



This Silicon Valley CEO Is a Big Believer in What Shopify Inc. Is Doing

Description

When **Shopify Inc.** ([TSX:SHOP](#))([NYSE:SHOP](#)) received a scathing review from a short seller back in October, its stock plummeted in the following days and never fully recovered. The problem is that the report was [unfounded and likely biased](#), but nonetheless, investors listened and a sell-off ensued.

However, Shopify recently got a vote of confidence from someone whose opinion should actually matter to investors: **Apple Inc.** ([NASDAQ:AAPL](#)) CEO Tim Cook. While visiting Toronto, Cook visited the Shopify offices and took in some augmented reality (AR) demonstrations that the tech company was working on developing for its merchants.

He was pleased with what he saw and stated, "I'm a big fan of Shopify. I love the fact that their focus is on democratizing technology for entrepreneurs." Shopify plans to offer its merchants an e-commerce platform that utilizes AR with the help of Apple's ARKit. Cook has high hopes for AR, stating that "It amplifies humans, not substitutes, and doesn't isolate. I'm a huge believer in it."

Shopify to offer cutting-edge technology to all of its merchants

Tobias Lütke, CEO of Shopify, plans to offer AR to all kinds of merchants on the company's platform, stating, "The goal is to offer small businesses the latest in technology." Shopify already has a lot of integration with **eBay Inc.** and **Amazon.com, Inc.**, making it very easy for sellers to do business through the company's portal. By adding the latest technology, Shopify will only draw more appeal to its services, and that is great news for investors.

Focus remains on growth

In its most recent quarter, Shopify's sales were up more than 72%, and its top line has nearly doubled in each of the past three years. However, it's clear that the company is not content with slowing down and maintaining the status quo. Shopify is focused on innovating, and it's no wonder why Apple's CEO liked what he saw.

Although profits have been a struggle for Shopify, the incredible growth potential that the company has will provide investors with many opportunities for capital appreciation. Investors need to look no further

than Amazon as proof of that, as the tech giant barely produces a profit and yet its stock price continues to climb.

Is the stock a buy today?

Shopify had an up-and-down 2017 which saw a lot of volatility, but it has started off 2018 strong with the share price up more than 15% so far. The stock has run into resistance at \$150 in the past, but a strong quarter in February [could set the share price on track for \\$200](#), especially as the company continues to evolve.

What's great about Shopify that makes its business model so appealing is that it can be used by any vendor, big or small, which gives the company many avenues to grow its sales. Although the stock has grown more than 300% since being listed on the TSX back in 2015, it still feels like the company has much more growth in its future.

With sales of less than \$600 million in the trailing 12 months, it's likely that Shopify has only scratched the surface.

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