



Is Shopify Inc. a Good Investment 1 Year After the IPO?

Description

Happy Birthday, **Shopify Inc.** (TSX:SH)([NYSE:SHOP](#))!

This past week marked one year since the company successfully completed its IPO and joined the ranks of other tech giants on the open market. Shopify is a cloud-based multi-channel e-commerce platform that is fully scalable.

Let's take a look at how Shopify has fared in its first full year on the market and what investors can expect looking forward.

How's Shopify doing?

Shopify currently trades at \$38.47. Year-to-date, the stock is up by 8.06%, and since entering the market the stock has risen by a healthy 14.77%. Shopify is clearly a growth stock, and the stock price doesn't really do the company justice considering some of the figures from recent quarters.

In the most recent quarter, Shopify posted revenues of \$72.7 million, representing an impressive 95% increase over the same quarter last year. Subscription Solutions, which is an ongoing revenue stream for the company, grew by 73%, coming in at \$38.7 million. Revenue from the Merchant Solutions segment saw a massive 127% growth to come in at \$34 million.

In terms of the scale of Shopify, the company now has over 270,000 active storefronts with over \$14 billion worth of sales having traversed the platform from over 150 countries.

Growth for Shopify

Over the past year, Shopify not only enhanced the core platform but made a number of significant investments that will boost existing revenue streams, attract new customers, and provide new sources of revenue.

Late last year, **Amazon.com** had a competing platform that was shut down, and the company recommended Shopify as an alternative. In return, Shopify retailers were able to use Amazon's

payment and fulfillment services.

Shopify was also the first company to integrate with **Facebook** messenger, providing both customer-service options for retail merchants as well as a means to deliver order confirmations and update shipping statuses in real time.

In the past quarter, the company acquired Kit CRM, which is a virtual marketing assistant. Kit interfaces through messaging and SMS to assist business owners in managing marketing, reporting, and various other back-office tasks. Kit can assist Shopify clients through the placement of targeted ads and posting updates to the Facebook accounts of merchants.

The company also held the first-ever partner and developer conference earlier this year, which was used as a podium for the company to announce product development updates and discuss the evolving future of the platform.

Shopify is, in my opinion, a unique opportunity for investors to own part of a company that is forging the future of commerce. As online mobile payments are at a point where they have surpassed desktop payments, and companies are now seriously considering and adopting an online-first presence, the potential upside for Shopify is lucrative.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

Category

1. Investing
2. Tech Stocks

Date

2025/08/01

Date Created

2016/06/01

Author

dafxentiou

default watermark

default watermark