

200,00+

**ACTIVE SHOPIFY MERCHANTS** 

\$1.9 BILLION+

**GMV IN Q3 '15** 

### Safe Harbour

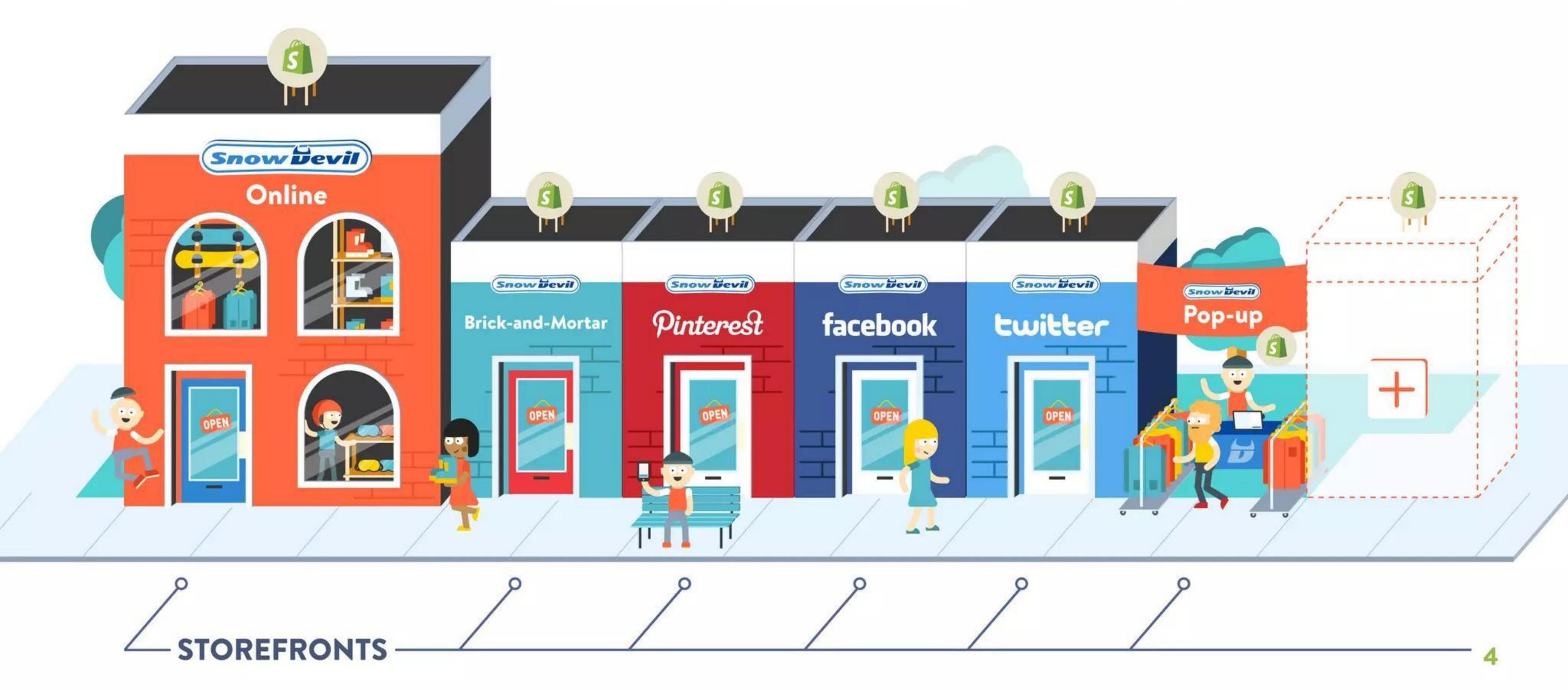
This presentation contains forward-looking statements that are based on our management's current estimates, beliefs and assumptions, which are based on management's perception of historic trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Although we believe that the plans, intentions, expectations, assumptions and strategies reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results to be materially different from any future results expressed or implied by these forward-looking statements. Although the forward-looking statements contained in this presentation are based upon what we believe are reasonable assumptions, investors are cautioned against placing undue reliance on these statements since actual results may vary from the forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect our results. These risks are described in further detail in the section entitled "Risk Factors" and elsewhere in our fillings with regulatory agencies. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual results may vary significantly from those implied or projected by the forward-looking statements. References to long-term trends in our model are forward-looking and made as of the current date. Nothing in this presentation should be regarded as a representation by any person that these long-term trends will be achieved and we undertake no duty to update its long-term trends.

We believe that the case studies presented in this presentation provide a representative sample of how our merchants have been able to use various features of our platform to grow their respective businesses. References in this presentation to increased visits, growth and sales following implementation of our platform do not necessarily mean that our platform was the only factor contributing to such increases.

To supplement the financial measures prepared in accordance with generally accepted accounting principles (GAAP), we use non-GAAP financial measures that exclude certain items. Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP.



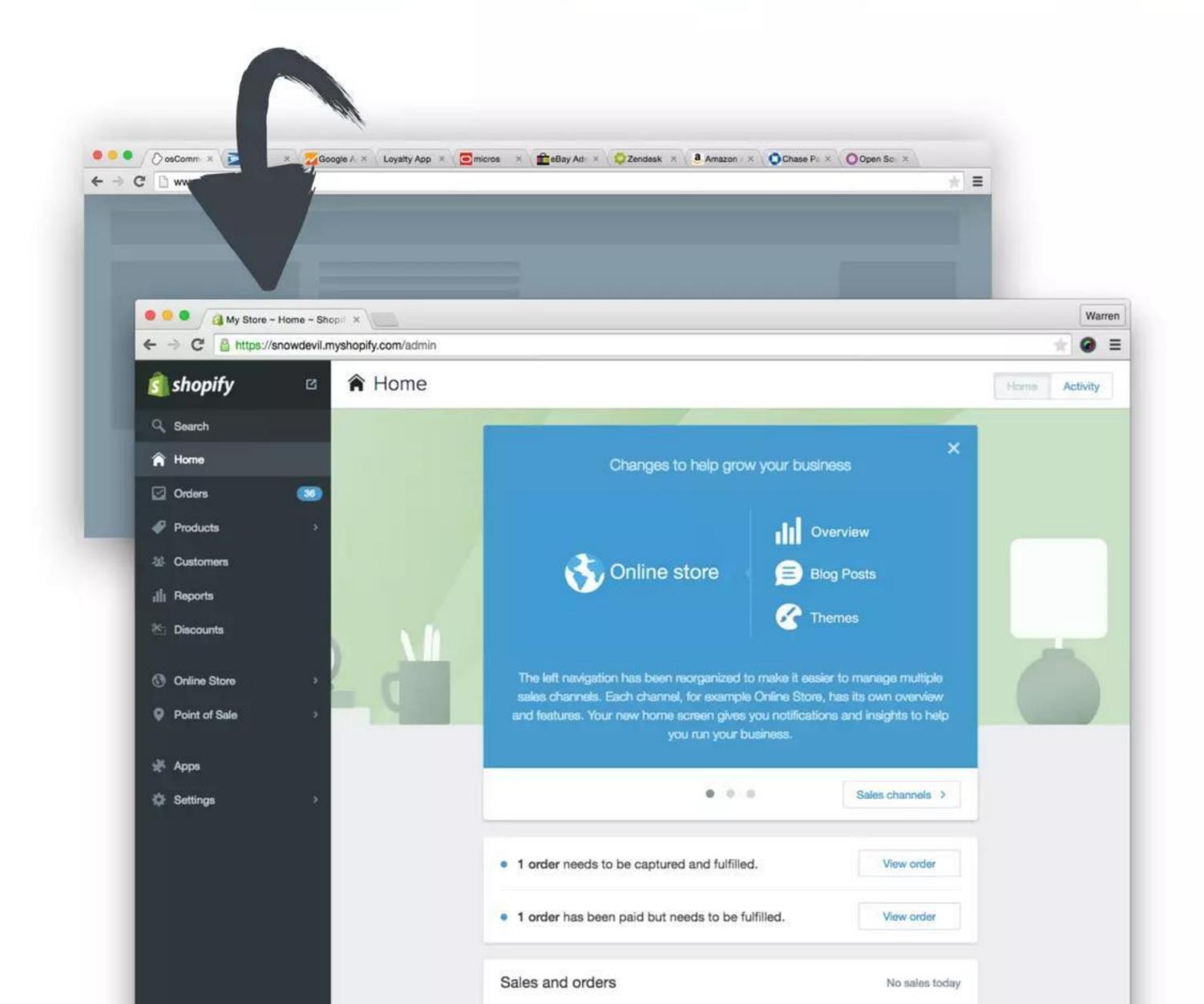
## One Platform, Every Channel, Any Device.



