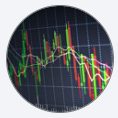
Written by



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Symbol	Price	% Chg
AAPL	124.97	1.79%
ABNB	135.75	-3.21%
BCPC	133.20	3.84%
BKNG	2,207.27	1.61%
BRK.A	430,640.00	1.25%
CMG	1,322.70	-1.44%
CNSWF	1,445.96	-0.72%
CTAS	353.21	2.97%
DPZ	422.40	-0.72%

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Shopify: Truckloads Of Growth And Profit

May 09, 2021 11:51 AM ET | **Shopify Inc. (SHOP)** | AFRM, AMZN, BIGC | 97 Comments | 12 Likes

Summary

- For many years, Shopify had been a classic growth play with positive earnings unfortunately lacking.
- This past year changed all that. Not only did the company produce positive profits (both GAAP and as adjusted), but it also achieved healthy margins and ROE.
- SHOP is an expensive stock, but less so when you factor growth into the equation.
- Overall, it's one of the most promising tech plays out there today.

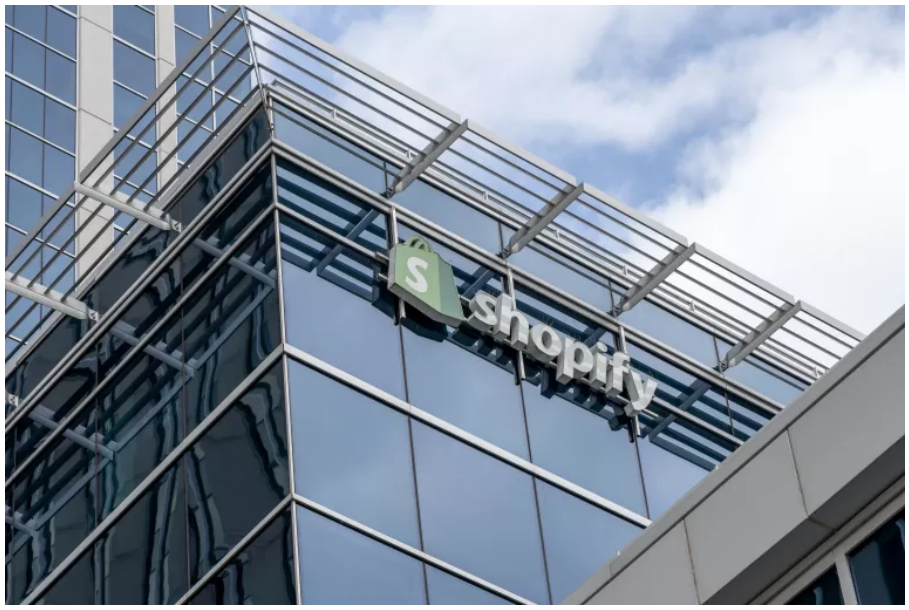


Photo by JHVEPhoto/iStock Editorial via Getty Images

Shopify (SHOP) is a rare example of a company that benefited from the COVID-19 pandemic rather than being harmed by it. Thanks to the closure of retail stores under various countries' stay-at-home orders, it experienced pronounced revenue acceleration in 2020. In all of the four most recent quarters, Shopify grew its revenue by more than 90% year-over-year. In the first quarter, it brought in $988 million--up a staggering 110%. Much of this has been attributed to a surge in online shopping that occurred during the pandemic. With brick and mortar stores closed, consumers turned to online alternatives, leading to pronounced sales growth for companies like Shopify and **Amazon** (AMZN).

In Shopify's case, the revenue acceleration was truly remarkable. Prior to COVID-19, Shopify had been in the midst of long-term deceleration. In the final quarter, *before* COVID-19 hit, the company's revenue grew at 45%. In the quarter before Shopify went public, it was at 98%.

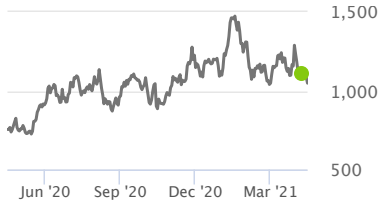
So there was some significant deceleration between 2015 and 2020. So much so that this deceleration was a major part of the bearish thesis on SHOP. The theory at the time was that Shopify faced significant competition and would therefore see its revenue growth decline as its competitors grew along with it.

