



Shopify vs. WELL Health: Which Is the Better Buy?

Description

Growth investing is difficult. There are many trends that investors need to keep track of, deciding which ones will provide the best opportunities for growth. Within those different trends, investors also need to determine which companies are leading their respective industries today and whether various companies will be leaders in the future. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) and **WELL Health Technologies** ([TSX:WELL](#)) are two leaders in their respective industries. Which stock is the better buy today?

Which industry has more room for growth?

The e-commerce industry is a very exciting one. Consumers have slowly adopted online retail over the past two decades, but global penetration has really reached a new level over the past two years. In 2020, the COVID-19 pandemic caused physical retailers to close their doors, pushing more consumers towards online stores.

In Canada, online retail accounted for about 10% of all retail sales in 2020. Meanwhile, in other regions like the U.K., e-commerce represented nearly 40% of all retail sales. There is a lot more room for this industry to run in Canada and in other countries around the world.

The telehealth industry could be just as intriguing. From 2021 to 2026, the telehealth industry is forecasted to grow at a compound annual growth rate of 26.5%. That means that the companies that help lead this industry forward could see massive growth.

We saw how quickly companies like WELL Health and **Teladoc** were able to grow in just one year. The downside with investing in telehealth stocks is that it may take longer to see it really change health care visits globally. That means, while these stocks could see a lot of growth, it may take longer to see an inflection point in this industry and massive gains in these stocks.

Edge: e-commerce, Shopify.

Assessing company management

Shopify's management team is very impressive. Its CEO Tobi Lütke founded the company and was even the person who wrote the very first line of code in what would become Shopify's platform. He is very well-liked at the company, with a 90% approval rating on Glassdoor. Lütke has previously stated that he asks his board of directors each year whether they still believe he is the best individual for the job. If the answer is ever *no*, he would gladly step aside and let someone else run the company.

To add to the Shopify argument, investors need to be made aware of Harley Finkelstein. A true example of entrepreneurship, he has experience as a merchant, running a t-shirt business to help fund tuition for law school. Finkelstein eventually joined Shopify and became the company's chief platform officer and later its chief operating officer. In September 2020, he was elevated to his current role as Shopify's president.

WELL Health's CEO Hamed Shahbazi is an excellent executive, with more than 20 years of experience as a technology-focused operator. Prior to joining WELL Health, he founded TIO Networks, which eventually became a multi-channel payment solution provider.

In 2017, TIO was acquired by **PayPal** for \$304 million. With extensive experience with mergers, acquisitions, and divestitures, Shahbazi is the perfect man for the job to follow WELL Health's growth playbook.

Edge: While Shahbazi is certainly a top executive, it's hard to bet against Shopify's one-two punch of Lütke and Finkelstein.

Head-to-head company performance

When it comes to company performance, Shopify may be one of the [most impressive stocks](#) in the world. In terms of its quarterly revenue, Shopify reported year-over-year increases of 110% and 57% in Q1 and Q2 2021 respectively. From 2019 to 2020, Shopify's annual revenue increased an astonishing 86%. These numbers have been reflected in Shopify's stock performance, which has gained 93.6% per year on average since its initial public offering.

WELL Health has not yet reported earnings for Q2. However, for Q1, [the company reported](#) that its quarterly revenue had increased 150% year over year. This growth was led by a 345% increase in its software and services revenue. Prior to listing on the **TSX**, WELL Health was named to the **TSXV 50** for three years. This is a list of the top 50 performing stocks on the **TSXV**.

Edge: Even. Both companies are growing remarkably and have a history of strong growth.

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2. Tech Stocks

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TICKERS GLOBAL

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2. TSX:SHOP (Shopify Inc.)
3. TSX:WELL (WELL Health Technologies Corp.)

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