



Lightspeed Stock: Here's What's Coming in 2023

Description

Like most other [Canadian growth stocks](#), shares of **Lightspeed Commerce Inc (TSX:LSPD)** have begun 2023 on a strong note. In January so far, LSPD stock has jumped by 13.4% to \$21.95 per share, taking its [market capitalization](#) to \$3.3 billion. By comparison, the **TSX Composite Index** has risen slightly more than 5% this month.

Before I discuss what to expect from Lightspeed stock in 2023, let's take a closer look at some key factors that have affected its share price movement in the last couple of years.

What affected LSPD stock price movement in 2022

It's important to note that, Lightspeed stock fell for five consecutive quarters before staging a recovery this year. A massive sell-off in LSPD started in September 2021 after a New York-based short seller, Spruce Point Capital, severely criticized the Canadian tech company's business practices and management in a report.

Although this short report didn't get much attention from popular Wall Street analysts, it certainly affected retail investors' sentiments, triggering a massive sell-off in LSPD stock. This is one of the key reasons why Lightspeed's share prices plunged by 58.2% in the fourth quarter of 2021 – posting its worst quarterly performance since its listing on the [Toronto Stock Exchange](#) in 2019.

LSPD stock couldn't stage a recovery in 2022 as inflationary pressures raised the possibility of multiple interest rate hikes in the near term, leading to a tech meltdown. Macroeconomic uncertainties, geopolitical tensions, and the possibility of a looming recession kept investors away from most growth stocks last year, further pressurizing its stock. As a result, over five quarters ended in December 2022, Lightspeed stock crashed by slightly more than 84%, sliding from \$122.22 per share to just \$19.35 per share.

What to expect from Lightspeed stock in 2023?

Despite its crashing share prices and challenging economic environment, Lightspeed's organic growth has remained impressive in recent quarters. In the first half of its fiscal year 2023 (ended in September 2022), its total revenue rose 44% YoY (year over year) to US\$357.6 million, even as concerns about slowing economic growth forced businesses globally to reduce costs. More importantly, the tech company's adjusted net loss reduced to US\$0.17 per share in the first half of fiscal 2023 from US\$0.45 per share over the same period in 2022.

As Lightspeed strives to achieve sustainable profitability in the coming years, it continues to [focus](#) on upselling its customers, expanding its payments segment offerings, and attracting the right profile of customers that will stay with it for the long term. Moreover, its consistent focus on potential acquisitions and other strategic opportunities strengthen its long-term growth outlook.

The long view

That said, we shouldn't forget that macroeconomic challenges are still ongoing globally, which potentially could lead to a moderate recession in the short term. That's why LSPD stock, like most growth stocks, may remain volatile in the near term. Despite the expected short-term [market volatility](#), you may not want to miss buying an amazing growth stock like Lightspeed at a big bargain, as it has the potential to deliver spectacular returns on your investments in the long run.

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jparashar

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