# One Platform, Every Channel, Any Device.

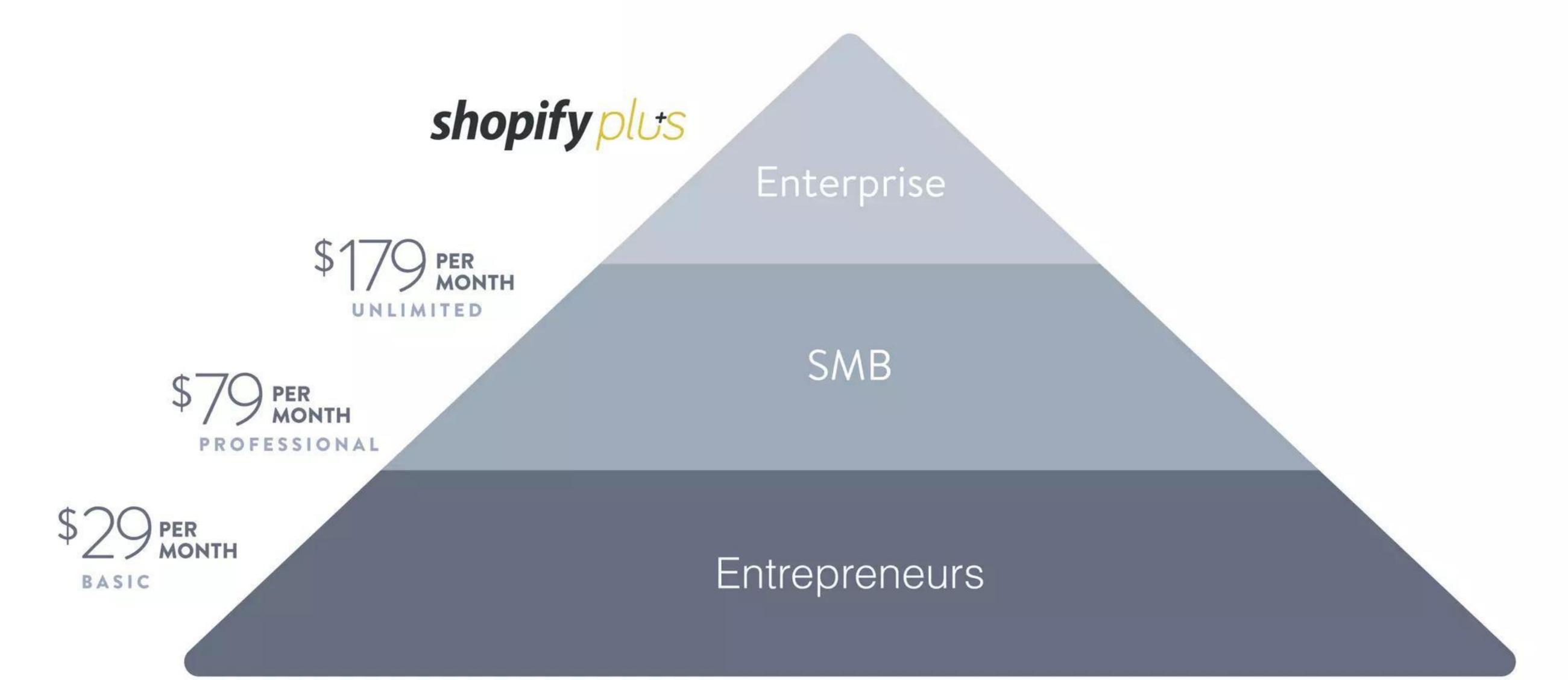


### Multi-channel Commerce Platform

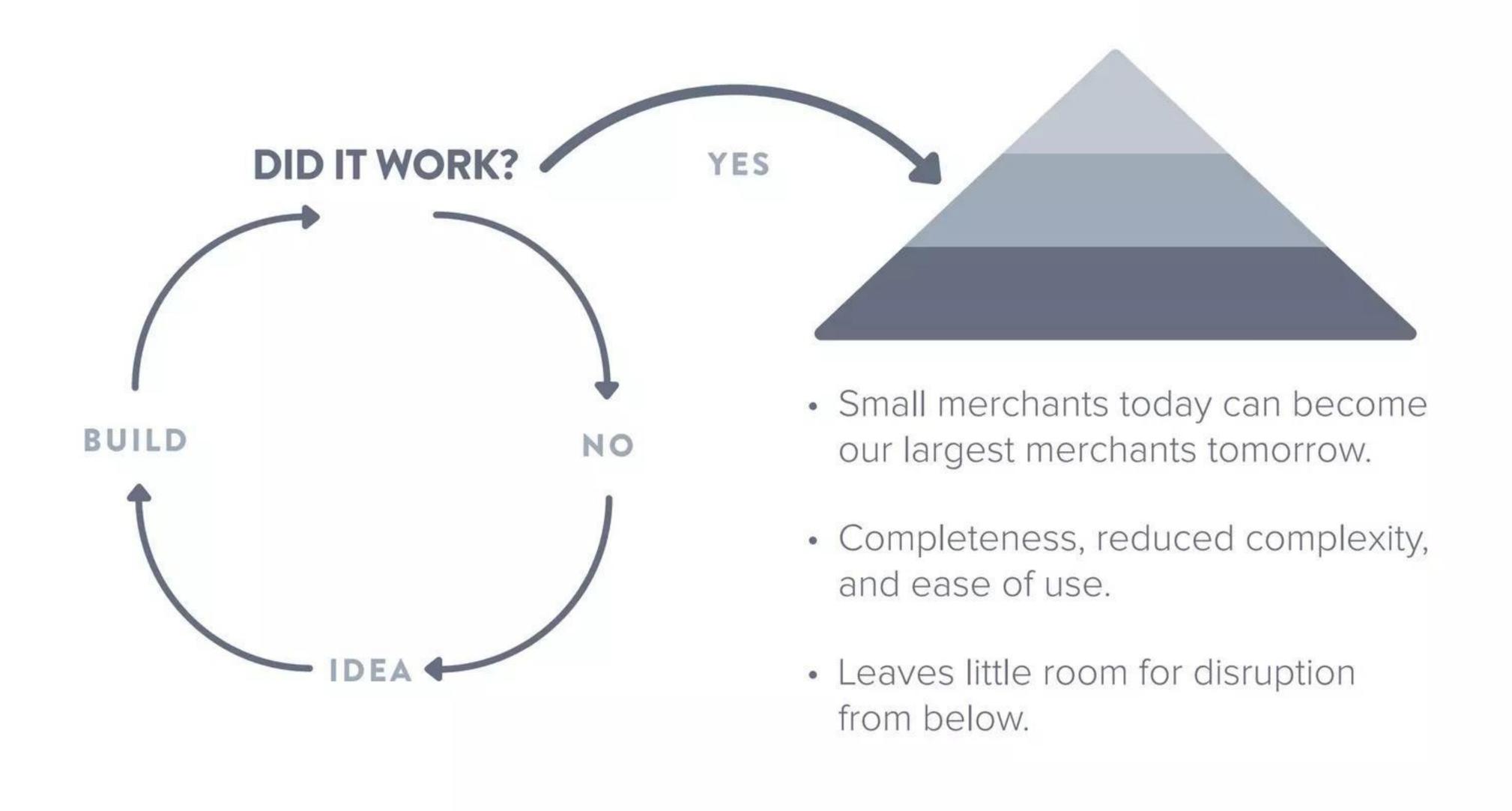


- A single, simple to use back office
- Powering all your sales channels
- Everything integrated

### Our Market



## Entrepreneurship



## Build-a-Business

2011 TIM FERRISS

2012 SETH GODIN

2013
GARY VAYNERCHUK

2014 DAYMOND JOHN

2015 SIR RICHARD BRANSON



3.5M \$12N



121 \$551 sold \$551



55M \$100



\$250M

"I'm biased, but I think being an entrepreneur is a pretty damn good thing."