It never came to pass. In 2021's first quarter, SHOP achieved its highest revenue growth rate in years. On top of that, it also achieved positive profits in both GAAP and adjusted terms, along with high gross and net margins. These facts hold true for not only the first quarter but for the entire trailing 12 month

About This Article

Ticker Covered	SHOP
Author's rating at publication	Bullish
Price at publication	$1,099.00
Change	-4.66%
Total Return	-3.01%
S&P 500 change	-2.74%

Author's Rating History



About SHOP

Symbol	Last Price	% Chg
SHOP	1,047.77	-3.33%
Post	1,049.70	0.18%

1D 5D 1M 6M 1Y 5Y 10Y

PE (FWD)	248.06
Yield (FWD)	-
Rev Growth (YoY)	99.58%
Short Interest	1.22%

Compare to Peers

SHOP Ratings

SA Author	Bullish	3.62
Wall Street	Bullish	3.90
Quant	Neutral	2.98

Quant Ranking

Sector	Information Technology
Industry	Internet Services and Infrastructure
Ranked in Industry	1 out of 17
Ranked in Sector	221 out of 520
Ranked Overall	2013 out of 3942

Quant ratings beat the market »

More on SHOP

- Shopify-backed Global-E rises on first post-IPO day and CEO says firm has 'great potential'
- Shopify upgraded by Loop Capital with 'heady' revenue growth anticipated
- Shopify-backed Global-E sets IPO at $23-$25/share, valuing firm at $3B+
- Unicorn stock Squarespace sets May 19 date for NYSE direct listing period. Given these metrics, it's evident that Shopify is a thriving company that is worth the extraordinarily high multiples it now trades at in the market. In this article, I'll make a bullish case on Shopify, arguing that it has plenty of room to grow from where it is now.

Competitive Landscape

When analyzing a company like Shopify, you need to look at the competitive landscape it operates in. Shopify faces significant competition, and not just from one or two companies. Some of its closest competitors include:

- **BigCommerce** (BIGC).
- FastSpring.
- WooCommerce--an eCommerce plugin that runs on WordPress.

Like Shopify, all of these services offer SaaS tools to help people host their own online stores. Features include site design, payment processing, and data analytics.

The above-mentioned are Shopify's most "direct" competitors. And there are a lot of them. In addition to the companies just mentioned, there are also website-builder companies that offer Shopify-like features to their website customers, and countless services that offer a smaller subset of similar features.

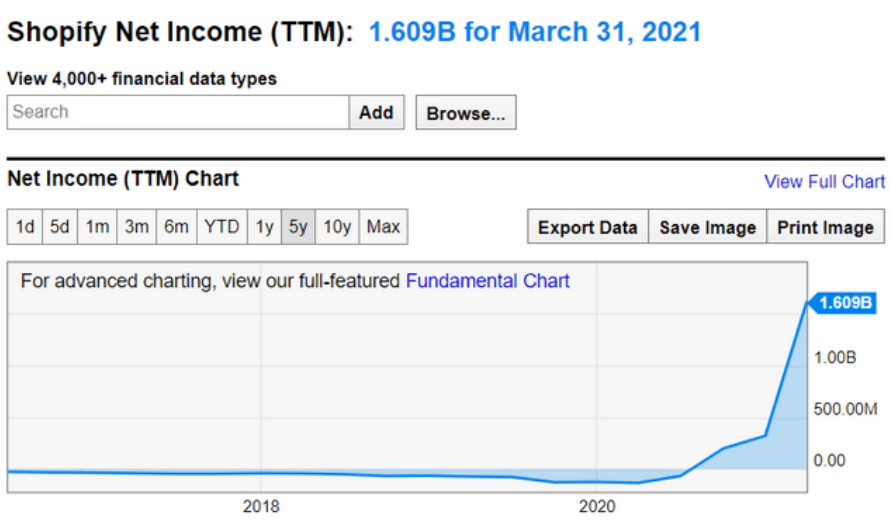
On top of that, there's Amazon.

Amazon isn't a "direct" competitor to Shopify, because its business model is different. AMZN operates an online store that other businesses can sell on, while Shopify provides tools to help people run their own online stores. So the two businesses aren't identical. However, they ultimately both compete for fees from the same vendors; if a business on Amazon suddenly has its customers migrate to its Shopify store, that costs Amazon revenue. Shopify is therefore in "tacit" competition with Amazon, a $1.7 trillion behemoth doing $368 billion in annual sales. That's a competitive challenge investors should be mindful of, but on the flip side, it does help illustrate the massive size of the eCommerce market as a whole.

Growth Metrics

One of the main points in favor of investing in SHOP is the company's growth. In the past year, it has experienced solid growth in revenue, earnings, and cash flow. A few specific quarterly revenue figures have already been mentioned. A few more general growth figures based on trailing 12 month (TTM) data include:

- TTM revenue: $3.5 billion, up 99.6%.
- TTM net income (GAAP): $1.6 billion, up from a negative figure in the prior 12 month period.
- 5-year CAGR revenue growth: 70%.
- 5-year CAGR growth in book value: 116%.



Source: Ycharts

These are all very strong growth metrics. The GAAP net income growth is particularly impressive, swinging from a loss to a profit greater than a billion dollars. It should be noted that SHOP's $1.6 billion GAAP profit for the TTM period includes a $1.3 billion unrealized gain on **Affirm Holdings** (AFRM) shares. Without that, net income would have been a more modest $300 million.

