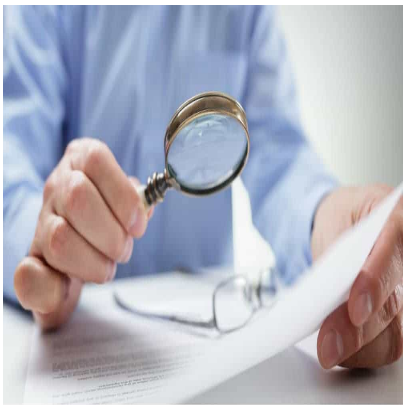

Here’s How Much $5,000 Invested in Shopify Is Today

Description

It’s been one of the biggest surprises of today’s market crash. Every analyst worth their salt would have bet their home that given a market downturn, **Shopify** (TSX:SHOP)(NYSE:SHOP) would be one of the hardest-hit stocks out there. After all, look at its industry. The tech industry has been notorious for being the last stock in and first one out. And it’s held true for many stocks out there.

But not Shopify.

Instead, the stock is doing better than ever, reaching all-time highs that are double what the share price was just at the turn of the new year. So, what does an investment bought when the stock was in its infancy look like today? And could the streak continue?

Shopify surge

The big jump from Shopify really came in the last two years. Back in January 2019, the stock was still around $200 per share, with investors thinking a fall could happen any time. But then the stock skyrocketed. Today, the stock’s share price has surpassed $1,000 per share and doesn’t look like it will slow down any time soon.

If you were to have been one of the lucky ones to have bought Shopify (and kept it) during its initial public offering, today you’re laughing. Shopify had one of the biggest IPOs in Canadian stock history, and the biggest in the tech industry at the time. When it came on the TSX and New York Stock Exchange in May 21, 2015, the trading price ended up being higher than the offering price. On the day of the IPO, the business took in US$151 million.

If you were one of those who got in on the ground floor and made an investment of $5,000, you would have a whopping $140,181.64 as of writing. So, can Shopify keep it up?

Growth to come

Since its massive growth of over 2,600%, many are wondering if the e-commerce company can keep it up. But you have to remember one thing: the company is still young. It's still in set up mode. Right now, Shopify is acquiring companies and reinvesting in its business to make it hit with the heavyweights.

Here are just some of the moves Shopify has made. It's now the platform of choice for Canada's online cannabis stores for several provinces. It opened Shopify studios, where it's setting up to create original content. It's launched a fulfillment network to ship out products rather than using a third party. It's opened Shopify Plus, to bring on enterprise clients and secured subscriptions beyond month to month but now year to year. It now has the Shop application, so customers can browse all stores on the Shopify service. And just this month, Shopify Balance entered the mix, a business bank account, so clients can manage finances.

As for finances, this is where the company has soared. Year-over-year revenue continues to increase, with the latest quarter results coming in at a 47% increase in revenue. More and more clients are coming to Shopify, and again e-commerce is still in the beginning phases. Unfortunately, the COVID-19 pandemic has sent everyone indoors. But this has sent e-commerce into overdrive. Shopify should only benefit given its lack of brick-and-mortar stores.

Bottom line

While it'd be nice to think we'll see another 2,600% increase in the next five years, you can bet that Shopify isn't done yet. If you compare to members of FAANG, Shopify could sincerely take on a similar trajectory. However, with more market downturns likely in the future, we could also see a dip relatively soon. If that's the case, I would buy up Shopify then and hold on to this long-term stock that's only getting started.

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