### Headroom on SMB TAM



Global (1)

Current Core Geographies (2)

#### Source: AMI Partners

- (1) Merchants defined as retailers with less than 500 employees. Includes commercially located businesses, sole proprietorships and home-based businesses
- (2) Key geographies include: U.S., Canada, U.K., Western Europe, Australia and New Zealand
- (3) Annualized revenue per merchant of approximately \$1,000 based on the three months ended March 31, 2015

## Larger Brands

TESLA

MVMTM

The patagonia Economist Wikipedia Colorest Wikipedi

















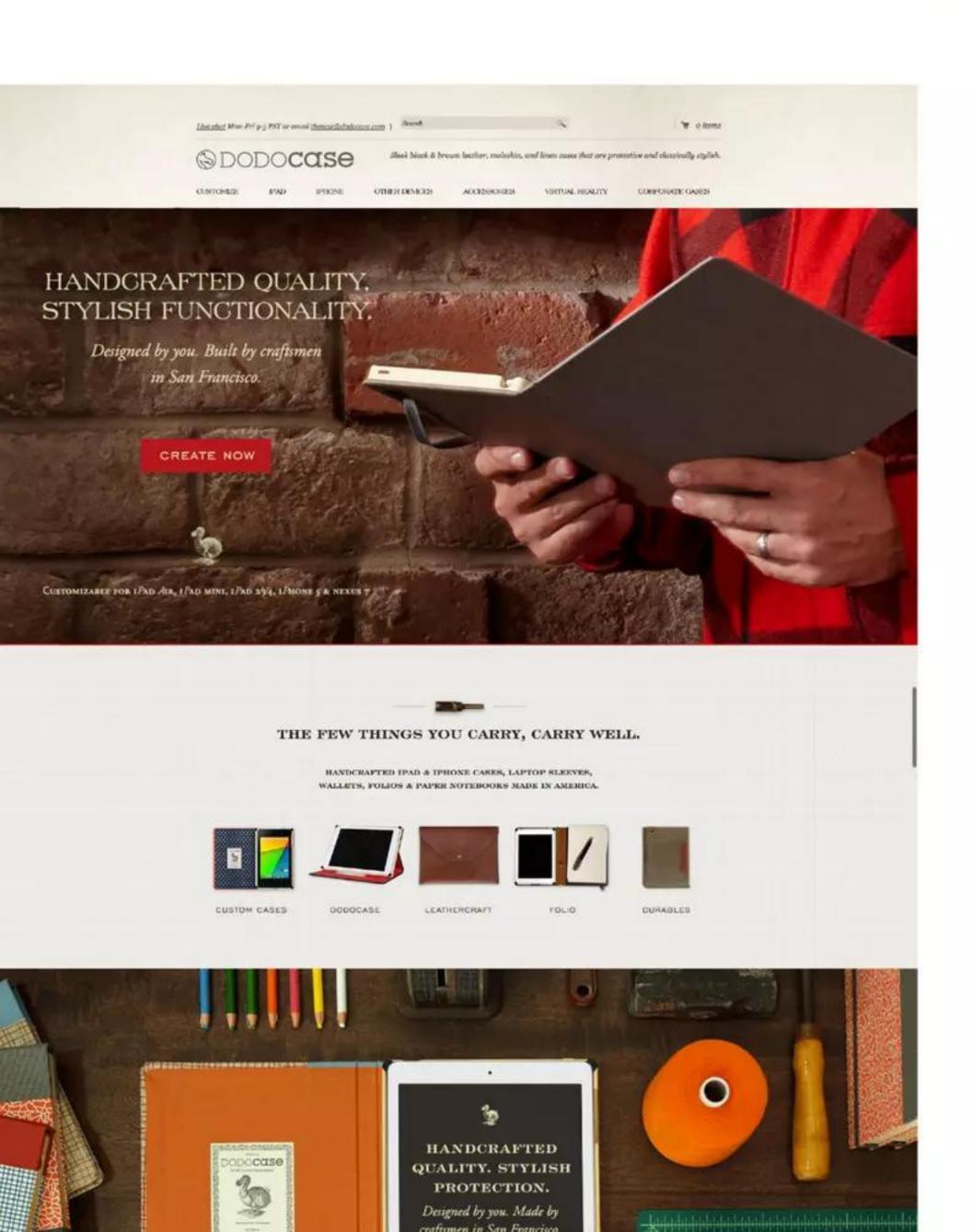
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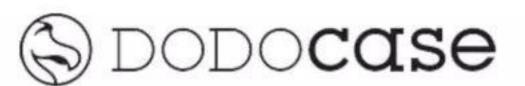






### Build-a-Business Success





- April 2010 Enters BaB competition
  - June 2010 Hits 10k orders in first 90 days

July 2010 Wins Shopify's Build A Business Competition

April 2011 First year's sales total more than \$3M

June 2011 Expands into retail location

Nov 2011 Obama starts using a DODOcase

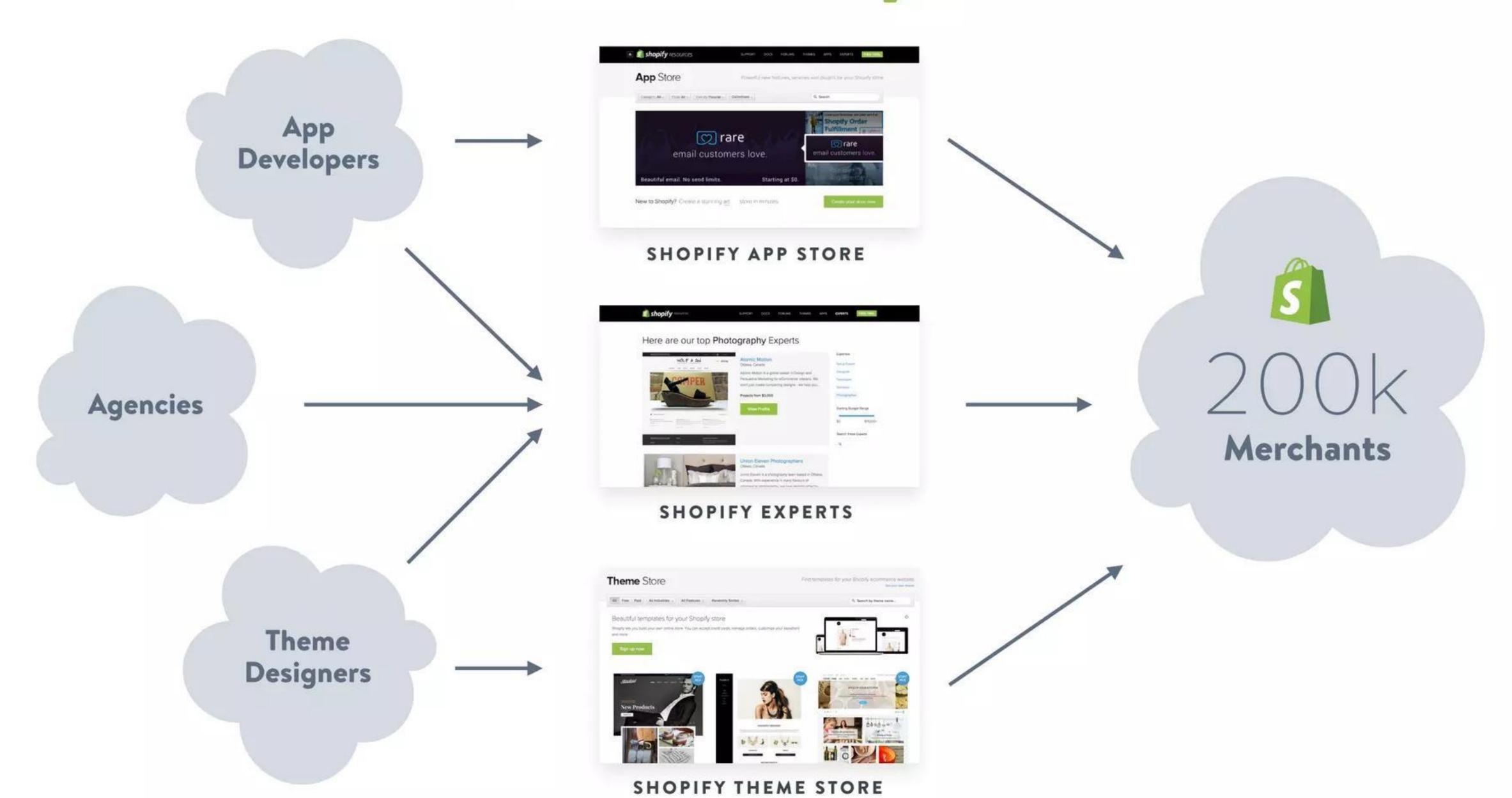
2012 Product line expands to iPhone Cases