SA Connect

Profitability and Cash Flow

As we've seen, Shopify's growth metrics--in the most recent quarter and on a five-year compounded basis--are excellent. However, that's par for the course for early-stage tech stocks. To really thrive as a company long term, Shopify has to deliver profits and positive cash flows. Things are looking pretty good on that front as well. Some highlights include:

- Net income: $1.6 billion (GAAP) or $300 million (removing the $1.3 billion unrealized gain).
- Net margin: 45% (based on the $1.6 billion in GAAP earnings).
- Gross margin: 53%.
- Return on Equity: 26%.
- Cash from operations: $650 million.

These are all solid metrics. Particularly encouraging is the $650 million in cash from operations, which suggests that SHOP's earnings are well supported by actual cash flows. To strengthen that a little further we can also look at levered cash flow--a stricter measure than cash from operations that accounts for capital expenditures, debt payments, and changes in working capital. According to Seeking Alpha quant, Shopify had $490 million in levered free cash flow in the TTM period. Lower than cash from operations, but still pretty strong. Taken together, these metrics suggest that Shopify's earnings are well backed by its cash flows.

Risks and Challenges

As we've seen so far, Shopify is a thriving business with strong growth, profitability, and cash flow. It's a tantalizing combination. But that doesn't necessarily make the stock a buy. Before we can conclude that, we need to look at the risks and challenges facing Shopify, to see whether they're enough to damage what otherwise looks like a very bullish picture.

In no particular order, some of the most pressing risks affecting Shopify include:

- **Competition.** Shopify has definitely not cornered the market on eCommerce platforms. There are many companies out there with comparable services. Shopify is one of the most popular among them, but it definitely not the "only game in town." So far, Shopify has been able to produce explosive growth rates despite all the competition in its space. But when it gets *really* big, the vast ocean of competition in its industry may lead to slower growth. In this respect, Shopify is quite different from Amazon--which is it often compared to. Whether or not you like the company, it's undeniable that Amazon is a one-stop shop, and the only one of its kind with such a vast selection of products. Shopify, by contrast, is just one platform provider among many, and it lacks Amazon's obvious advantage of a single website that can drive traffic to order pages.
- **Deceleration.** As mentioned earlier, Shopify's growth has, if anything, been accelerating lately. But it could decelerate after the COVID-19 situation ends. A big contributor to Shopify's 2020 revenue boost was the closure of retail stores and the surge in online shopping that came with that. Once businesses are able to re-open, Shopify may not grow as quickly. On the other hand, the pandemic put some retailers out of business permanently, and the growth of e-commerce is a long-term secular trend, so strong growth could continue--just probably not 110% year-over-year.
- **Valuation.** Shopify is by most normal standards an extremely expensive stock. Based on GAAP earnings it trades at 85 times earnings; based on adjusted EPS, the multiple is 189. The price/sales ratio is truly sky-high at 38, and price-to-book is moderately high at 14. Of course, Shopify has recently posted some of the best growth metrics of any large company on the planet, which justifies a high multiple. But there's no guarantee that the growth will continue once COVID is out of the picture.

The Bottom Line

The bottom line about Shopify is this:

It's a fast-growing company that's newly profitable and bringing in tons of cash. By almost any metric, it's a thriving business. Of course, it got a big dose of luck in 2020. The same pandemic that ravaged airlines, hotels, and retailers delivered a growth shot of epic proportions to eCommerce. Once it's out of the picture, Shopify's growth rates will likely slow down. But even if Shopify's sales growth decelerated down to the 50% range, it would still be catching up with today's market valuation at a rapid pace. Overall, it's one of the most exciting tech plays available today.

This article was written by

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CFA Program Candidate. Financial journalist. "Growth at a reasonable price" investor. I focus on finding re... more

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.

12 Likes 97 Comments

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Comments (97)

Sort by Newest

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Share your comment: Publish

Tall Seller Yesterday, 2:00 PM
Comments (12.07K) | + Follow

🔥HUGE new growth driver just launched for $SHOP.....

👇👇👇👇👇
Today @Shopify we launched the all-new Point of Sale for Android. Fun fact, it is a @reactnative app! This is a project I started leading over 2 years ago, and I am so proud of the team for what we have built so far, and what we have planned for the future! 🎉🎉
twitter.com/...
👆👆👆👆👆

Android globally is a MASSIVE market and now android users can use Shopify's Point of Sale.

Speaking of android, Shopify Shop App is the TOP RANKED shopping related app in Google Play (seen here: sensortower.com/...), where Shopify merchants can sell/advertise on the 3rd, 4th, 5th, & 6th such ranked apps, AND MANY MORE.

LONG $SHOP

Reply Like

Tall Seller Yesterday, 1:54 PM
Comments (12.07K) | + Follow

🔥Shopify And Pinterest Collaboration Marches On To 27 New Countries
👉 www.google.com/...

👇👇👇👇
Shopify and Pinterest PINS got together four years ago to introduce the former's merchants to the latter's pinners. Since then, Pinterest's growing appetite for commerce has brought the two companies closer. Now, Pinterest is expanding the partnership with Shopify to 27 new countries, including Australia, Austria, Brazil, France, Germany, Italy, Spain, Switzerland and the U.K.

