Earnings Analysis | Services | Canada

Shopify: Another Massive Quarter Supports The Bullish Case

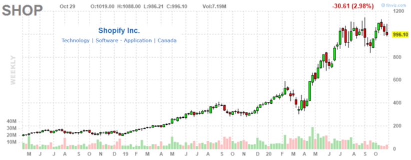
Oct. 29, 2020 3:42 PM ET | 61 comments | 13 Likes | About: Shopify Inc. (SHOP)

BOOX Research (Marketplace)
Conviction Dossier
Maximize returns and minimize risks with a powerful multi-asset strategy.
Follow
(9,179 followers)

Summary

- Shopify reported its Q3 results which beat expectations with strong growth momentum and accelerating earnings.
- A solid trend of new merchants joining the platform is driving monthly recurring revenue and gross merchandise volume higher.
- The stock continues to trade with a high valuation premium although we believe the bullishness is justified given the positive long-term outlook with significant expansion opportunities.
- *Looking for more investing ideas like this one? Get them exclusively at Conviction Dossier. Get started today »*

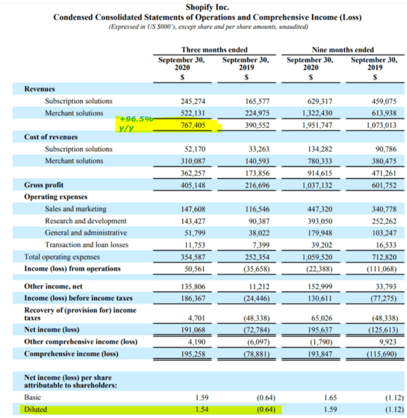
Canada-based Shopify Inc. (SHOP) just reported its latest quarterly result highlighted by stronger than expected sales and firming earnings. The company's e-commerce platform offering merchant solutions and payment tools continues to benefit from underlying trends in online retail which got a boost this year from the pandemic. The stock has been a big winner in recent years, and up over 155% in 2020, gaining momentum as a recognition of its market-leading position. While there are concerns regarding the company's sky-high valuation, we believe the results speak for themselves and the bullishness is warranted considering this is one of the best growth stories in the market. Shopify continues to defy expectations and maintains a positive long-term outlook.



(source: finviz.com)

SHOP Q3 Earnings Recap

Shopify reported its Q3 earnings on October 29th with non-GAAP EPS of $1.13, which was $0.63 ahead of estimates. More impressively, the company delivered a positive GAAP EPS of $1.54 compared to the consensus for a quarterly loss of $0.15. The earnings trend here was driven by a big beat to the revenue figure which came in at $767 million, $115 million above expectations, and up 97% year over year.



Shopify Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(Expressed in US $000's, except share and per share amounts, unaudited)

	Three months ended		Nine months ended	
	September 30, 2020 $	September 30, 2019 $	September 30, 2020 $	September 30, 2019 $
Revenues				
Subscription solutions	245,274	165,577	629,317	459,075
Merchant solutions	522,131	224,975	1,322,430	613,938
+96.5% y/y	767,405	390,552	1,951,747	1,073,013
Cost of revenues				
Subscription solutions	52,170	33,263	134,282	90,786
Merchant solutions	310,087	140,593	780,333	380,475
	362,257	173,856	914,615	471,261
Gross profit	405,148	216,696	1,037,132	601,752
Operating expenses				
Sales and marketing	147,608	116,546	447,320	340,778
Research and development	143,427	90,387	393,050	252,262
General and administrative	51,799	38,022	179,948	103,247
Transaction and loan losses	11,753	7,399	39,202	16,533
Total operating expenses	354,587	252,354	1,059,520	712,820
Income (loss) from operations	50,561	(35,658)	(22,388)	(111,068)
Other income, net	135,806	11,212	152,999	33,793
Income (loss) before income taxes	186,367	(24,446)	130,611	(77,275)
Recovery of (provision for) income taxes	4,701	(48,338)	65,026	(48,338)
Net income (loss)	191,068	(72,784)	195,637	(125,613)
Other comprehensive income (loss)	4,190	(6,097)	(1,790)	9,923
Comprehensive income (loss)	195,258	(78,881)	193,847	(115,690)
Net income (loss) per share attributable to shareholders:				
Basic	1.59	(0.64)	1.65	(1.12)
Diluted	1.54	(0.64)	1.59	(1.12)

(source: Company IR)

Across the two operating segments, subscription solutions revenue climbed 48% y/y while merchant solutions led growth up by 132% compared to Q3 2019. The gross margin declined to 52.8% from 55.5% last year given the shift in revenue mix as the merchant solutions have gained importance. Nevertheless, we highlight that operating expenses grew below the rate of revenues at 41% y/y, which led to a surge in operating income. There is an expectation going forward that the company can benefit from scale as the existing internal corporate infrastructure supports a higher capacity.

