



## A \$10,000 Investment in Shopify (TSX:SHOP) 3 Years Ago Would Be Worth This Much Today

### Description

There have been a lot of high-performing stocks over the years. However, few have proven to be better buys than **Shopify Inc** ([TSX:SHOP](#))([NYSE:SHOP](#)). The company has done a remarkable job growing sales and building its brand not only in Canada, but also worldwide. The global reach of its services has made it one of the hottest tech stocks on the markets — and definitely the top Canadian stock.

It has rewarded early investors handsomely, to say the least. If you had invested just \$10,000 in Shopify three years ago, you would have paid around \$40 a share to own a piece of the company, which would have been enough to buy you 250 shares. At today's prices of around \$400, your investment would have reached \$100,000 — not a bad return by any standard.

Even if you had invested in Shopify at the beginning of 2019, your investment would have already more than doubled in value. With the stock being at a market cap of around \$45 billion today, if it were to double it would be among the top five stocks on the **TSX** in terms of market cap. Translation: I wouldn't get my hopes up on buying now and still expecting significant returns.

If Shopify hasn't already peaked it's certainly close to doing so, at least for the near future. While the company still has [ambitious goals](#) for the future and more growth planned, profits are still a fantasy and until they become reality, there's going to be a significant risk for the stock to face a correction sooner or later, especially if [growth rates continue to fall](#).

### Takeaways for investors

The success that Shopify has achieved over the years is an important reminder of how valuable a good growth stock is on the markets. You'll never see a dividend stock rise at the rate Shopify has. In order to be able to fund growth, a company needs all hands on deck and all resources operating at full capacity and not being weighed down by unnecessary needs for capital.

There's no substitute for growth and there were signs early on of Shopify's success: in 2015, its sales

had doubled from the previous year. The following year it would achieve similar growth. A quick look at its products and services and anyone could see that the potential was evident. Having no inventory to worry about and a whole online world to which it could sell its popular services, the business had all the ingredients needed to make it a success.

The problem is that there have been naysayers along the way claiming that the company was nothing more than a get-rich-quick scheme, creating doubt for many investors. However, the results and sales have proven otherwise.

The key takeaway for investors from this is that there's no chart or technical indicator that would have been able to predict this type of performance for a stock. Instead, a careful and thoughtful analysis of the company's business and where it was likely headed would have likely have yielded more success for investors.

## CATEGORY

1. Investing
2. Tech Stocks

## TICKERS GLOBAL

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

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