



This TSX Stock Dwarfs Lightspeed (TSX:LSPD) and Turned \$1,000 Into \$3,756 in 2020

## Description

**Lightspeed POS** ([TSX:LSPD](#))([NYSE:LSPD](#)) is having an exceptional year. While its stock lost nearly three-fourths of its value amid the pandemic-led selloff, it rebounded strongly and jumped over seven times from its March lows and has more than doubled this year.

A \$1,000 investment in Lightspeed at the beginning of this year would be worth \$2,049 now, which is incredible and way ahead of the broader markets.

The strong run-up in Lightspeed stock is backed by secular industry tailwinds as small- and medium-sized businesses shift toward omnichannel platform from traditional payment methods.

Lightspeed's payment revenues are soaring. Meanwhile, it continues to add new customers. The company reported a 300% jump in its payment revenues during the last reported quarter. Moreover, its customer location soared 40% to 80,000 at the end of Q2. Its GTV (gross transaction volume) increased 56%, while average revenue per user also increased.

Besides the strength in Lightspeed's base business, the commerce-enabling company's recent acquisitions are contributing meaningfully to its financials and remain a key growth catalyst.

While I believe Lightspeed's performance is nothing short of brilliant, there's one stock in the tech space that has handily crushed Lightspeed's returns in 2020.

## Cloud-based learning platform provider

With a year-to-date return of about 276%, **Docebo** ([TSX:DCBO](#))([NASDAQ:DCBO](#)) dwarfs Lightspeed in 2020. The enterprise learning platform provider has witnessed an acceleration in demand for its products and services amid the pandemic, which led to a massive rally in its stock.

A \$1,000 investment in Docebo stock at the beginning of this year would now be worth \$3,756, which is even better than **Shopify** stock, which is up about 162% this year.

Docebo delivered robust subscription revenue growth in 2020. For the first three quarters of 2020, Docebo's subscription revenues jumped 56%, while its overall revenues soared 52%. Meanwhile, its average contract value is trending higher. Also, the company reported positive adjusted EBITDA in Q3 and reported near breakeven free cash flows.

Notably, the company performed equally well, even in the pre-pandemic phase, by adding new customers fast and driving its average contract value higher at a solid pace. Docebo's customer base increased from less than 1,000 in 2016 to over 2,000 in 2020. Meanwhile, its average contract value has risen about [2.8 times](#) since 2016.

## Uptrend could sustain

Docebo's annual recurring revenues, which indicates the strength of its future business, is growing at a healthy pace. Meanwhile, its adjusted EBITDA and free cash flows are showing steep improvement over the prior year.

With the growing emphasis on corporate learning, Docebo remains well positioned to meet the increased demand and deliver impressive growth in 2021 and beyond. Docebo's focus on expanding its product portfolio, a large addressable market, the acquisition of forMetris, and strong marketing strategy is likely to drive adoption of its SaaS platform and attract new customers.

Docebo's multi-year contracts, high retention rate, and up-selling opportunities should support the [uptrend in its stock](#). Docebo stock has witnessed a pullback and is down about 14% since the beginning of this month. Investors could use this pullback to go long.

### CATEGORY

1. Coronavirus
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NASDAQ:DCBO (Docebo Inc.)
2. NYSE:LSPD (Lightspeed Commerce)
3. TSX:DCBO (Docebo Inc.)
4. TSX:LSPD (Lightspeed Commerce)

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