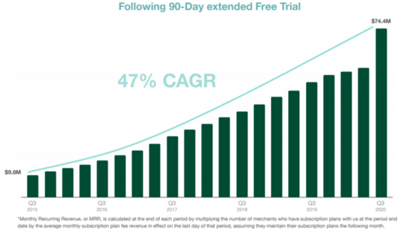
In terms of operating metrics, the gross merchandise volume "GMV" conducted through the platform reached $30.9 billion, up 109% y/y. Gross payments volume "GPV" reached $14.0 billion, up from $6.2 billion in Q3 2019 as a high margin segment. Management noted results were driven by new merchants joining the platform which can drive the demand for related tools and services as the businesses grow going forward. Monthly recurring revenue (MRR) reached $74.4 million with the company seeing success in conversion from its program of an extended free trial to new merchants offered since June of this year.

Consistent MRR Growth, Accelerating YoY in Q3 2020
Record Number of Merchants Became Paid Subscribers in Q3 2020

Depot
Add symbol | Edit

CHTR	602.17	4.54%
GOOGL	1,602.92	2.96%
CHD	87.41	0.40%
ACN	214.39	-0.95%
VRNT	48.13	-1.25%
GILD	57.69	-1.44%
DG	206.68	-1.92%
BABA	304.37	-2.62%
NVO	63.41	-4.40%
SHOP	920.99	-5.73%
AMZN	3,020.63	-5.93%
AAPL	107.94	-6.40%
FB	259.57	-7.57%

Expand Portfolio

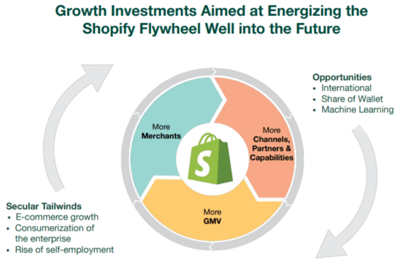


(source: Company IR)

While the company did not offer full-year earnings guidance or growth targets, management expects positive trends in online retail due to the pandemic to continue supporting the business environment. The company ended the quarter with $6.1 billion in cash and equivalents against less than $1.0 billion in total long-term liabilities. The rock-solid balance sheet is a strength of the company's investment profile.

Analysis and Forward-Looking Commentary

The strength of Shopify's business model is that merchants entering the platform essentially become tied to the ecosystem representing a long-term relationship of recurring revenues. As the merchants grow their independent businesses, Shopify captures higher fees through expanded sales opportunities with more tools and services. The result is that recurring revenues can scale over time and it becomes harder for merchants to leave and find alternative solutions. The bullish case for Shopify is that it is still in the early stages of its earnings growth and has room to exceed expectations to the upside.


Growth Investments Aimed at Energizing the Shopify Flywheel Well into the Future
Opportunities
• International
• Share of Wallet
• Machine Learning
More Merchants
More Channels, Partners & Capabilities
More GMV
Secular Tailwinds
• E-commerce growth
• Consumerization of the enterprise
• Rise of self-employment

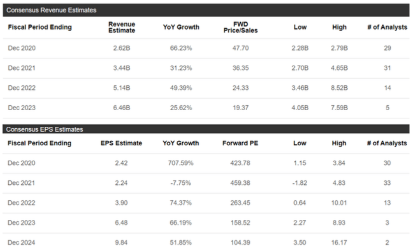
(source: Company IR)

That being said, even with this exceptional quarter for growth and earnings, Shopify continues to trade at what can otherwise be referred to as an extreme valuation. Including the latest Q3 data, the stock's price to sales multiple over the trailing twelve months is approximately 50x. Still, one justification is that there are few companies the size of Shopify able to deliver revenue growth near 100% and expected to maintain the momentum.

One relevant comparison to Shopify is Zoom Video Communications Inc. (ZM) which has seen a windfall this year with its video conferencing technology based on trends in work-from-home and virtual-learning. Zoom revenues grew by 355% y/y in the last quarter and the stock now trades at an even higher price to sales multiple of 107x, compared to 50x for SHOP. Curiously, considering SHOP EPS of $1.57 over the trailing twelve months, the P/E ratio of ~635x is similar to the P/E for Zoom at 630x.

While both of these companies are in different sectors with a completely different business model, the point here is that the market tends to reward this type of growth dynamic. We argue that Shopify with a more diversified business with an expanding portfolio of tools and services for customers is a stronger company compared to Zoom which is essentially a one-trick-pony, in our opinion.

According to consensus estimates for Shopify, the company is expected to continue its growth trajectory and again double revenues by 2022, and even remain with a growth rate above 25% in 2023. Keep in mind that these estimates have not yet been updated to incorporate the latest Q3 results which will likely lead to revisions higher based on the momentum. The cohort of new merchants and trending higher MRR provides a framework to place these estimates as achievable.



