



Shopify (TSX:SHOP) Stock Could Still Make You a Millionaire in 2021

Description

Shopify Inc. ([TSX:SHOP](#))([NYSE:SHOP](#)) has become the biggest name in e-commerce since **Amazon**. It continues to shock investors and analysts with its quarterly reports, demolishing estimates again and again. Even in the last year, where other businesses were forced to shut down Shopify kept on running as businesses flocked to improve – or create – their online presence.

In the last five years since the company's initial public offering (IPO), shares have increased an unheard of 5,180% as of writing. That's a compound annual growth rate (CAGR) of 99%! There are many investors who have already become millionaires from this stock, but there's likely going to be even more in 2021. In fact, you could be one of them.

Shopify stock Q4 earnings

It was another banger quarter followed by an even more impressive full-year report during the fourth quarter earnings report for Shopify stock. Fourth-quarter revenue rose by 94%, with full year total revenue jumping by 86% year over year! This blew away Wall Street analysts estimates. Subscription revenue rose by 53%, and merchant solutions by 117% for the quarter, and it was similar for the full year report, at 41% and 116% respectively.

The goal for 2020 was to get merchants online and selling quickly and easily. Merchants continued to use Shopify Pay, and the Shopify fulfillment centres started coming online just in time for the enormous boost from Black Friday. Now, Shopify stock is eyeing 2021.

Shopify's 2021 growth

The company has only started the Shopify Fulfillment Network. When this is fully up and running, the company will be able to ship and receive products to and from merchants quickly and easily. This included investing in the 6 Rivers System for automated fulfillment solutions.

From there, the goal is global. North America is the main user of Shopify, but the company is looking to

expand far beyond our borders. It has already begun the process of making Shopify available for merchants in several different languages, investing in what strikes a chord with these countries.

While company management doesn't believe we'll see another year like 2020, where growth was insane, it does believe it will scale back only slightly to previous levels. While revenue will continue to grow rapidly in 2021, it just may not be at the levels we've grown used to in 2020.

You can still become a millionaire

If you had purchased just \$25,000 in Shopify stock back in 2015, you would be a millionaire by now with \$1,175,714 in the bank. But that doesn't mean you'll miss out on the opportunity. Even if we revert back to slower levels of growth.

Let's say there was to be growth similar to 2019 rather than 2020. If that's the case, between 2019 and 2020, investors saw share growth of 185%! Sure, the stock is still overvalued, but investors haven't cared for years. On top of that, there has been a recent pullback as the stock hit \$1,900 per share. Today, it trades at \$1,645 as of writing.

So if you were to believe that there would be a similar 185% growth in shares with similar results to 2019 rather than 2020, you could still become a millionaire. That would mean shares would trade at \$3,043 in the next year! I'm not saying the investment is cheap however. It's not 2015. If this case were to be made, you would need to invest about \$541,000 at current levels to become a millionaire by this time next year. And that's if everything goes to plan.

A more prudent approach would be to look at the CAGR to get to millionaire status. If you wanted to become a millionaire, again you can still do it! It just might take longer, but not by much. If you were to invest \$70,000 and see similar growth of 99% for the next few years, you would reach \$1.1 million in just four years!

Bottom line

No one can predict the future, but it's likely Shopify stock isn't going to have the crazy year it did in 2020. That was a huge year of growth, and it does mean that it will have the funds to allow it to keep growing. That means the stock is still a great investment if you can afford it. And if so, there's no reason you can't hit [millionaire](#) status by holding onto this stock as a long-term investor.

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