



# Shopify E-Commerce

NASDAQ: SHOP

**Presented by:** Natalie Gourlay, Julia Hurtaj, Kowen Leskiw, Evan Liu, Christian Mason, Andon Taylor

November 26, 2025



# Agenda

1.	Investment Summary
2.	Company Overview
3.	E-Commerce Overview and Outlook
4.	Competitive Advantage
5.	Comparable Analysis
6.	ESG Considerations
7.	Investment Risks
8.	Valuation and Modelling
9.	Investment Decision & Conclusion



Action

**BUY**

Target Price

**\$206**

Total Return

**39%**

## Key Drivers



### Merchant Solutions (GMV-Driven)

Forecasted to generated 80% of revenue in 2026; Merchant Solutions revenue is driven by GMV



### International Growth

Shopify has become one of the leading e-commerce platforms globally, hosting over 5 million businesses across 175 countries



### Technology and Innovation

Shop Pay partners with ChatGPT to enable seamless in-platform checkout, letting user's complete purchases instantly

*All values are in \$USD unless otherwise specified*

*\*as of close, November 21<sup>st</sup>, 2025*

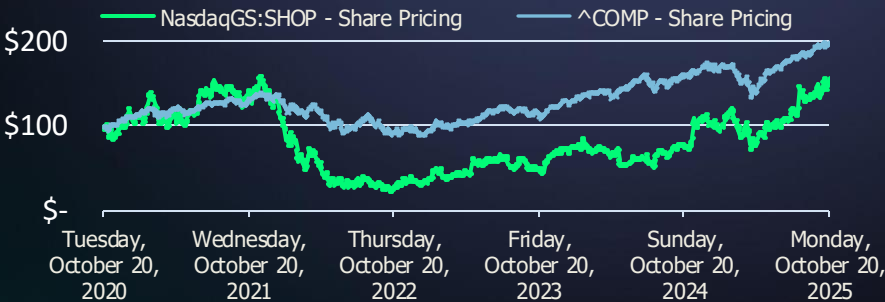
# Company Overview



## Business Overview

- Shopify Inc. (NASDAQ: SHOP), headquartered in Ottawa, Ontario, is a leading global commerce platform founded in 2006. The company provides cloud-based software and services that enable merchants of all sizes to start, grow, market, and manage their businesses across multiple sales channel, including web, mobile, social media, physical stores, and online marketplaces
- Shopify offers an integrated internet infrastructure that supports website creation, online store management, payment processing, and inventory management. Its business model is primarily subscription-based, complemented by revenue from Shopify Payments, Shipping, and Capital
- Shopify’s mission is to reduce barriers to entrepreneurship and empower individuals to start, run, and grow their own businesses independently

## Historical Performance vs. Benchmark



## Company Metrics

Metric	Value (USD in \$mm)
Market Cap	192,351
Net Debt	- 4,863
Enterprise Value	187,488

## Top Brands Using Shopify

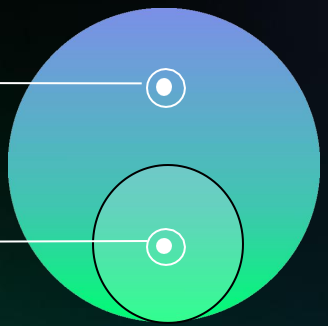




## Merchant Solutions

**Total GMV**  
Total value of all goods sold through an e-commerce platform over a specific period, before any fees, discounts, or returns are deducted

**Merchant Solutions Revenue**  
Percentage of GMV, converted to revenue through the take rate



**Merchant Solutions**

Payment Processing

Shipping

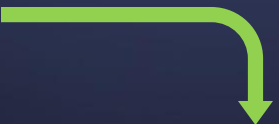
Financing

Merchant Solution revenue is derived from GMV

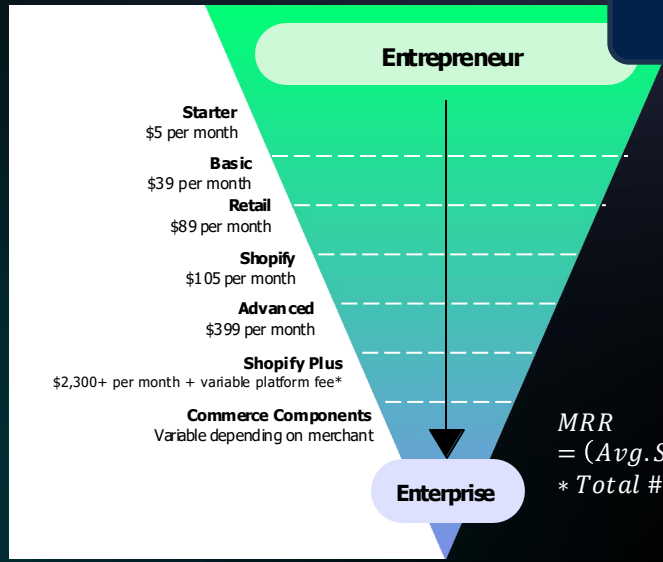
$$Take\ Rate = \frac{Merchant\ Solutions\ Revenue}{Total\ GMV\ (for\ the\ period)}$$

## Subscription Solutions

**Subscription Solutions**



**\$ MRR**



$$MRR = (Avg. Subscription Plan Price) * Total \# of Merchants$$



## Definition

- E-Commerce is the sale of physical goods and services via digital channels (web, mobile, AI chat) to consumers (B2C) and businesses (B2B)
- Scope: Large market encompasses global merchant marketplace platforms (Amazon, Alibaba) but is increasingly driven by millions of businesses leveraging omnichannel platform providers leading to creation of customized, branded online stores

**\$2.7T**

Forecasted **E-Commerce sales**  
in the **U.S** by 2030

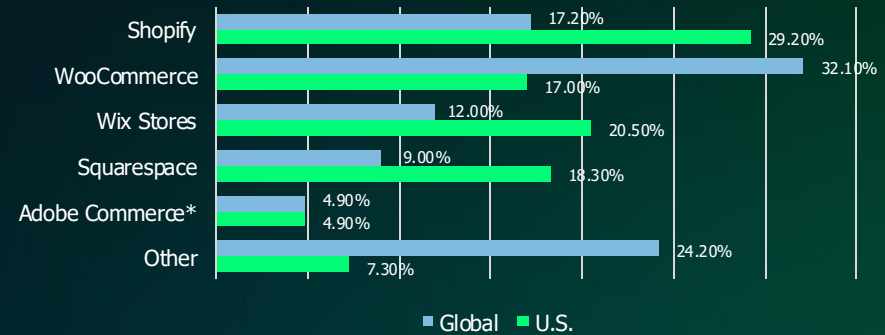
**\$37.3T**

Forecasted **worldwide retail sales**  
by 2030

## Themes & Trends



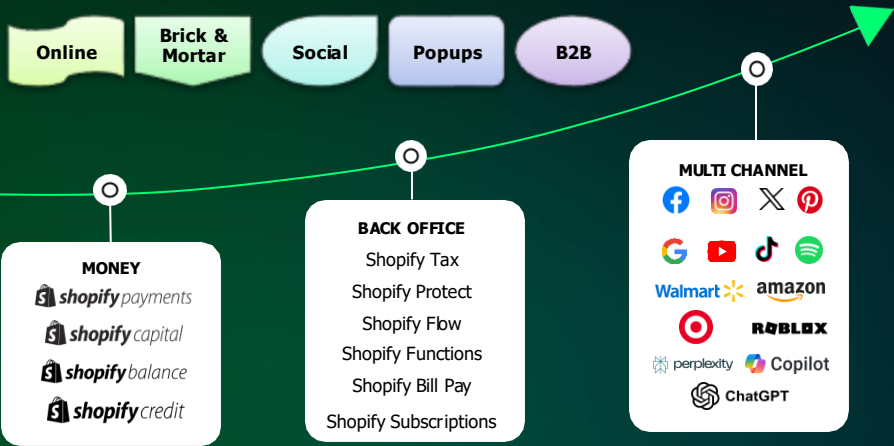
## Global E-Commerce Platform Market Share



Source: Shopify Blog — "Global Ecommerce Sales Statistics," 2024., McKinsey & Co., The Agentic Commerce Opportunity, 2024., Capital One Shopping Research "Retail Statistics" 2025

## Ease of Use – Merchant Solutions

- Shopify’s unique value offering is a unified platform that spans all channels of commerce. More than 90% of merchants use two or more channels through Shopify
- The breadth of integration that Shopify covers make it easy for businesses to expand all aspects of ecommerce
- Shopify Partners create native solutions for sales channels, payment offerings, and back-office support



## Conversion and Checkout Integration

- Shopify’s conversion rate outpaces competitors by up to 36% and by an average of 15%
- Digital wallets and identity networks stored through Shop Pay reduces friction and integrates over 150 million shoppers globally
- Merchants can create custom solutions for functionality, building on the success of Shopify Checkout

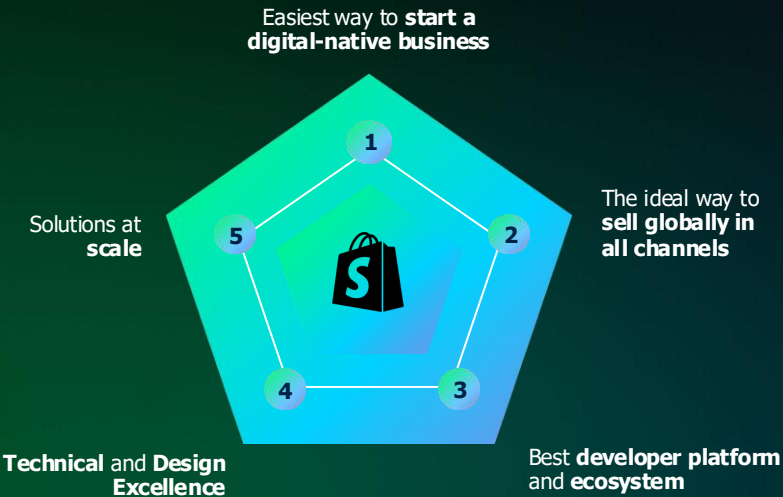
## Conversion Rate Comparison



## Scalability and Migration

"Off the Shelf" platform

- Provides scalability, security, and compliance as well as offering an ecosystem of apps, integrations, and APIs. Enterprises build on this platform and can add features, as necessary
- Businesses can implement new features quickly, reduce software fees, slash infrastructure and processing fees, in addition to adding on features like Shop Pay to boost conversion via subscription switch



## Vast Partner Ecosystem

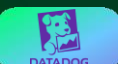


- Shopify has a thorough ecosystem of app developers, theme designers and other digital partners that evolve around the Shopify platform
- The partner ecosystem drives the growth of the merchant base by enhancing the functionality of the Shopify platform, which in turn drives the growth of the business