Consensus Revenue Estimates

Fiscal Period Ending	Revenue Estimate	YoY Growth	FWD Price/Sales	Low	High	# of Analysts
Dec 2020	2.62B	66.23%	47.70	2.28B	2.79B	29
Dec 2021	3.44B	31.23%	36.35	2.70B	4.65B	31
Dec 2022	5.14B	49.39%	24.33	3.46B	8.52B	14
Dec 2023	6.46B	25.62%	19.37	4.05B	7.59B	5

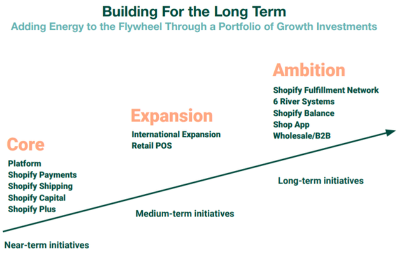
Consensus EPS Estimates

Fiscal Period Ending	EPS Estimate	YoY Growth	Forward PE	Low	High	# of Analysts
Dec 2020	2.42	707.59%	423.78	1.15	3.84	30
Dec 2021	2.24	-7.75%	459.38	-1.82	4.83	33
Dec 2022	3.90	74.37%	263.45	0.64	10.01	13
Dec 2023	6.48	66.19%	158.52	2.27	8.93	3
Dec 2024	9.84	51.85%	104.39	3.50	16.17	2

(source: Seeking Alpha)

If these forecasts are confirmed, the stock has room to effectively grow into the price to sales ratio which would narrow down to under 20x over the next four years. At that point, a case can be made that a tech company growing revenues in the double digits with accelerating earnings and a high degree of recurring revenues would continue to command a high premium in the market.

Longer term, the underlying growth tailwinds include the penetration of online shopping which continues to gain market share over traditional brick-and-mortar retail. Data suggesting only 60% of the world's population is connected to the internet show that there is significant white space for e-commerce on a global scale which Shopify is well-positioned capture through its market-leading platform. Shopify's platform-agnostic to e-commerce solutions can benefit regardless of which retailer succeeds over the next decade. Initiatives like the rollout of more payment and shipping tools, ongoing international expansion, and a push into the wholesale/business-to-business segment represent continued growth opportunities.



(source: Company IR)

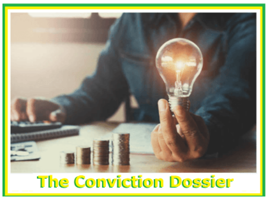
Takeaway

It's hard to argue against 97% year over year revenue growth and a new outlook for accelerating earnings. While recognizing the strengths of the business and positive long-term outlook, **we rate shares of SHOP as a hold** considering the current valuation and already extremely bullish expectations. Our message here is that while we might be on the sidelines in terms of the stock price with a neutral view, there is nothing to suggest Shopify is a "great short" opportunity or shares can crash in the near term.

Tactically, the stock has been trading in a relatively tight range around $1,000 per share in recent months. In many ways, the consolidation process is healthy and can help build a solid base for the stock to climb higher as it continues to deliver solid operating and financial results. A move under $900 may set up a new buying opportunity.

The risks here beyond a global deterioration to the macro environment is that the company misses upcoming quarterly growth estimates with a more visible slowdown in the business. Shares would likely be under pressure if the speculative flows in the stock get pulled out and attract more bearish sentiment. Monitoring points include gross margins which we'd like to see remain above 50% along with progress by the company expanding to new international markets. Over the next year, Shopify will likely face some difficult comps considering the exceptional trends this year given the pandemic. Still, the story going forward will be the higher earnings momentum as the company can pull the lever to drive profits and free cash flow more positive.

Add some conviction to your trading! We sort through +4,000 ETFs/CEFs along with +16,000 U.S. stocks/ADRs to find the best trade ideas. Click here for a two-week free trial and explore our content at the Conviction Dossier.



Disclosure: I/we have no positions in any stocks mentioned, and no plans to initiate any positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

Like this article 13 Likes

Follow BOOX Research and get email alerts
Follow

Recommended for you:

Tencent: The Path To Tripling By 2022 (NYSEARCA:CQQQ)
ALT Perspective

10 Most Popular Dividend Stocks: Which Offer The Best Safety And Growth? (NYSE:BAC)
Seeking Alpha

A Second Wave Correction Could Send Stocks Down 30%
Kirk Spano

Clean Energy Vs. Oil & Gas: The Biggest Lie Of 2020
Robert & Sam Kovacs

Comments (61) + Track comments Sort by Oldest

Tony Montana Munich
Add Your Comment: (NEW! Use @ to tag a user)

Share your comment: ☐ ☐ ☐ Publish

BOOX Research

Comments (2314) | + Follow

Author's reply » Thanks for reading. If you enjoyed the article consider following to hear about our next Seeking Alpha idea. - BOOX

29 Oct 2020, 03:43 PM Like 0 Reply

kimbillro

Comments (34397) | + Follow

Will do @BOOX Research , thanks for the article.