2013 Facebook store launches

2014 Upgrades to Shopify Plus

2015 22 full-time employees and growing

# Partner Ecosystem



### Partners

STRATEGIC PARTNERS

Google Domains





**APP AND INTEGRATION PARTNERS** 

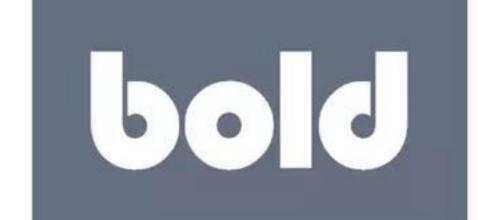


Mail Chimp



AdRolL

DESIGN AND DEVELOPMENT AGENCIES

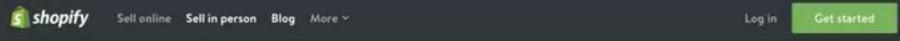


DEMACMEDIA

BVACCEL



simplistic



Articles Guides Forums Success stories Growth tools



Leading

Blog

Global

**Events** 

In-person

Acquisition vs. Retention: Should Your Ecommerce **Business Play Offense or Defense?** 

by Richard Languery - Apr 21, 2015 - 0 comments



How to Sell Online - 163 shares Social Media Marketing: Pinterest for **Business 101** 

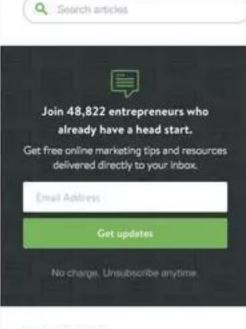
by Lucas Santo + Apr 20, 2015 = -4 comments



Announcements - 1515 shares

Shopify Files For Proposed Initial Public Offering

by Tobias Little - Apr 14, 2015



@ RESOURCES

How to Start a Business

Resources and tips for getting started

How to Sell Online

Start generating more traffic and sales today

Ecommerce Trends

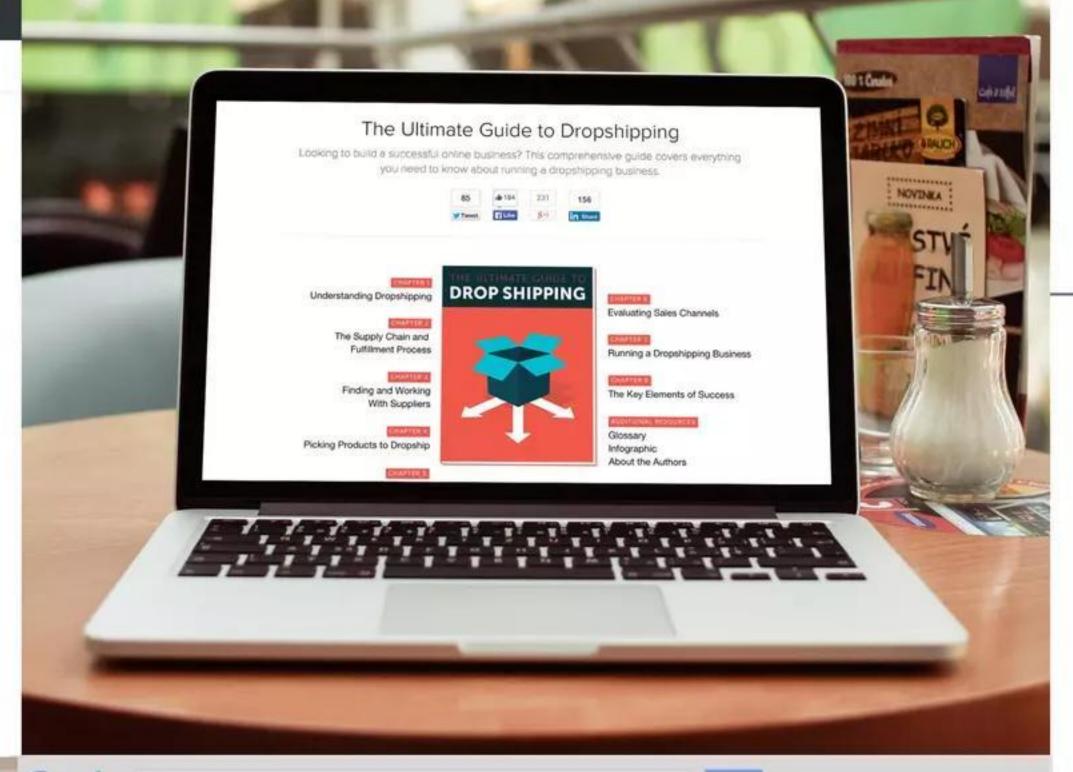
industry trends and news that matters

Ecommerce Inspiration

Ideas & examples for improving your business

Physical Retail

Build a profitable and thriving retail business.



Content Marketing

Google sell online

Web Images News Books More - Search tools

About 767,000,000 results (0.83 seconds)

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Best Sites to Sell Online

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Start Selling Online Now

www.selz.com/ \* Create Online Store in 5 Minutes. Top Features. Get Started For Free!

