

# Shopify - Q3 2023 Financial Report

Metric	Value
Revenue	\$38,376,992.00
Growth Rate	14.4%
Profit Margin	28.8%

**\*\*Shopify Inc. - Q3 2023 Financial Report\*\*** **\*\*Executive Summary:\*\*** Shopify Inc. delivered a solid Q3 2023, demonstrating resilience and adaptability amidst evolving macroeconomic conditions. We achieved revenue growth while maintaining a disciplined approach to operating expenses. Revenue for the quarter reached \$1.72 billion, representing a 25% year-over-year increase, driven by strong merchant solutions growth and continued expansion of our merchant base. While inflationary pressures and shifting consumer spending patterns persist, Shopify's diversified product offerings and global reach have enabled us to navigate the current environment effectively. **\*\*Revenue Performance:\*\*** Total revenue for Q3 2023 was \$1.72 billion, up 25% compared to \$1.37 billion in Q3 2022. Merchant Solutions revenue increased by 30% year-over-year to \$1.25 billion, fuelled by growth in GMV (Gross Merchandise Volume) which reached \$56.2 billion, a 22% increase from the prior year. Subscription Solutions revenue grew 21% year-over-year to \$470 million, indicating healthy expansion in our core platform subscriptions. Geographically, North America remains our largest market, contributing approximately 70% of total revenue, while international markets, particularly EMEA and APAC, are demonstrating promising growth. **\*\*Key Business Highlights:\*\*** During Q3, Shopify continued to invest in product innovation and merchant empowerment. We further enhanced Shopify Payments, seeing increased adoption rates among our merchants. The Shopify Fulfillment Network (SFN) also experienced increased throughput as we continue to optimize the network and onboard new merchants. Strategic partnerships with social media platforms continued to drive traffic and sales to our merchants' stores. **\*\*Market Conditions and Competitive Landscape:\*\*** The e-commerce platform sector remains highly competitive, with established players and emerging technologies vying for market share. Macroeconomic headwinds, including inflation and supply chain disruptions, continue to impact consumer spending and merchant operations. Despite these challenges, the long-term outlook for e-commerce remains positive, and Shopify is well-positioned to capitalize on emerging trends and evolving merchant needs. **\*\*Forward-Looking Statements and Guidance:\*\*** Looking ahead, we anticipate continued growth in Q4 2023, although at a potentially more moderate pace compared to Q3. We expect revenue growth in the low twenties percentage range year-over-year. We remain committed to investing in our platform and expanding our product offerings to drive long-term sustainable growth for our merchants and shareholders. We will continue to focus on profitability, efficient operations, and strategic capital allocation.