29 Oct 2020, 03:48 PM Like 0 Reply

brianqdao

Comments (163) | + Follow

@BOOX Research any reason why it dipped today? Just sell the news?

29 Oct 2020, 04:04 PM Like 0 Reply

BOOX Research

Comments (2314) | + Follow

Author's reply » @brianqdao check my response to the comment above.. part of it is just today's market action.. a lot of the high-growth momentum names were under pressure. even Zoom Video fell 5% on no news. online retail names pullback today. so the stock is fine but expect volatility given the bullishness already implied in the valuation.

29 Oct 2020, 04:07 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

Wow...look at the MRR growth SKYROCKET. And you haven't seen anything yet. The end of year COVID fueled e-commerce SURGE coming is due to be gargantuan.

Any predictions for revenue growth for end of Q4? My prediction is +150% YoY.

BUY AND HOLD Shopify for me for sure.

29 Oct 2020, 03:53 PM Like 6 Reply

Ramy Taraboulsi, CFA

Contributor

Comments (2243) | + Follow

@BOOX Research , can you please explain why you think the stock price dropped today despite the rising market and the stellar results? Thanks in advance...

Also, thanks for the article; I enjoyed reading it...

29 Oct 2020, 03:54 PM Like 1 Reply

sillycibin

Comments (225) | + Follow

Because it had exploded to an insane $130 billion market cap. Stellar results are baked in/demanded of this stock for the next 5 years. It will now rise slowly over the next couple of years if it hits its marks i.e. 15% a year growth probably not the ridiculous 300% growth in a few months. Which is still to say it would be a $250 billion dollar market cap company in 5 years with 15% a year stock price growth. That seems like a reasonable valuation. (edited)

29 Oct 2020, 04:00 PM Like 1 Reply

BOOX Research

Comments (2314) | + Follow

Author's reply » @Ramy Taraboulsi, CFA I think this was just the case of short term profit-taking. they beat estimates but at the same time, the valuation already implies very bullish sentiment so volatility can be expected. ALSO a lot of the online retail names were under pressure today.. look stocks like Ebay/Wayfair/ OSTK / Chewy and ETFs $ONLN $IBUY. some of the weakness in SHOP today was related to a market rotation. As long as SHOP stays above $900 (10% lower) the trend is bullish in my book. good luck

29 Oct 2020, 04:02 PM Like 2 Reply

Ramy Taraboulsi, CFA

Contributor

Comments (2243) | + Follow

Thanks @BOOX Research for your response...

29 Oct 2020, 04:04 PM Like 1 Reply

Tall Seller

Comments (9827) | + Follow

@Ramy Taraboulsi, CFA

Who cares about short term whoopdidoo volatility. A long term view is what's needed for Shopify and, as Shopify has massive and very long term growth ahead, it makes it easy to BUY AND HOLD for a very long time, for me.

29 Oct 2020, 04:09 PM Like 3 Reply

Ramy Taraboulsi, CFA

Contributor

Comments (2243) | + Follow

I write weekly options on Shopify, so I care about the short term. Don't misunderstand me, I like the volatility and I just want to understand the fundamentals behind it.

I have an article that I submitted yesterday explaining this strategy, so please standby. I will send you the link once it is published.

29 Oct 2020, 05:16 PM Like 0 Reply

ContrarianSurfer

Comments (208) | + Follow

@BOOX Research

This was more than short term profit taking.. Nasdaq up over 1% and SHOP just delivered stellar earnings.. This is people realizing that this is over valued and probably dont want to be the last one standing in the game of musical chairs. GE reported earnings that barely exceeded target on the huge risk off day on 10/28/2020 and it fluctuated from 5-10% gains through out the day.

30 Oct 2020, 01:56 AM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@ContrarianSurfer

All good. Shopify is going to likely have a 120-180% YoY revenue growth for Q4.

📈📈📈

30 Oct 2020, 04:05 AM Like 0 Reply

thegopher001

Premium

Comments (89) | + Follow

@BOOX Research , Shopify growth has been accelerated because of the pandemic situation. Therefore you are assuming that this growth will remain even after a vaccine is approved and a portion of sales shift back to brick and mortar? What about the competitive landscape? What about the insane valuation?

If you read any DCF analysis from serious firms, they price SHOP between 200-700 price levels under the most aggressive growth assumption. a 1000$ share price reflects SHOP capturing 90%+ of the market and an annualized growth rate of 130% over the next 10 years. the whole E-commerce sector is way overvalued as companies are coming in the market. SHOP has a great platform, but most of its growth opportunities are for top merchants and that segment is already taken by SHOP. I don't see SHOP producing a 130% for 10 years.