Sell My Stuff Ottawa

Search **Engine** Marketing

## Synonymous with Ecommerce

### GOOGLE TRENDS DATA FILTERED FOR USA



## Shopify's Unique Recipe

```
### PRINCES

| Properties | Pro
```

### **Great Technology**

Multi-tenant, scalable, high availability architecture



### Beautiful Design

Simple, limitless customization of gorgeous themes



### Robust Ecosystem

Hundreds of Apps, Themes, and Experts



# Financial Highlights

GROWTH

Strong, consistent growth in Revenue, MRR and GMV

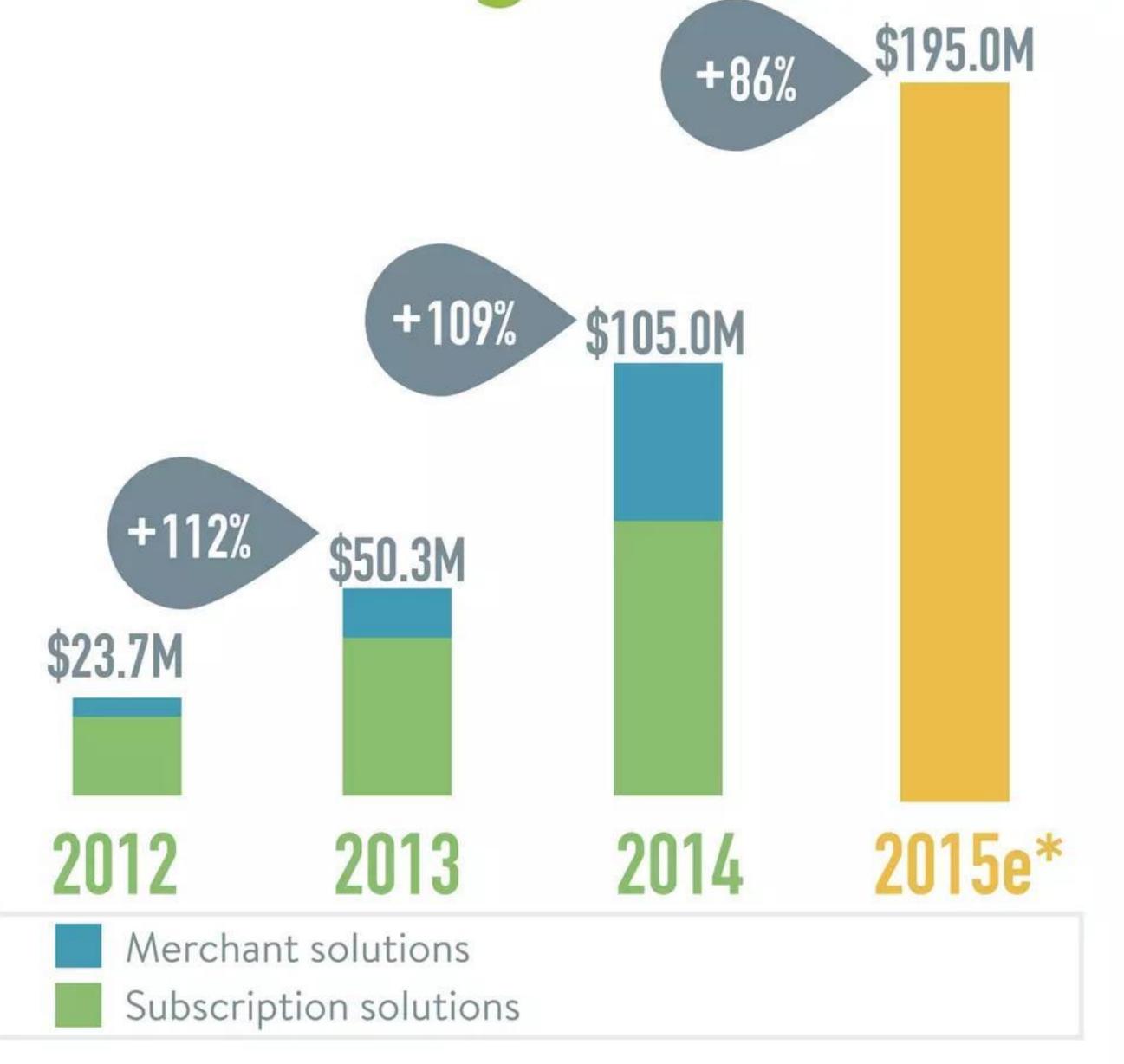
POWERFUL BUSINESS MODEL

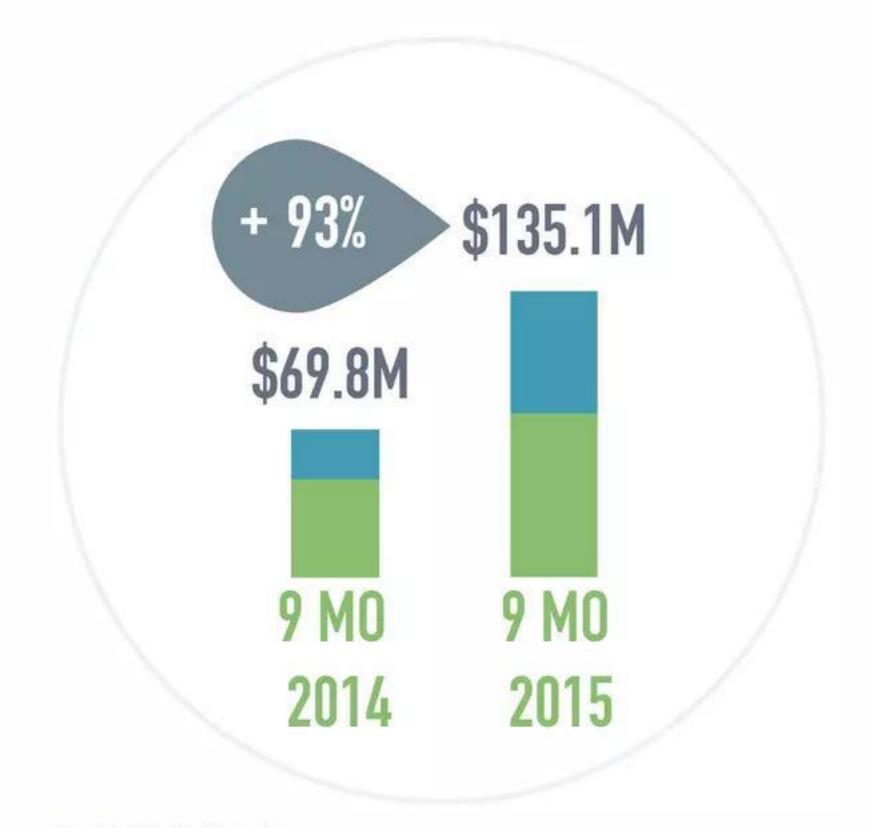
Success-based revenue stream built on a large recurring subscription (SaaS) base

