



Lightspeed Commerce (NYSE: LSPD)

Powering Profits One Tap at a Time



Discussion material for NYSE: LSPD

- I. Executive Summary
- II. Company Overview
- III. Industry Overview
- IV. Risks & Catalysts
- V. Investment Theses
- VI. Valuation
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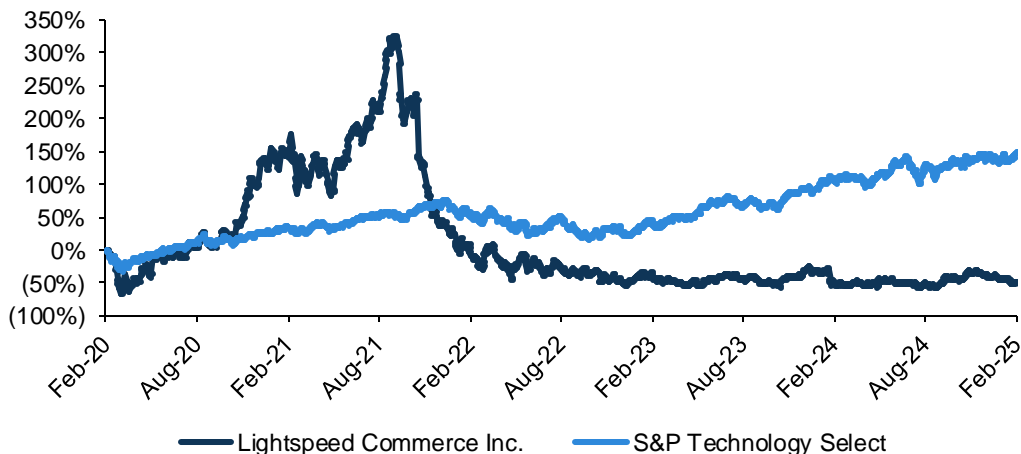


I. Executive Summary



Rating: BUY

5 Year Historical Performance vs. S&P Technology Select



Executive Summary

Investment Theses

- Thesis 1: TAM \$80 bn in NA retail + EMEA hospitality, with growing need for POS
- Thesis 2: Reorganization will lower OpEx, while fully monetizing NA + EMEA segments

Valuation

- We are pitching Lightspeed Commerce with a \$23.31 target price, implying a 77.27% return. We derive our valuation with a DCF (10.10% discount rate, 3.00% TGR), and a comps analysis using EV/Revenue, EV/Gross Profit, and Price/Gross Profit.

Summary Statistics

General Information

Current Price	\$13.15
Headquarters	Montreal, QC
Currency	USD

Historical Performance

52 Week Range	11.01/18.96
YTD Return	19.73%

LTM Market Values

EV/Revenue	1.57x
EV/Gross Profit	3.75x
Price/Gross Profit	5.25x

Valuation Summary

Reconciled DCF Share Price	\$23.31
Implied Upside	77.27%



II. Company Overview



What is Lightspeed?

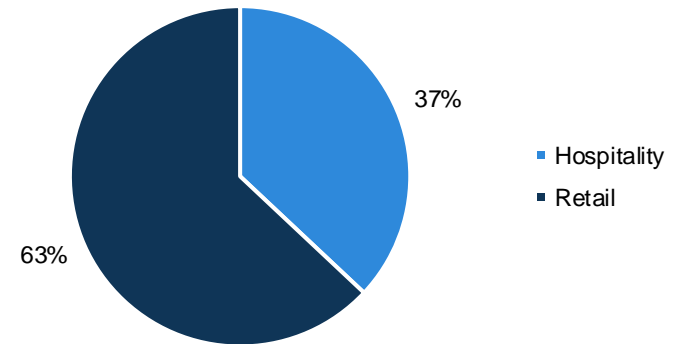
Business Model

- Lightspeed Commerce provides **point-of-sales (POS)** and **e-commerce software**, targeting SMB's (Small to Medium Sized Businesses) as they are prominent in retail, hospitality (restaurants), and golf industries
- Lightspeed's business model is **subscription-based SaaS** (Software-as-a-Service) with additional revenue streams:
 - Lightspeed generates its revenue through **subscription fees**, **transaction fees**, **hardware sale**, and other premium products
- Lightspeed's objective is to empower SMBs with cloud-bases, all in one commerce platform that enables them to efficiently manage sales, payments, inventory, and customer relations

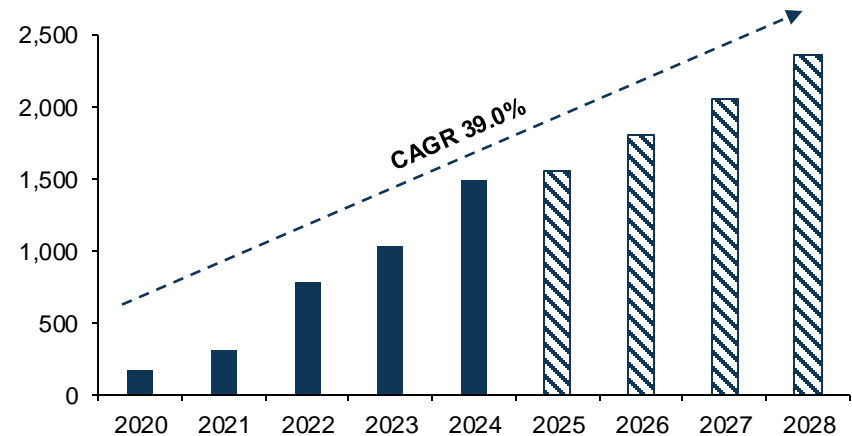
Industry & Market Position

- Lightspeed competes with **Shopify, Block (Square), Toast, and other companies**
- Focuses on omni-channel commerce, focused on integrating physical retail with online sales
- Leveraging AI to analyze individual businesses and using AI-driven Inventory Management
- Lightspeed is positioned to capitalize on growing demand for unified commerce solutions

Customer Types



Revenue (USD mm)





Understanding Lightspeed

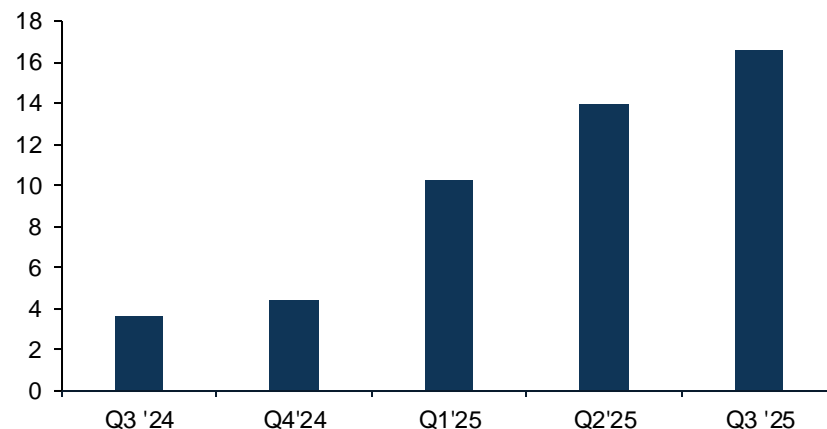
Business Description

- Lightspeed is a global leader in cloud-based commerce solutions, offering **omnichannel engagement**, **real-time business insights**, and **automated operations** to drive efficiency and growth
- The company empowers retailers, restaurateurs, businesses with an all-in-one platform that integrates point-of-sale (POS) systems, payments, inventory, and analytics for seamless operations.
- Lightspeed's **unified payments system** simplifies transactions, while **Lightspeed Capital** provides merchants with funding for expansion
- Headquartered in Canada, the company is trusted by businesses worldwide, helping them scale with **cutting-edge technology and regulatory compliance** across global markets

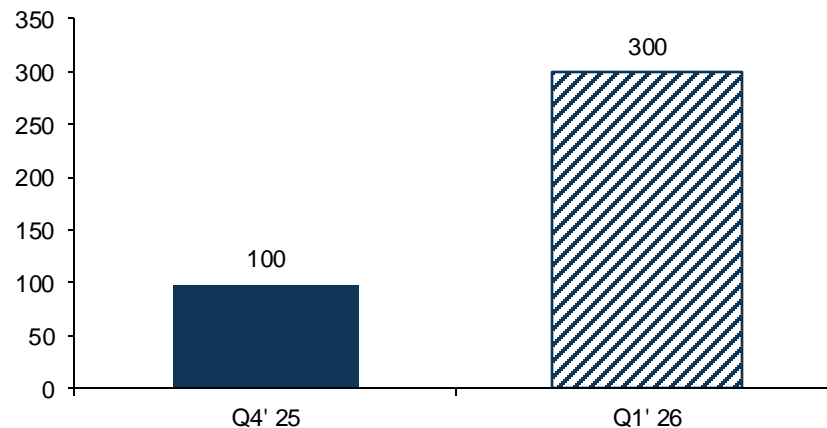
Key Developments

- **Rumored Acquisition:**
 - Lightspeed is currently in discussion for a small-scale acquisition, while the financial details remain undisclosed. In the second quarter, the company raised over \$287.6 million for this potential acquisition.
- **Beating Analyst Estimates:**
 - Revenue hit 277.18 Million beating estimates of 273.90 Million. Additionally, LSPD topped Q4 Estimates by 0.02 EPS indicating higher growth than initially expected
- **Stock Buy-Back:** LSPD plans to buy back 400 Million of its stock
 - 100 Million of the total will be repurchased immediately. This announcement comes after LSPD is searching for a way to integrate AI and improve inventory management to free up more capital for growth