Sources: Shopify Company Reports



# Comparable Analysis

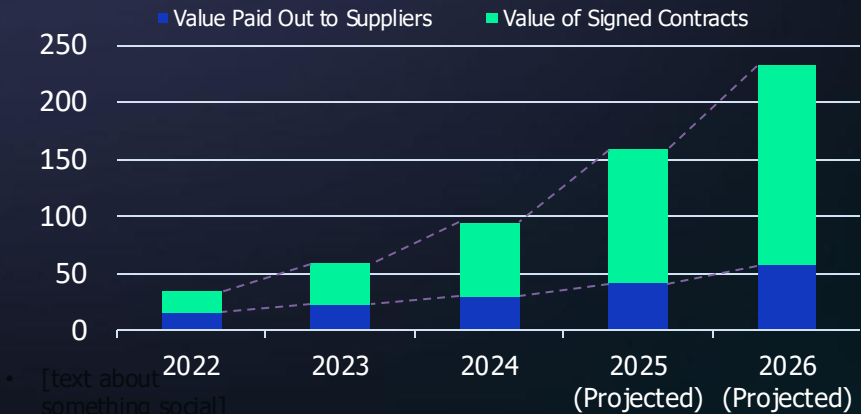


Market Data		EV/Sales		Rev. Growth		Gross Margin		FCF Margin		Rule of X		D/E
Market Cap	TEV	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	Current
369B	155B	57.8x	41.6x	42.9%	39.0%	83.4%	83.7%	43.5%	44.9%	129.3%	122.9%	4.7x
216B	213B	5.2x	4.7x	8.9%	9.1%	80.3%	80.5%	33.7%	33.8%	51.5%	52.0%	19.7x
79B	78B	13.8x	11.1x	23.6%	23.6%	75.5%	75.5%	24.9%	25.8%	79.3%	73.0%	89.3x
65B	68B	23.7x	18.6x	27.4%	27.7%	76.0%	76.1%	12.1%	13.3%	66.9%	68.7%	139.9x
60B	56B	5.9x	5.2x	12.7%	12.6%	79.5%	80.1%	27.9%	29.9%	53.3%	55.1%	37.2x
55B	52B	12.8x	10.5x	21.3%	21.0%	81.2%	81.2%	28.0%	28.4%	70.6%	70.4%	67.9x
5B	5B	2.3x	2.1x	14.4%	12.9%	67.4%	67.6%	25.7%	26.3%	54.5%	52.1%	-223.7x
Industry Average (ex. Shopify)												
122B	90B	13.4x	22.1x	20.8%	20.84%	77.6%	77.8%	27.9%	28.9%	72.2%	70.6%	19.3x
182B	176B	14.8x	13.3x	23.8%	22.3%	47.9%	47.5%	18.1%	18.9%	65.7%	63.6%	9.7x





Number of Carbon Credits (Carbon Tons)



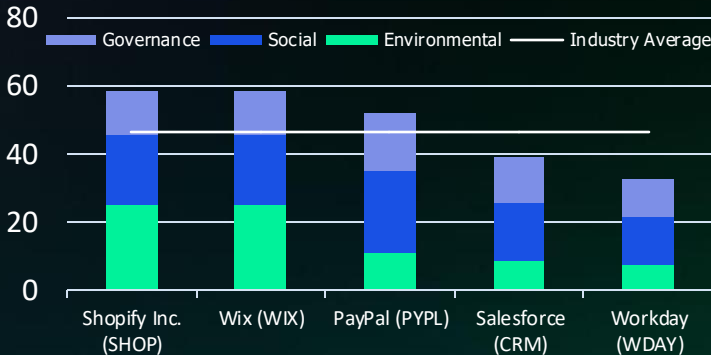
48M

Carbon-neutral orders, enabled by the "Planet" app, generating \$2M for sustainability projects

\$94M

In carbon removal contracts, however, 88% are behind schedule, as of 2024

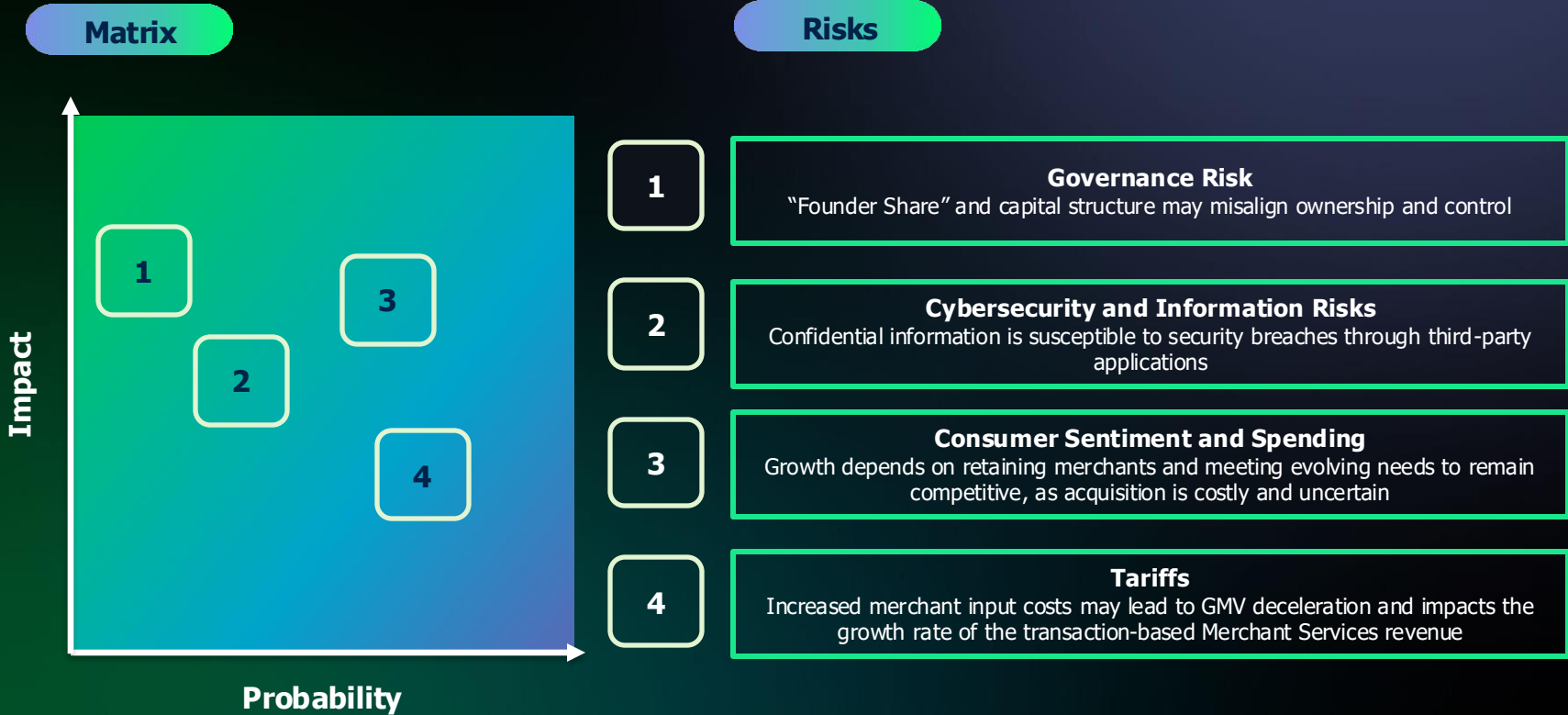
Scores Comparison



- Board: Majority independent (90%)**, led by Lead Independent Director Joe Natale
- CEO Lütke holds 40% permanent voting power** via the **Founder Share** vs. ~6.2% economic stake. (10-for-1 stock split)
- Directors: Deep Tech, Telecom, and E-Commerce** expertise, with experience at Uber, Meta, Instacart, Rogers, TELUS, and Coinbase
- Entrenchment:** The 2022 proposal **eliminated the sunset clause**, locking in the Class B dual-class structure

Sources: Harvard Law School Forum on Corporate Governance (Aug 15 2024); Shopify Inc. Form 10-K (FY 2024), SEC EDGAR Filing #000159#0525000012.



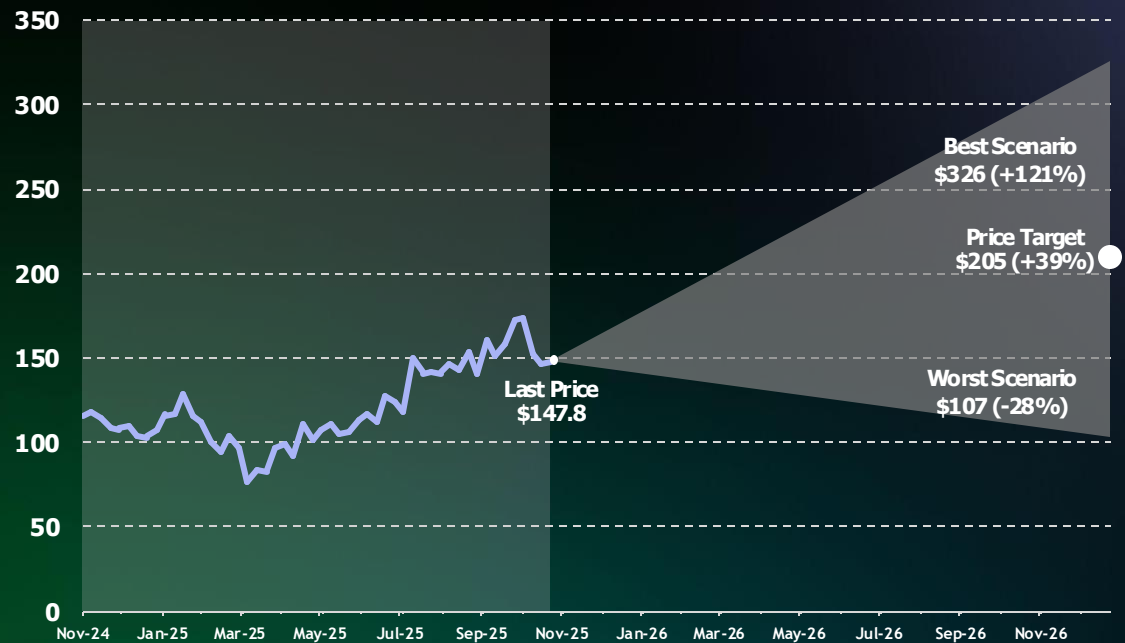


Base: GMV (\$B)



Average  
YoY  
~24%

Source: BI – ECOMG, SHOPY - MODL



## Target Price Calculation

2027E Revenue	17,960B
EV/Sales Multiple	13.3x
Enterprise Value	238,868B
Net Debt	- 12,634B
Equity Value	251,502B
Diluted Shares	1,222B
	\$206

EV/Sales		Revenue Growth		Gross Margin		FCF Margin		Rule of X		D/E
2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	2026E	2027E	Current
14.8	13.3	23.8%	22.3%	47.9%	47.5%	18.1%	18.9%	65.7%	63.6%	9.7x



Action

**BUY**

Target Price

**\$206**

Total Return

**39%**

## Summary

### Merchant Solutions and GMV

Key driver with 80%, revenue in Q2 2025. Directionally correlated to Gross Merchandise Volume, strong estimated growth next 12 months

### Retail and E-Commerce Sales

With GMV being intrinsically tied to E-Commerce (\$2.7T by 2030) and Retail Sales (\$37.3T by 2030 WW), the outlook remains strongly positive

### Technology and Innovation

Shop Pay partners with ChatGPT to allow users to make purchases without ever leaving the chat interface

*All amounts are in \$USD unless otherwise specified*

*\*as of close, November 18<sup>th</sup>, 2025*

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## Revenue cohorts **get stronger over time**

How Q1 2015 cohort has grown

**3.1x Growth**  
**13% CAGR**



\* Example of quarterly revenue from a single cohort, the Q1 2015 merchant cohort, excluding Logistics (as of December 2024).  
\*\* Growth calculation reflects last four quarters of revenue reported (ending in Q3 2025) divided by first four full quarters of revenue (Q2 2015-Q1 2016 for the Q1 2015 merchant cohort).  
Source: Company Report Q3 2025



# Market Penetration



With only 2% penetration of opportunity in the geographies that Shopify currently serves

**\$849B**

**Global revenue TAM**

*1% penetrated*

- \$81B Subscription Solutions
- \$157B Payments - online
- \$152B Other merchant services
- \$459B Payments - offline



