for management, it's business as usual. Lightspeed is taking new initiatives, some of which might pay off well and result in significantly more business for the e-commerce company.

It already has an impressive user base, and the current count for its restaurant and other clients is

163,000. If the number keeps increasing, the losses might start turning into profits, giving Lightspeed's potential a solid financial footing.

It's also targeting two tourist-rich markets, Australia and New Zealand, with its omni-channel solutions that roll loyalty and marketing into one.

The bottom line is that the core strengths of Lightspeed are still the same. It's an e-commerce-oriented solution provider specifically targeting SMBs in specific market segments. It has already built a decent market base, and the client pool is well spread out. If it keeps growing the number of clients at a decent enough pace, it *will* turn around its finances for the better, and the stock might soon follow.

And the chances of Lightspeed taking off again compared to the chances of it going under are significantly better.

Foolish takeaway

Lightspeed stock is still a buy even after posting these vast losses because the stock *has* slinked enough to become realistically priced, even if it's not fairly valued in the strictest sense. The stock *will* continue to recover, and even if recovery doesn't help it reach its former peak, you can still make a decent amount of money with this [tech stock](#).

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2. Tech Stocks

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