



Shopify Just Capped off an Amazing Week

Description

I already know what you're thinking — yes, **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) went down about 4% last week. Yes, that's true but its stock performance is not the point of this article. Shopify posted incredible numbers at its earnings call that would have had investors jumping for joy in a normal market. The company also announced major news that will bring even more attention to the platform in the coming years. Keep reading, I promise it'll be worth it.

How was Shopify's earnings call?

Shopify opened the call citing the very attractive opportunity in e-commerce over the years ahead. The company believes that its total addressable market within the small- and medium-business space is about \$153 billion. This doesn't even consider the fact that Shopify also caters to large brands and new entrepreneurs. So, when all arms of its e-commerce business are considered, it's clear that the potential is sky-high.

Shopify also mentions its rapidly growing partner ecosystem. As of this writing, Shopify is compatible with 6,000 apps. The company also has about 42,000 ecosystem partners which have referred at least one merchant to Shopify's platform in the past 12 months. As these integrations and partnerships grow, Shopify will be able to scale at even faster rates.

Getting to the numbers, Shopify appears [as impressive as ever](#). Shopify claimed about 8.6% of all retail e-commerce sales in the United States in 2020. That is good for second, only behind **Amazon** in that list and well ahead of companies like **Walmart**, **eBay**, and **Apple** among others.

Shopify also reported about \$3 billion in revenue for 2020, which is a gain of 84% year over year. As expected, its Q4 revenue saw an incredible increase of about 94%, year over year. One of the most impressive numbers Shopify reports is its monthly recurring revenue (MRR). Since Q4 2015, its MRR has never decreased. Over the past two quarters, it appears that Shopify's MRR has actually been accelerating. Over the past five years, it has grown its MRR at a compound annual growth rate of 49%.

Finally, Shopify's merchants are also finding increased success. It was reported that over the [Black Friday-Cyber Monday weekend](#)

, Shopify merchants sold a total of \$5.1 billion USD. The gross merchandise volume for 2020 was even more impressive. Shopify merchants sold nearly \$120 billion over the course of the year, a 96% increase year over year. This will strengthen the case for merchants continuing to add more Shopify offerings to their operations in the future.

What other big news has the company announced?

On Friday, Shopify CEO Tobi Lütke, made a major announcement regarding the company's involvement in eports. Last year, Shopify announced that former Team Liquid player, Dario Wunsch, was hired as Shopify's e-sports program manager. However, no further details had been released. Now, news has come out that Shopify will be fielding its own esports team, Shopify Rebellion. The team will compete in StarCraft competitions.

This is a major development and will surely attract the younger demographic to Shopify. It's not very clear how Shopify will further integrate this team into the rest of the business, but it's certainly something to watch moving forward.

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