Adjusted EBITDA (USD mm)



Stock Buy-back Breakdown (USD mm)



Lightspeed's Product Offerings

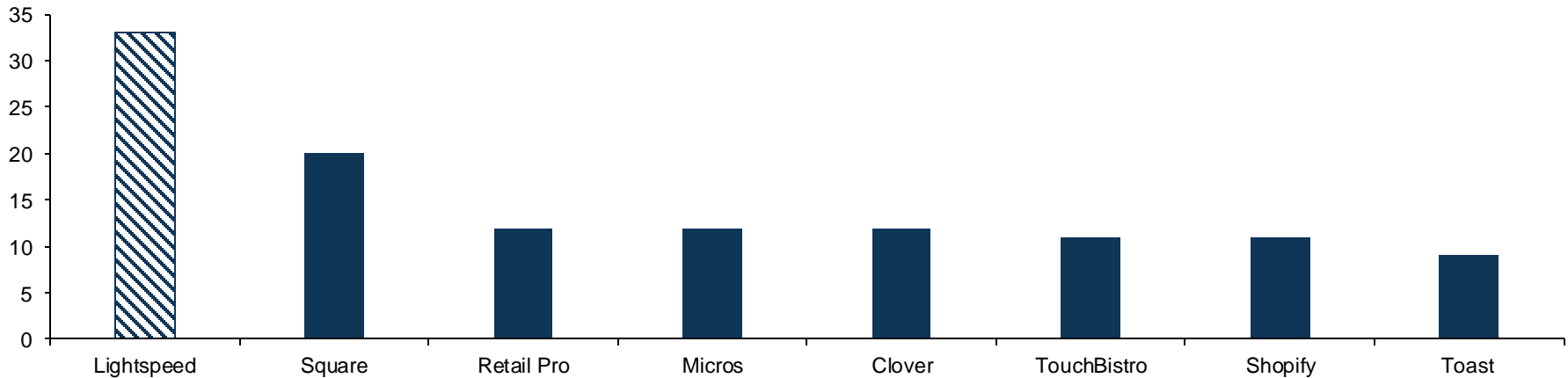


Lightspeed's Vast Product Offerings vs. Competitors' Product Offerings

Lightspeed Product Offering

Complete Inventory System	Integrated Payment Reporting	Cloud-Based Across All Devices	Fast Integrated Payment Processing	Multi-Location Payment Processing
Advanced Inventory Management	Order And Pay at Table	Customer Relationship Management	Complete Omnichannel Solution	Integrated Omnichannel Loyalty Program

Features Available With Lightspeed vs. Competitors



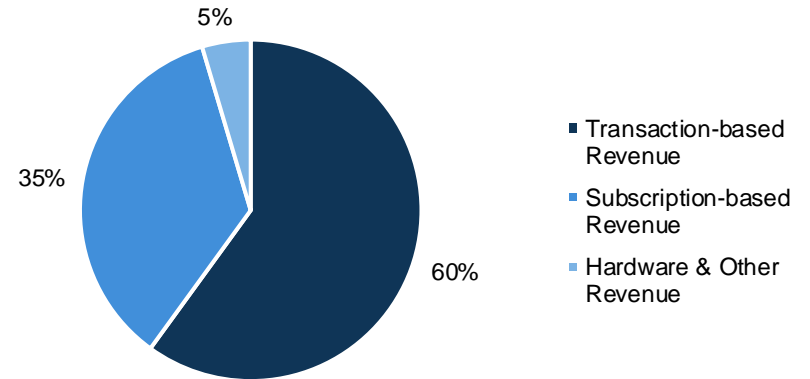
Source(s): Company Website, Lightspeed Q'3 Earnings Slides

Segmented Revenue Breakdown

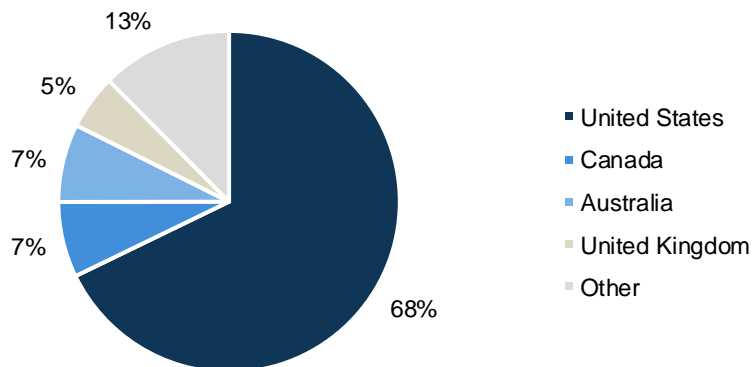
Revenue Segments

- Transaction-based channels showcase the strongest revenues followed by subscription-based
 - Take rate for transactions ~2.6-2.9% plus 10-30¢
- Businesses pay a recurring subscription fee based on the specific plan, segment, and features they require
 - Retail** base cost of **\$119** monthly, but can vary depending on business needs
 - Restaurant** base cost of **\$239** monthly, but can be adjusted to business needs
- Hardware sold vary from iPad displays, receipt printers, scanners, transaction terminals, and many more
 - Hardware** prices can range from **\$30 to \$400+** depending on type

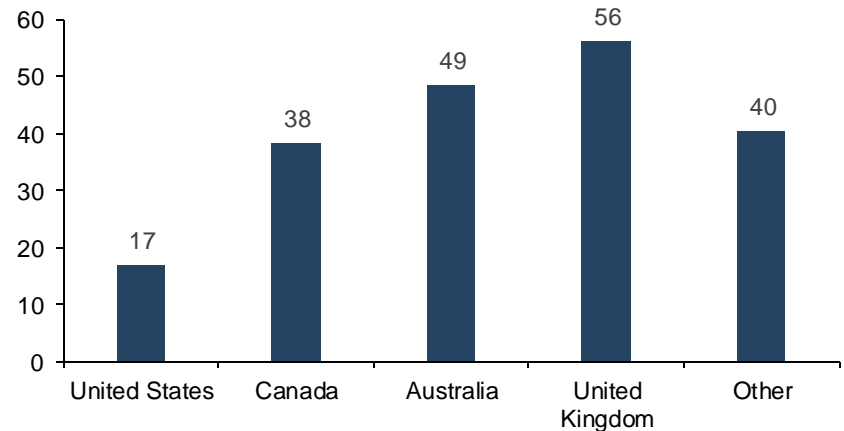
Revenue Segmentation by Channel (FY24)



Revenue Segmentation by Region (FY24)



YoY % Revenue Growth by Segment (FY24)



Source(s): Capital IQ, FactSet, Company Website, Annual Report, Note that all figures shown are in CAD



III. Industry Overview



Progression of the POS industry

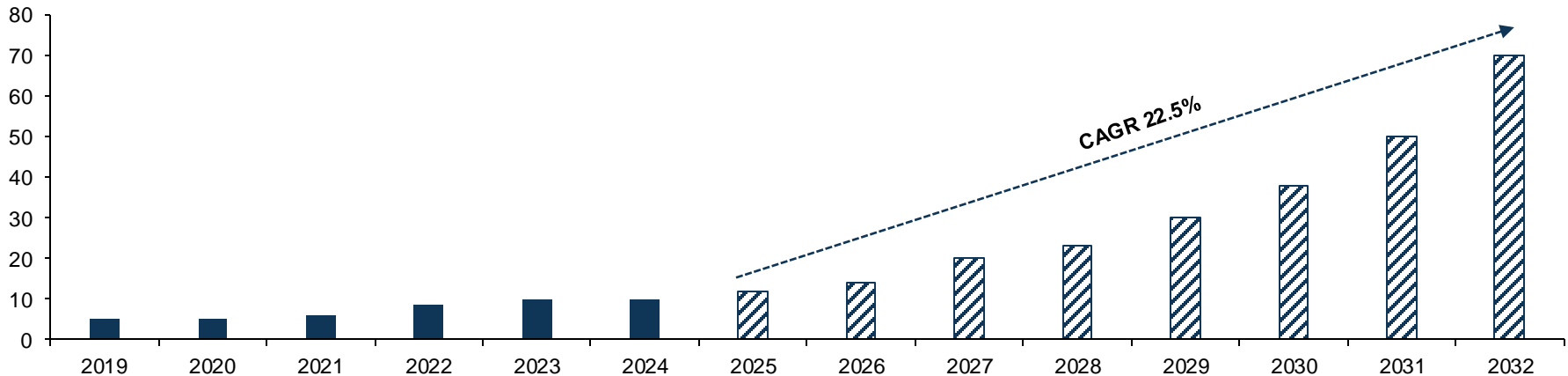
Industry Description and Drivers

- The POS industry is comprised of:
 - Cloud based, SaaS solutions
 - Financial and accounting software
 - E-commerce and payments
- Macroeconomic drivers:
 - GDP growth
 - Currency volatility
- Industry drivers:
 - Tech advancements
 - Online growth

