



\$10,000 Invested in Shopify (TSX:SHOP) 5 Years Ago Would Be Worth an Insane \$225,000 Today!

Description

The remarkable success of **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) is a crowning achievement for the country. The initial public offering (IPO) of the e-commerce and online store software company on the Toronto Stock Exchange as well as the New York Stock Exchange was utterly unexpected — even for the founders of the company.

The IPO on May 21, 2015, was a [record-breaking day of trading](#) for the TSX. The timing of the Shopify IPO was perfect. Tech stocks, at the time, were having a good run already, and as Shopify opened a new chapter for itself with its IPO, it managed to explode onto the scene.

Blue-eyed tech stock

Daniel Weinand and Tobias Lütke founded the Canada-based tech company. Neither of them had an idea of how massive the success of Shopify would be when they created the open-source web application framework. They used the framework to build an online store called Snowdevil.

The purpose of the online store was to sell snowboarding supplies with the brand name Snowdevil. A couple of years after the success of their online store, Lutke and Daniel launched Shopify in 2006. Nine years after the launch of Shopify, the founders took their company public, and the rest has been nothing short of a fairy tale.

Unbelievable debut on the stock market

Through venture capitalist funding, the founders of Shopify procured \$122 million to fuel the growth strategy for Shopify. On the first day of trading on the stock market, Shopify raised a gross amount equivalent to US\$151.5 million.

The Shopify IPO was received well. Four months after its IPO, **Amazon** announced that it was closing the Amazon Webstore service for its merchants. The only natural alternative was Shopify. There are

more than 800,000 small- and medium-enterprise level merchants using Shopify to create online platforms. Shopify is now catering to the needs of larger enterprise-level companies through Shopify Plus to further its profitability.

Foolish takeaway

The breathtaking surge of the Shopify stock after its IPO resulted in unprecedented returns for investors who bought shares of the company early on. The Shopify stock started trading on the TSX for \$17 per share. At writing, the stock is trading for \$705.90 per share. It is an unbelievable 4,000% increase in fewer than five years of trading!

Year after year, the stock showed phenomenal growth. Naysayers would say that the stock has [peaked too early](#), and its fall is imminent. The Shopify stock has continually defied expectations to continue its incredible surge.

If you were aware of Shopify when it launched its IPO on May 21, 2015, and invested \$10,000 in the company's shares, your investment would be worth a staggering \$225,902.90 today. There is no other Toronto Stock Exchange IPO on record that delivered returns as colossal as Shopify.

Shopify is a class apart on the TSX, and it has massive room for growth, as it capitalizes on its monopoly with increasing merchant registration. I cannot say for sure that the price of the stock will go up further, but Shopify has defied expectations in the past as well.

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2. Tech Stocks

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