



Why Shopify Stock Remains a Great Long-Term Buying Opportunity

Description

Investors seeking incredible long-term [technology holdings](#) in Canada have done very well with **Shopify** ([TSX:SHOP](#))([NYSE:SHOP](#)). Indeed, Shopify stock has been one of the best-performing Canadian tech stocks ever. And all indications are that the company's growth runway could be much longer than many think.

That said, Shopify stock remains quite [expensive](#) from a valuation perspective. The company's astronomical levels of capital appreciation have made it so. That said, there are many reasons why Shopify could still be one of the best long-term opportunities on the **TSX** today.

Let's dive into why.

Shopify stock continues higher on impressive results

Canadian e-commerce giant Shopify has delivered absolutely incredible results in the second quarter. Analyst expectations of \$1.05 billion were once again beaten, with Shopify bringing in \$1.12 billion in revenue. This represents a 57% growth rate over a relatively strong base last year. Investors may remember that the pandemic provided Shopify with a significant boost, making this year's numbers that more impressive.

Perhaps even more impressive is Shopify's bottom-line performance. The company posted a GAAP net income of \$879 million and an adjusted net income of \$284 million. This more than doubled on a year-over-year basis.

Accordingly, investors looking at Shopify stock from a fundamentals perspective may notice that this is a stock that has seen its price-earnings multiple come down. In fact, Shopify currently trades at 77-times trailing earnings, which isn't overly expensive given this company's growth rate. Shopify stock is starting to look attractive from a valuation perspective, as the company has shown its ability to grow into its valuation.

To be honest, I didn't expect this so quickly.

Bottom line

I think Shopify is a company that has been making the right moves of late. Whether it's the company's recent deal with Stripe or its international expansion plans, Shopify's avenues for growth remain numerous and robust. Accordingly, I think the growth story with Shopify stock is far from over.

The e-commerce sector is one long-term growth investors will likely continue to focus on in the decades to come. Accordingly, it's my view that Shopify will continue to hold tremendous value for those with a truly long-term investing mindset. As we enter a new era of retail, Shopify stands as one of the companies that will lead the way in the transition toward e-commerce.

The investment thesis with Shopify stock remains strong. At under \$2,000 a share, Shopify appears to provide significant upside still. Indeed, that's incredible considering how far this stock has already run.

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