The Shopify Pinterest channel, which is live in the 27 countries, allows merchants from around the world to easily bring their products online and respond to a growing demand from global consumers. More than 1.7 million Shopify merchants can now engage with pinners and turn their products into shoppable pins that are discoverable across the platform.

Shopify merchants advertising on Pinterest through Shopify will also have access to Dynamic Retargeting for the first time, which will enable them to re-engage with pinners who have already expressed interest in their products on Pinterest.

Pinterest is also launching multi-feed support for catalogs, a new feature allowing businesses to easily upload their products in multiple product feeds within the same Pinterest business account. Shopify merchants as well as any retailer with a Pinterest business account can now add up to 20 product feeds to their account, with each containing specific local data such as a currency, language or product availability.

"We see our mission to enable and empower entrepreneurs through integrations like Pinterest," said Lola Oyelayo-Pearson, Shopify director of UX, channels and financial services. "There's a real alignment on the outcome we're looking for, where people using Pinterest want to buy independent, and want to find unique one-off things. They want to buy from small businesses, and we want to nurture that. We're able to give our merchants that door in. Pinterest in turn benefits from a huge number of merchants around the world – we're in 175 countries."
👆👆👆👆

HUGE growth driver just getting fired up for $SHOP.
🚀🚀🚀🚀

Reply Like

arok79 Yesterday, 1:47 PM
Comments (3.31K) | + Follow

There has definitely been truckloads of profit shorting this bubble stock. Especially lately. Tobi is paying off in Spades!!! Thanks a bunch Tobi. Put options are 🔥🔥🔥

Reply Like

Tall Seller Yesterday, 2:00 PM

Comments (12.07K) | + Follow

@arok79

Another 5 years of all those puts gains, based on your claims of making 200-600% 2-5 times year over the last 5 years and you should have waaaaayyy over $1TRILLION.🙄

Reply Like

Tall Seller Yesterday, 2:04 PM

Comments (12.07K) | + Follow

The shorts say every year that they make 200-600% on their puts 2-6 times per year. If that's true, $1000 would turn into wayyyy over $1TRILLION over 10 years of continually playing that game. Doesn't seem real does it? More probably lose wayyyyy more than the ones who gain. Very risky.

It's probably better the BUY THE DIP like smart money like ARK Invest has been doing with $SHOP lately.

Reply Like

Tall Seller Yesterday, 1:44 PM

Comments (12.07K) | + Follow

Ooooooo... ARK Invest [etfs.ark-funds.com/...], the most successful Active ETF in the USA, intentionally increased their proportionate allocation of $SHOP shares by again this week. They have been ADDING Shopify shares for around 8 months straight to $ARKK, $ARKW, & $ARKF, where their total newly added $SHOP allocations near $1.2BILLION.

By the way, as of January 31, 2021....
• $ARKK has provided investors approx 46.24% PER YEAR returns over the last 5 years
• $ARKW has provided investors approx 52.82% PER YEAR returns over the last 5 years
• $ARKF has provided investors approx 151.56% per year returns over the last 1 year.

I think I'll listen to ARK instead of self serving fake news narratives from short sellers. ARK is LONG $SHOP & ARK has an amazing track record.

LONG $SHOP

Reply Like

Rational_investor_09 Yesterday, 1:17 PM

Comments (39) | + Follow

SHOP's bubble is getting more vulnerable everyday as the interest rates keep rising. ARKK is down 35% from its peak already, and we haven't even touched the potential correction yet. Patience is key here. Shopify is expected to drop much lower in 2021 due to a set of factors (ordered by importance)

- Rising interest rates will plummet valuation, especially stocks with very high P/S ratio like SHOP and COIN.

- Vaccination : the WSJ reported this morning record booking on Airbnb and hotels. As States accelerates re-openings, the consumer will spend more on leisure and less on Online shopping. This will affect all e-commerce stocks (including amazon). Slower growth to be expected.

- In the long run, Shopify will have to justify its very poor financial performance. For now speculators are only betting on GMV, but ultimately a company valuation is measured by their ability to generate cash flows. Shopify is a 15 years old company barely able to generate a profit. As time passes, expectations will increase and pressure on the stock will be much greater. Competition from abroad is also going to squeeze margins.

I've been Short on SHOP since 1350$ and we will hit the 870-930 before Q3. Good luck to all.

Reply Like (1)

Tall Seller Yesterday, 1:43 PM

Comments (12.07K) | + Follow

Temporary macro headwind. Shopify's growth is likely ACCELERATING.

Reply Like

Tall Seller Yesterday, 1:47 PM

Comments (12.07K) | + Follow

With all the huge amounts of money washing through the economy, that's GREAT NEWS for the likes of Shopify.

A booming economy equates to booming e-commerce GROWTH for $SHOP.

Reply Like

Tall Seller Yesterday, 12:12 PM

Comments (12.07K) | + Follow

More strategic investments coming for $SHOP to cement their dominance, extend their reach, block out competitors, create alliances and integrations, and make AMAZING investments.....many more $BILLIONS of value coming....

