



2 Stocks to Play the Ongoing Wave Toward Digitization

Description

As the world becomes more digital, existing companies will need to adapt their operations or get left behind, posing a very exciting opportunity for companies that offer best-in-class solutions that facilitate this shift. In this article, I will describe two companies that investors should hold in their portfolio as the wave towards digitization grows stronger.

Employee training will all be done in the cloud

One of my favourite **TSX**-listed companies, **Docebo** ([TSX:DCBO](#)), is an excellent play for the next decade. This company offers a cloud-based [training platform for enterprises](#). Using its proprietary artificial intelligence software, Docebo allows managers to streamline the training process for its entire workforce. Notable companies that make use of Docebo's platform include **Appian**, **Thomson Reuters**, and **Uber**.

Docebo [has been recognized](#) by several industry publications and analysts for its best-in-class training platform. In 2020, the company won five awards from eLearning Industry, alone. These included "Top Employee Onboarding Learning Management Systems," "Best LMS Software to Use When Working Remotely," and "Top Gamification LMS." In the past three years, Docebo has racked up over 30 different industry recognitions. This speaks to its leading position within the training software industry.

Docebo stock has increased over 200% since the start of the year. However, its stock has been rather stagnant the past three months. While some investors may be wary of this, I believe it poses an excellent opportunity to enter the stock. Docebo stock may have increased dramatically over the course of the year; however, it is still currently at a \$1.5 billion valuation. Given the importance of this industry, one can expect the company to keep growing for the foreseeable future.

This company may lead the Canadian health care field in the future

The second industry that is set to be disrupted by the digitization trend is health care. In the United States, companies such as **Teladoc** and **OnTrak** are leading the telehealth movement. In Canada, my top choice in this field is **WELL Health Technologies** ([TSX:WELL](#)).

The global telehealth industry is expected to experience a compound annual growth rate of 17% from 2020 to 2025. This would take the industry from a size of \$25.4 billion to \$55.6 billion. WELL Health seems well positioned to grab a large market share in Canada. The company operates 19 wholly owned clinics, while having a portfolio of 2000 additional clinics using its SaaS software and support services. WELL Health is also continuing to build a portfolio of digital assets, which will further optimize the health care experience in Canada.

Year-to-date, WELL Health stock has increased more than 400%, generously rewarding early investors. The company is still valued under \$1.2 billion. Given the potential of the telehealth market in the coming years, the growth possibilities that present themselves with WELL Health are tremendous. Of course, there are risks, as competitors continue to battle for a large share of the industry in Canada and in other countries.

Foolish takeaway

The world is quickly becoming more digital. The stocks that investors own should reflect this fact. I believe the enterprise learning and telehealth fields are two important areas that growth investors should focus on. Even with their impressive runs throughout the year, companies like Docebo and WELL Health should give excellent returns moving forward.

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TICKERS GLOBAL

1. TSX:DCBO (Docebo Inc.)
2. TSX:WELL (WELL Health Technologies Corp.)

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