



Forget Shopify (TSX:SHOP): This Canadian Stock Can Make You Rich!

Description

Canadian technology giant **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) has been one of the top performers on the **TSX** ever since it went public back in May 2015. Shopify stock has in fact returned a staggering 6,280% for IPO investors. This means a \$1,000 investment in Shopify IPO would have been worth \$62,800 today.

The e-commerce heavyweight is now Canada's largest company with a market cap of \$166 billion. Shopify stock [touched a record high](#) of \$1472.96 this week after its second-quarter results beat analyst estimates.

In the June quarter, Shopify reported sales of US\$714.3 million with earnings per share of US\$1.05. Comparatively, analysts expected revenue of US\$513.83 million with EPS of US\$0.01 in Q2. Shares rallied over 9% driven by this outperformance as the company continues to benefit from the rapid shift to online shopping.

The COVID-19 pandemic has helped entrepreneurs recognize the importance of multi-channel selling and direct-to-consumer fulfillment. The number of new stores created on the Shopify platform rose 71% in Q2 on a sequential basis.

Shopify's 90-day free trial offer expired on May 31 and users that created online stores in April and May will increase Shopify's subscription sales in the upcoming quarters.

However, Shopify sales might be impacted in case unemployment rates remain high which will lower non-discretionary spending. While Shopify stock continues to touch record highs, there are also concerns over its valuation. Shopify stock currently has a forward price to sales multiple of 48 and a price to earnings multiple of almost 600.

This TSXV stock may outperform Shopify stock

Shopify stock is up 157% year to date and has crushed the broader equity markets that are trading flat or negative. However, there is another Canadian stock for you to consider that can outperform the TSX

and generate multifold gains.

Storage Vault (TSXV:SVI) is a company that focuses on growing and acquiring storage businesses and now manages over eight million square feet of space. In 2017, Storage Vault acquired 42 stores for \$485.4 million, while in 2018 it acquired 15 stores for \$172 million. Last year the company pumped in \$275 million to acquire 38 stores bringing its total store count to 199.

The company's largest shareholder is Access Storage, one of the largest storage operators in Canada. Due to its focus on acquisitions which has driven top-line growth, Storage Vault stock has returned over 500% since the start of 2015.

Storage has been a top-performing real estate asset class in the U.S. for quite some time. The increase in population, as well as smaller living and workspaces, has increased demand in this space.

The Canadian storage market is estimated at 90 million square feet and the top 10 Canadian operators own fewer than 15% of these stores, indicating a highly fragmented market and potential for inorganic growth.

There are multiple growth drivers for Storage Vault in the upcoming decade and this [small-cap stock](#) should be on your watch list.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)
3. TSX:SVI (StorageVault Canada Inc.)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Sharewise
6. Yahoo CA

Category

1. Investing
2. Tech Stocks

Date

2025/09/16

Date Created

2020/08/01

Author

araghunath

default watermark

default watermark