Recent Developments

- Rampant adoption of AI:
 - Searches for AI tools such as GitHub have been up over 8000% over 5 years
- Codeless development:
 - Business' have been implementing less "tech heavy" methods of code translating to easier, faster development
- Remote work:
 - Huge emphasis on cloud services due to heightened remote workers in corporate

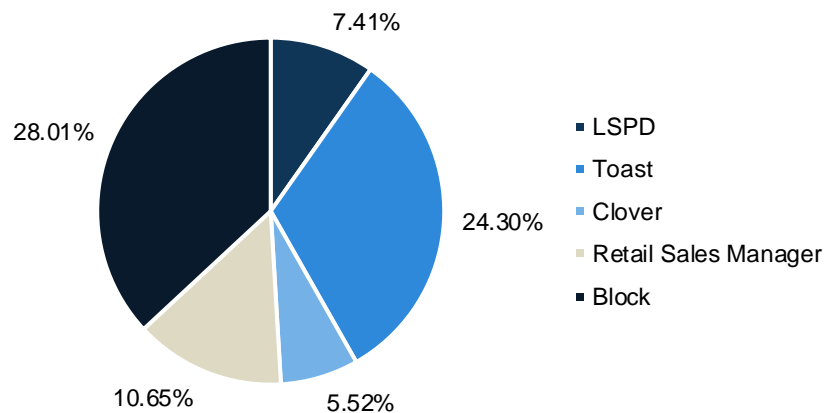
Global POS Market Size (USD bn) (2019 – 2032E)



Source(s): Lightspeed Commerce 40-F, Statista

A Look into Market Split

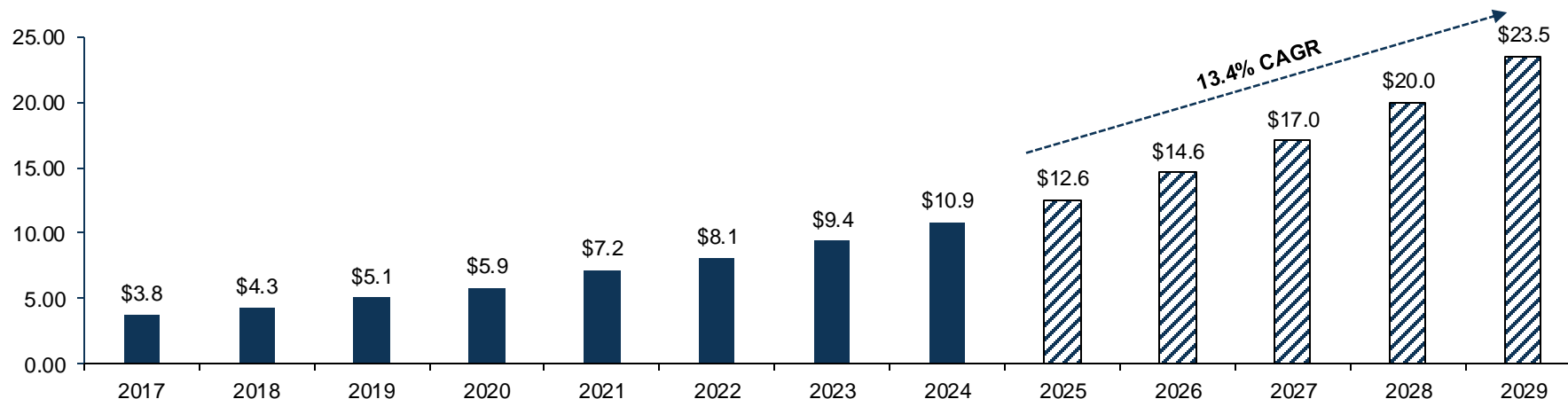
Point-of-Sale (POS) Industry Market Share



Key Developments

- The POS sector has nearly tripled in payment volume since 2017, indicating increasing adoption of digital and mobile payment solutions
- Continued innovation and cloud-based POS adoption will be key drivers of industry growth, alongside rising demand from the hospitality and retail sectors
- The POS industry is experiencing strong growth, with global payment volume expected to reach \$22.0 trillion by 2029, growing at a 13.4% CAGR
- The POS industry has become highly competitive, with both established players and emerging fintech companies competing for market share
- AI-powered analytics and automation are becoming key differentiators, with Lightspeed offering predictive sales insights and inventory optimization to help businesses streamline operations and enhance decision-making

Global Point-of-Sale (POS) Payment Volume (USD tn)



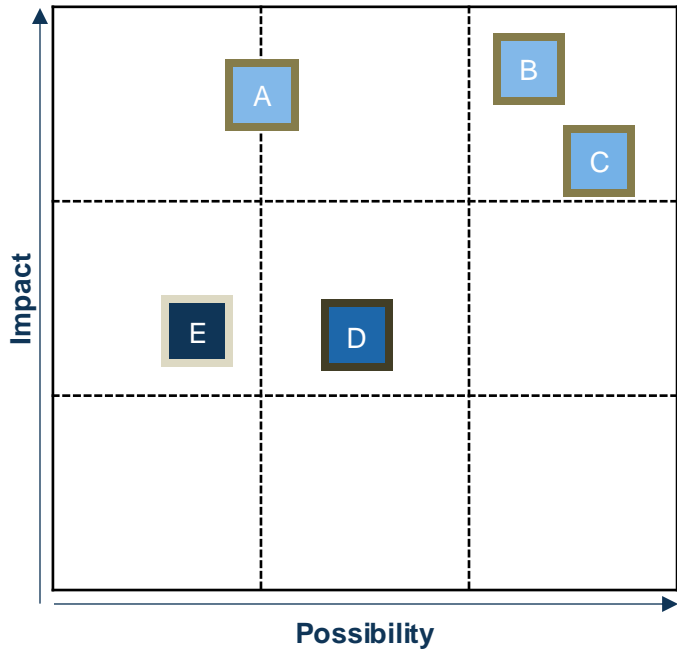
Source(s): IBIS World, Statista, 6sense



IV. Risks & Catalysts

Key Risks and Potential Mitigants

Risk Matrix



Mitigation Feasibility



Types of Risk

Types of Risk	Key Risk	Mitigant
Business Specific Risks	A. Successful rollout on plans for profitability	<ul style="list-style-type: none"> Focus towards high GTV customers, which generate higher transaction-based revenue
	B. Lightspeed's strong competitors with lower pricing	<ul style="list-style-type: none"> Lightspeed differentiates itself from competitors through their omnichannel offering and integrating partnerships with suppliers for customers
	C. Lightspeed is a prime target for cyber attacks on financial data	<ul style="list-style-type: none"> The firm has implemented SOC 2 Type II and ISO 27001 cybersecurity controls, and annually audits security
Macroeconomic Risks	D. Inflation, and high interest rates could reduce consumer spending and hurt SMBs	<ul style="list-style-type: none"> The firm is targeting larger SMBs. firm has also implemented merchant financing to help SMBs with payments
Legal and Regulatory Risks	E. Lightspeed operates in multiple jurisdictions and is subject to strict tax, data privacy, and financial regulations	<ul style="list-style-type: none"> The firm has expanded its compliance team, and actively works with regulators to ensure compliance



Main Growth Factors

Main Catalysts

Capital Markets Day

EUR/USD FX and Increased European Tourism

Payments Growth and Unit Economics

Details

Lightspeed scheduled a Capital Markets Day on March 26, 2025, where management is expected to present their long-term strategy. They are expected to provide guidance on profitability, new product initiatives, and a more precise timeline for reaching positive FCFF

The strength of the USD relative to the Euro (~1.04) provides an incentive for travel, similar to the influx of tourism to Japan since 2021. Lightspeed payments will see growth in their European hospitality segment