LONG-TERM FOCUS

Strong track record of cash management and investing for the long term

## Strong Consistent Revenue Growth



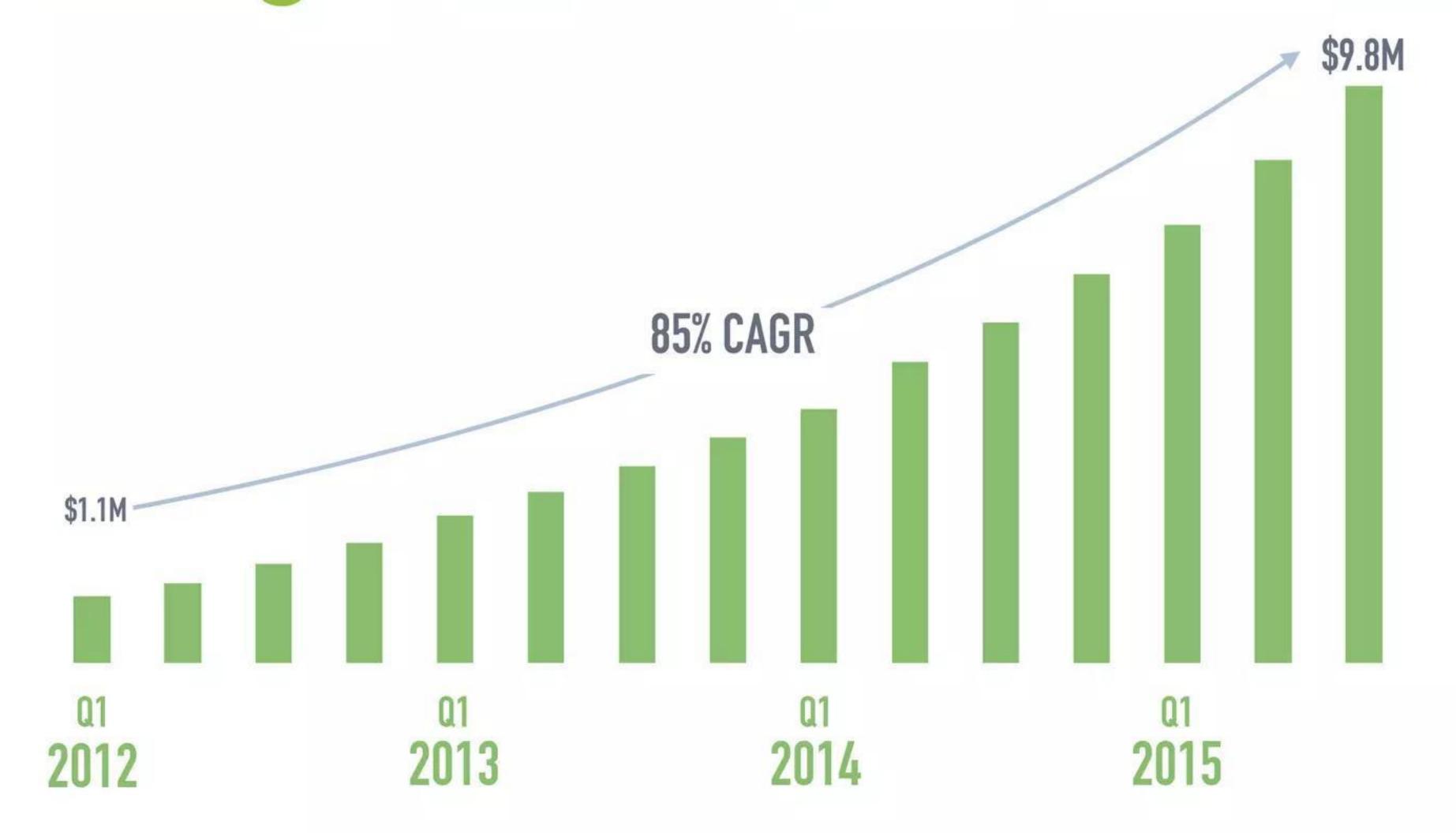


#### DRIVERS

- Growing merchant base
- Expanding GMV
- Introduction and adoption of merchant offerings
- Robust partner ecosystem

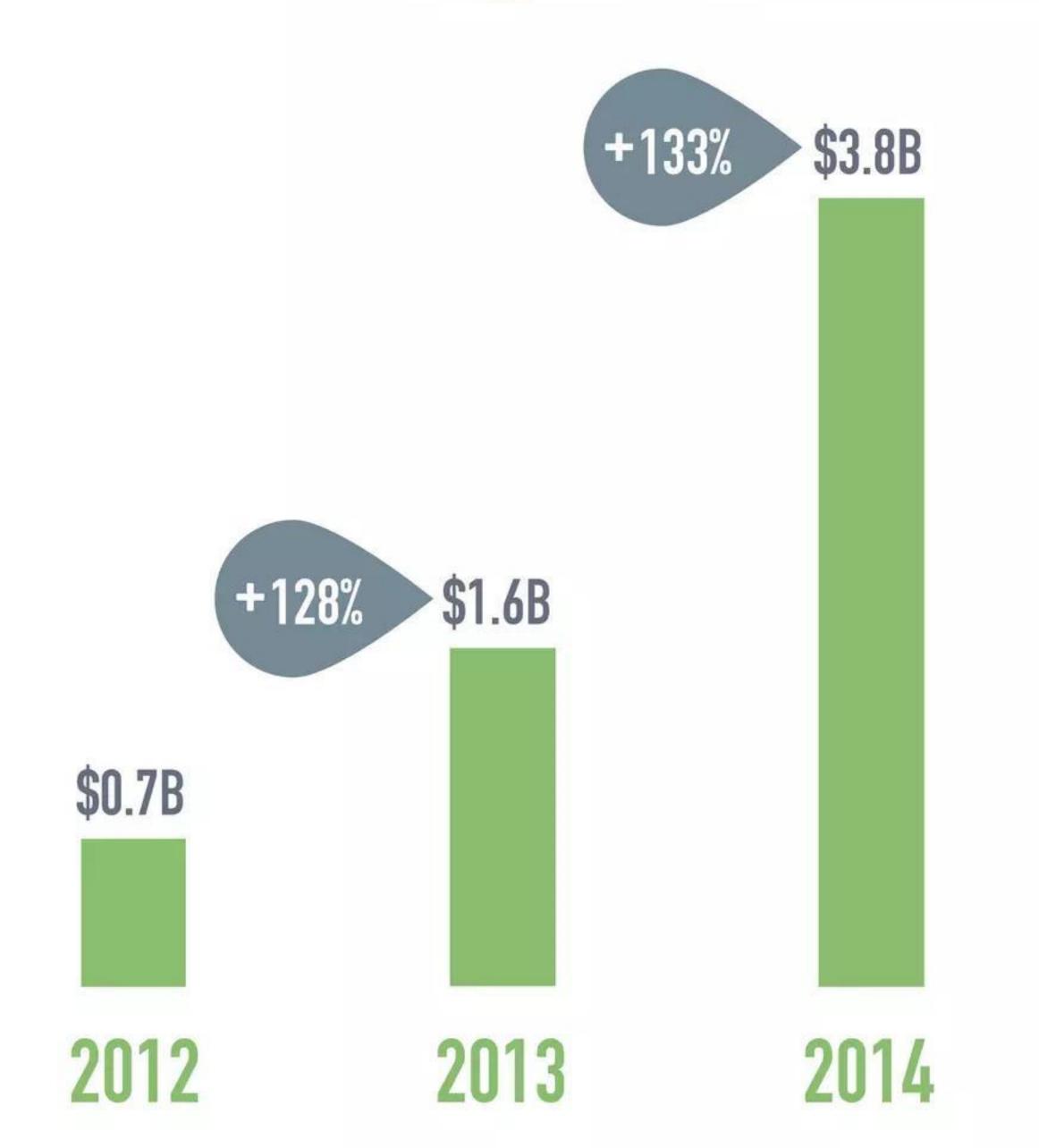
<sup>\*</sup>Midpoint of management forecast range at November 4, 2015

## Strong Consistent MRR Growth



Monthly Recurring Revenue, or MRR, is calculated at the end of each period by multiplying the number of merchants who have subscription plans with us at the period end date by the average monthly subscription plan fee revenue in effect on the last day of that period, assuming they maintain their subscription plans the following month.