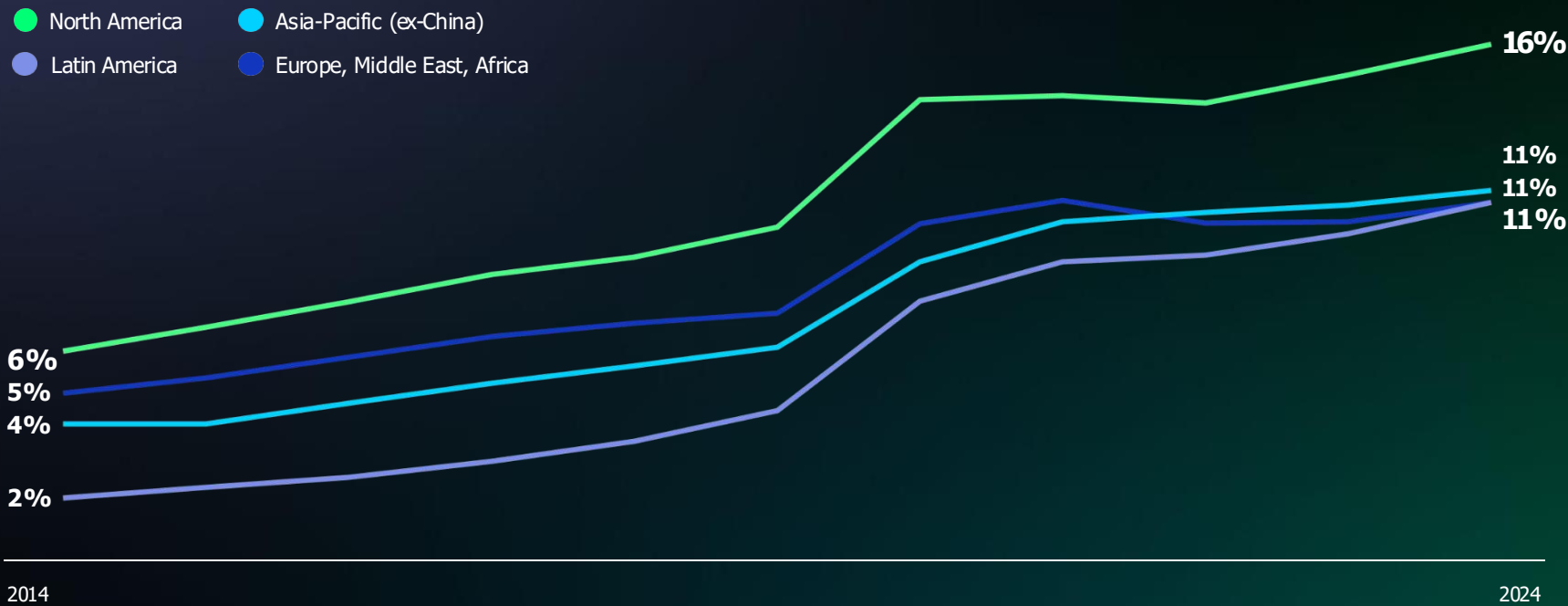
**\$404B**

**Revenue SAM**  
*Core geographies*

*2% penetrated*

# Market of E-Commerce

E-commerce penetration of retail sales



Source: eMarketer, "Retail and ecommerce Sales, by Country" as of December 2024.

# International Scale & Revenue Mix

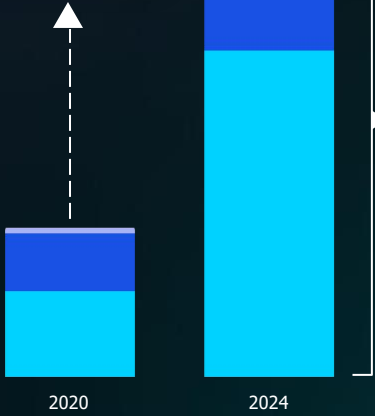
Shopify intends to introduce more products in more geographies and localize platform for more countries, **lowering the barriers to entrepreneurship**

● North America ● Europe, Middle East, Africa ● Asia Pacific ● Latin America



**>20**  
Countries with GMV  
over **\$1B** in 2024

**3.1X**  
international  
revenue growth  
since 2020

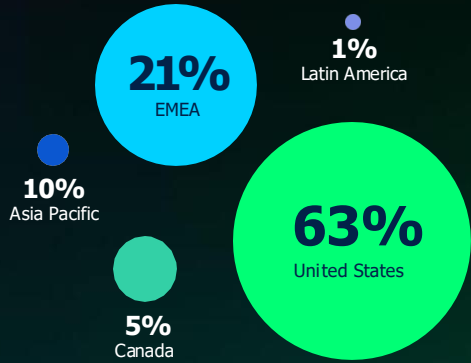


**30%**  
of revenue mix



**Q3 2025**

**Quarterly revenue mix by region**



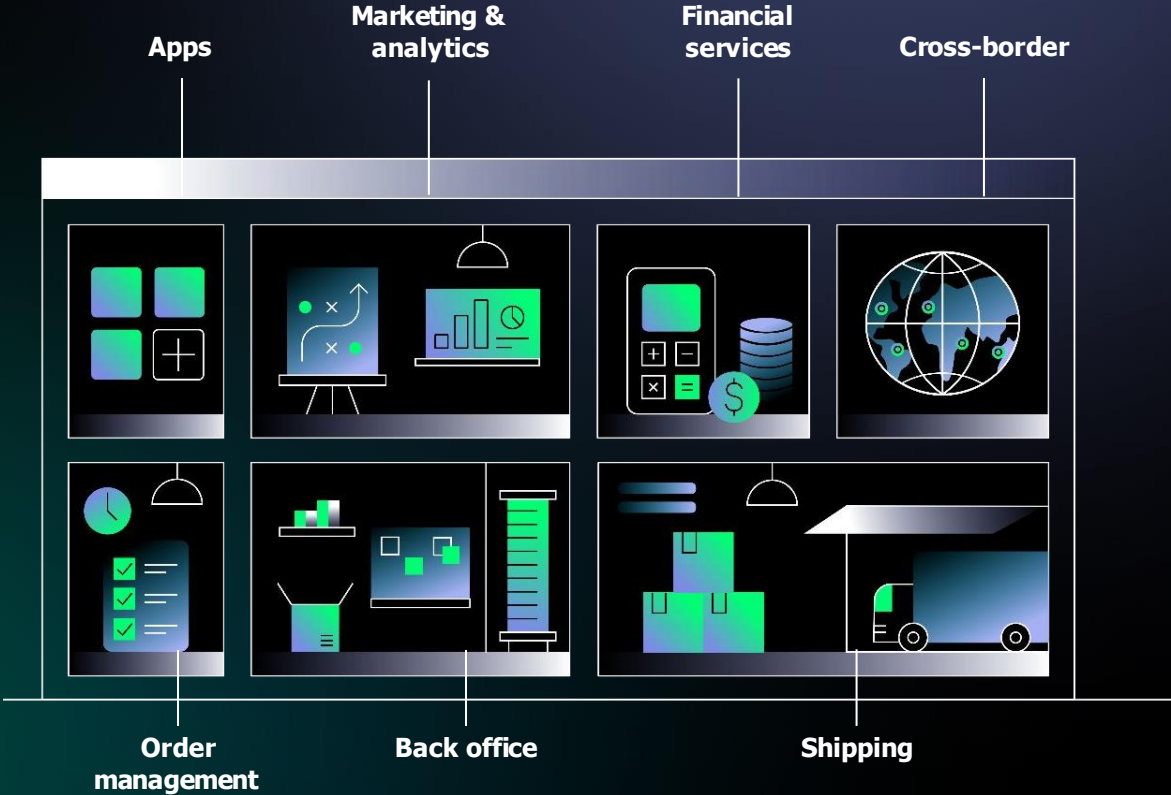
- + Expanded **Shopify Capital** to Ireland and Spain, bringing total countries to 8
- + Expanded **Shop Pay Installments** to the UK
- + Launched **Shopify Payments for POS** in Luxembourg, Switzerland and Czech Republic
- + Rolled out **Tap to Pay** in seven more countries

# Consumers' Favorite Brands Powered by Shopify

+ Q3 Brands\*



## Omnichannel capabilities visualized

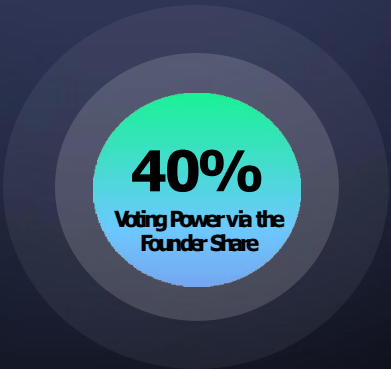
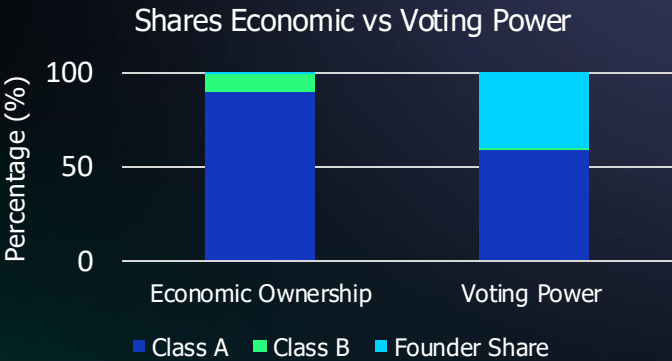


# Multi-Class Structure Establishes

Share Classes and Voting Power, Permanent Founder Control Despite Minimal Economic Stake



- Three share classes: Class A Subordinate Voting, Class B Multiple Voting, and a Founder Share (2022)
- Class A represents > 90 % of equity but holds only ~ 59 % voting power.
- Class B provides 10 votes/share, held mainly by Tobias Lütke & affiliates
- The 2022 Founder Share guarantees 40 % of total votes to Lütke, regardless of future dilution or ownership decline to ~ 2 % equity
- This mechanism ensures permanent minority control and entrenches decision-making power