We might see another extraordinary quarter because of the pandemic and Christmas, but it seems likely that a return to some kind of normal will slow down SHOP growth. Competition is getting more intense, and E-commerce is not a sector with high barriers to entry. Personally I won't buy SHOP over 700.

29 Oct 2020, 04:05 PM Like 2 Reply

BOOX Research

Comments (2314) | + Follow

Author's reply » I look at it on a relative basis.. if the SHOP can grow revenues +30% y/y on a quarterly basis consistently going over several years it should command a premium compared to other stocks. SHOP deserves to be "expensive". merchants on the platform are tied to the ecosystem. the more companies big or small they can onboard the the impact to growth and earnings snowballs.

like i said in the article..i rate this as a hold. im not expecting this to "double" from here, but also there's no reason for this to crash lower with this type of earnings momentum. bulls will keep stepping in to buy any dip. (edited)

29 Oct 2020, 04:14 PM Like 1 Reply

Tall Seller

Comments (9827) | + Follow

@BOOX Research

Shopify has NO REAL competition. I can name a long list of things that Shopify does that their competitors don't do at all or that Shopify does significantly better.

Here is one: WHO offers a Fulfillment Network like Shopify that utilizes a large number of warehouses, courier companies, 3PL's, trucking companies, robotics, AI, etc., to help merchants ship inventory IN ADVANCE of orders and in bulk, so products are near inevitable customer orders for FAST AND CHEAP delivery for the last leg of inevitable orders? NOBODY else does. From this one (of many more) Shopify services alone (that is going to SKYROCKET Shopify for many years) businesses would be idiotic to choose anyone else other than Shopify. Why would a merchant choose Magento or BigC with SLOW and EXPENSIVE delivery (would you order a shirt from one of their merchants with 2 day $70 delivery? Hahha)? NO THANKS.

Shopify has MANY reasons they are going to skyrocket and they've barely scratched the surface of their MASSIVE TAM.

29 Oct 2020, 04:36 PM Like 7 Reply

Tall Seller

Comments (9827) | + Follow

@thegopher001

Do you know how many people have signed up to Shop Pay and Shop App FOREVERMORE since the pandemic; the highest converting checkout on the Internet and one of the VERY most most downloaded Shopping apps in the markets it's launched in. These are DURABLE indicators.

I'd worry about extremely overpriced BigC with NO DURABLE solutions, losing merchants, and SLOW growth of I were you.

29 Oct 2020, 04:40 PM Like 2 Reply

---

jemicarus

Comments (24) | + Follow

Yes, I would likely be one of those dip-buying bulls, holding his nose at 50x p/s and getting in the game. I'm mildly kicking myself for not picking up some during the Sept correction when it fell briefly below $900. Not too hard, not the steel toes, but kicking nonetheless. The business is pretty clearly a long-term winner, although it's worth noting that Wix.com, and maybe other website makers, is now offering onboard e-commerce tools that compete with Shopify. But for pete's sake, if macro headwinds emerge, or they reduce guidance, it's hard not to see the stock tanking like Fastly (another long-term winner) did, and offering a better buy point. That may prove to be a pipe dream, though . . .

29 Oct 2020, 04:44 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@jemicarus

WiX is NOT a competitor to Shopify. They have ZERO market share in top merchants sites categories and now that Shopify is offering $9/month Shopify Lite for WiX's low quality types of merchants, a merchant would be idiotic to choose wix over Shopify. And dont forget Shopify Lite comes with a Buy Button option now that can be used on WiX, Squarspace, Wordpress, and Weebly sites.

Shopify is taking marketshare with Shopify Lite from all of those small merchant platforms, and also winning more marking share than anyone all the way up to enterprises.

29 Oct 2020, 04:57 PM Like 2 Reply

Loki8903

Comments (51) | + Follow

@Tall Seller I guess people don't have the concept of multiple expansion/contraction. It doesn't matter if shopify grows at 50% yoy for next 10 years. If multiples contract, shop will look like trash compared to a more substantial company. Sadly people who claim they are LT investors will fold after seeing shop go through a Microsoft in the last 20 years. Valuation doesn't matter until the whole market decide it does. Then you are left holding the bag

29 Oct 2020, 06:36 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@Loki8903

Ya, the shorts have been telling me that for years. Glad I didn't listen.

