



## Is Lightspeed Stock a Buy in January 2023?

### Description

This past year was extremely difficult for tech companies as well as global financial markets. By the end of December 2022, the S&P/TSX Capped Information Technology Index, which includes 27 Canadian firms including the likes of **Lightspeed** ([TSX:LSPD](#)), had [fallen 34%](#). The value of many technology companies was expunged by sharp declines in valuation, costing investors billions. Large tech companies in North America have let go of tens of thousands of employees.

The point-of-sale software provider Lightspeed, based in Montreal, has undoubtedly not escaped the damage done to the industry. Experts believe that Lightspeed, one of the leading technology companies, would likely face price increases until 2023.

Let's dive into this company's 2023 outlook, shall we?

### What is Lightspeed up to nowadays?

Lightspeed offers a SaaS platform that supports omnichannel commerce. The company's software platform gives clients access to the tools they need to interact with customers, run their businesses, take payments, and expand. In the United States, Canada, the Netherlands, Australia, and other nations, the corporation sells its platform directly to consumers. The United States is where Lightspeed generates the majority of its revenue.

Currently, Lightspeed trades just shy of \$21 per share. Notably, this stock has produced a year-to-date gain of around 6% for investors. Thus, from a near-term perspective, this stock is performing well.

With that said, here's what the experts think.

### Experts recommend buying this undervalued stock for future gains

Although Lightspeed did increase marginally in the third quarter of 2022, hedge fund holdings of

Lightspeed Commerce Inc. have decreased by 43% since the middle of 2021. Adage Capital Management increased its holdings in LSPD by another 1.3 million shares in the third quarter, bringing its total to 4.92 million shares, or more than 3% of the float of the firm.

The founder of the Montreal-based company resigned as chief executive officer (CEO) earlier last year as a result of weaker sales projections. The new CEO of the company stated that he thinks sales would increase by 35-40% year over year.

Given its near-term challenges, LSPD stock has received many downgrades and price target reductions from analysts in the past month. However, analysts appear to still remain optimistic about the company's long-term growth prospects. Piper Sandler has an \$18 price target and a "neutral" rating, while Barclays has a \$20 price target and an "overweight" rating on LSPD shares.

## Bottom line

As analysts expect the tech sector to perform better in 2023, Lightspeed could be a company that could outpace the broader markets. That said, there's a reason for this stock's recent downgrades. Right now, I think Lightspeed could be a short-term trade that investors want to fade later in the year. For longer-term investors, I think there are better opportunities out there.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. TSX:LSPD (Lightspeed Commerce)

### PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

### PP NOTIFY USER

1. chrismacdonald
2. kduncombe

### Category

1. Investing

## 2. Tech Stocks

**Date**

2025/06/27

**Date Created**

2023/01/11

**Author**

chrismacdonald

default watermark

default watermark