



Why Shopify Stock Jumped 21% in August

Description

What happened

Shares of **Shopify** ([NYSE: SHOP](#)) gained more than 20% in value last month, according to data provided by [S&P Global Market Intelligence](#), after the multichannel commerce platform reported another quarter of impressive growth.

So what

Shopify's second-quarter revenue surged 48% year over year to \$362 million, driven by strong demand for the company's online and offline retail operating solutions.

"Our strong performance in the second quarter reflects the success of our ongoing activities and investments to help merchants start selling, sell more, and sell globally," CFO Amy Shapero said in a press release. "The appeal of entrepreneurship is universal, which is why more entrepreneurs everywhere are attracted to Shopify."

Better still, Shopify's [non-GAAP](#) earnings per share, which came in at \$0.14, was well above analysts' estimates for adjusted EPS of \$0.02.

Now what

In addition to Shopify's strong second-quarter results, investors are growing increasingly excited about its new [fulfillment network](#). The company's fulfillment centers will store and ship its merchants' products across the U.S. Shopify will also provide inventory optimization and other cost-reduction tools to its customers. And, as a key point of differentiation with **Amazon.com**, Shopify will enable its merchants to display their own brands on customized packaging.

Still, Shopify's share price has pulled back about 10% in recent days along with other [growth stocks](#). Short-term-minded traders appear to be growing concerned that the U.S. economy could fall into a recession, making them reluctant to pay a premium for fast-growing businesses.

But with its new fulfillment network likely to fuel its growth for many years to come, Shopify's stock represents a compelling [profit opportunity](#) for long-term investors.

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Author

joe-tenebruso

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