🗣"Chief financial officer Amy Shapero made passing mention of the strategy during Shopify's first-quarter earnings call two weeks ago, saying: "To further future-proof our offerings and capitalize on our position ... we are also stepping up our strategic partnerships. This includes investments in companies and technologies in our ecosystem that align with our mission and whose success at scale could positively impact our merchants."

In addition to the Affirm and Global-E deals, Shopify has made a few notable venture capital investments. This year it participated in a $17.5-million investment in Swyft Technologies Inc., a Toronto online platform that connects merchants to local couriers to provide same-day deliveries. It also joined a US$50-million funding of Miami startup Pipe Technologies Inc., creator of an online merchant financing marketplace.

Shopify also disclosed last month it had invested US$200-million in the first quarter in an

unidentified "private company that is a partner in its ecosystem.""
- Globe and Mail article: www.theglobeandmail.com/...

LONG $SHOP

Reply Like

Joel_Jackson Yesterday, 11:56 AM

Comments (64) | + Follow

Despite the pump by the media, Cramer, ARKK, Motley Fool SHOP is still down 27% in the last quarter. Now that the yield is rising, valuation does matter more. For every 1% rise, you'll get a 30% correction.

Priced at 40 times the revenues, Shopify's bubble will burst. The most overpriced stock will get a a beating

According to Finviz these stocks are the most overvalued. Stocks over 50 Billions market Cap only.

1. SNOW
2. COIN
3. SHOP

Reply Like (1)

Eric_Riggs Yesterday, 12:05 PM

Premium Marketplace Comments (305) | + Follow

@Joel_Jackson Been short on all 3 of them and it's been the holy grail, especially COIN.

I think SHOP will move sideways until next earnings report. Then the crash will come in July after the earnings reports. There's too much hype right now on that stock to crash despite very poor results. Everyone is focus on one metric : GMV, but everything else is very poor . Take a look at TTD, a good proxy to predict what will happen next for SHOP.

Reply Like

Tall Seller Yesterday, 12:05 PM

Comments (12.07K) | + Follow

All good in the hood. Shopify just has to demonstrate their MASSIVE growth is still happening after the covid bump from Q2 2020....and alternative data sources have them experiencing HUGE growth now.

With all they have cooking on MANY fronts, their growth could ACCELERATE and then their share price could then SKYROCKET again.

No wonder ARK had been BUY BUY BUYING $SHOP for the last 6 months straight...including THIS WEEK.

ARK is SMART MONEY and smart money is BUYING THE DIP on $SHOP.

VERRYYYYY LONG $SHOP

Reply Like

Rational_investor_09 Yesterday, 1:09 PM

Comments (39) | + Follow

@Joel_Jackson Yep - These 3 bubbles companies had really good returns if you were short in the last 3 months. The party is just getting started as the yield is rising

Reply Like

See More Replies

Tall Seller 12 May 2021, 5:06 PM

Comments (12.07K) | + Follow

🔥HUGE NEWS🔥

Shopify's Diem Association looks VERY CLOSE to going live with this announcement today: twitter.com/...

👇👇👇👇👇👇
1/5 Exciting day @DiemAssociation! We are pleased to announce a partnership with @silvergatebank. Silvergate Bank [https://www.silvergate.com]
will become the exclusive issuer of the ≈USD stablecoin and will manage the ≈USD reserve.

2/5 We are also shifting our main operations from Switzerland to the US, and withdrawing our application for a license from FINMA, as it is not required under the new model. @silvergatebank is a California state-chartered bank and a member of the Federal Reserve,...

3/5 ...and Diem Networks US will register as a MSB with FinCEN. "The project has benefited greatly from the intensive licensing process in Switzerland and the constructive feedback from FINMA and more than two dozen other regulatory authorities from around the world convened...

4/5 ...by FINMA to consider the project" - Diem's CEO Stuart Levey said. Press release here: www.diem.com/...

5/5 Our journey continues towards building a payment system and open & interoperable network that can drive competition, financial inclusion and innovation, as well as complement public sector #CBDCs when they become available.
👆👆👆👆👆👆

With the USA Office of the Comptroller of the Currency already having approved stablecoin blockchains (here: www.occ.gov/...), Diem's launch should be imminent.

And, with the BILLIONS of daily users in Diem members $FB, $SHOP, $SPOT, & $COIN ecosystems, their LOW FEE Diem powered solutions, like LOW FEE remittances, money transfers, business banking around the world (including for 1 billion underbanked), currency exchange, etc., these kind of Diem solutions could attract $TRILLIONS worth of B2B and D2C merchants to $SHOP...

LONG $SHOP

Reply Like

Tall Seller 12 May 2021, 5:16 PM

Comments (12.07K) | + Follow

Silvergate Capital Corp (an $ARKF owned company) is up near 20% after hours (so it appears to be good news for them😂):
👇👇👇👇
finance.yahoo.com/...
👆👆👆👆

Reply Like

Joel_Jackson Yesterday, 12:03 PM
Comments (64) | + Follow

Nobody wants to use a currency controlled by Facebook. There's at least 1000 crypto currencies out there already with much better technologies. Diem will be forgotten rapidly and buried under the sand. A non-news really.

