



FEATURED OPTIONS RADAR REPORT



Bullish Trades in Lightspeed as a Reopening Software/Payments Play

Ticker/Price: LSPD (\$79.95)

Analysis:

Lightspeed POS (LSPD) saw elevated options trading on 6/18 as 2000 July \$80 calls bought \$4.20 with 3000 July \$70 puts sold for \$1.10 and then a separate trade sold 2000 July \$95 calls to buy the \$75/\$65 put spreads which is likely a protective collar on a stock holding. LSPD had minimal open interest prior to these trades and shares are +13.5% YTD but have shown notable relative strength. LSPD shares were higher by more than 10% last week breaking out of consolidation in a move that measures to \$95 and aligns with the strike of the calls sold. LSPD is a Canadian-based point-of-sale software provider with an all-in-one cloud-based platform that allows businesses to manage multiple revenue streams in one place and work remotely. LSPD focuses primarily on small and medium-sized businesses and retailer and restaurants their target market which is massive at 47M operators. They have broad reach as well with over 100 countries and 80,000 individual locations being served. Their payments tool is considered the next big growth engine after launching in 2019. The fully integrated platform will allow them to monetize a much larger portion of their GTV. LSPD has built out through M&A over the last couple years including a \$440M deal for ShopKeep in November, and earlier this month a \$425M deal for NuOrder and \$500M deal for Ecwid. These deals expanded its ecommerce capabilities and merchant funnel and accelerates the supplier network roadmap while opening a new B2B payments opportunity. The \$10.5B company trades 24.7X FY22 and 18.3X FY23 sales, premium valuation, though revenues growing rapidly at 83.8% in 2021 and 104% in 2022, albeit much through M&A (48% organic growth last Q). LSPD profitability is still a few years out. LSPD announced a key partnership with Google to improve product discovery for small merchants and display inventory levels online. Analysts have an average target of \$90 with short interest low at 2.8% of the float. BTIG upgraded to Buy in March as an attractive way to position in a restaurant and retail POS leader with upside optionality.

Hawk Vision:



Hawk's Perspective: LSPD is one of the most impressive growth companies out there right now and has the potential to become a major leader in Tech. Valuation is a concern but the momentum is favorable and there is likely a lot of upside to current consensus estimates.

Confidence Ranking: \$\$