



Shopify: Here's What's Coming in 2022

Description

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) had another record-setting year in 2021. With solid revenue growth and positive GAAP profits, it was a great run. The stock's gain for the year (25%) was a little lower than historical norms, but stocks can't keep compounding at 95% forever. Base effects and diminishing returns make it harder and harder to do so with each passing year.

It was a breakthrough year for Shopify in 2020, with 86% growth overall, and three quarters of revenue growth above 90%. That was going to be a tough act to follow, and it was. Still, SHOP managed to grow in 2021, both on the bottom line and on the stock chart. In this article I will provide a preview of what Canada's hottest tech stock has coming in 2022.

Q4 earnings

Q4 earnings are the next big development coming for SHOP in 2022. The fourth quarter is Shopify's most important, because it includes the all-important Christmas shopping season. That includes not only the holiday season itself, but also Black Friday. November and December tend to be the best months of the year for retailers because of these important dates.

Shopify isn't exactly a "retailer," but its platform empowers retailers to sell online. So, like its vendors, it tends to benefit from Christmas and Black Friday. In the fourth quarter report, we'll get to see how it fared. We already know a few things, like the fact that Shopify vendors brought in [\\$6.3 billion over the course of the Black Friday weekend](#) — up 23% from the year before. That's encouraging enough, but it doesn't tell us how much SHOP brought in, in sales, as the company has various different plans with different fee structures. So, we'll just have to wait and see.

Social media partnerships

Next up we have social media partnerships. Shopify spent much of 2021 racking up partnerships with top social media companies, including:

- **Meta Platforms.**
- **ByteDance** (owner of TikTok).
- **Alphabet.**
- And more.

Broadly, SHOP's partnerships with these companies allows their users to [sell on their platforms using Shopify infrastructure](#). Using Facebook shops, anybody with a Facebook account can sell from their FB page using Shopify tools. You don't even need a Shopify account to do it! This is a very exciting development for SHOP, and it could bring in some major revenue if it pays off.

COVID-19 recovery?

Last, but not least, we have the possible economic recovery from COVID-19. As many fool.ca readers will be aware, SHOP actually benefitted from COVID lockdowns instead of being harmed by them. The retail closures sent consumers flocking to online stores, leading to more fees for SHOP. That was a major tailwind. But in 2022, Shopify may have to operate without the pandemic winds at its back. Nobody knows exactly how that's going to play out, but some expect major deceleration. So, the COVID situation remains one for SHOP holders to watch in the year ahead.

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