Shopify should focus on creating value for shareholders. They only generated 100M$ in net income last quarter! that's a tiny 5% on ROE. For a company that has been in business for 15 years that's comical. Their return on capital is much lower than their cost of equity. All the new growth is actually destroying shareholder value. The correction is long overdue, and it will hurt a lot of small investors unfortunately.

Reply Like

Tall Seller Yesterday, 12:07 PM
Comments (12.07K) | + Follow

It's NOT controlled by Facebook. Their are 29 members who have equal votes on the direction of diem. And those members have over 3 BILLION daily users.

When $SHOP, $FB, $SPOIT, & $COIN natively integrate diem solutions into their ecosystems, lower costs for users, and reaching over 1 BILLION underbanked around the world, they will further cement their dominance in each of their niches, and fuel MASSIVE growth.

Reply Like

See More Replies

Tall Seller 12 May 2021, 2:44 PM
Comments (12.07K) | + Follow

🔥BAM!

Love to see the growth for Shopify happening with the linked of adidas keep partnering with Shopify merchants like Peloton recently (seen here: www.google.com/...) and now Allbirds today, seen here:
- Allbirds $SHOP site:
"We've always known that the climate crisis is too big to solve alone. Which is exactly why we teamed up with adidas. Together, we shared proprietary technologies, material innovations, and a common goal: To create a performance shoe with our lowest carbon footprint on record."
👉 www.allbirds.ca/...

- adidas Twitter profile: "Where some see a competitor, we see a partner. Teaming up with @allbirds has accelerated our journey to lower carbon performance. We're sharing the secrets on May 12 because together, we can make our footprint fit the planet sooner. #ImpossibleIsNothing #Futurecraft #TreadLighter"
👉 twitter.com/...

🔥Big growth for Shopify merchants is big growth for Shopify. I wonder when adidas is going to jump on board to use $SHOP too?!🔥

Reply Like

Joel_Jackson 12 May 2021, 2:34 PM
Comments (64) | + Follow

Shopify continues to underperform and the party is just getting started :
last month : -7.64%
Last Quarter : -22.54%

As a comparison, Amazon is just 2% down on the last quarter. The stock is being pumped by amateur investors, but soon they will be left holding the bag. As a reminder Shopify is the most overvalued stock in the history for companies worth over 100 Billions. Never a company was valued at 40 times revenues. This short opportunity won't happen twice.

SHORT SHOP. the party is just getting started.

Reply Like (1)

Tall Seller 12 May 2021, 2:44 PM
Comments (12.07K) | + Follow

Underperform. Their growth ACCELERATED.

And it will likely continue to do so for years with their partnerships with so many social media, marketplaces, big box online stores, etc.

Reply Like

Tall Seller 12 May 2021, 2:18 PM
Comments (12.07K) | + Follow

🔥YESTERDAY🔥

ARK Invest [https://ark-funds.com] BOUGHT more $SHOP shares YESTERDAY (seen here: twitter.com/...), where they have been BUYING $SHOP shares for more than 6 months straight now.

Don't let the self serving fake news short sellers tell you ARK is bad. $ARKK turned $100K into $670K for their investors over the last 5 years. Pullbacks are expected. They economy is GROWING. Inflations men's people are SPENDING.

HUGE growth likely coming for $SHOP.

I'm not letting some whoopdidoo temporary macro headwind shake me out of likely a 10-50 BAGGER from here.

$SHOP likely has MASSIVE growth ahead and SMART MONEY like ARK Invest keeps BUY BUY BUYING $SHOP.

ARK is BUYING the dip with $SHOP. They are BUYING when everyone is scared...NOW! Wonder if they BUY THE DIP today?!
📈📈📈📈📈📈

Reply Like

Jeff Ridge 12 May 2021, 2:05 PM

Comments (8) | + Follow

According to Bloomberg ATV GMV for e-commerce is slowing down quite a bit : "Gross merchandise value has been declining at 7% per week since April 28, suggesting a faster than expected recovery".

Shopify's growth expectations will probably be way off next quarter.

Reply Like

Tall Seller 12 May 2021, 2:20 PM

Comments (12.07K) | + Follow

Prove it! According to alternative data sources Shopify's GMV is MASSIVE right now. And they have been CORRECT within around 4% every quarter for the last 5 years that I've seen them.

Reply Like

Eric_Riggs 12 May 2021, 2:38 PM

Premium Marketplace Comments (305) | + Follow

@Jeff Ridge Yeah I've seen that, but the stock might stay flat until the earnings. We should see the damage after the next earnings. Tremendous short potential here, but I would wait before the earnings to place the trade.

Reply Like

Tall Seller 12 May 2021, 3:04 PM

Comments (12.07K) | + Follow

No damage. $SHOP growth is HUGE.