If Shopify grows at half multiple of today for just a couple quarters, today's share price will be considers very cheap...and we all know next quarter (Q4 holiday SURGE) will likely be between 100% and 200% revenue growth, so Shopify's share price today will be considered VERY CHEAP by even value investors very soon. 😘

29 Oct 2020, 08:43 PM Like 2 Reply

---

thegopher001
Premium

Comments (89) | + Follow

@BOOX Research what's your recommendation then? Your article is rated as "Bullish" but you recommend to hold or buy at this price? Doesn't seem very convincing. A 30% growth q/q is unrealistic. I keep my view that shopify will have a 30%+ correction

29 Oct 2020, 11:20 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

ATTENTION.

If anyone says they expect a 30% correction, BUY BUY BUY on 4-8% correction, before those short sellers execute their positions, as you can bet they won't wait to 30%.

30 Oct 2020, 03:07 AM Like 2 Reply

kiwicarrotcake

Comments (585) | + Follow

where's the cash flow? when amzn was a $100 billion company they were doing $4 billion in operating cash flow...SHOP is barely doing $250 million with $130 billion market cap. Don't see how they grow into it. Great company though (edited)

29 Oct 2020, 04:37 PM Like 2 Reply

BOOX Research

Comments (2314) | + Follow

Author's reply » its a different business.. but this was the first real quarter of SHOP flexing its earnings potential.. still early stages of EPS growth

29 Oct 2020, 04:39 PM Like 8 Reply

kiwicarrotcake

Comments (585) | + Follow

Personally waiting for another 15% pullback that might never come.

29 Oct 2020, 04:38 PM Like 2 Reply

Liquid Crystal

Comments (1177) | + Follow

It was just there a few weeks ago.

29 Oct 2020, 05:41 PM Like 1 Reply

Up and Away

Comments (3764) | + Follow

@kiwicarrotcake

The stock is down another 5 points in after hours so hang tight and you might get your wish.

29 Oct 2020, 06:33 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

💥BAM!💥

In addition to Zuckerberg extending his PARTNERSHIP with Shopify, he invited Shopify to join his Libra Association.

The Facebook and Shopify PARTNERSHIP have A LOT COOKING to come.

Check it out:

✔February 21, 2020 - Shopify joined Mark Zuckerberg's Libra Association: twitter.com/...

✔April 22, 2020 - Libra Association launched their updated White Paper v2.0, which was RESTRUCTURED to alleviate regulators concerns (MUST READ): libra.org/...

✔April 27, 2020 - Shopify hired Alex Danco (see here: twitter.com/...) to work on an offering that he described as SHOPIFY MONEY, where he says:

🗣"Another project I'll be working on might surprise you, and I'm looking forward to telling you more about it soon enough - Shopify's membership in Libra. Libra is going to catch a lot of people by SURPRISE. It has a lot of armchair critics in tech, both in Silicon Valley and in cryptospace; and you know what, that's exactly how I like it. Libra has a big mission to fulfill, and Shopify is a CRITICAL PIECE of that mission. I'm tremendously excited to help make that happen."

👉(SEEN HERE: danco.substack.com/...)

🗣"This is Shopify's moment. We're in it, RIGHT NOW. I'm amped to get on board the team, and get to work with Tobi and with CanadaKaz on SHOPIFY MONEY to make commerce better for everyone in a REALLY REALLY BIG WAY."

👉(SEEN HERE: twitter.com/...)

✔Shopify's had a bunch of job posting for in-house Senior Legal Counsel, Financial Solutions describe where they describe SHOPIFY MONEY in their Job Descriptions, seen here:

👉(AS SEEN HERE: twitter.com/...)

✔Libra just hired a Lawyer who is VERY experienced, reputable, and connected in governments at the highest levels:

👉(SEEN HERE: twitter.com/...)

✔Libra just announced the appointment of Sterling Daines as the Association's Chief Compliance Officer:

👉(SEEN HERE: twitter.com/...)

✔Libra just announced the appointment of Ian Jenkins as Chief Financial Officer and Chief Risk Officer

(Seen here: twitter.com/...)

Facbook/Shopify/Libra are purported to be launching a NO FEE (or very low fee) currency exchange for cross border e-commerce transactions that they intend to roll out SOON. If so, this will cause $TRILLIONS/year in new GMV to come to Shopify from businesses that want Shopify for this service offering

In addition to Shopify's current ACCELERATING growth which makes them a long term safe investment, the speculation that Libra will be launched soon with Shopify involved is a MASSIVE reason to BUY AND HOLD Shopify today, as this will be an

INSANELY BIG GAME CHANGER.

🚀LONG SHOPIFY!🚀

29 Oct 2020, 04:42 PM Like 8 Reply

Tall Seller

Comments (9827) | + Follow

@Ramy Taraboulsi, CFA

Speaking of recyclers, should I pull up how many times you said Shopify is overprice since $50/share?

29 Oct 2020, 05:23 PM Like 5 Reply

Tall Seller

Comments (9827) | + Follow

@Ramy Taraboulsi, CFA

When the shorts tout the same fake news for 4 years straight, some of Shopify's differentiators stay the same the entire time, so if the shorts beat to death their fake news, then their differentiators can certainly be told a million times.