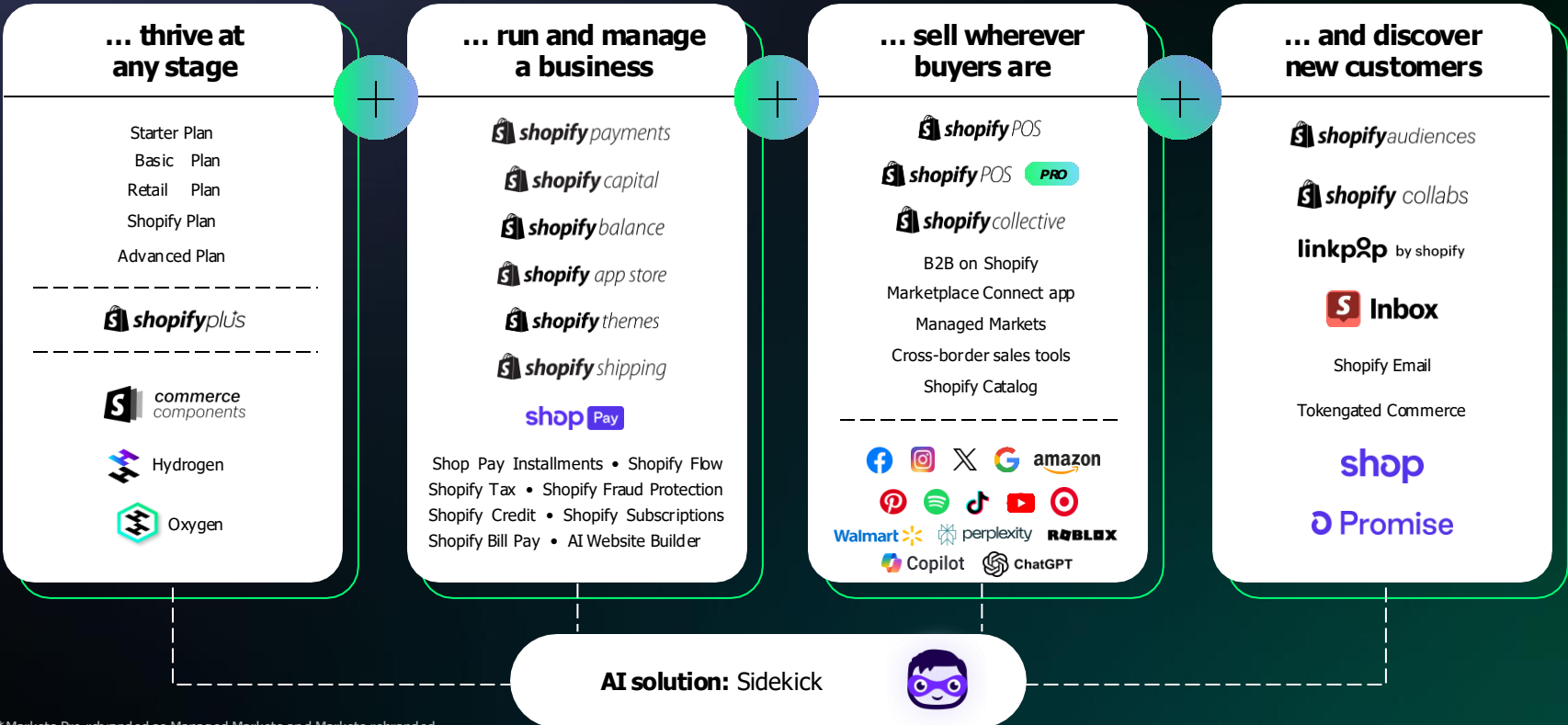


## Share Class Structure and Founder Voting Control (Post-2022 Arrangement)

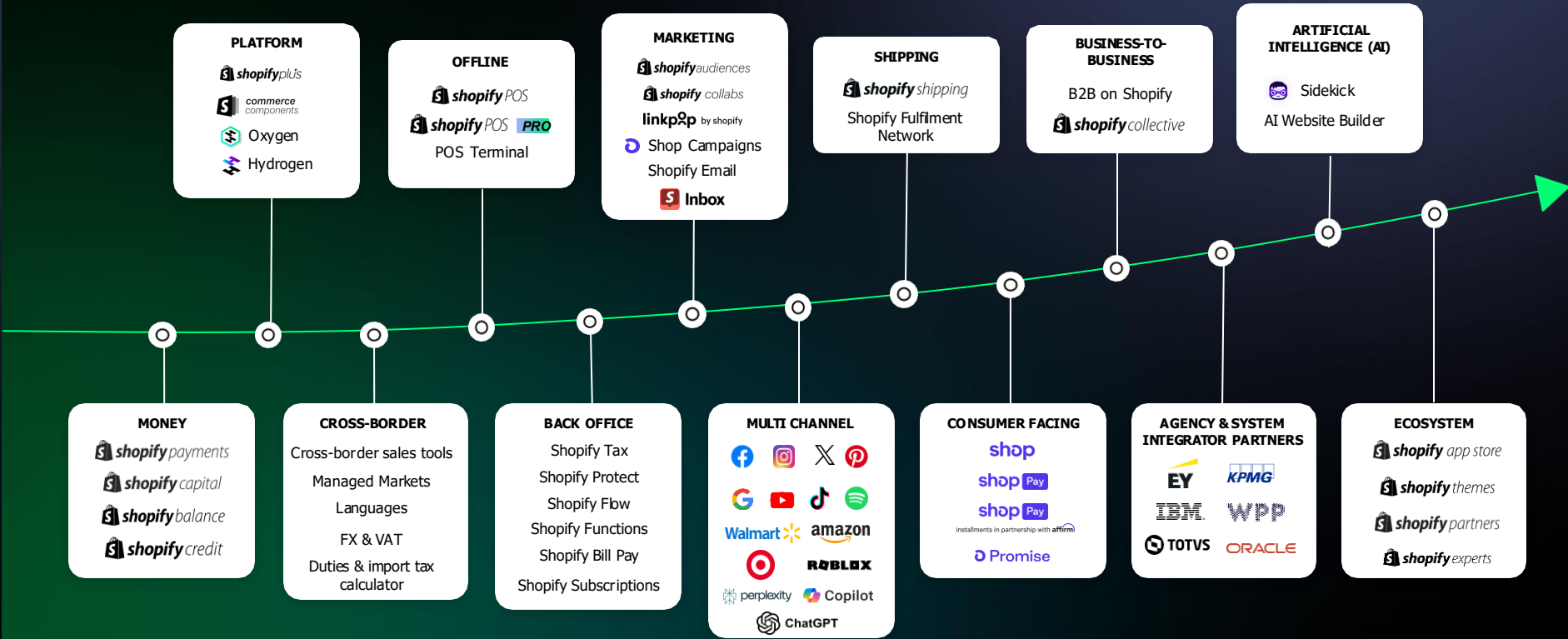
Share Class	Votes / Share	% of Equity	% Voting Power	Key Holder	Implication
Class A	1	> 90 %	≈ 59 %	Public Investors	Limited influence on major votes
Class B	10	< 10 %	Variable	Founder & affiliates	Convertible 1:1 to Class A
Founder Share	Variable	≈ 0 %	40 % Guaranteed	Tobias Lütke	Permanent control (2022 plan of arrangement)

Sources: Harvard Law School Forum on Corporate Governance (Aug 15 2024); Shopify Inc. Form 10-K (FY 2024), SEC EDGAR Filing #000159480525000012.

With solutions that make it easier for merchants to...



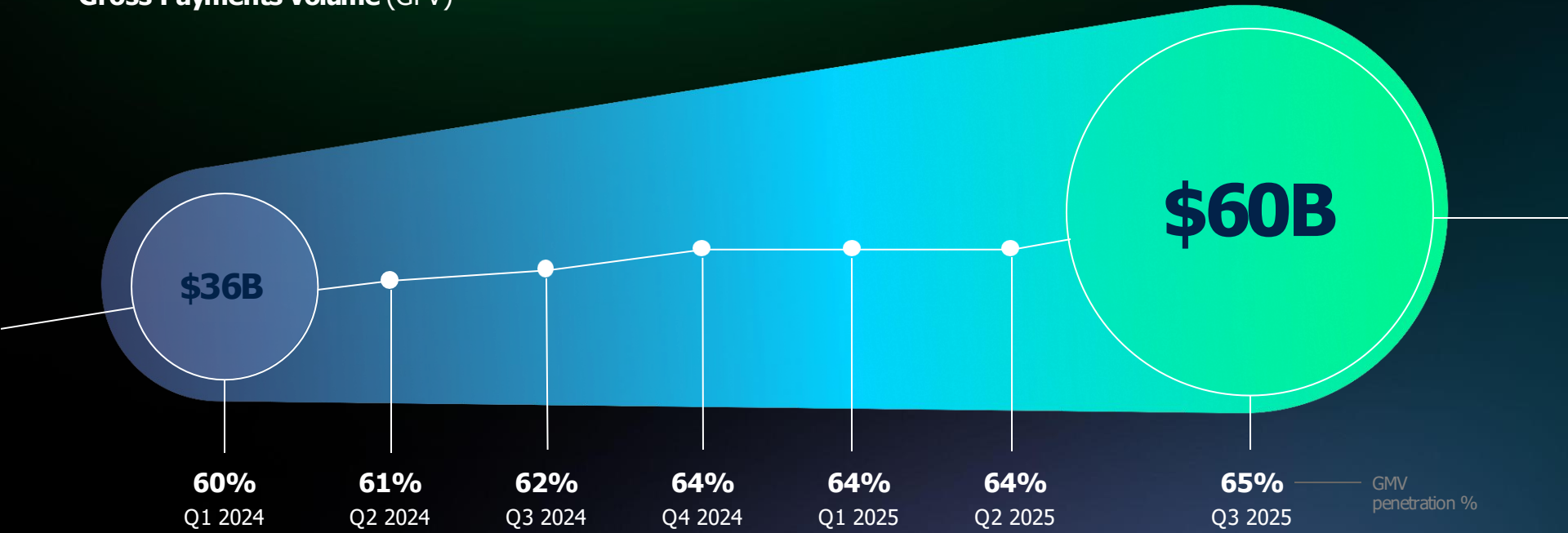
Merchant-first focus through product innovation





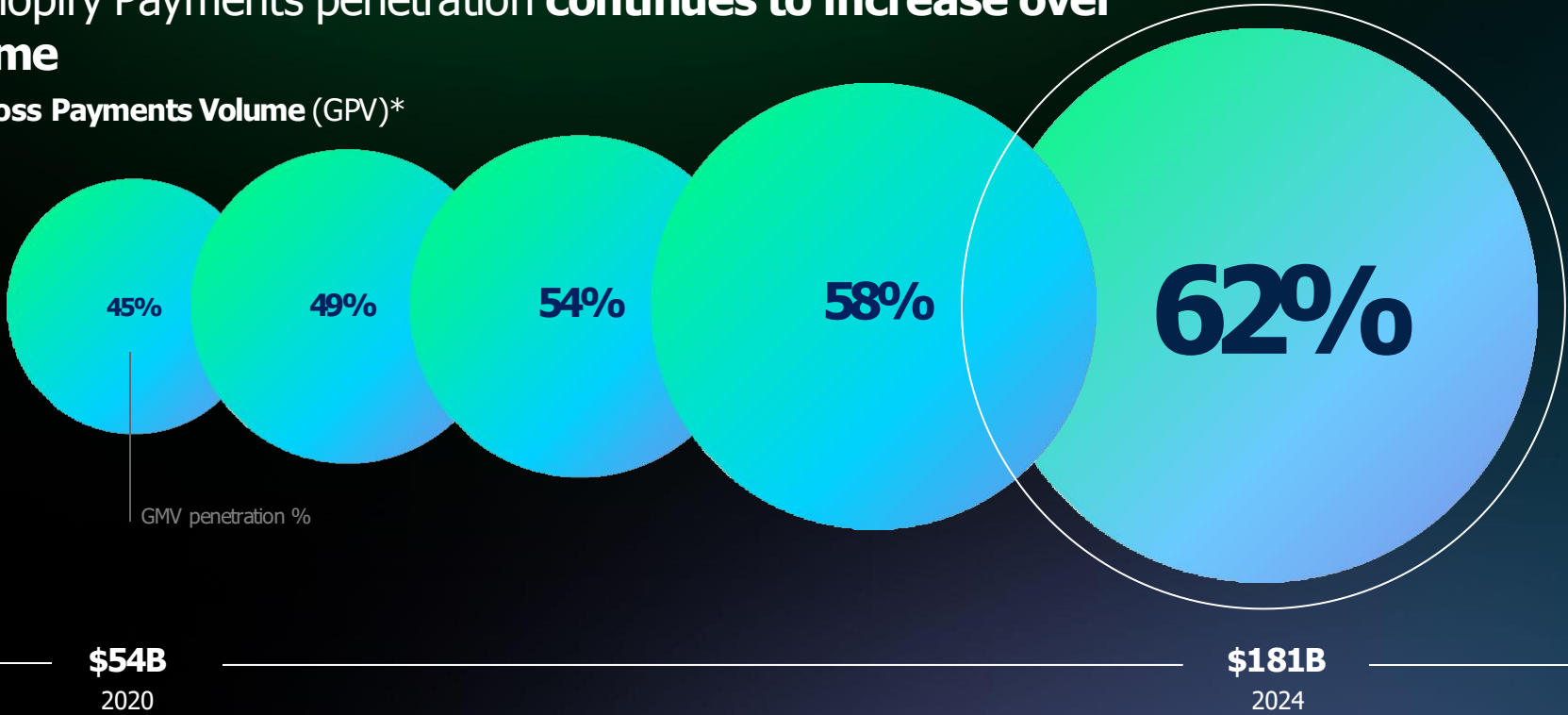
Shopify Payments penetration **continues to drive higher**  
year over year

Gross Payments Volume (GPV)\*



Shopify Payments penetration **continues to increase over time**

Gross Payments Volume (GPV)\*



\*Gross Payments Volume, or GPV, is the amount of GMV processed through Shopify Payments  
Source: Company Reports

# Executive Compensation



Top Executives	Total Cash	Equity	Other	Total Compensation
<b>Tobias Lutke</b> Chairman of the Board, Head of Research and Development and Chief Executive Officer	\$1	*\$150,000,000	\$0	~\$150,000,001
<b>Jeff Hoffmeister</b> Chief Financial Officer	\$1,000,000	\$18,700,000	\$0	\$19,700,000
<b>Jessica Hertz</b> Chief Operating Officer	\$900,000	\$12,500,000	\$0	\$13,400,000
<b>Harley Finkelstein</b> President	\$720,000	\$12,080,000	\$0	\$12,800,000
<b>Kaz Nejatian</b> Former Vice President Product and Chief Operating Officer	\$8,000,000	\$200,000	\$0	\$1,000,000
* Exercising vested stock options and selling Restricted Share Units (RSUs) that were granted in previous years.				

