



## Is Now Actually the Perfect Time to Buy Shopify Stock?

### Description

Due to the increase in online sales following the pandemic, **Shopify** ([TSX:SHOP](#)) stock soared to highs many didn't expect to see. However, as the economy has reopened, Shopify stock is one that's been beaten down as hard as many in the tech sector of late.

Can this pandemic darling return to its former growth glory? Let's dive into this key question for long-term [growth investors](#) right now.

### Experts predict Shopify to make a comeback in Q4 2022

According to a number of recent expert reports, there's consensus building that Shopify could be on the brink of another resurgence in growth. Given the relatively high bar set by the pandemic environment, Shopify's revenue growth has slowed of late. However, should the e-commerce market globally continue to grow as expected, market experts predict Shopify's sales could increase at a clip of more than 20% to end this year. That would equate to roughly US\$9.25 billion — a rather significant sum from which the company can grow off of.

Now, considering the fact that Shopify trades at a [market capitalization](#) of around US\$37 billion, this implies a price-to-earnings ratio of approximately four. However, should the company's gross merchandize volume continue to grow at the 50% compound annual growth rate it has in the past, this valuation could turn out to be cheap over the long term.

It's really the question of what growth rate investors assign to Shopify stock right now. The jury remains out on how fast this company will be able to grow from here, given its size.

### Shopify aims to grow in retail marketing

One of the more interesting developments Shopify has made of late in its search to re-accelerate growth is the launch of POS Go. This point-of-sales solution enables merchants to execute checkouts from any place in their store, thus eliminating long queues at the billing counter.

This will help retail stores compete with the e-commerce market and improve the in-store experience of their customers. Moreover, POS Go has an integrated card reader built in that allows it to take card payments via tap and swipe. What's more, it can also receive Shopify Payments and deposits via Wi-Fi.

In the second quarter of 2022, top-ranking brands like James Perse, Our Place, and Beyond Yoga adopted Shopify's POS Go, thus benefitting the company. Furthermore, this artificial intelligence-based payment solution is present in 13 nations and has significant potential for further international growth.

## The bottom line

With its string of innovations and potential to re-accelerate growth, I think Shopify stock could indeed be a great buy in this current market. Now, this is a company that's not for the faint of heart. If macro conditions continue to decline, we really won't know where the bottom is until we get there. That said, over the long term, I expect Shopify's growth rate to continue higher, making this company appear cheap at current levels.

### CATEGORY

1. Investing
2. Tech Stocks

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