Lightspeed's payment business is scaling rapidly, with 34% YoY growth during Q3 2025. Average revenue per user grew 19% YoY during the same period. Increases in adoption for Lightspeed Payments will improve gross margins and EBITDA. Lightspeed has also bundled payments with POS, forcing adoption on new and existing customers



V. Investment Theses

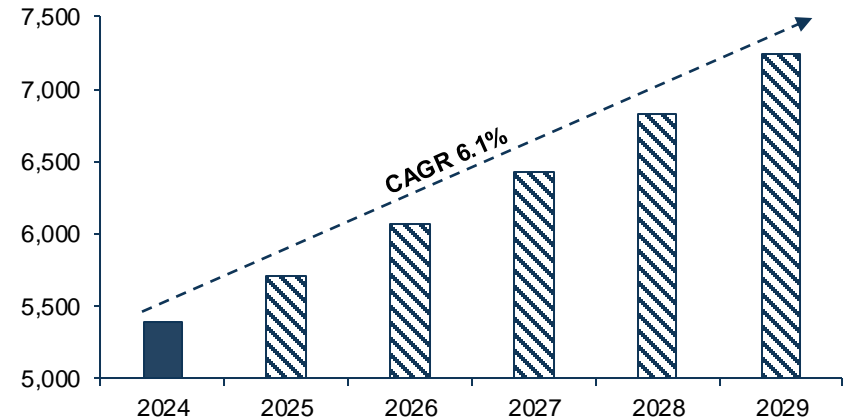


Targeting Growth in Hospitality and Retail

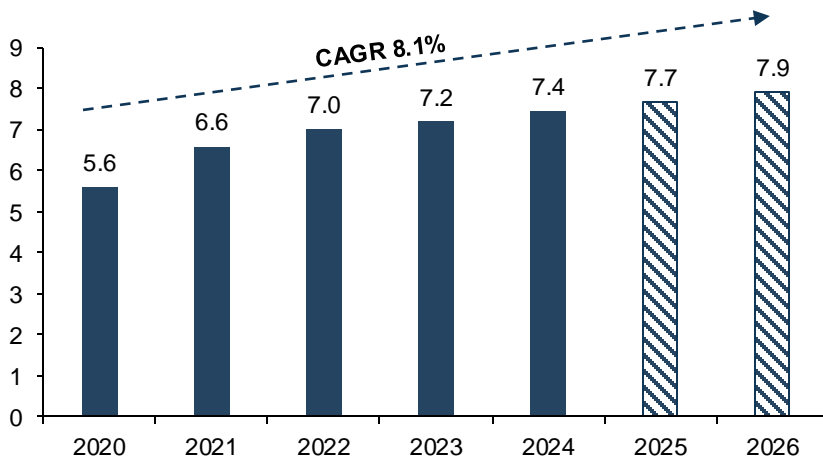
POS in Hospitality

- Integrated cash advances, supplier connections, and an OpenTable partnership for reservations into POS systems to enhance efficiency
- **86%** of restaurants now use POS systems, demonstrating the industry's reliance on digital transaction solutions
- **32%** of restaurants reported that installing a POS system in their restaurant was a priority in the coming year
- International tourism experienced a significant uptick, with **1.1bn** travelers worldwide between January and September 2024, marking an **11% increase** from the same period in 2023
- Hotel industry in Europe is projected to be worth around **\$46bn** by 2027

Global Hospitality Industry (USD bn)



Retail Sales in the United States (USD tn)



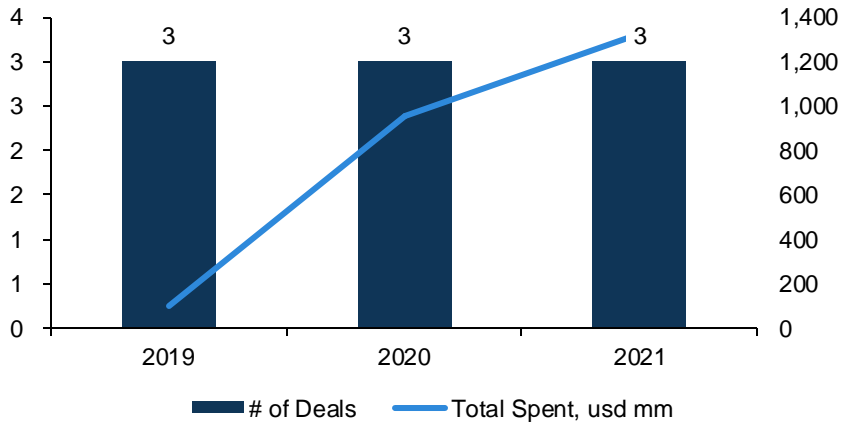
POS in Retail

- Lightspeed Commerce is prioritizing high-GTV in North American retail, driving growth through rapid payments adoption, high-value verticals, and cloud-based POS solutions
- **TAM: \$80bn** across key verticals, **\$18bn** in retail alone
- Businesses are rapidly shifting from legacy POS to cloud-based solutions for omnichannel capabilities, efficiency, and seamless payments
- Digital payments are replacing cash in retail as the industry shifts toward seamless, technology-driven transactions
 - Cloud-based POS is the trend



Underpriced Reorganization

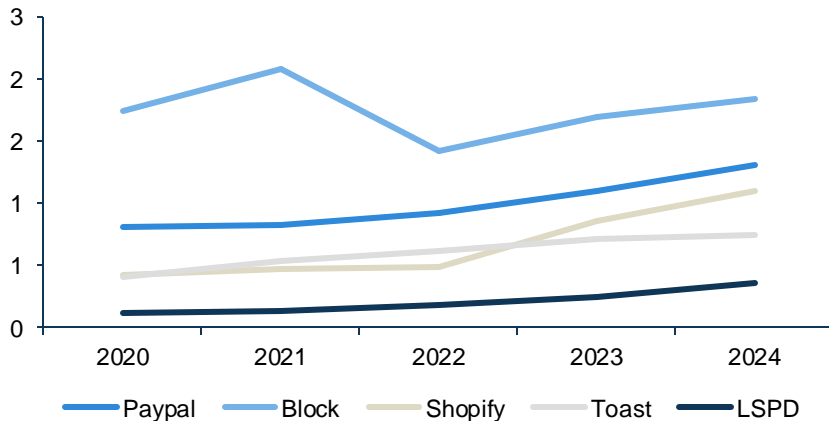
Old Focus = M&A Activity + Sales Growth



New Focus = Achieve Profitability

- Focus on high-growth and high margin markets
 - New focus is on North American retail and EMEA hospitality
- Workforce optimization will lead to profitability
 - 8% headcount decrease and redeploying employees to the new area of focus
- Focus on payments, which boost revenue-per-user and retention/upselling
 - AI and automation will help sales team with upselling payments-only clients

Revenue per Employee (USD mm)



NLP Confirms Our Thesis

Key Objective	Old CEO Score	New CEO Score
Revenue Growth	9	9
EBITDA Break-even	7	8
Payments Penetration	10	10
Cost Efficiency	7	8
Net Income Path to Profitability	6	7
Cash Flow Improvement	6	6
Stock Performance & Buybacks	6	7
CEO Efficiency Score	73%	79%