# Selective Board of Directors



## **Tobias Lütke** - Chair & CEO (Non-Independent)

- Founder and architect of Shopify; continuous board presence since 2004
- Holds ~ 40 % voting power via the 2022 Founder Share despite < 7 % equity stake
- *Education:* Apprenticeship program at the Koblenzer Carl-Benz-School, programming and coding since the age of 11
- Serves on the board of Coinbase (Nasdaq)



## **Toby Shannan** — Non-Independent Director/Former COO

- Served 12 years as Shopify COO; Board member since 2023; drives continuity of operations
- Background in sales and customer success leadership across Shopify's global platform

## **Gail Goodman** — Independent Director/Chair, Compensation Committee

- Director since 2016; former CEO of Constant Contact, leading from IPO through sale to Endurance International (2016)
- Re-elected 2024; deep experience in SaaS growth
- *Education:* B.A.; University of Pennsylvania M.B.A.; The Tuck School of Business at Dartmouth College



## **Fidji Simo** — Independent Director/Compensation Committee Member

- CEO of Applications at OpenAI; former CEO and Chair of Instacart; previously VP at Meta
- Leads AI product development and consumer strategy at global scale
- Current Board Member of Instacart and OpenAI
- *Education:* MMgmt HEC Paris, Bachelor's UCLA's Anderson School of Business



## **Joe Natale** — Independent Director / Lead Independent Director

- Former CEO of Rogers and TELUS; 30 years in technology and telecommunications leadership
- Served on the boards of Rogers, TELUS, TD Bank, Livingston International, Home Capital, and Celestica, and currently serves on the board of Sun Life while advising Altas Partners
- *Education:* Electrical Engineering (University of Waterloo)



## **Prashanth Mahendra-Rajah** — Independent Director/Audit Committee Chair

- CFO at Uber; former CFO Analog Devices and WABCO; recognized four-time Top CFO by *Institutional Investor*
- *Education:* B.S., Univ. of Michigan; M.S., Johns Hopkins University; M.B.A., Purdue (Krannert)

# Total Addressable Market



Shopify is **creating and expanding** their total addressable market through...

- + More products
- + More geographies
- + More merchant sizes

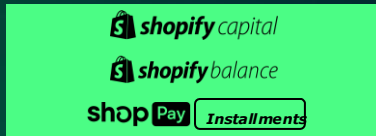
\$849B



\$46B



\$153B



2015

2020

2023

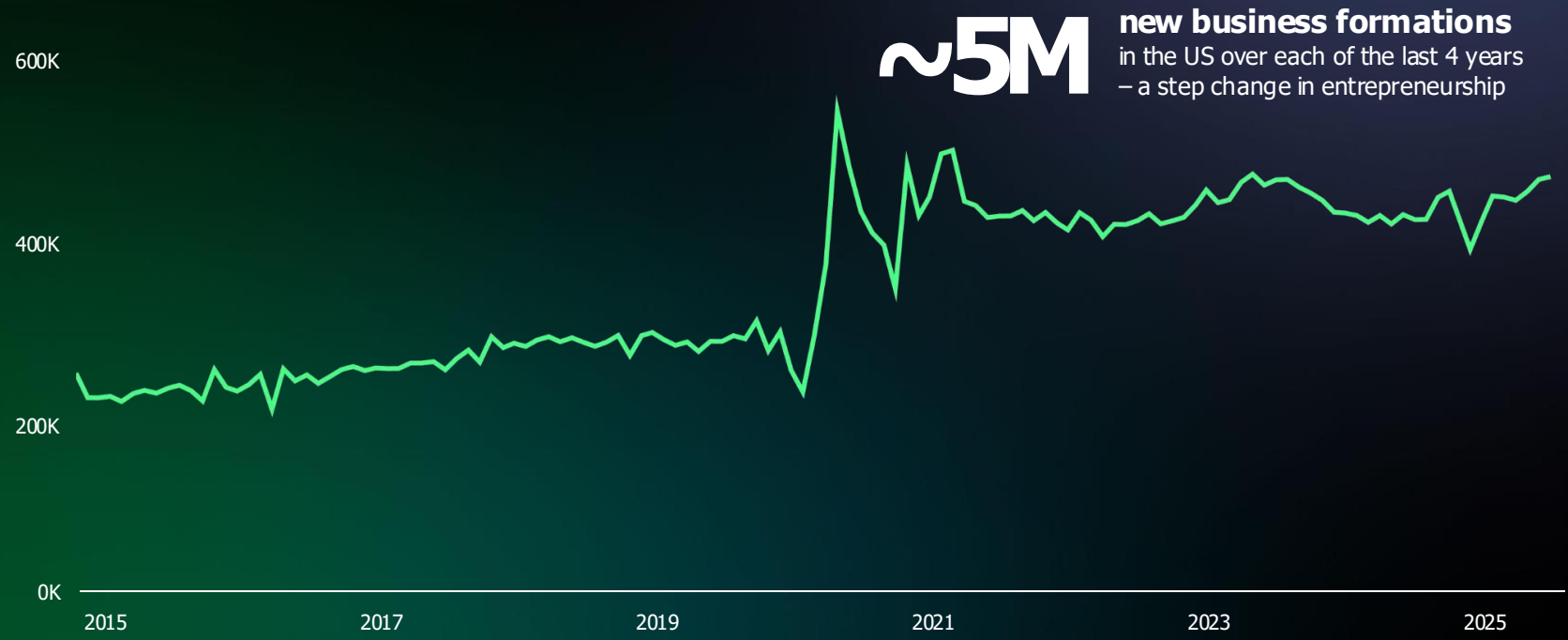
Future



Source: Shopify internal estimates, third-party study, eMarketer, Evolve Business Intelligence, Grandview Research, US Bureau of Labor Statistics, Statista  
\*Revenue opportunity shown. Products shown in accordance with time of product launch. Shopify Logistics excluded. 2015 and 2020 TAM previously disclosed based on average revenue per merchant and estimated number of retail businesses globally per third party study. 2023 TAM based on a top-down and bottoms-up analysis by product

Entrepreneurship is **more accessible and more important than ever**

Monthly new business applications (US)



# Shopify **excels at building a global ecosystem**

Cultivating partnerships with industry leaders: When partners succeed, merchants succeed, Shopify succeeds

**App & channel partners:**

Google

Meta

amazon

Walmart

Marketplace

ROBLOX

adyen

INTUIT

Microsoft Advertising

klaviyo

yotpo.

Manhattan

FAIRE

PIPE17

MIRAKL

coveo

perplexity

ChatGPT

Copilot

pin

snaps

tiktok

x

spotify

apple

**16,000+**

Apps in App Store  
(December 31, 2024)

**\$1.0B**

Paid out in the last 12 months to  
partners by Shopify for apps benefiting  
merchants (December 31, 2024)

**Product partners:**

affirm

Avalara

coinbase

flexport.

Global

PayPal

stripe

VERTEX

**Service & technology partners:**

EY

KPMG

TOTVS

IBM

Globant

ORACLE

TECH mahindra

WPP

**Entrepreneur**

**Starter**  
\$5 per month

**Basic**  
\$39 per month

**Retail**  
\$89 per month

**Shopify**  
\$105 per month

**Advanced**  
\$399 per month

**Shopify Plus**  
\$2,300+ per month + variable platform fee\*

**Commerce Components**  
Variable depending on merchant

**Enterprise**

... so that businesses  
never **need to leave**  
the **Shopify platform**



# Point of Sale

## Offline Revenue

At a glance

\$588M

Offline revenue in 2024\*

33%

Offline revenue growth in 2024

1,000+

POS location capacity



18 countries

POS hardware with integrated Payments



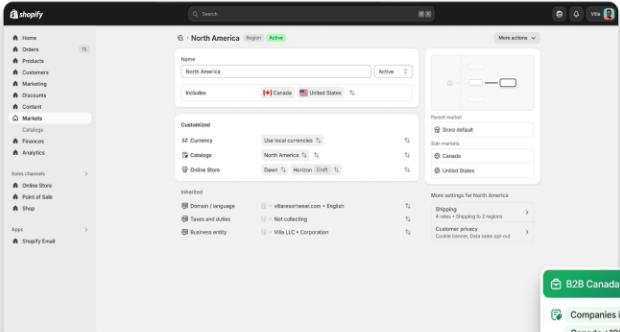
Q3 2025

+31%

Offline GMV growth

\$100B+

Cumulative offline GMV since launch of Shopify POS



Canada Retail

Canadian Dollar (CAD \$)

Retail Canada

B2B Canada

Companies in Canada

Canada +10%

Summer 26

Winter 25

Product page



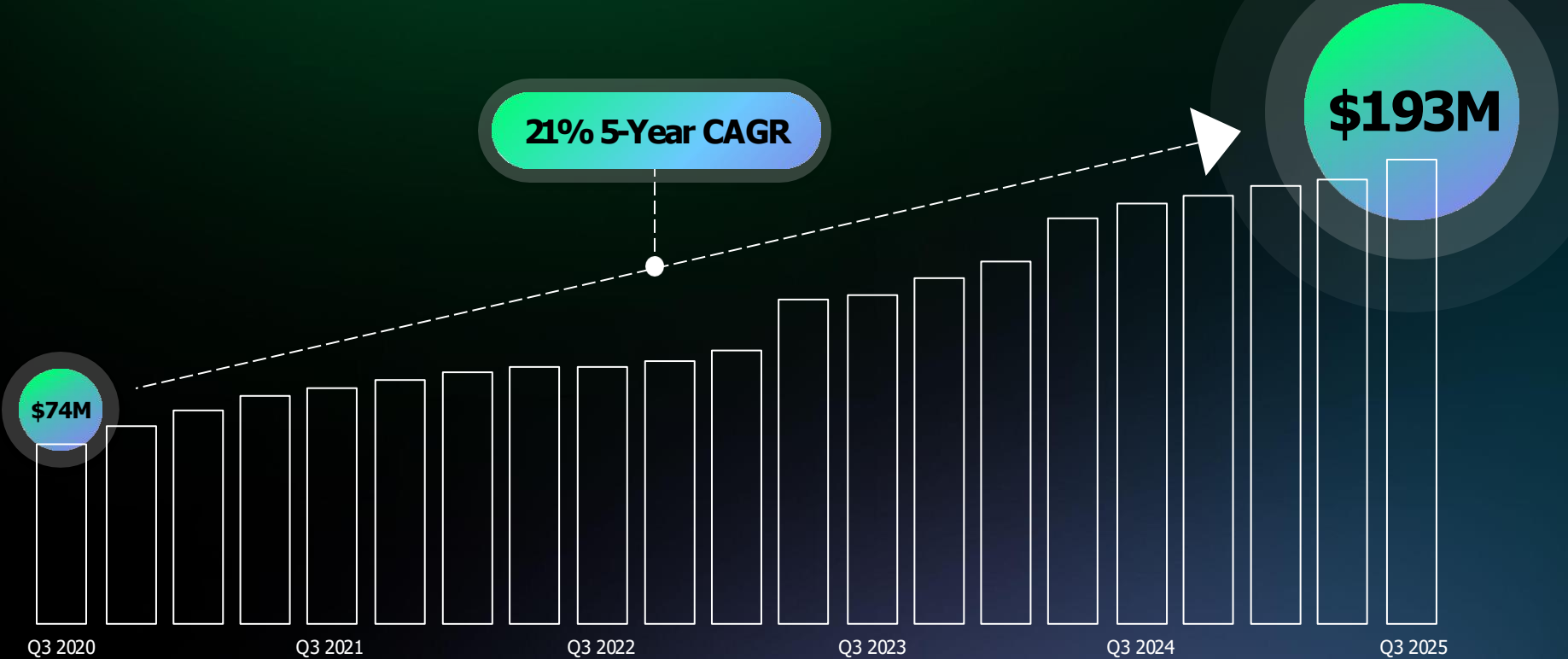
\*Offline revenue includes revenue from Shopify Payments for offline, POS Pro, Retail Plan subscriptions, and POS hardware.  
Source: Company Report

# Monthly Recurring Revenue



Monthly Recurring Revenue\* **continues to grow**

21% 5-Year CAGR



\*Source: Company Reports Monthly Recurring Revenue, or MRR, is the aggregate value of all subscription plans, excluding variable platform fees, in effect on the last day of the period, assuming merchants maintain their subscription the following month and is used by management as a directional indicator of subscription solutions revenue going forward. In Q1 2024, Shopify revised the inclusion of paid trials in the calculation of MRR. Revised MRR for Q1 2023, Q2 2023, Q3 2023, and Q4 2023 were \$114 million, \$135 million, \$137 million, \$144 million, respectively.

