



Shopify Inc. Stock: Have You Missed the Buying Opportunity?

Description

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has been on a roller-coaster ride since the founder of Citron Research Andrew Left attacked the company in early October for using deceptive business practices.

In a [knee-jerk reaction to this attack](#), some investors got scared and exited their positions, sending the shares of this e-commerce platform provider down 23% in one week.

But the latest price actions show that the Shopify stock has recovered most of its losses, and it is well on track to hit \$150 mark, where it was trading before Mr. Left wrote scathing note about the company's future, questioning its hefty valuations.

The recovery in Shopify's stock price highlights the strength of the company's underlying business and shows that the majority of market participants do not agree with the doomsday scenario Mr. Left had predicted for the company.

Those who bought the Shopify stock at \$115 level made a killing in less than two months. Many investors are wondering if they can still jump on the boat and make some gains. I think you can. Here is why.

Strong growth continues

Shopify powers over 500,000 businesses in 175 countries with its e-commerce platform, making enterprise-level technology available to businesses of all sizes. And there is no sign that this growth is stalling, despite the market noise following Mr. Left's criticism.

For example, its half-a-million merchants cumulatively experienced their highest Black Friday sales during this season. More than \$1,000,000 in sales went through Shopify's platform per minute at the peak, beating last year's high of \$555,716.

In the most recent quarter, Shopify reported a 72% jump in revenues, beating analyst estimates for the 10th consecutive quarter. Revenue rose to \$171.5 million for its third quarter, above the analyst

consensus forecast of \$166 million, led by strong growth in monthly recurring revenue.

A record number of merchants signed on with Shopify, the company said, boosting its subscription revenue 65% to \$82.4 million.

This stellar sale performance helped the company to narrow its loss to \$9.4 million, or \$0.09 a share, compared with \$9.1 million, or \$0.11 cents a year earlier.

Shopify also upgraded its forecasts for the fourth quarter and fiscal year, expecting full-year 2017 revenue between \$656 million and \$658 million, and an adjusted operating loss between \$1.5 million and \$3.5 million.

Should you buy Shopify?

I think the [worst for Shopify stock](#) is over, and investors have started to focus on the company's potential upside in sales and its flow-through impact on the bottom line in the coming quarters.

For long-term investors, Shopify stock is still a good buy. Trading at \$142.42 at the time of writing, the next move for the stock is to surpass its previous high of \$151.88. I see that coming in the next two months.

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