Source(s): PitchBook, LinkedIn



VI. Valuation

Drivers, Assumptions, Key Risks, and Catalysts

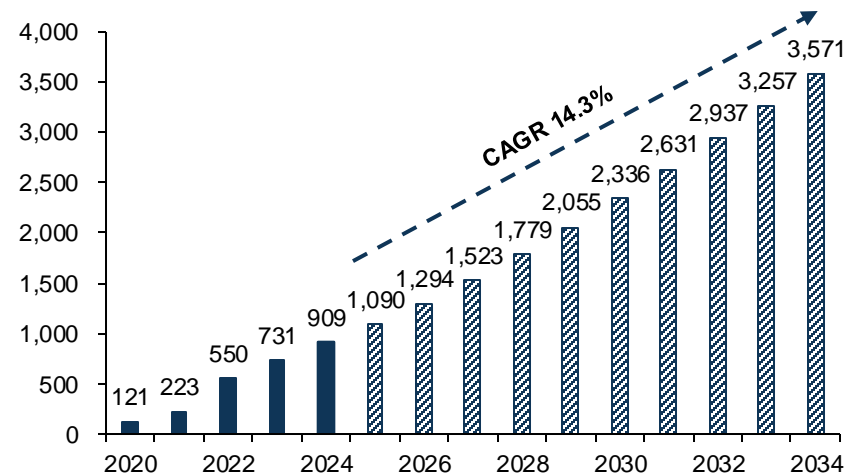


Strong Upside Potential with Profitability on the Horizon

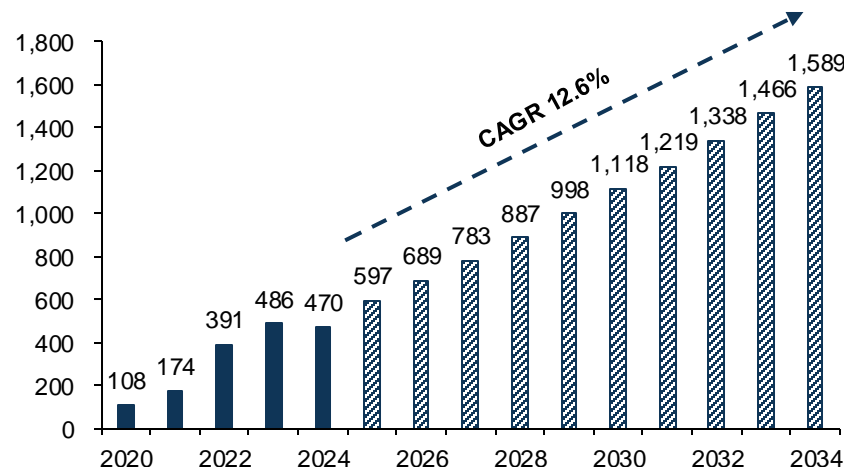
Key Drivers & Assumptions

- Revenue Growth:** Lightspeed projects 20% total revenue growth in FY 2025, with subscription revenue stabilizing around 5% long-term as SMB acquisition slows and economic factors impact spending. Transaction-based revenue remains the primary driver, benefiting from increased adoption in high-volume sectors like retail and hospitality. Hardware sales will decline over time, as Lightspeed shifts focus to software and payments, with short-term growth driven by bundled sales incentives
- Operating Expenses:** Lightspeed's R&D spending will decline gradually as its software becomes more scalable, though investments for automation will keep increasing absolute spending. Sales & Marketing costs will initially rise due to expansion in North America and Europe but will decline over time with AI-driven efficiency, while G&A expenses are expected to decrease through automation, despite recent litigation and selective hiring cost increases
- Depreciation:** Depreciation of PPE and right-of-use assets will gradually decline due to stable CapEx and selective lease signings, while intangible asset amortization will decrease over time as existing assets reach full amortization.
- Beta:** The beta calculation was performed using a bottom-up approach with industry competitors
- Cost of Debt:** Credit spread of 2.61% (B1/B+) derived from firm's discount rate on leases, as well as lease interest expense rate
- Terminal Growth Rate:** Terminal growth rate of 3.00% was applied, aligning close to long-term US GDP growth estimates, and industry maturity
- Valuation Weightings:** An 85/15 weighting was applied to DCF and Relative Valuation, emphasizing the comprehensive 10-year DCF model, which reflects a conservative and detailed forecast of Lightspeed's expected growth trajectory

Top Line Revenue (USD mm)



Operating Expenses (USD mm)



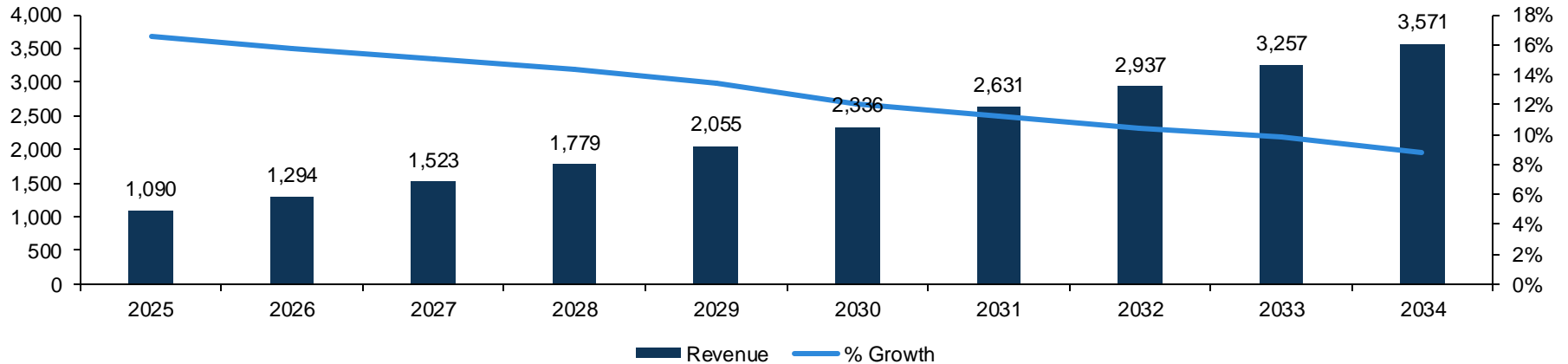
Source(s) : Bloomberg, Capital IQ, Factiva

Key Assumptions

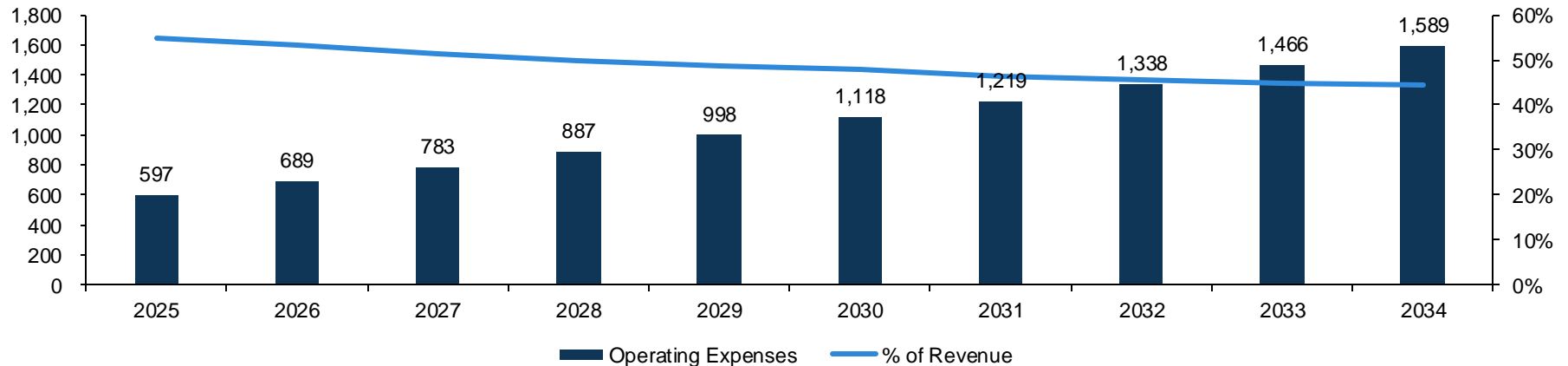


Strong Revenue Growth with Declining OpEx over the next 10 years

Revenue Growth (USD mm)



Operating Expenses as a % of Revenue (USD mm)



Long Term DCF Valuation Summary



DCF Summary															
	FY	FY	FY	FY	FY	Projected									
<i>in millions</i>	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total Revenues	120.65	222.72	549.58	731.01	909.27	1089.69	1293.54	1527.03	1782.43	2057.57	2339.54	2630.28	2925.71	3203.38	3455.19
COGS	39.67	94.06	277.20	398.55	524.02	620.58	726.97	604.56	709.76	829.48	960.55	1098.74	1239.02	1382.21	1524.29
R&D	32.75	55.30	121.15	140.44	129.42	163.45	192.09	220.20	255.78	288.06	326.37	364.29	402.28	432.46	466.45
SG&A	74.91	118.25	269.69	345.62	340.23	433.26	497.36	564.24	633.12	711.51	793.10	854.05	930.96	1009.07	1071.11
EBITDA	6.07	8.66	1.88	(41.85)	37.82	(127.60)	(122.89)	138.04	183.77	228.52	259.52	313.19	353.45	379.65	393.33
D&A	13.47	36.48	104.55	115.26	109.63	123.57	135.30	148.73	161.67	172.22	181.31	188.85	194.27	197.97	199.02
EBIT	(7.40)	(27.83)	(102.67)	(157.11)	(71.81)	(251.17)	(258.19)	(10.70)	22.10	56.30	78.20	124.34	159.18	181.68	194.32
Less: Income Tax	0.06	0.04	1.08	0.20	5.21	0.00	0.00	0.00	3.17	8.05	11.17	17.76	22.74	25.95	41.63
Less: CapEX	3.61	1.79	10.65	9.23	7.51	9.48	11.77	14.66	17.82	21.60	25.73	30.51	35.69	41.00	47.68
Less: Change in NWC		(24.69)	(4.65)	28.91	8.72	77.00	1.70	(5.32)	1.09	(8.23)	(2.23)	(3.50)	(4.78)	(1.92)	0.91
Add: D&A	13.47	36.48	104.55	115.26	109.63	123.57	135.30	148.73	161.67	172.22	181.31	188.85	194.27	197.97	199.02
FCFF	2.40	31.51	(5.20)	(80.19)	16.37	(233.20)	(158.02)	127.77	162.84	209.52	226.24	269.40	299.45	308.77	305.88
PV of FCFF						(211.81)	(130.37)	95.74	110.83	129.52	127.03	137.39	138.71	129.91	116.89