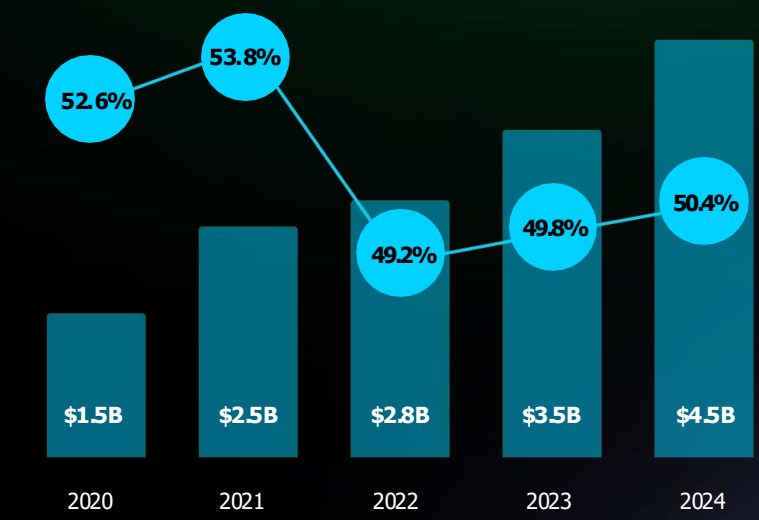
# Growth and Profitability



Enabling a compelling business model of **growth and profitability**

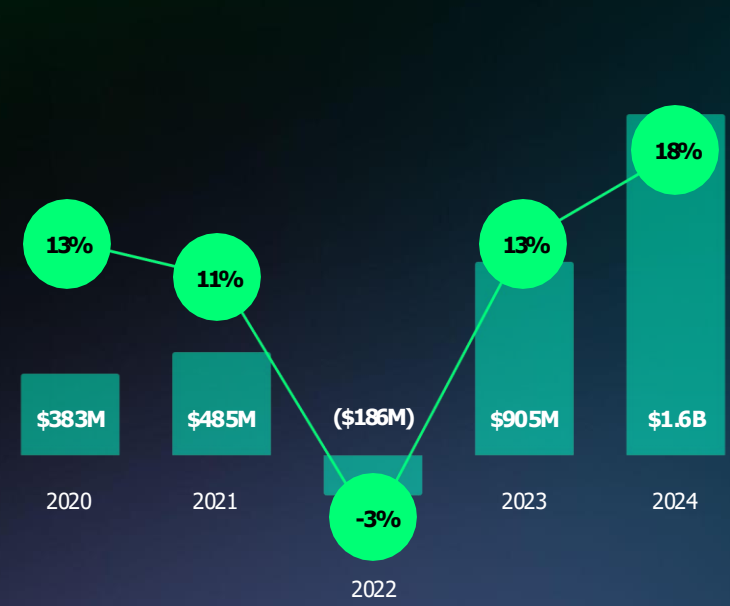
## Gross profit

— Gross margin ● Gross profit



## Free cash flow\*

— Free cash flow margin ● Free cash flow



\*Source: Company Reports, Q3 2025

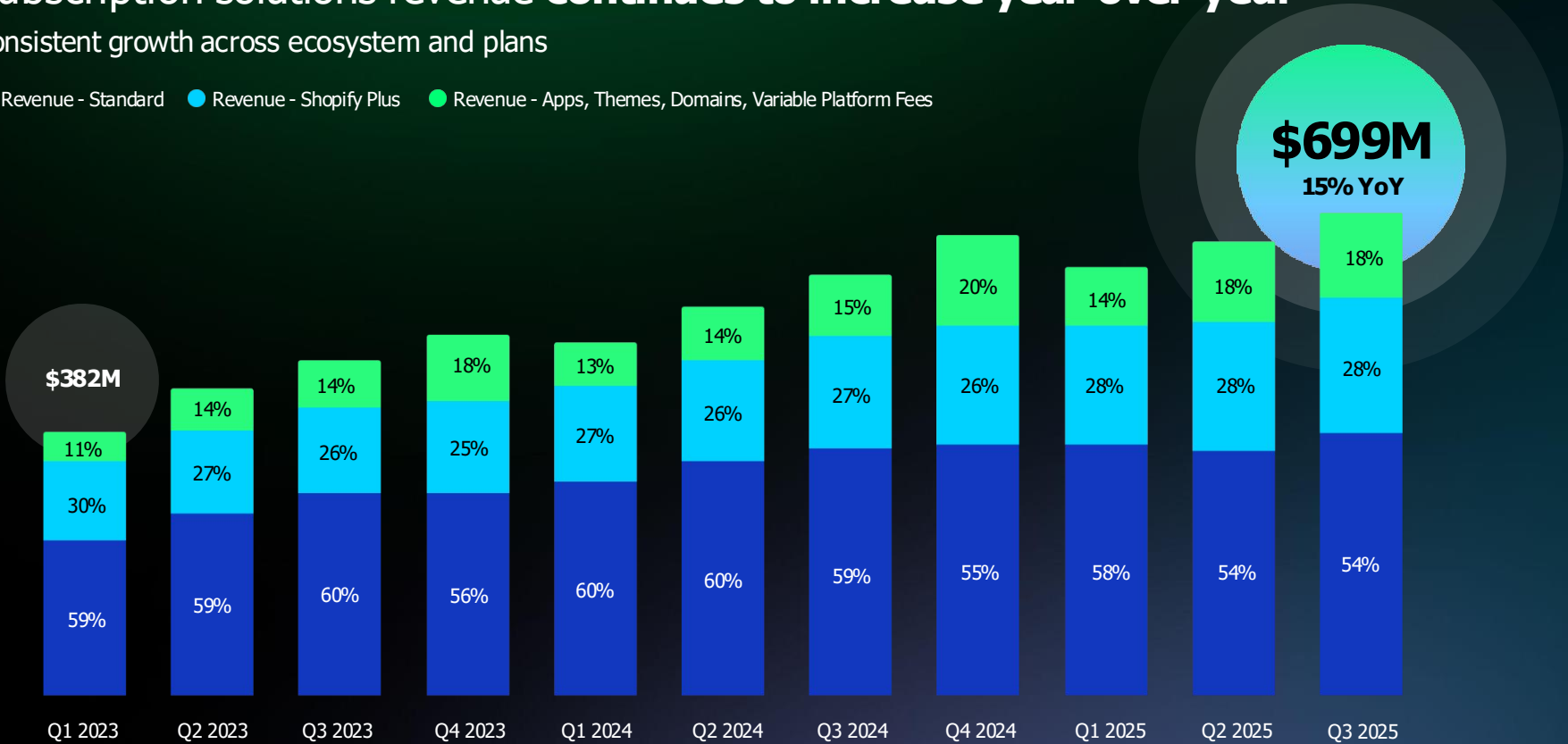
# Subscription Solutions



Subscription solutions revenue **continues to increase year-over-year**

Consistent growth across ecosystem and plans

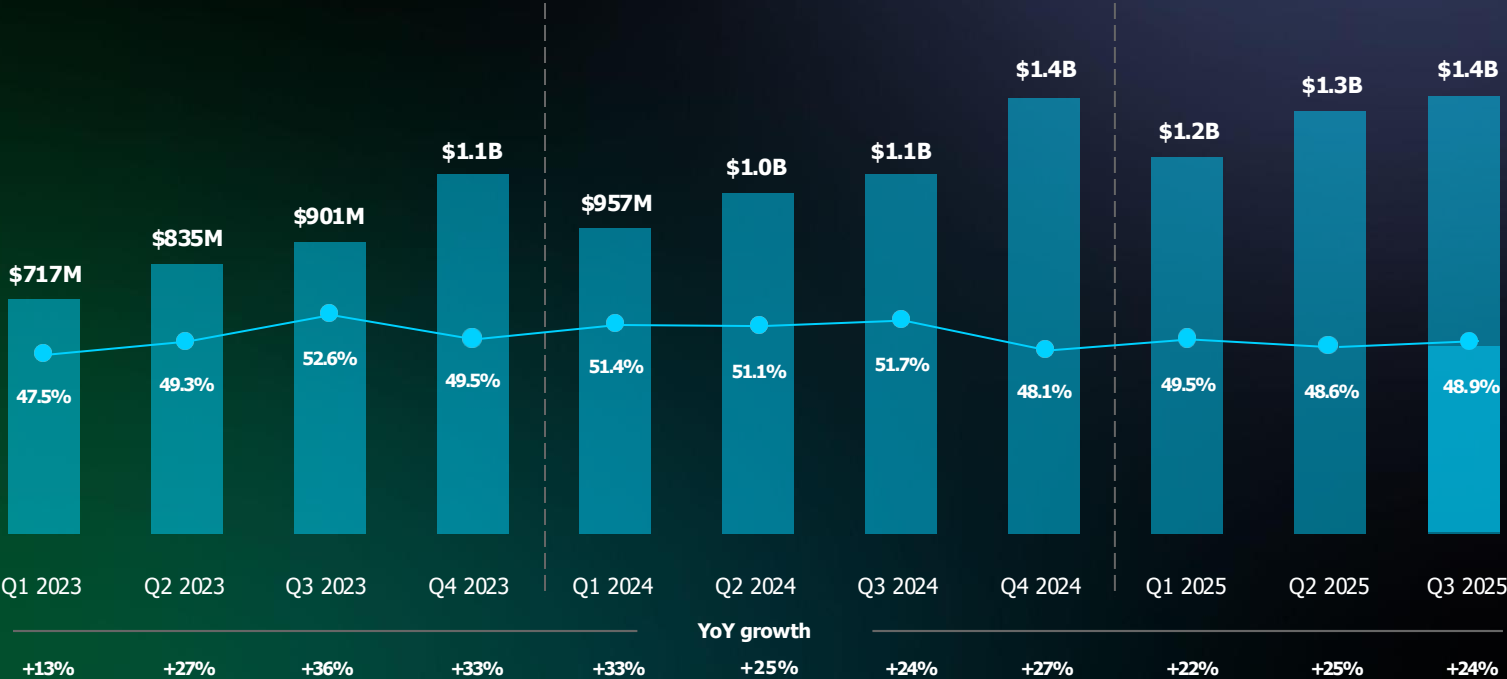
● Revenue - Standard   ● Revenue - Shopify Plus   ● Revenue - Apps, Themes, Domains, Variable Platform Fees



