



Down 75%, This 1 No-Brainer TSX Stock Could Make You a Millionaire

Description

[Tech stocks](#) are witnessing a meltdown in 2022, as investors continue to speculate about a near-term recession amid high inflation and rising interest rates. While the tech sector on the **TSX** has seen a minor recovery in the ongoing quarter so far, most stocks are continuing to trade deep in the red territory on a year-to-date basis. Given that, the opportunity for long-term investors to buy some quality, high-growth tech stocks at a big bargain remains open. In this article, I'll talk about one of the best tech stocks you can buy in Canada right now that has the potential to make you a millionaire in the long run if you act now.

Shopify stock

Shopify ([TSX:SHOP](#))([NYSE:SHOP](#)) stock has lost nearly 75% of its value in 2022 so far to trade at \$44.43 per share. In May 2020, Shopify became the largest company by market cap. But since then, it has lost a big part of its market capitalization, which currently stands at around \$56 billion. With this, SHOP stock is now hovering close to its lowest level since 2019 and has lost all the gains it saw during the COVID-19 phase, making it look highly undervalued.

Key factors for its slowing sales growth

As the global pandemic accelerated the digital commerce trends, Shopify's sales jumped by 85.6% YoY (year over year) to US\$2.9 billion in 2020. As a result of the robust demand for its easy-to-use e-commerce solutions, the company reported an outstanding 1,227% YoY jump in its adjusted earnings for the year to US\$0.40 per share.

However, the Ottawa-based tech company continued to remind investors that this sudden spike in its sales was not going to last forever — especially after the pandemic. And that is exactly what happened in 2021, after restrictions on physical activity gradually started easing. However, bears projected its slowing sales growth rate in the post-pandemic era as a big, worrisome factor, triggering a massive crash in SHOP stock in the ongoing year.

Solid long-term growth prospects

Despite its huge year-to-date losses, Shopify stock remains one of the most attractive stocks for the long term. And the key reason for that is the consistently rising demand for e-commerce solutions, which is expected to accelerate further in the coming years.

In the June quarter, the Canadian tech company registered an adjusted net loss of US\$0.03 per share, as it continued to expand its research and development and marketing teams. While these extra expenses affected its earnings in the last quarter, they will likely help make Shopify's e-commerce offerings more attractive for merchants in the long run.

Shopify recently also [partnered](#) with American tech giants like Google and **Twitter** to expand their portfolio of its innovative services by adding Twitter Shopping and Local Inventory on Google to it. I expect these moves to make the Shopify platform more appealing to merchants, which should accelerate its financial growth in the future. That's one of the key reasons why long-term investors can take advantage of a big recent correction in Shopify stock and buy this amazing high-growth stock at a big bargain.

CATEGORY

1. Investing
2. Tech Stocks

TICKERS GLOBAL

1. NYSE:SHOP (Shopify Inc.)
2. TSX:SHOP (Shopify Inc.)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. jparashar
2. kduncombe

Category

1. Investing
2. Tech Stocks

Date

2025/08/27

Date Created

2022/08/22

Author

jparashar

default watermark

default watermark