



Shopify (TSX:SHOP) Stock Price: Is it a Buy This Week?

Description

Fears surrounding supply-chain disruptions remain for e-commerce stocks. **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)) hasn't been immune, with its share price continuing to trade just under \$2,000 per share. After hitting all-time highs of \$2,228, Shopify stock is down 15% as of writing.

This slight drop could be an opportunity for Motley Fool investors wanting to get in on Shopify stock. So, let's look at whether the e-commerce company is a buy this week, especially amid all the supply chain [demands](#).

Black Friday boom

Supply chain worries? What supply chain worries?

That's basically how investors may have felt after Shopify stock posted its results from the Black Friday to Cyber Monday weekend. Shopify posted record-setting results compared to previous Black Friday weekends, with sales hitting \$6.3 billion globally. That's \$3.1 million per minute, in case you wanted to know. And a 23% increase year over year, amid the huge boom during peak pandemic last year and more than double 2019 levels.

"We call Black Friday/Cyber Monday the Super Bowl of commerce, and this year's was the biggest yet," said Harley Finkelstein, president of Shopify. "These record sales showcase the monumental impact that independent businesses have on the global economy."

A huge part of the increase included a major increase in the use of social [integrations](#). This allowed buyers to experience "seamless checkout" and nearly tripled last year's numbers.

On top of stellar earnings

Do you remember a time when Shopify stock didn't smash earnings estimates? Because I don't. And that's what continued during the last earnings report. Total revenue was up 46% year over year,

continuing to surpass the \$1 billion mark at \$1.124 billion. Subscription solutions revenue climbed 37% year over year, with merchant solutions revenue up 51% drive by a growth in gross merchandise volume.

Its gross profit grew 49% to \$616.4 million, with an operating loss of just \$4.1 million. Net income hit \$1.148 billion, or \$9 per diluted share — a 484% increase from last year! But what's really interesting from the last report is the outlook for Shopify stock. Because that's sure to change during the next report.

Growth ahead

The fourth-quarter outlook remains the largest share of full-year revenue for Shopify stock. The company maintained that growth should remain strong, even with supply chain delays and increased costs for materials, labour, shipping and advertising.

But then came the record-setting goal on Shopify stock on Black Friday weekend. It's certain that not only will this be the largest, but it's far ahead of the company's expectations. Shopify stock also boasts its own Shopify Fulfillment Network, Shopify Payments, Shopify Shipping and Shopify Capital. All of these in-house products allow the company to fulfill orders far faster than many other companies under supply-chain woes.

Therefore, full-year revenue should far surpass 2020 levels, and then some. And it's these numbers that could set Shopify stock to record levels and beyond. So, yes, Shopify stock is a buy. And frankly, it seems like it always will be.

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