# Sustained and Growing Profitability



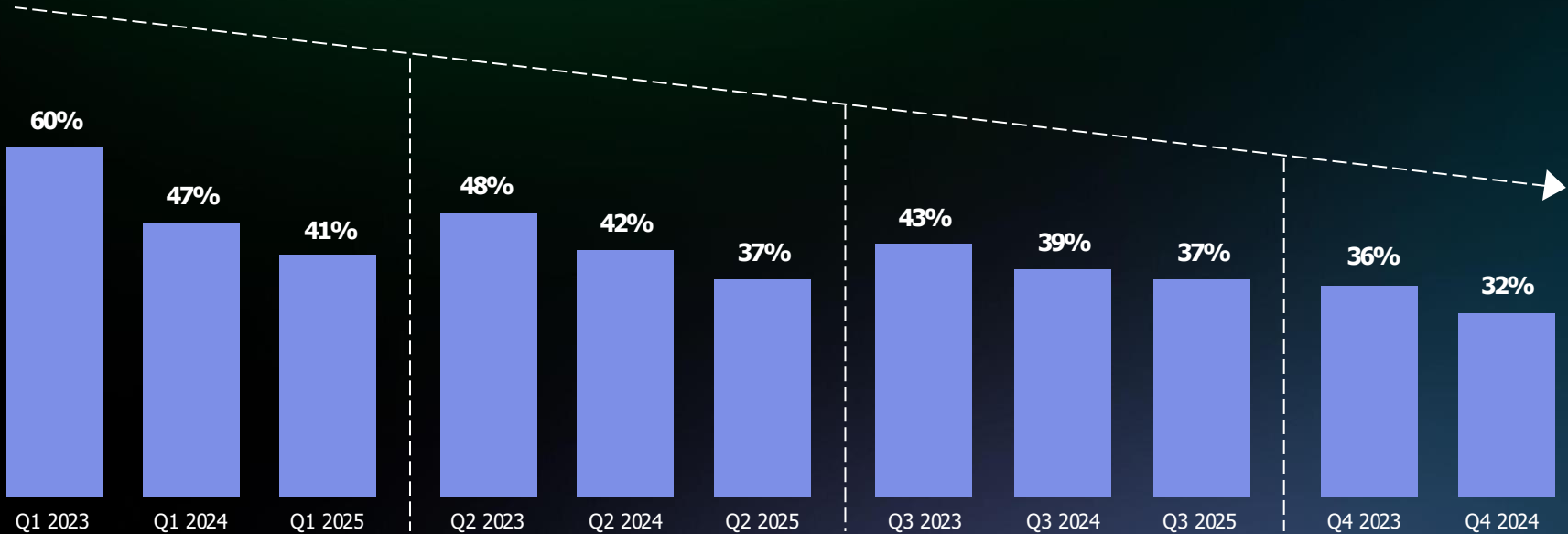
Gross margin   Gross profit



# Operating Leverage



Total operating expenses, excluding one-time items, as a percentage of revenue



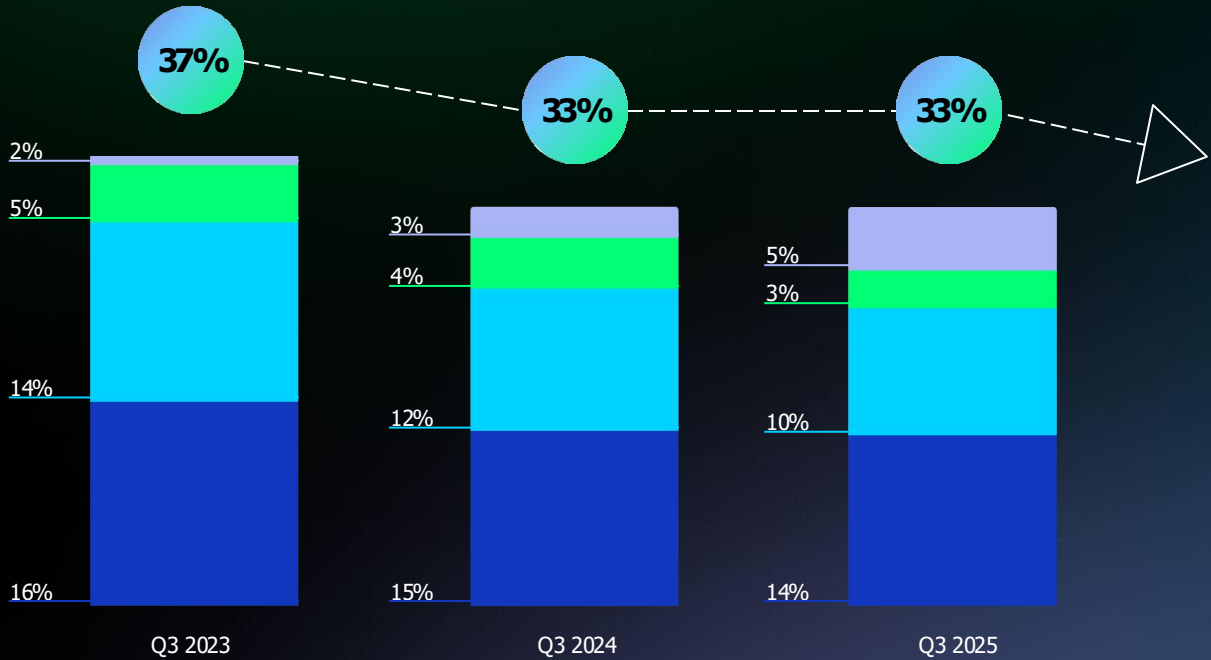
\* Chart depicts Operating Leverage, which is measured using Operating Expenses (Opex) as a percentage of revenue. Numbers may not foot due to rounding.  
Source: Company Reports

# Levels of Operating Leverage



Remain committed to driving balanced levels of **operating leverage** with continued focus on key investments to support our long-term growth

● Sales and marketing   ● Research and development   ● General and administrative   ● Transaction and loan losses   ● Total adjusted operating expenses as percentage of revenue

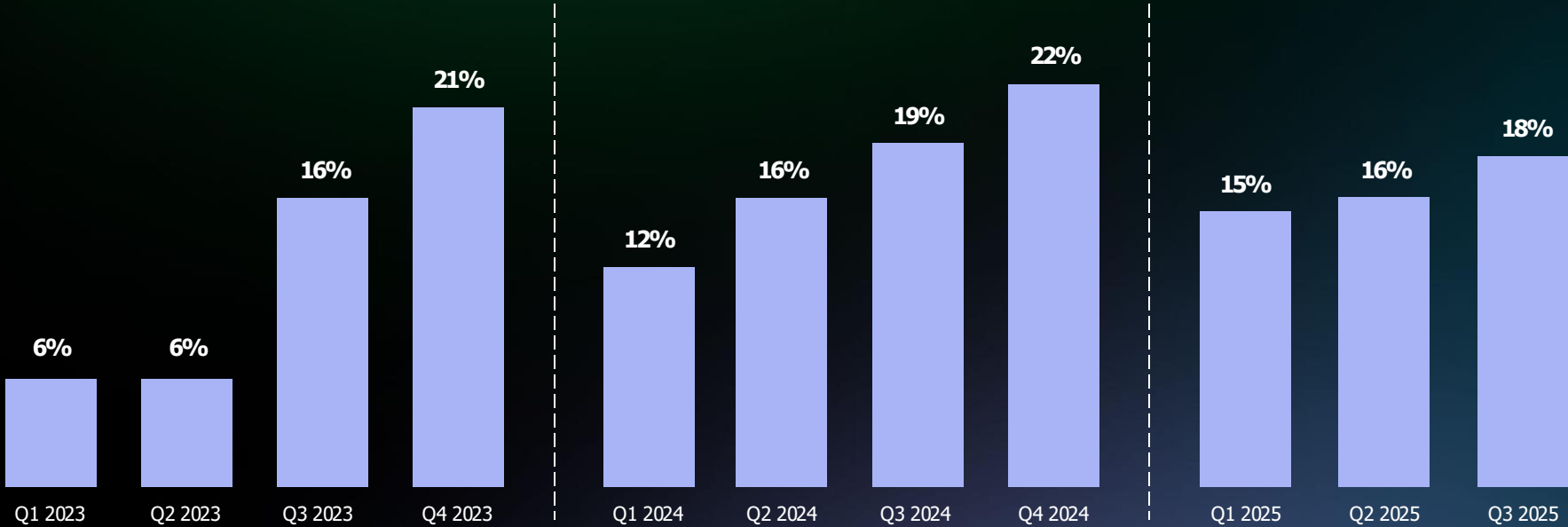


\* Chart depicts Operating Leverage, which is measured using Adjusted Operating Expenses (Opex) as a percentage of revenue. Numbers may not foot due to rounding  
Source: Company Reports

# Free Cash Flow Margins

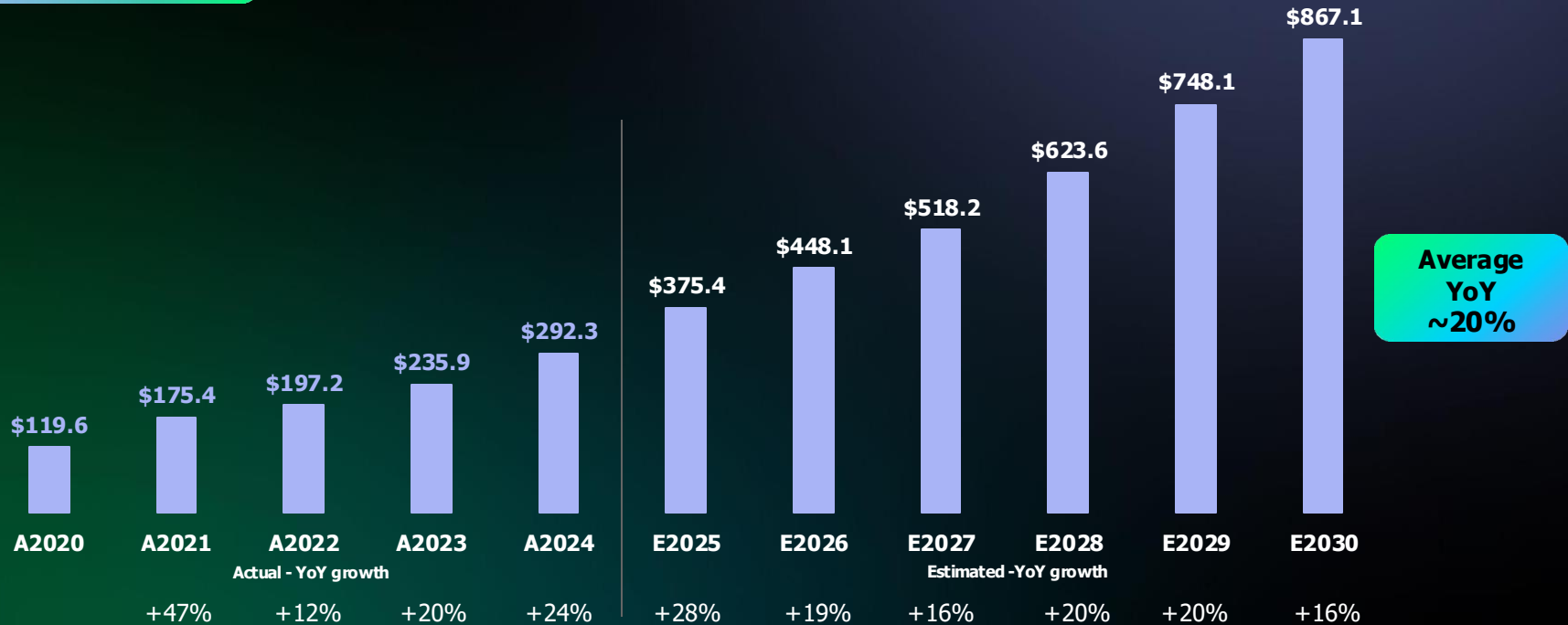


Shopify is committed to delivering **strong free cash flow margins** while investing in growth opportunities