10yr Perpetual Growth Rate Method	
Perpetual Growth Rate	3.00%
Terminal Value	4851.79
PV of Terminal Value	1854.11
<i>Terminal Value as % of EV</i>	74.23%
PV of FCFF	643.84
<i>Forecast Period as % of EV</i>	25.77%
Enterprise Value	2497.95
(-) Net Debt	(648.60)
Equity Value	3146.65
Diluted Shares Outstanding	152.97
Implied Share Price	\$ 20.68
Current Share Price	\$ 13.15
Implied Upside (Downside)	57.30%

WACC Assumptions	
Risk-Free Rate	3.11%
Credit Rating	B1/B+
Beta	1.78
Market Risk Premium	3.95%
Equity Value	\$ 2,011.95
Weight	99.20%
Cost of Equity	10.14%
Cost of Debt (Pre-Tax)	4.94%
Net Debt	(648.60)
Weight	0.80%
Cost of Debt	4.20%
WACC	10.10%

Comparable Companies Overview



Comparable companies in the POS industry

Logos	Company Name	Ticker	Overview
	PayPal Holdings, Inc.	NAS: PYPL	PayPal Holdings, Inc. operates a technology platform that enables digital payments for merchants and consumers worldwide. It operates a two-sided network at scale that connects merchants and consumers that enables its customers to connect, transact, and send and receive payments through online and in person, as well as transfer and withdraw funds
	Shopify	NYSE: SHOP	Shopify Inc. provides an e-commerce technology platform that helps businesses of all sizes sell online and offline. Its platform enables merchants to manage inventory, process payments, fulfill orders, and access financing across web, mobile, retail, social media, and marketplaces. Shopify also offers integrated payment processing, shipping labels, POS hardware, and advertising solutions
 BLOCK	Block (prev. Square, Inc.)	NYSE: XYZ	Block, Inc. develops commerce and financial ecosystems through its Square and Cash App segments. Square provides payment processing, POS solutions, banking services, and business management tools for merchants. Cash App offers peer-to-peer payments, stock and bitcoin trading, debit cards, and buy now, pay later services. Block also operates TIDAL for music streaming, Bitkey for bitcoin self-custody, and TBD for decentralized finance
	Toast, Inc.	NYSE: TOAST	Toast, Inc. provides a cloud-based platform for the restaurant industry, offering POS systems, kitchen management, online ordering, and delivery integrations. It also provides payment processing, payroll, team management, and financial services like lending and purchase plans. Toast supports restaurants with analytics, marketing, and third-party integrations
	Affirm Holdings, Inc.	NAS: AFRM	Affirm Holdings, Inc. operates a payment network that offers buy now, pay later solutions for consumers and merchants. Its platform enables installment payments through a consumer app, merchant integrations, and partnerships with banks and capital markets. Affirm serves businesses of all sizes across various industries, including retail, travel, electronics, and auto

Comparable Companies



Market data, financials, and benchmarking relative to peers

Market Data and Financials									
Company	Share Price	FDSO	Mkt Cap	Cash	Funded Debt	EV	LTM Revenue	Gross Profit	LTM EPS
PayPal, Inc. (NASDAQ: PYPL)	\$78.62	989	77,771	10,822	11,857	78,806	31,797	12,890	\$ 3.99
Shopify (NYSE: SHOP)	\$129.31	1,295	167,431	5,514	1,126	163,043	8,880	4,472	\$ 1.55
Block, Inc. (NYSE: XYZ)	\$84.18	569	47,873	8,862	7,409	46,420	23,862	8,674	\$ 1.66
Toast, Inc. (NYSE: TOST)	\$40.49	568	22,998	1,272	38	21,764	4,658	1,088	\$ (0.09)
Affirm Holdings, Inc. (NASDAQ: AFRM)	\$80.69	318	25,667	1,240	7,496	31,924	2,800	1,245	\$ (0.63)

Forward and Estimates								
Company	2026 GP	2026 Sales	2026 FCF	EV/ '26 Sales	P/'26 Sales	EV/ '26 FCF	EV/'26 GP	Weight
PayPal, Inc. (NASDAQ: PYPL)	15,824	35,621	7,405	2.21x	2.18x	10.64x	4.98x	15%
Shopify (NYSE: SHOP)	6,548	13,054	2,499	12.49x	12.83x	65.26x	24.90x	20%
Block, Inc. (NYSE: XYZ)	11,617	30,149	3,450	1.54x	1.59x	13.46x	4.00x	25%
Toast, Inc. (NYSE: TOST)	2,012	7,304	619	2.98x	3.15x	35.16x	10.82x	30%
Affirm Holdings, Inc. (NASDAQ: AFRM)	1,743	3,788	1,283	8.43x	6.78x	24.89x	18.31x	10%
Lightspeed Commerce (NYSE: LSPD)	567	1,294	64	1.26x	1.76x	24.78x	2.79x	
Median (excluding LSPD)	6,548	13,054	2,499	2.98x	3.15x	24.89x	10.82x	
Average (excluding LSPD)	7,549	17,983	3,051	5.90x	5.88x	34.06x	13.21x	

Source(s): Bloomberg, Capital IQ, Pitchbook

Relative Valuation Summary



190% Implied Upside

Implied Price per Forward Multiple

EV/'26 Sales	
2026 Sales	1,294
WACC	10.10%
PV of '26 Sales	1,067
Comparable Ratio	4.95x
Enterprise Value	5,284
Net Debt	19
Cash & Cash Equivalents	662
Implied Equity Value	5,926
Shares Outstanding	153
Estimated Share Price	\$38.74

Price/'26 Sales	
2026 Sales	1,294
WACC	10.10%
PV of '26 Sales	1,067
Comparable Ratio	4.91x
Implied Equity Value	5,242
Shares Outstanding	153
Estimated Share Price	\$34.27

EV/'26 Gross Profit (GP)	
2026 Gross Profit	567
WACC	10.10%
PV of '26 GP	467
Comparable Ratio	11.80x
Enterprise Value	5,516
Net Debt	19
Cash & Cash Equivalents	662
Implied Equity Value	6,159
Shares Outstanding	153
Estimated Share Price	\$40.26

Increased Weights for EV Multiples

Reconciled Relative Valuation Price	Implied Price	Weight	Rationale	Reconciled Price
EV/'26 Sales	\$38.74	37.50%	Reflects scale and revenue growth forecasts	\$38.19
Price/'26 Sales	\$34.27	25.00%	Reflects equity pricing and investor sentiment	
EV/'26 Gross Profit	\$40.26	37.50%	Reflects progress towards profitability	

Recommendation Summary



Buy NYSE: LSPD (Projected Implied Upside of ~ 76.53%)

Valuation Summary

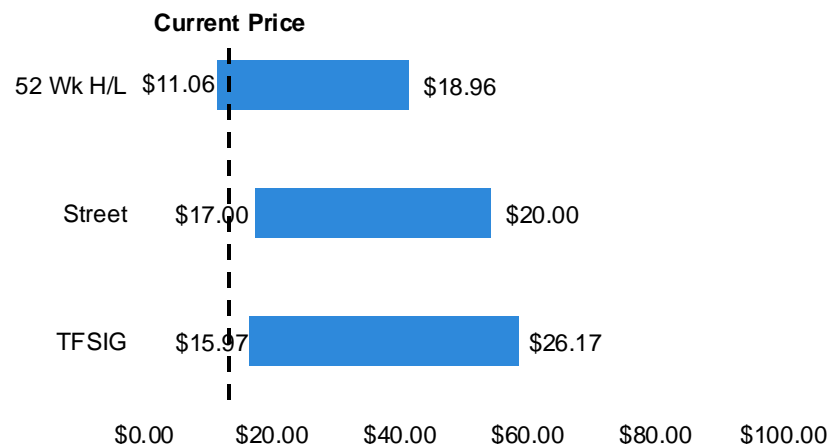
Valuation	Implied Change	Implied Price	Weight
DCF TGR (10 Year)	57.30%	\$20.68	85%
Relative Valuation	190.41%	\$38.19	15%
Total	77.27%	\$23.	