## Strong Consistent GMV Growth



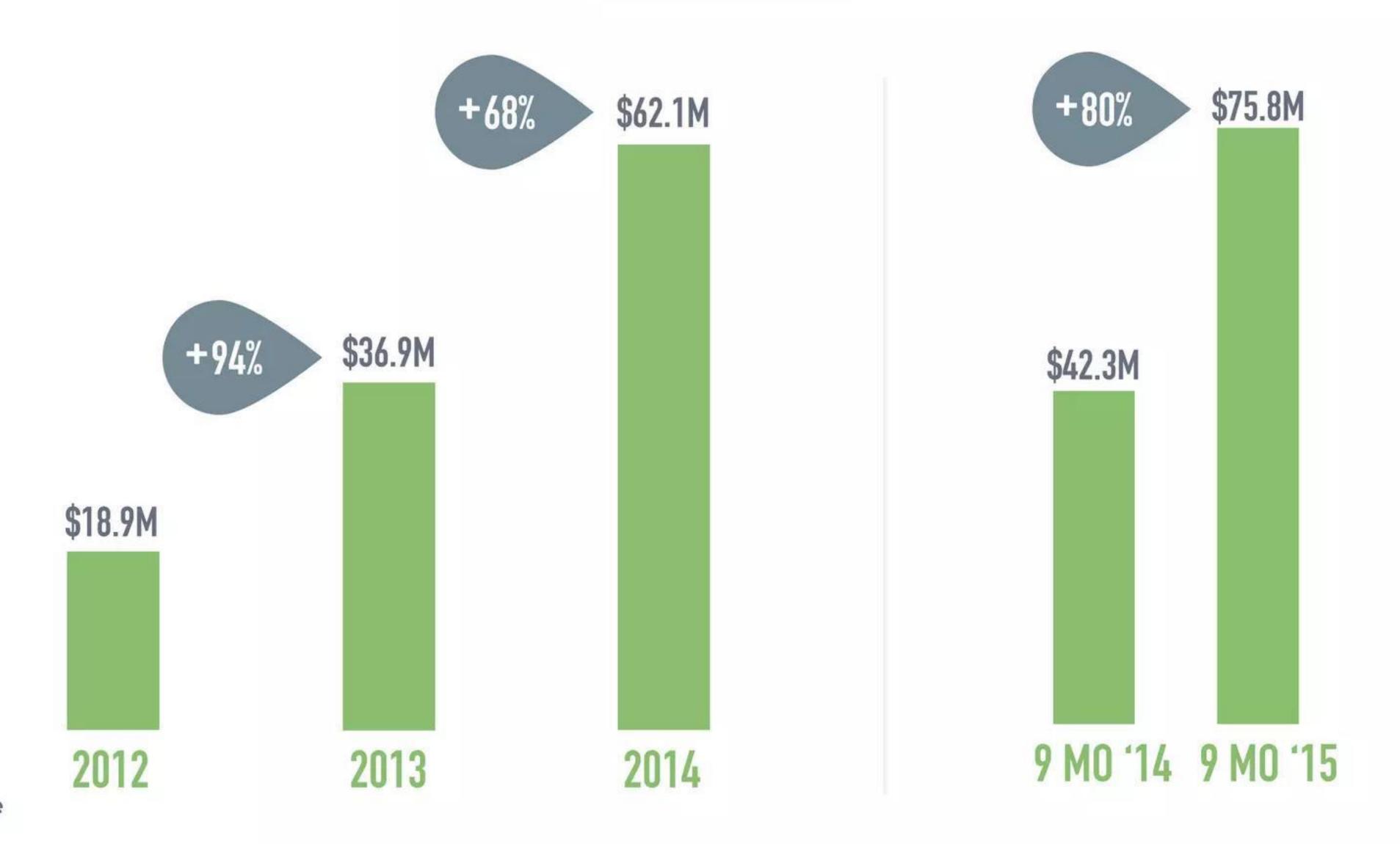


#### DRIVERS

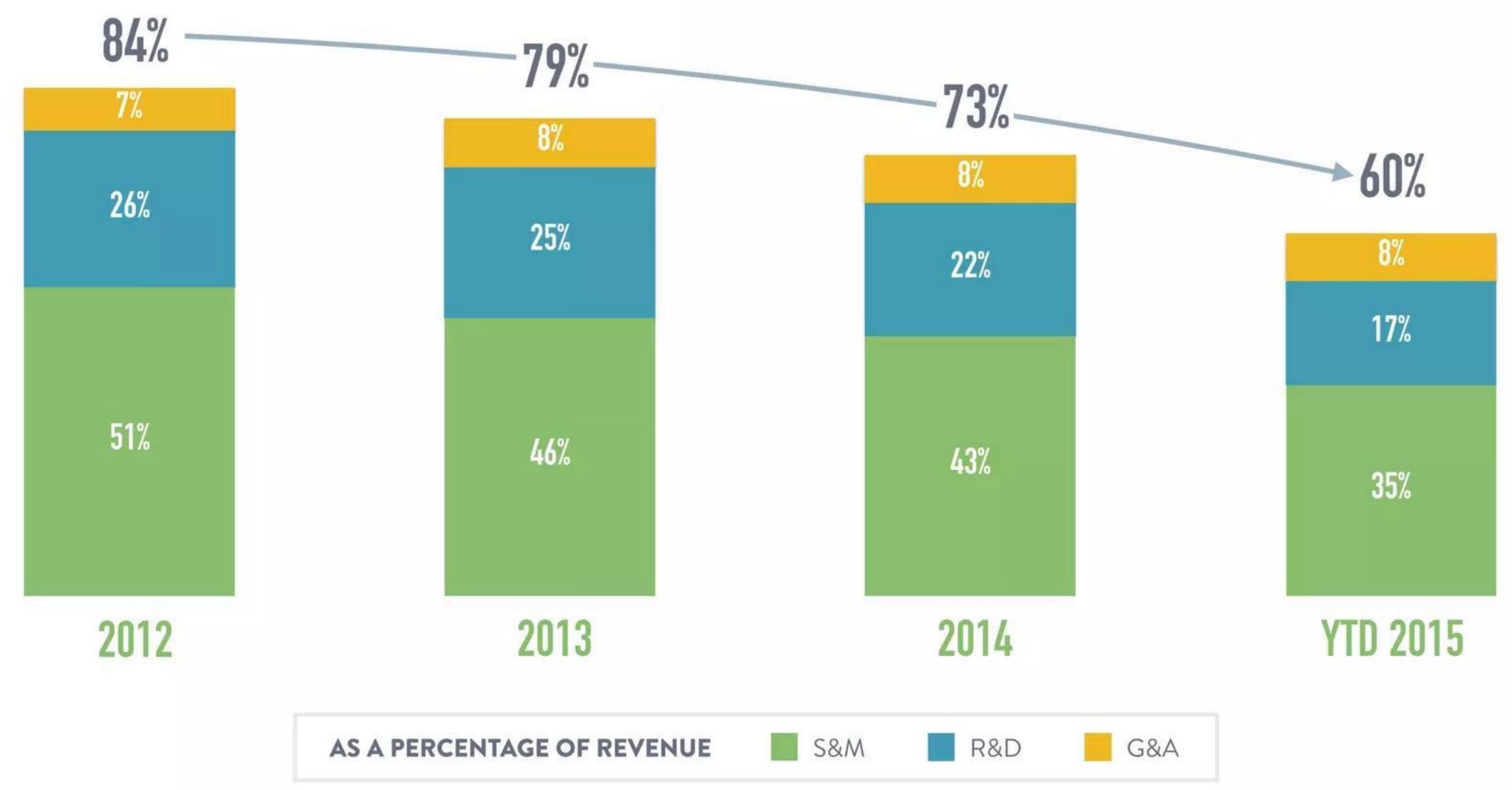
- More merchants
- Higher avg. GMV per merchant
- Introduction of POS