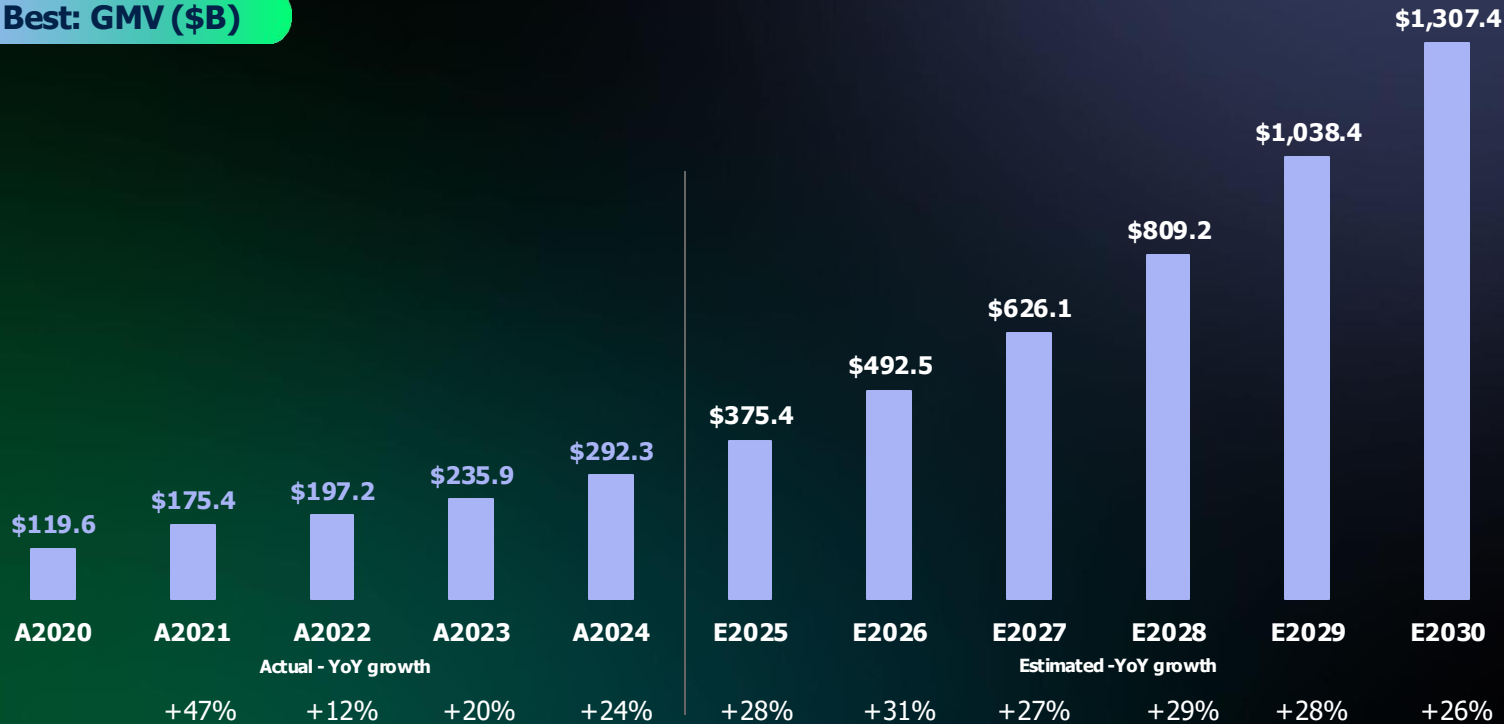


Worst: GMV (\$B)



Source: BI – ECOMG

Best: GMV (\$B)



Source: BI – ECOMG

## U.S. Tariff Policy Updates

### Key U.S. Tariff Changes (2024–2025)

De Minimis Eliminated (Aug 2025): All U.S.-bound parcels now incur duties & customs processing (previously duty-free under \$800). Small-parcel volume to the U.S. fell ~33% immediately after the change (Reuters).

Higher Tariffs on Consumer Goods: Tariffs on Chinese-origin goods commonly sold by SMBs (electronics, apparel, accessories) now range 35–55%+ (USTR / Section 301 updates).

Compliance Burden: New import paperwork, flat customs fees, and carrier surcharges increase cost/time for SMB sellers; several global carriers temporarily paused U.S. shipments due to compliance overload (Reuters).

Cross-border orders are roughly 15% of Shopify GMV, so higher U.S. duties and customs friction directly hit a meaningful slice of merchant sales into the U.S. (Business Insider, 2025)

Parcel-Channel Shock: After De Minimis ended, international postal traffic to the U.S. dropped ~81% on day one and was still ~70% below normal five weeks later, as 88 postal operators suspended some or all U.S. parcels—disrupting low-cost shipping channels used by SMBs. (UPU FAQ, 2025)

Footwear and apparel—major Shopify categories—already face some of the highest U.S. tariffs; footwear duties average ~12% and can reach 48–67.5%, and 82% of footwear executives expect higher landed costs and price hikes in 2025 due to new tariffs. (FDRA customs & tariff data; FDRA/industry survey 2025).

Sources: Reuters — “Small businesses warn customers about new US de minimis import rules,” Aug 30, 2025

USTR Section 301 Tariff Review 2025; FDRA — “Tariff Rates May Reach 245%,” 2025

UPU FAQ — “U.S. De Minimis Policy Change: Postal Operator Impacts,” 2025

FDRA — “Footwear Industry Tariff Data & 2025 Cost Outlook,” 2025.

## Customer Discretionary Spending - US

- Top 10% of U.S. earners drive roughly 50% of total consumer spending.
- Their spending increased by 58% in the recent period, while the bottom 90% also contributed to overall growth
- Much of this spending is discretionary, including luxury goods, travel, entertainment, and fashion . These are all categories where Shopify merchants excel
- Shopify is well-positioned to capture this growth, as its platform enables merchants to reach high-spending consumers and scale their businesses efficiently

## Price Elasticity

- Low Margin: Spending growth (up 25%) barely outpaced price increases (up 21%)
- Limited Financial Cushion: Reduced reserves make it difficult to absorb new price hikes (tariffs) without cutting back; demand for non-essential goods is highly price sensitive
- Mitigation: The wealthy (top 10%), who account for 50% of total spending, help offset the impact

# How does a Founder's Share affect Institutional Investability?



## Governance Consideration

- The severe decoupling of 40% voting control from a minimal 6% economic stake creates a structural governance risk
- This imbalance frequently triggers institutional exclusion mandates, limiting access to passive capital pools due to compromised fiduciary accountability

## Service-Based Sunset Clause

- Risk is offset by the Service-Based Sunset Clause, ensuring control is conditional, not permanent

<b>Active Service</b>	Control expires immediately if Lütke ceases to serve as an executive or consultant
<b>Equity Threshold</b>	Converts to 1 vote if family holdings fall below 30% of original Class B shares
<b>Non-Transferable</b>	Prevents dynastic transfer, ensuring eventual conversion to one-share, one-vote

By establishing a permanent 40% voting block that subordinates Lütke's own Class B power and proportionally manages the voting influence of Class A public investors, the Founder's Share guarantees the stability to execute Tobias Lütke's high-conviction, long-term strategic vision

Lütke's control is explicitly contingent on his active service, ensuring he cannot retain power as an absentee founder. When the sunset triggers, his roughly 40% voting power contractually collapses to a single vote, eliminating all super-voting rights. Because the Founder's Share is non-transferable, the dual-class structure cannot be inherited or extended generationally.

The Founder Share sunset triggers if Tobias Lütke ceases active service to the company or reduces his Class B equity below the 30% threshold.



Source: The Globe and Mail: "Shopify shares rise as tech company announces 10-for-1 stock split"

PCE v ECOMG	
Correlation	0.184588191
Slope	0.187051952
Intercept	0.106340845

RSTAX v ECOMG	
Correlation	0.146713851
Slope	0.171020925
Intercept	0.10627374

ECOMG v GMV	
Correlation	0.501215679
Slope	0.787762281
Intercept	0.338163438

ECOMG v MRR	
Correlation	0.347803558
Slope	0.348681991
Intercept	0.273331603

PCE	ECOMG
5%	0.935%
3%	0.561%
1%	0.187%
0%	0.000%
-1%	-0.187%
-3%	-0.561%
-5%	-0.935%

RSTAX	ECOMG
5%	0.855%
3%	0.513%
1%	0.171%
0%	0.000%
-1%	-0.171%
-3%	-0.513%
-5%	-0.855%

ECOMG	GMV
5%	3.939%
3%	2.363%
1%	0.788%
0%	0.000%
-1%	-0.788%
-3%	-2.363%
-5%	-3.939%

ECOMG	MRR
5%	1.739%
3%	1.043%
1%	0.348%
0%	0.000%
-1%	-0.348%
-3%	-1.043%
-5%	-1.739%

## Summary

- Correlation** tells us how closely two variables move together. A value near 1 means they move in the same direction; near 0 means the relationship is weak.
- Slope** shows how sensitive one variable is to the other – how much the dependent variable changes for each 1% change in the independent variable.
- Intercept** is the baseline level of the dependent variable when the independent variable is zero.

## Interpretation

- Low correlations (PCE/RSTAX → ECOMG)** mean broader retail spending only lightly affects E-Commerce **short-term growth**.
- Higher slopes (ECOMG → GMV)** show GMV reacts more strongly to changes in broader E-Commerce activity.
- Sensitivity tables** show that ±5% macro swings translate into modest changes in E-Commerce, but ECOMG translates into meaningful impacts on GMV, aligning with Shopify's revenue concentration in Merchant Solutions.

## Best Case

<b>2027E Revenue</b>	<b>19,688B</b>
<b>EV/Sales Multiple</b>	<b>19.6x</b>
<b>Enterprise Value</b>	<b>386,286B</b>
<b>Net Debt</b>	<b>- 12,634B</b>
<b>Equity Value</b>	<b>398,921B</b>
<b>Diluted Shares</b>	<b>1,222B</b>
	<b>\$326.29</b>

Price	326.29	326.29
Last Price	147.8	178.1
% Return	121%	83%

## Base Case

<b>2027E Revenue</b>	<b>17,960B</b>
<b>EV/Sales Multiple</b>	<b>13.3x</b>
<b>Enterprise Value</b>	<b>238,868B</b>
<b>Net Debt</b>	<b>- 12,634B</b>
<b>Equity Value</b>	<b>251,502B</b>
<b>Diluted Shares</b>	<b>1,222B</b>
	<b>\$205.71</b>

Price	205.71	205.71
Last Price	147.8	178.1
% Return	39.18%	16%

## Worst Case

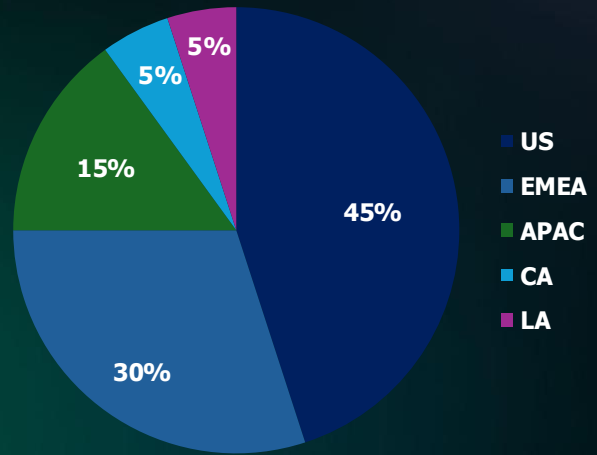
<b>2027E Revenue</b>	<b>16,939B</b>
<b>EV/Sales Multiple</b>	<b>6.9x</b>
<b>Enterprise Value</b>	<b>118,235B</b>
<b>Net Debt</b>	<b>- 12,634B</b>
<b>Equity Value</b>	<b>130,869B</b>
<b>Diluted Shares</b>	<b>1,222B</b>
	<b>\$107.04</b>

Price	107.04	107.04
Last Price	147.8	178.1
% Return	-28%	-40%

## 10-K Excerpt:

*"Our merchants represent a wide array of retail verticals and business sizes and no single merchant has ever represented more than five percent of our total revenues in a single reporting period."*

Merchant Geographic Dispersion





Mobile Commerce Growth (2017-2018)