Rating: BUY

Investment Theses Summary

- Thesis I
 - LSPD is well positioned to profit from thriving NA retail + EMEA hospitality markets
 - Hospitality is facing 100% POS adoption, ~\$80bn TAM for LSPD
- Thesis II
 - LSPD's reorganization will concentrate efforts towards monetization of thesis I, while reducing headcount
 - The reorganization will aim to upsell payments clientele towards higher margin services
 - According to our NLP analysis, management has 79% probability of success for the reorganization

TFSIG vs Street Estimates



Source(s): Lightspeed 40-F, Factiva, FactSet, Statista

TFS Investment Group



VII. Appendix



JP Chauvet (Old CEO) Efficiency Score (Q3 '23 – Q3 '24)

Key Objective	Guidance	Outcome	Score (1-10)
Revenue Growth	20-25% YoY	24% YoY growth, aligned with guidance	9
EBITDA Break-even	Achieve positive EBITDA	EBITDA improved significantly but remained negative	7
Payments Penetration	30-35% GPV Target	Payments GPV at 32%, met expectations	10
Cost Efficiency	SG&A & R&D Optimization	SG&A & R&D reduced, but restructuring costs remained	7
Net Income Path to Profitability	Reduce losses	Losses narrowed but not yet profitable	6
Cash Flow Improvement	Move towards positive FCF	FCF still negative but improving	6
Stock Performance & Buybacks	Enhance shareholder returns	Stock repurchases occurred, but share price remained under pressure	6
Average Efficiency Score			73%

Dax Dasilva Efficiency Score (Q4 '24 – Q3 '25)

Key Objective	Guidance	Outcome	Score (1-10)
Revenue Growth	15-20% YoY	16% YoY growth, within guidance	9
EBITDA Break-even	Sustain positive EBITDA	Achieved positive EBITDA but with some volatility	8
Payments Penetration	35-40% GPV Target	Payments GPV reached 38%, exceeding target	10
Cost Efficiency	Enhance operational efficiency	SG&A cuts and operational efficiencies improved margins	8
Net Income Path to Profitability	Further reduce losses	Losses continued to narrow but profitability still elusive	7
Cash Flow Improvement	Achieve positive FCF	FCF improved but remained negative	6
Stock Performance & Buybacks	Enhance shareholder returns	Share buybacks executed but stock performance mixed	7
Average Efficiency Score			79%
Upside Efficiency VS Prior CEO			6%



Lightspeed Commerce

Dax Dasilva, Founder and CEO



- Founded in 2005, reappointed CEO in 2024
- Grew Lightspeed's product suite for retailers, restaurants, & e-commerce
- Founded Age of Union, a non-profit focused on sustainability

Asha Bakshani, CFO



- Former EVP Finance, appointed CFO in 2022
- CFA charterholder with 15+ years of financial leadership in tech & media
- Over 10 years of public accounting experience at Deloitte & Arthur Andersen

Ana Wight, CSO



- Joined in 2021 via Vend acquisition; former CEO of Vend with deep retail SaaS expertise
- Leads corporate strategy, M&A, & global expansion, focusing on long-term growth
- Over 15 years in strategy & operations with experience scaling tech & commerce platforms

Jean-David Saint-Martin, President



- Appointed President in 2022 after joining via Chronogolf acquisition in 2019
- Co-founder and former CEO of Chronogolf

John Shapiro, CPTO



- Appointed CPTO in 2024
- Holds a BS in Computer Science from Stanford University & an MBA from Harvard Business School

Daniel Micak, CLO



- Appointed CLO in 2022
- Holds a J.D. from Osgoode Hall Law School & a BA in English from the University of Waterloo

Appendix III - DCF Sensitivity Analysis



WACC/TGR and TV WACC/TGR Sensitivity Analysis

		WACC												
\$ 20.57		8.60%	8.85%	9.10%	9.35%	9.60%	9.85%	10.10%	10.35%	10.60%	10.85%	11.10%	11.35%	11.60%
TGR	4.00%	\$25.61	\$25.13	\$24.67	\$24.21	\$23.77	\$23.33	\$22.91	\$22.50	\$22.09	\$21.70	\$21.31	\$20.94	\$20.57
	3.75%	\$24.85	\$24.39	\$23.94	\$23.50	\$23.07	\$22.66	\$22.25	\$21.85	\$21.46	\$21.08	\$20.71	\$20.35	\$19.99
	3.50%	\$24.16	\$23.71	\$23.28	\$22.85	\$22.44	\$22.03	\$21.64	\$21.26	\$20.88	\$20.51	\$20.15	\$19.80	\$19.46
	3.25%	\$23.51	\$23.08	\$22.66	\$22.25	\$21.85	\$21.46	\$21.08	\$20.71	\$20.35	\$19.99	\$19.64	\$19.30	\$18.97
	3.00%	\$22.92	\$22.51	\$22.10	\$21.70	\$21.31	\$20.94	\$20.57	\$20.20	\$19.85	\$19.51	\$19.17	\$18.84	\$18.52
	2.75%	\$22.37	\$21.97	\$21.58	\$21.19	\$20.81	\$20.45	\$20.09	\$19.74	\$19.40	\$19.06	\$18.74	\$18.42	\$18.10
	2.50%	\$21.87	\$21.47	\$21.09	\$20.72	\$20.35	\$19.99	\$19.64	\$19.30	\$18.97	\$18.65	\$18.33	\$18.02	\$17.72
	2.25%	\$21.39	\$21.01	\$20.64	\$20.27	\$19.92	\$19.57	\$19.23	\$18.90	\$18.58	\$18.26	\$17.95	\$17.65	\$17.36
	2.00%	\$20.95	\$20.58	\$20.22	\$19.86	\$19.52	\$19.18	\$18.85	\$18.52	\$18.21	\$17.90	\$17.60	\$17.31	\$17.02

		TV WACC												
\$ 20.57		7.99%	8.24%	8.49%	8.74%	8.99%	9.24%	9.49%	9.74%	9.99%	10.24%	10.49%	10.74%	10.99%
TGR	4.00%	\$28.35	\$27.17	\$26.13	\$25.20	\$24.36	\$23.60	\$22.91	\$22.28	\$21.71	\$21.18	\$20.69	\$20.23	\$19.81
	3.75%	\$27.13	\$26.09	\$25.16	\$24.32	\$23.57	\$22.88	\$22.25	\$21.68	\$21.15	\$20.66	\$20.20	\$19.78	\$19.39
	3.50%	\$26.05	\$25.12	\$24.29	\$23.53	\$22.84	\$22.22	\$21.64	\$21.12	\$20.63	\$20.18	\$19.76	\$19.37	\$19.00
	3.25%	\$25.08	\$24.25	\$23.49	\$22.81	\$22.18	\$21.61	\$21.08	\$20.60	\$20.15	\$19.73	\$19.34	\$18.98	\$18.64
	3.00%	\$24.21	\$23.46	\$22.77	\$22.15	\$21.58	\$21.05	\$20.57	\$20.12	\$19.70	\$19.31	\$18.95	\$18.61	\$18.29
	2.75%	\$23.42	\$22.74	\$22.12	\$21.55	\$21.02	\$20.54	\$20.09	\$19.68	\$19.29	\$18.93	\$18.59	\$18.27	\$17.97
	2.50%	\$22.71	\$22.08	\$21.52	\$20.99	\$20.51	\$20.06	\$19.65	\$19.26	\$18.90	\$18.56	\$18.25	\$17.95	\$17.67
	2.25%	\$22.05	\$21.48	\$20.96	\$20.48	\$20.03	\$19.62	\$19.23	\$18.88	\$18.54	\$18.22	\$17.93	\$17.65	\$17.38
	2.00%	\$21.45	\$20.93	\$20.45	\$20.01	\$19.59	\$19.21	\$18.85	\$18.51	\$18.20	\$17.90	\$17.63	\$17.36	\$17.12