### Powerful Business Model

### **GROSS PROFIT**



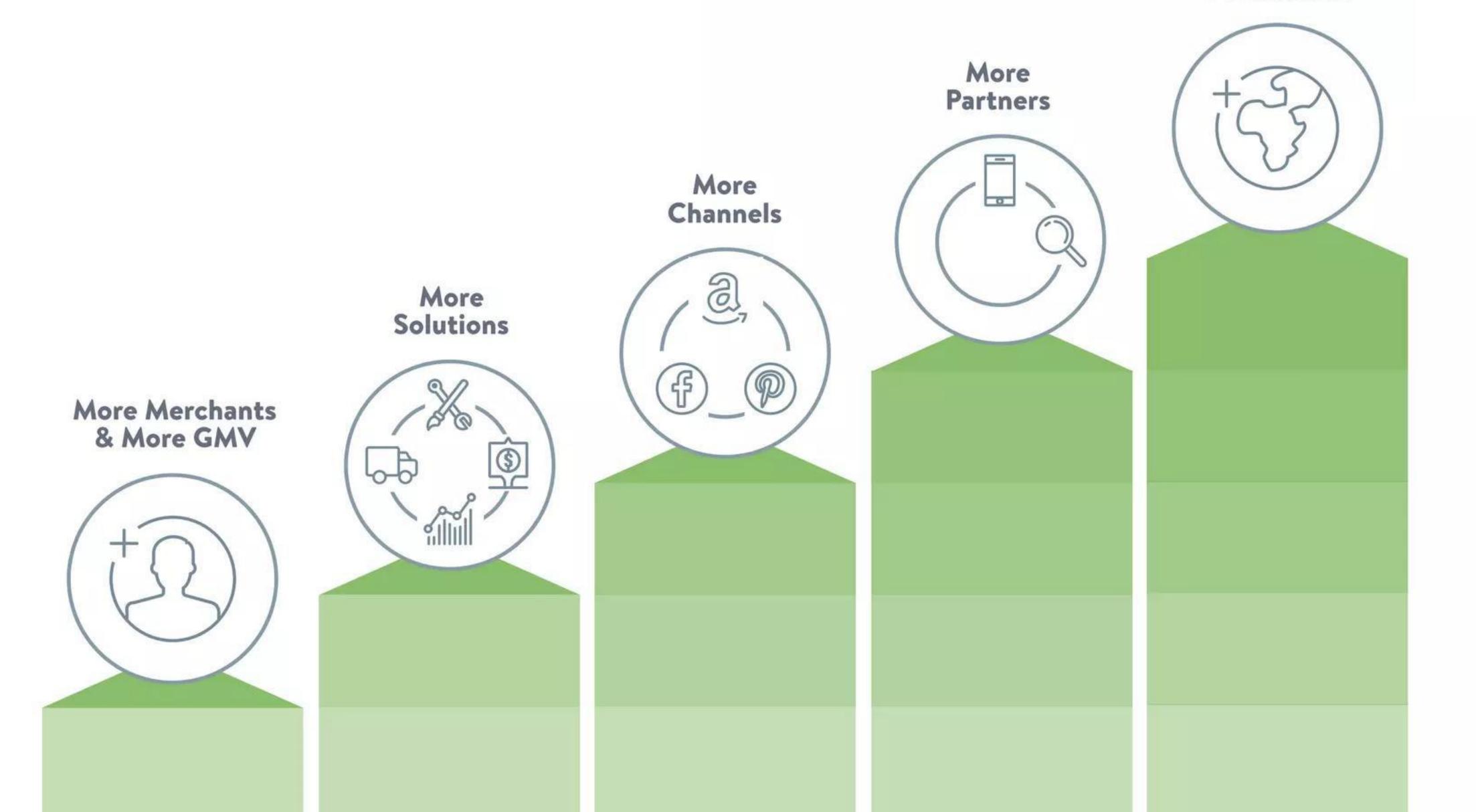
# Operating Leverage



Excludes SBC and Sales Tax expense

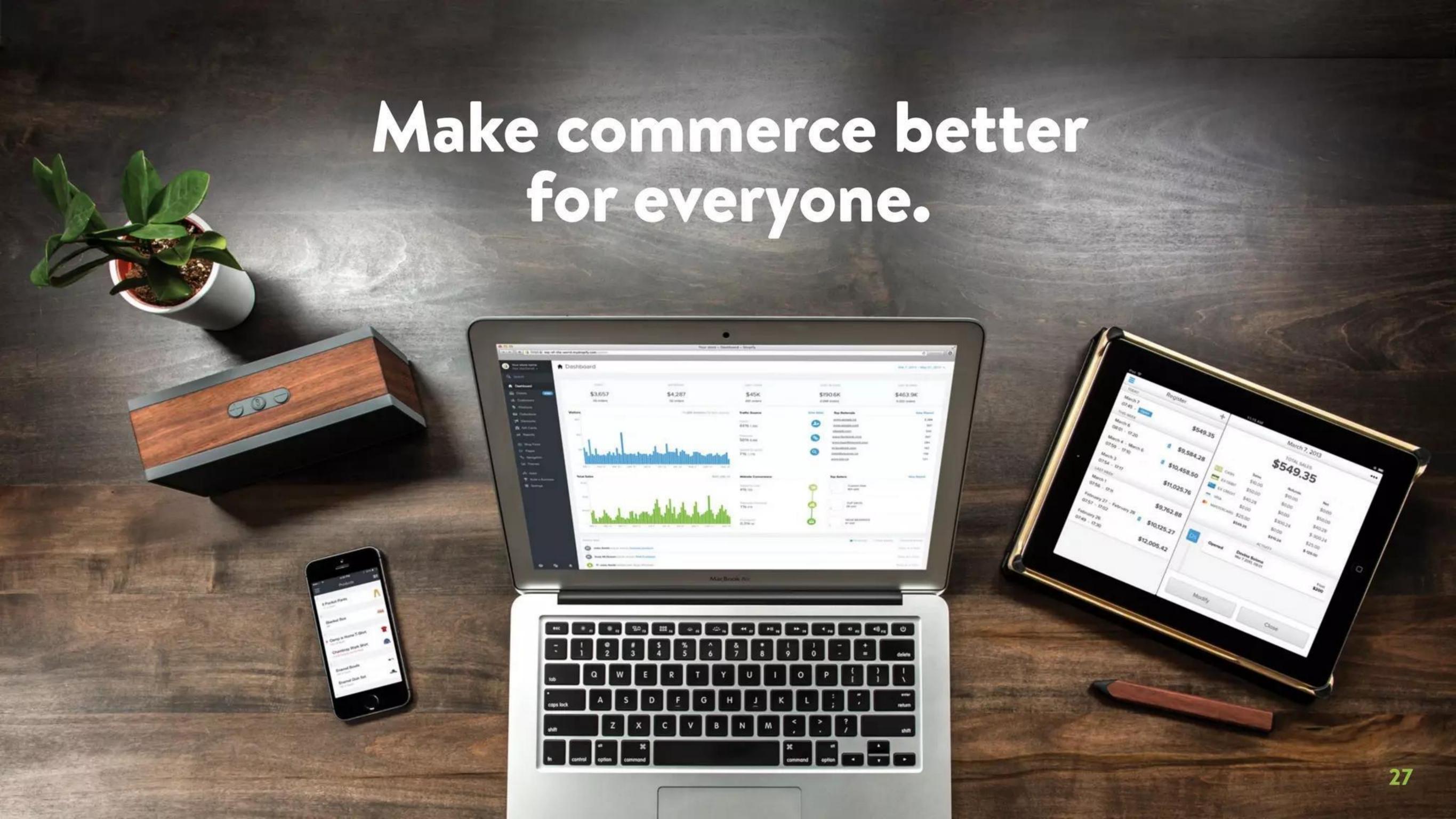
### Growth Vectors

### More International Penetration



## Investment Highlights

- Enormous Opportunity Multichannel commerce platform targeted at SMB market.
- Powerful Business Model Rapidly growing SaaS and success-based business model.
- World-class Product Well-crafted for simplicity and scalability.
- Vast Ecosystem Engaged and expanding partner ecosystem that is difficult to replicate.
- Vision Product-driven team with a long-term focus.





# Reconciliation to GAAP Figures

	2012	2013	2014	9 mo ended Sept 30, 2014	9 mo ended Sept 30, 2015
GAAP Gross profit	18,937	36,739	61,795	42,182	75,561
add: cost of revenues SBC	11.	113	259	159	198
Non-GAAP Gross Profit	18,948	36,852	62,054	42,341	75,759
% of Revenue	80%	73%	59%	61%	56%
GAAP Sales and marketing	12,262	23,351	45,929	33,720	47,847
less: Sales and marketing SBC	66	354	696	451	681
Non-GAAP Sales and Marketing	12,196	22,997	45,233	33,269	47,166
% of Revenue	51%	46%	43%	48%	35%
GAAP Research and development	6,452	13,682	25,915	19,296	26,181
less: Research and development SBC	282	1,152	2,776	2,010	2,853
Non-GAAP Research and development	6,170	12,530	23,139	17,286	23,328
% of Revenue	26%	25%	22%	25%	17%
GAAP General and administrative	1,737	3,975	11,566	6,286	12,770
less: General and administrative SBC	49	147	712	347	1,547
less: Non-recurring sales and use tax expense	_	=	2,182	120	566
Non-GAAP General and administrative	1,688	3,828	8,672	5,939	10,657
% of Revenue	7%	8%	8%	9%	8%
GAAP Operating Expense	20,451	41,008	83,410	59,302	86,798
less: Operating SBC	397	1,653	4,184	2,808	5,081
less: Non-recurring sales and use tax expense	-	-	2,182	-	566
Non-GAAP Operating Expense	20,054	39,355	77,044	56,494	81,185
% of Revenue	84%	79%	73%	81%	60%