29 Oct 2020, 05:37 PM Like 4 Reply

Ramy Taraboulsi, CFA

Contributor

Comments (2243) | + Follow

@Tall Seller looks like you published this posting earlier, did you?

And, yes, I believe that Shopify is overvalued (overpriced is a term reserved for IPOs) from a fundamental perspective, but will still go up because of its momentum and its affiliate network.

There you go, I said it again...

29 Oct 2020, 05:52 PM Like 2 Reply

Tall Seller

Comments (9827) | + Follow

@Ramy Taraboulsi, CFA

You Shopify's 2,000,000 3rd party PARTNERS who generated $6.9BILLION in revenue last year by helping Shopify merchants with everything e-commerce related, developing themes/apps, and steering a tidal wave of merchants to Shopify.

Ya, I love those 3rd party PARTNERS. They are helping Shop CRUSH BigCrash, WiX, Magento's etc.

Long Shop.

29 Oct 2020, 06:30 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@Ramy Taraboulsi, CFA

But, anyone who listened to that advice makes a 20 BAGGER. Don't you think more realistic variables needed to be taken into account too.

Shopify is easily on its way to $1-2TRILLION in GMV (and beyond), so it's a no-brainer Shopify's share price will growth...a lot.

29 Oct 2020, 06:40 PM Like 0 Reply

DaveBuch

Comments (801) | + Follow

Hey TS, speaking of partners what's going on with TikTok and Shopify?

29 Oct 2020, 08:42 PM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@DaveBuch

What's your question? Shopify's brand new tiktok PARTNERSHIP is going to further drive a tidal wave of creatives, influencers, and other businesses to sell/advertise hundreds of $BILLIONS through this integration...and further make it idiotic for businesses to choose anyone but Shopify.

29 Oct 2020, 08:49 PM Like 0 Reply

Goody73

Comments (13) | + Follow

@Tall Seller. Unfortunately I listened to the CFA instead of you! I sold my 500 shares at around 300 and been crying every since! Thanks Ramy...

30 Oct 2020, 06:32 AM Like 1 Reply

Tall Seller

Comments (9827) | + Follow

@Goody73

The shorts are self serving and do not care if you win or lose. Well, they usually win when you lose. That's why I NEVER listen to them about Shopify...as my research tells me opposite of everything they say, and now that I've helped break ever fake news narrative they have, they only thing they can talk about is valuation...and with Shopify's growth SKYROCKETING for many years to come, it's inevitable that Shopify's share price will SKYROCKET in turn.

Shopify is on sale today.

30 Oct 2020, 01:45 PM Like 0 Reply

CBS_Guy8

Comments (53) | + Follow

Must be priced for perfection to go down approx 5% with those numbers. Gonna drop further.

29 Oct 2020, 05:51 PM Like 3 Reply

Tall Seller

Comments (9827) | + Follow

@CBS_Guy8

Or it's going to SKYROCKET due to the end of year e-commerce surge everyone is talking about in their earnings call this week.

29 Oct 2020, 06:28 PM Like 4 Reply

Tall Seller

Comments (9827) | + Follow

Fasten your seatbelts Shopify Longs...

Check out what UPS' CFO said in their earnings call YESTERAY:

👉 seekingalpha.com/...

"We see no signs that the structural market shift to e-commerce will slow anytime soon. In fact forecasters estimate the e-commerce share of retail has been advanced by two to three years due to the pandemic."

"We expect strong consumer demand during peak. As Carol mentioned, in the U.S. we will have 2 additional operating days between Thanksgiving and December 31 compared to last year, which helps our operations. We anticipate some industry capacity constraints through the period."

Q4 is going to be MASSIVE for Shopify.

📈📈📈📈📈

29 Oct 2020, 06:39 PM Like 5 Reply

Kirby Muxloe

Comments (787) | + Follow

Hey Tall Seller mate - did you hear the low down on what ever happened to the rumour about Youtube piloting an eCommerce attach to Shopify? I saw the original speculation but never saw confirmation. That would be another Fcebook/Walmart/Pinterest/TikTok like partnership all over again. (seekingalpha.com/...). Thx KM

30 Oct 2020, 01:46 AM Like 0 Reply

Tall Seller

Comments (9827) | + Follow

@Kirby Muxloe

Shopify has been googles TOP e-commerce innovator/integrator for a long time (where Shopify merchants can list products in Google for FREE).

And, yes, Shopify is innovating e-commerce solutions with YouTube to enable hundreds of $BILLIONS of sales and further differentiate Shopify as the ONLY omnichannel e-commerce provider of choice.

👉 betakit.com/...

DUMP BigC.

LONG Shopify.