And Zuckerberg described (here: constine.substack.com/...)their $FB & $SHOP partnership for enabling as many as possible creators & businesses (where $FB has 400,000,000 to enable together as many as possible), as likely being "EXPLOSIVE" for what's coming.

"EXPLOSIVE".

That sounds like $SHOP growth will ACCELERATE with "EXPLOSIVE" e-commerce growth coming.

I'd dump $WiX, $BiGC, $ECOM, $AMZN (Bezos dumped $12.5billion this month), $SQSP, etc. They are all second to 10th tier compared to the long term growth $SHOP has ahead.

Reply Like

Tall Seller 12 May 2021, 1:07 PM

Comments (12.07K) | + Follow

Barron's article is BULLISH on $SHOP...

🔥Shopify Shares Have Swooned Lately. Why One Analyst Just Turned Bullish.🔥

"Loop Capital analyst Anthony Chukumba sees opportunity knocking.

Chukumba on Tuesday lifted his rating on Shopify (ticker: SHOP) shares to Buy from Hold and kept his $1,400 target price. The stock was up about 2%, to $1,101.54, in afternoon trading.

"We continue to believe Shopify has a compelling merchant value proposition, which is further bolstered by the company's growing ecosystem," he wrote in a research note. "We expect Shopify to drive additional heady top-line growth and margin expansion as the company benefits from the continued secular shift to e-commerce and further exploits its myriad strategic initiatives," including payments, shipping, point-of-sale software and other services.

"Shopify offers the leading multi-channel commerce platform at affordable price points," he continues. "Merchants can utilize Shopify's intuitive user interface to set up a professional looking online store in 15 minutes or less. Despite Shopify's ease of use and affordable prices, the company's platform offers security, scalability, and reliability that is normally only available to businesses with enterprise-level budgets. We believe Shopify's growing ecosystem of third-party applications, developers, consultants, and agencies makes the platform even more valuable and the company's flywheel event more powerful.""

LONG $SHOP

Reply Like

Tall Seller 12 May 2021, 12:48 PM

Comments (12.07K) | + Follow

"Plot twist

Gas shortage = stay at home = online spend."
- Sean D. Emory, CIO Avory & Co.
👉 twitter.com/...

Sounds like a short term tailwind for Shopify.

LONG $SHOP

Reply Like

Rational_investor_09 12 May 2021, 12:43 PM

Comments (39) | + Follow

Shopify has just crossed its 200 day DMA. Major bearish signal. 870-930 target might be faster than expected. Major institutional are dumping their shares.

Reply Like (1)

Tall Seller 12 May 2021, 12:48 PM

Comments (12.07K) | + Follow

Every time that happened before, sometimes soon'ish after it DOUBLED in coming months.

BUY THE DIP for me.
📈📈📈📈

Reply Like

Tall Seller 12 May 2021, 1:05 PM

Comments (12.07K) | + Follow

Institutions are BUYING Shopify now, not dumping. I'd love to see you substantiate your assertion for such, where I no you can NOT, as it's not true.

Reply Like

Tall Seller 12 May 2021, 11:58 AM

Comments (12.07K) | + Follow

Worldwide ecommerce will approach $5 trillion this year (and that's just DTC). B2B is 10X as big as DTC. And Shopify is the VERY BEST in the world combined B2B & D2C omnichannel retail operating system hub enabler.
👉 www.emarketer.com/...

B/B & D2C e-commerce is due to grow by $TRILLIONS this year and BEYOND. Nobody is better positioned than $SHOP to benefit from that, and they are the pioneering e-commerce leader in expanding the market in many ways.

Reply Like

Tall Seller 12 May 2021, 11:41 AM

Comments (12.07K) | + Follow

Vanessa Martinez, managing director and partner of The Lerner Group, views Shopify Inc ($SHOP) as a value stock, she said Monday on CNBC's "The Exchange."

👉 https://youtu.be/rAQNyQPSM_8

Shopify seems like an expensive stock, so it doesn't get thrown in with other value names, but its room for growth makes it a value stock, Martinez said.
📈📈📈

Reply Like

Rational_investor_09 12 May 2021, 11:20 AM

Comments (39) | + Follow

Investors in Shopify must be really worried. As reported on their last earning report, Shopify only made about 100M$ in net income despite a "profit record growth quarter". This is a 140B$ company folks, barely making 5% in ROE and barely able to generate a profit despite exceptional growth.

For those who like to compare Shopify to Amazon here are a few facts.

1. Shopify P/S = varies between 40-60 since inception , Amazon varied between 1 and 5 between 2008 and now.

2. Amazon ROE - Always over 15% except a few quarters in 2014, but the last 3 years in the range of 30%. Shopify has never exceeded 5%!!

Shopify is valued 10-15 times higher than Amazon back in 2014. Think about that for a second. Shopify is generating 100M$ in net income! valued at 140B$.
5-10 Billions company are generating this kind of net income.

