



If You'd Invested \$10,000 in Shopify (TSX:SHOP) on its IPO 4 Years Ago, it'd Be Worth This Much Today

Description

The huge success of Canadian-based **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) made the country proud. The market debut of the e-commerce and online store software company on the Toronto Stock Exchange (TSX) as well as the New York Stock Exchange (NYSE), was [unprecedented](#).

The initial public offering (IPO) and the first day of trading on May 21, 2015, will be known as as the most explosive IPO in the record books of the TSX. For one, the timing was perfect, as tech stocks reigned supreme in the stock market. All eyes were glued on Shopify as it opened a new chapter in its existence.

From Snowdevil to tech unicorn

Computer engineers Tobias Lütke and Daniel Weinand are the founders of Shopify. The founders themselves did not have an inkling of the massive potential of the open-source web application framework the duo used to build the Snowdevil online store.

The purpose was to sell snowboarding equipment under the brand name Snowdevil. Two months after the development of the online store, Lütke and Daniel launched Shopify in June 2006. Nine years later, the company was ready to go public. The rest is history.

Epic market debut

The enterprising gentlemen were able to source \$122 million from venture capitalists. A growth strategy was in place, although there were no profits to declare. On IPO day, Shopify raised gross proceeds in the amount of US\$151.5 million.

The IPO was well received. Four months later, a break came when **Amazon** announced the closure of the Amazon Webstore service for merchants. Luckily, Shopify was chosen as the migration provider.

Today, there are 800,000 small- and medium-sized merchants utilizing Shopify's platform to do business. More are being added including the subscribers to Shopify Plus, which was created for larger merchants. Also, Shopify is regarded as the best alternative to Amazon and the future nemesis of the e-commerce giant.

Winnings of early investors

The [astonishing surge](#) of Shopify after the IPO brought enormous winnings to the early investors. From the IPO price of \$17, SHOP closed the first day of trading at \$31.25. A year later, the stock could only show a 7.87% increase. Two years more on May 15, 2017, SHOP has soared by 282.58% to \$128.97.

Many thought that SHOP has peaked too early and a fall was imminent. The stock proved analysts wrong as the powerful surge continued. As of this writing, Shopify is trading at \$431.05, or a staggering 1,279.36% increase from the closing on opening day. That is a spectacular feat indeed for the Canadian tech unicorn.

If you believed in Shopify's potential then and invested \$10,000 from the very beginning, your investment would be worth \$137,936 today. There is no TSX IPO on record that delivered such gigantic gains.

Shopify is a class act. There's room for massive growth in so far as the merchant registration is concerned. But from my viewpoint, the price can't go up any further.

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