30 Oct 2020, 03:00 AM Like 3 Reply

Goomba69
Comments (1105) | + Follow

Amazing continued creativity and execution. Long since early 2016 and planning to hold for at least another 5 years.

30 Oct 2020, 01:55 AM Like 4 Reply

kimbillro
Comments (34397) | + Follow

5 years is a long time @Goomba69 .

30 Oct 2020, 01:13 PM Like 1 Reply

Tall Seller
Comments (9827) | + Follow

@Goomba69

Shopify is on its way to $1-2TRILLION market cap, so I'm with you on at least a 5 year hold...probably even more than 10. I don't have attention deficient disorder, so I can wait for the MASSIVE growth ahead.

30 Oct 2020, 01:31 PM Like 0 Reply

krokodilica
Comments (180) | + Follow

So what if there is no new growth QoQ, doesn't matter. Shopify can keep current level of sales and profits and withold the same valuation. Right?

If QoQ results are flat or slightly negative, price should still go up? Cause flat QoQ means 100% YoY for 2 more quarters and thats all Shopify needs to be valued 120B. (edited)

30 Oct 2020, 06:35 AM Like 0 Reply

Tall Seller
Comments (9827) | + Follow

Has that matter over the last 5 years? NO!

30 Oct 2020, 10:06 AM Like 0 Reply

krokodilica
Comments (180) | + Follow

Shopify had continous growth. Cash burning growth, but still, all that mattered was sales growth. Now they posted negative QoQ results.

30 Oct 2020, 10:52 AM Like 1 Reply

Tall Seller
Comments (9827) | + Follow

@krokodilica

How many quarters over the last 5 years had negative QoQ growth. 100% (except last quarter). And this quarter should be 150% YoY growth, which certainly is QoQ growth.

30 Oct 2020, 11:31 AM Like 0 Reply

Tall Seller
Comments (9827) | + Follow

How many quarters over the last 5 years did Shopify have a QoQ declined while Shopify since $28/share IPO price? LOL!

30 Oct 2020, 11:41 AM Like 0 Reply

kimbillro
Comments (34397) | + Follow

I should have bought SHOP at $28 @Tall Seller , but I won't at $1,000.

30 Oct 2020, 01:12 PM Like 2 Reply

Tall Seller
Comments (9827) | + Follow

@kimbillro

All the trucks are backing up now to get Shopify on sale, as their growth coming is going to be massive and skyrocket their share price.

30 Oct 2020, 01:26 PM Like 0 Reply

kimbillro
Comments (34397) | + Follow

I would back up my truck too but reverse gear is broken and its being repaired in the transmission shop @Tall Seller .

@ArnieW

30 Oct 2020, 02:31 PM Like 0 Reply

Tall Seller
Comments (9827) | + Follow

@kimbillro

Yes, bring Arnie back. Shopify skyrockets every time he enters the conversation with Shop. Right Arnie?😉

30 Oct 2020, 03:00 PM Like 0 Reply

Tall Seller
Comments (9827) | + Follow

After the election, Shopify is likely going to Skyrocket. Buy and hold now for me for sure, while it's cheap.

Zuckerberg just said half way through Facebook earnings call that all consumers are still showing strong e-commerce purchasing and businesses are still showing strong growth through their platform.

As Shopify is Facebook's TOP e-commerce innovator/integrator, strong growth for e-commerce on Facebook equates to strong growth still for Shopify.

And everyone knows end of year e-commerce is going to be massive. Shopify will likely have 150% YoY revenue growth for Q4.

📈📈📈📈

30 Oct 2020, 10:12 AM Like 0 Reply

Tall Seller
Comments (9827) | + Follow

@thegopher001

I know many gamblers who tell people the 1 time in 100 that they win. I'm the guy who wins the 99 other times.

If the shorts think it's going to 700-800 on election volatility, then that means back up the truck at 900.

BUYING time folks.

30 Oct 2020, 11:33 AM Like 0 Reply

thegopher001
Premium
Comments (89) | + Follow

LOL. good for you.

30 Oct 2020, 11:59 AM Like 1 Reply

kimbillro
Comments (34397) | + Follow

How can SHOP be cheap at almost $1,000 per share @Tall Seller ?

30 Oct 2020, 01:11 PM Like 2 Reply

Tall Seller
Comments (9827) | + Follow

@kimbillro

Did you hear that they are a growth company? 1201-160% YoY growth coming for Q4.

📈📈📈📈

30 Oct 2020, 01:26 PM Like 0 Reply

kimbillro
Comments (34397) | + Follow

No @Tall Seller , I didn't hear 👂👂 they were a growth company.

30 Oct 2020, 02:34 PM Like 0 Reply

Add a comment

Disagree with this article? Submit your own.
To report a factual error in this article, click here.
Your feedback matters to us!

© 2020 Seeking Alpha