Source(s): Bloomberg, Capital IQ, Factiva

Appendix IV - Bear Case DCF Valuation Summary



DCF Summary															
	FY	FY	FY	FY	FY	Projected									
<i>in millions</i>	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total Revenues	120.65	222.72	549.58	731.01	909.27	1067.69	1246.25	1421.24	1612.94	1819.28	2032.97	2260.93	2487.98	2714.38	2896.54
COGS	39.67	94.06	277.20	398.55	524.02	612.85	712.85	610.18	710.36	807.83	885.34	996.24	1,076.66	1,188.12	1,296.24
R&D	32.75	55.30	121.15	140.44	129.42	163.45	192.09	220.20	255.78	288.06	326.37	364.29	402.28	432.46	466.45
SG&A	74.91	118.25	269.69	345.62	340.23	424.51	479.18	525.15	572.92	629.11	689.18	734.12	791.68	855.03	897.93
EBITDA	6.07	8.66	1.88	(41.85)	37.82	(129.83)	(130.86)	80.97	98.20	127.64	174.85	217.43	277.55	304.79	311.34
D&A	13.47	36.48	104.55	115.26	109.63	123.57	135.30	148.73	161.67	172.22	181.31	188.85	194.27	197.97	199.02
EBIT	(7.40)	(27.83)	(102.67)	(157.11)	(71.81)	(250.91)	(261.21)	(57.46)	(48.09)	(24.63)	17.30	55.09	112.34	137.04	144.50
Less: Income Tax	0.06	0.04	1.08	0.20	5.21	19.11	21.66	0.92	2.02	5.63	9.78	16.79	23.08	31.79	38.86
Less: CapEX	3.61	1.79	10.65	9.23	7.51	9.48	11.77	14.66	17.82	21.60	25.73	30.51	35.69	41.00	47.68
Less: Change in NWC		(24.69)	(4.65)	28.91	8.72	77.00	1.70	(5.32)	1.09	(8.23)	(2.23)	(3.50)	(4.78)	(1.92)	0.91
Add: D&A	13.47	36.48	104.55	115.26	109.63	123.57	135.30	148.73	161.67	172.22	181.31	188.85	194.27	197.97	199.02
FCFF	2.40	31.51	(5.20)	(80.19)	16.37	(233.20)	(158.02)	127.77	162.84	209.52	226.24	269.40	299.45	308.77	305.88
PV of FCFF						(211.81)	(130.37)	95.74	110.83	129.52	127.03	137.39	138.71	129.91	116.89

10yr Perpetual Growth Rate Method	
Perpetual Growth Rate	3.00%
Terminal Value	3831.56
PV of Terminal Value	1464.23
<i>Terminal Value as % of EV</i>	82.53%
PV of FCFF	310.04
<i>Forecast Period as % of EV</i>	17.47%
Enterprise Value	1774.27
(-) Net Debt	(648.60)
Equity Value	2422.87
Diluted Shares Outstanding	152.97
Implied Share Price	\$ 15.84
Current Share Price	\$ 13.15
Implied Upside (Downside)	20.45

WACC Assumptions	
Risk-Free Rate	3.11%
Credit Rating	B1/B+
Beta	1.78
Market Risk Premium	3.95%
Equity Value	\$ 2,011.95
Weight	99.20%
Cost of Equity	10.14%
Cost of Debt (Pre-Tax)	4.94%
Net Debt	(648.60)
Weight	0.80%
Cost of Debt	4.20%
WACC	10.10%

Appendix V – NWC Schedule



NWC															
in millions	FY	FY	FY	FY	FY	Projected									
	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Current Assets															
Accounts and Other Receivables	10.9	22.5	44.0	64.2	74.6	88.07	102.77	112.96	129.41	138.11	153.83	169.35	184.36	201.86	217.72
Prepaid and Other Current Assets	6.0	10.5	19.6	21.8	19.2	21.79	24.58	27.49	30.30	32.92	35.09	36.82	38.03	38.44	41.46
Total Current Assets	16.92	32.97	63.65	85.98	93.79	109.86	127.35	140.44	159.71	171.03	188.93	206.17	222.39	240.30	259.19
Current Liabilities															
Accounts Payable	30.8	65.1	78.3	68.8	68.7	74.64	90.37	108.77	126.97	146.57	166.65	187.36	208.41	228.19	246.12
Unearned Revenue	36.6	43.1	65.2	68.1	67.3	0.45	0.50	0.50	0.49	0.44	0.48	0.52	0.48	0.53	0.57
Total Current Liabilities	67.43	108.17	143.50	136.92	136.02	75.08	90.87	109.28	127.46	147.01	167.13	187.88	208.89	228.71	246.69
Days per Period	365.00														
Accounts Receivable Days	32.91	36.81	29.24	32.04	29.94	29.50	29.00	27.00	26.50	24.50	24.00	23.50	23.00	23.00	23.00
Prepaid and Other Current Assets (% of Revenue)	5.00%	4.72%	3.57%	2.98%	2.11%	2.00%	1.90%	1.80%	1.70%	1.60%	1.50%	1.40%	1.30%	1.20%	1.20%
Accounts Payable Days	138.87	184.55	104.94	75.56	65.07	25.00	25.50	26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00
Unearned Revenue (% of Revenue)	45.22%	33.51%	23.94%	20.48%	17.48%	15.00%	14.00%	12.00%	10.00%	7.80%	7.50%	7.20%	6.00%	6.00%	6.00%
Net Working Capital	(50.52)	(75.20)	(79.85)	(50.94)	(42.22)	34.78	36.48	31.17	32.25	24.03	21.79	18.29	13.51	11.58	12.50
Increase in Net Working Capital		(24.69)	(4.65)	28.91	8.72	77.00	1.70	(5.32)	1.09	(8.23)	(2.23)	(3.50)	(4.78)	(1.92)	0.91

Appendix VI - Reverse DCF



What the Market is Currently Implying

Reverse DCF Summary

Reverse DCF Summary																
USD mm	FY	FY	FY	FY	FY	FY	Projected									
	2020H	2021H	2022H	2023H	2024H	LTM	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Total Revenues	120.65	221.72	548.37	730.50	909.27	1053.62	1091.00	1254.65	1442.85	1659.27	1908.17	2194.39	2523.55	2902.08	3337.39	3838.00
COGS	39.67	94.07	277.20	398.55	524.02	615.56	654.60	752.79	865.71	995.56	1144.90	1316.63	1514.13	1741.25	2002.44	2302.80
R&D	32.75	55.30	121.15	140.44	129.42	117.76	130.92	150.56	173.14	199.11	228.98	263.33	302.83	348.25	400.49	460.56
SG&A	82.47	149.94	311.91	356.31	338.03	349.68	305.48	351.30	404.00	464.60	534.29	614.43	706.59	812.58	934.47	1074.64
D&A	24.56	50.06	155.83	185.73	119.95	126.11	109.10	125.47	144.28	165.93	190.82	219.44	252.35	290.21	333.74	383.80
EBIT	(58.80)	(127.65)	(317.72)	(350.53)	(202.15)	(155.49)	(109.10)	(125.47)	(144.28)	(165.93)	(190.82)	(219.44)	(252.35)	(290.21)	(333.74)	(383.80)
Add: Net Interest Income	1.77	(0.35)	2.99	24.81	42.53	38.62	54.55	62.73	72.14	82.96	95.41	109.72	126.18	145.10	166.87	191.90
Less: Taxes	(3.11)	(5.79)	(26.92)	(4.22)	3.48	5.29	4.36	5.02	5.77	6.64	7.63	8.78	10.09	11.61	13.35	15.35
Add: D&A	13.47	36.49	104.55	115.27	109.64	104.41	109.10	125.47	144.28	165.93	190.82	219.44	252.35	290.21	333.74	383.80
Less: CapEx	3.61	1.79	10.65	9.23	7.51	6.16	10.91	12.55	14.43	16.59	19.08	21.94	25.24	29.02	33.37	38.38
Less: Change in NCWC							(0.14)	(3.49)	(4.05)	(4.70)	(5.45)	(6.32)	(7.33)	(8.51)	(9.87)	(11.45)
FCFF							39.42	48.66	55.99	64.43	74.14	85.32	98.18	112.98	130.01	149.61
PV of FCFF							35.80	40.14	41.96	43.85	45.83	47.91	50.07	52.33	54.70	57.17

Market Assumptions

- Next 10 years revenue growth = 15%/year
- Gross margins = 40%
- R&D as a % of revenue = 12%
- SG&A as a % of revenue = 28%

What This Means

- If the company outperforms on any of these assumptions, the stock increases
- If the company fails to meet these assumptions, the stock falls



Team Overview

Education

Experience



Corey Cao - Portfolio Manager

- Telfer School of Management
- 4th Year B. Com Finance

Equity Research, Asset Management

- Analyst, TD Wealth



Thomas Giroux – Senior Analyst

- Telfer School of Management
- 4th Year B. Com Finance

Equity Research, Asset Management

- Analyst, IG Private Wealth



Carlo Abi-Raad – Junior Analyst

- Telfer School of Management
- 4th Year B. Com Finance

Equity Research, Asset Management, Case Competitions

- Analyst, RBC Wealth Management
- Financial Analyst, Statistics Canada



Christian Gillam – Junior Analyst

- Telfer School of Management
- 2nd Year B. Com Finance

Equity Research, Asset Management, Case Competitions

- Consolidations Intern, Brookfield Corp
- Chief Analyst, Telfer Asset Management League
- VP Finance, Telfer Business Journal



Team Overview

Education



Michael Penney – Junior Analyst

- Telfer School of Management
- 3rd Year B. Com Finance



Armaan Kumar – First Year Analyst

- Telfer School of Management
- 1st Year B. Com Finance

Experience

Equity Research, Asset Management, Leadership

- VP Club Development, Telfer Finance Society

Equity Research, Asset Management, Private Equity

- Private Equity Analyst, Sycamore Canyon Capital



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