



## My Top TSX Growth Stock Pick for 2022

### Description

Last December, I wrote that if I could [only pick one stock](#) to hold in my portfolio, it would be **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). A year later, I'm once again writing to say that I stand by that decision. In fact, I feel even more confident in the company today than I did in 2020. That's not to say there aren't other **TSX** growth stocks that I find very interesting. However, Shopify is truly a generational company. In this article, I'll explain why.

### Shopify can't stop growing

The company was first created as a way for entrepreneurs to sell products via an online store. Today, that's still the foundation of Shopify's business. The company offers a range of packages, with the aim of providing merchants with the exact features that are needed at that point in time. As merchants find success, Shopify hopes to see its users upgrade to more expensive packages, providing even more features. This is the primary concept behind Shopify's growth.

However, there's another avenue of growth that Shopify has been attacking. It has been attempting to scale in terms of the number of users on Shopify's platform. Over the past year, Shopify has done an excellent job of attracting new enterprise customers and securing strategic partnerships. In June, **Netflix** announced that it would be launching an [official merchandise store](#), powered by Shopify. Then in October, **Spotify** announced that artists would be able to link Shopify stores onto their profiles, bringing more potential customers to the e-commerce platform.

Using these two distinct methods of growth, Shopify has managed to continue growing, despite consumers returning to in-store shopping. In Q1 and Q2 of this year, Shopify recorded year-over-year increases in its revenue of 114% and 57%, respectively. In the second quarter, Shopify also surpassed **Amazon** in customer traffic for the first time. Finally, Shopify surprised everyone by posting a record US\$6.3 billion in sales over the Black Friday-Cyber Monday weekend.

### What's next for Shopify?

Without question, Shopify will aim to continue persuading merchants to upgrade their subscriptions and secure new partnerships. As it stands, Shopify's network of partnerships includes the likes of **Pinterest**, **Meta Platforms**, **Walmart**, Spotify, and more. This network should be enough to convince even more enterprises of the benefits of partnering with a global leader in the e-commerce industry.

Shopify is also known for its innovation. The company has previously enabled cryptocurrencies on its platform. Now, Shopify has announced that Shopify Plus merchants can apply to sell NFTs on its platform. This will allow merchants to gamify NFT sales, offer memberships, and issue certificates of authenticity. The NFT space is still very new, and it's promising to see Shopify jump into the scene so early in the game.

Finally, there's still the question of what Shopify will do with its e-sports brand. It's unclear what the company hopes to accomplish in that area. There's no doubt that e-sports will continue to grow at a very rapid rate over the next decade. Whether Shopify hopes to monetize that branch of its business or leave it as a way of advertising its platform, there's no doubt that it's a segment of Shopify's business that investors should keep an eye on.

## Foolish takeaway

Shopify has long been my top growth stock pick. Over the past year, the company has continued to grow its sales and attract new enterprise partners. I feel more confident in the company's success now than ever before. Shopify has several business segments, including its e-sports business, that remain very big question marks. If the company can figure out how to integrate those focuses into its overall business, then it could become an even stronger growth powerhouse.

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