For the stock price just to hold the current level, they would have to outperform expectations quarter after quarter and year after years by a lot. this places the stock in very vulnerable position with a very very low probability for any upside. *(edited)*

Reply Like (5)

Tall Seller 12 May 2021, 11:42 AM

Comments (12.07K) | + Follow

Who cares about whoopdidoo volatility from a couple macro temporary headwinds.

Shopify's narrative is stronger now TODAY than ever.

LONG $SHPP

Reply Like

Tall Seller 12 May 2021, 11:44 AM

Comments (12.07K) | + Follow

Jeff Bezos SOLD $12.5BILLION $AMZN shares this month. He's DUMPING because they are NOT the future of e-commerce.

Shopify is the future, as they help merchants reach everywhere worthwhile, not just one lonely old one pony show marketplace.

Reply Like

Tall Seller 12 May 2021, 11:44 AM

Comments (12.07K) | + Follow

@Rational_investor_09

Who do you think industry EXPERTS who have financed MANY $BILLIONS of VC dollars in tech think Shopify has MASSIVE growth ahead?

Bessemer Venture partners (who is a leading VC firm) recommends these names as a basket of stocks that might have great gains over the next 10 years (they are mostly USA stocks though):

"Forget FAANG; it's time to summit MT SAAS!

MT SAAS — $MSFT, $TWLO, $CRM, $ADBE, $AMZN, $SHOP — has grown 3000% in just ten years, and 100% YTD, surpassing FAANG and major indexes, and it is the basket that will best capture the cloud wave of the future!"
👉 twitter.com/...

LONG $SHOP

Reply Like

Tall Seller 12 May 2021, 10:50 AM

Comments (12.07K) | + Follow

🔥Gotta love when $SHOP CEO talks about "REALLY EARLY" days and that they'll help "HUNDREDS OF MILLIONS" more in the future....

🗣"Despite all the external buzz around Shopify (market cap, biggest company in Canada, ...) we are still really early. We are in the big leagues amongst the biggest and baddest companies in the world. When we succeed in our mission, millions of merchants do better. Millions of people find employment. We have the opportunity to make that tens and even hundreds of millions in the future. I'm here for this potential, and I need you to be here for that too."
👉 www.businessinsider.com/...

LONG $SHOP for me.
📈📈📈📈🚀🚀➡SOON💰💰💰

Reply Like

Tall Seller 11 May 2021, 11:48 AM

Comments (12.07K) | + Follow

📈Very cool insights into Shopify's investment into and partnership with Affirm on Affirms earnings call yesterday... 👇

Affirm Holdings, Inc. (AFRM) CEO Max Levchin on Q3 2021 Results - Earnings Call Transcript
👉 seekingalpha.com/...

Max Levchin:

"So just to give you a quick breakdown of what's happening at Shopify. So, first of all, we're obviously super excited that we're finally here. GA for this product will be available sometime in June. And that means that every new Shopify merchant coming on to the platform will have Shop Pay Installments powered by Affirm enabled automatically. And so, we'll just see, we think, a tremendous amount of uptake on the merchant side.

Now, because Shopify is not exactly a small network, in fact, there are hundreds and hundreds of thousands of merchants that are eligible for Affirm's products or collaborative product together, we have been pre-approving and inviting existing merchants onto the platform, and that's where these sort of scaling numbers are coming from. We're far from done there. And so, we expect this number to continue growing not linearly. And I have very little prediction as to how fast it will go, but there's a lot more to add to this 12,500. And so, that's what's happening on the Shopify side of things. Very excited about where that's headed. Lots and lots more to do together as well, so we worked very long and hard.

One cool stat about Shopify, I just wanted to make sure that we're honest when we offer this product to the merchants by way of being, in fact, better as opposed to just an exclusive partner. And so, we had timed the time to complete a transaction using Shop Pay Installments powered by Affirm versus all the other competing products that you may encountered in a while. In both new and existing customers, we're at least 30% faster in converting. So, not do we only have a prime placement of this product, we also are, in fact, offering the very best product in the market. And so, I think that's a fairly powerful endorsement on the platform."

"I think it's a little bit early to speak to the deck numbers, just given the fact that literally, the 10,000 number -- 12,500 number that we quoted, all of this happened in less -- the last 30 days, just to make sure I'm not perjuring myself there. And so, there is -- it's a very, very rapidly increasing merchant base. We'll be able to speak a little bit more clearly as to what this actually means in terms of volume and in terms of consumer adoption. Obviously, we spent nearly a year testing the product, making sure it's much faster than competition, much better converting -- competitive in and of itself and better positioned than the competition. But we'll -- we have very high hopes for what that actually means in terms of volume generation, but we'll speak to real numbers as we have them."

"And at the moment, there's so much demand just looking at the numbers that I just quoted on Shopify. It's pretty clear that there's an enormous amount of pent-up demand on the merchant side."

🔥HUGE growth coming and their partner solutions are better than any other buy-no-pay-later [BNPL] & 1-click checkout combo on the platen (with data for such here: www.shopify.ca/...).🔥

Reply Like

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