



1 High-Growth and Dirt-Cheap TSX Stock to Buy Today

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) is Canada's largest company measured by market capitalization. The company recently asked Shopify's employees to work from home permanently. Shopify believes that working from home will yield longer-term benefits, including leveling the playing field for employees who already work from home, helping Shopify employees stay healthy and safe, opening itself up to a [diverse global talent pool](#), eliminating unnecessary commutes, and fast-tracking new and better ways to work together that are more productive and rewarding.

Cost savings from lease terminations

As a result of this decision, in the second quarter of 2020, the company terminated certain lease agreements or sought to sublet space at certain office locations. The company continues to assess the ongoing need for the remaining offices and will repurpose offices to accommodate physical distancing measures, reconfigure space for use in a digital-by-design framework, or look to sublease or [terminate the related leases](#) in the future.

Shopify Plus subscription plan

The company's Shopify Plus subscription plan is an exciting new initiative for Shopify. The subscription plan was created to accommodate larger merchants, with additional functionality, scalability, and support requirements. The Shopify Plus plan also appeals to larger merchants not already on Shopify who want to migrate from expensive and complex legacy solutions and get more functionality.

A rich ecosystem of app developers, theme designers, and other partners, such as digital and service professionals, marketers, photographers, and affiliates has evolved around the Shopify platform.

Approximately 45,800 of the company's partners have referred merchants to Shopify over the last year, and this strong, symbiotic relationship continues to grow. Shopify's partner ecosystem has grown in part due to the platform's functionality, which is highly extensible and can be expanded. About 6,600 apps are available in the Shopify App Store.

Partner ecosystem

Further, Shopify's partner ecosystem helps drive the growth of the company's merchant base, which in turn further accelerates the growth of the ecosystem. The company's mission is to make commerce better for everyone, and Shopify believes it can help merchants of nearly all sizes, from aspirational entrepreneurs to large enterprises, and all retail verticals realize each merchant's potential at all stages of the business life cycle.

While Shopify's platform can scale to meet the needs of large merchants, the company focuses on selling to small- and medium-sized businesses and entrepreneurs. Most of the company's merchants are on subscription plans that cost less than \$50 per month, which is in line with the company's focus on providing cost-effective solutions for early-stage businesses.

Fast-growing business

In the three months ended March 31, 2021, the company's platform facilitated gross merchandise value (GMV) of \$37.3 billion, representing an increase of 114.4% from the three months ended March 31, 2020. Shopify's business has experienced rapid growth. During the three months ended March 31, 2021, the company's total revenue was \$988.6 million, an increase of 110.3% versus the three months ended March 31, 2020.

Shopify's business model has two revenue streams, which include a recurring subscription component it calls subscription solutions and a merchant success-based component it calls merchant solutions. These revenue streams are likely to be lucrative for the company over the long term.

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