



Lightspeed Commerce (TSX:LSPD) Is Hot — But 1 Tech Stock Is a Rare Gem

Description

The [talk of the town](#) these days is **Lightspeed Commerce**, formerly Lightspeed POS. It deserves to be in the limelight because of the explosive financial results in its most recent quarterly report. However, a rare gem in the [tech sector](#) could be the next superstar.

Docebo's ([TSX:DCBO](#))([NASDAQ:DCBO](#)) total return in the last 12 months is nearly 100%. Furthermore, the take-up of its AI-powered learning suite continues to accelerate. The \$3.24 billion company could duplicate [Lightspeed's achievement](#) in the learning management system (LMS) industry.

LMS market

Fortune Business Insights reports that the LMS market saw a positive demand shock globally amid the COVID-19 pandemic. Before the health crisis or in 2020, the market size was US\$10.84 billion. The global market growth was 23.8% higher than the average year-over-year growth from 2017 to 2019.

The forecast is that the LMS market would grow from US\$13.38 billion this year to US\$44.49 billion by 2028 (18.7% CAGR). Based on market analysis, there's a growing preference for training and learning sessions. Somehow, the COVID-19 breakout resulted in the rapid adoption of e-learning.

The education system, in particular, reached a situation of crisis proportion due to the temporary closures of schools and educational systems. Similarly, the report said the pandemic caused the adoption of work-from-home or remote working policies by businesses.

Innovative learning technologies

Fortune believes that the popularity of online learning and training in higher education would escalate market growth. Docebo should figure prominently in the growing LMS space because it boasts one of the industry's fastest-growing and most innovative learning technologies on the market.

Docebo has received numerous awards and accolades since 2019 that you can't count with your fingers anymore. In 2021, the company was among the Top 100 and Top 50 awardees for the best software products and best software products for HR. Among the high-profile names that chose Docebo's learning platform is **Amazon** Web Services and **Thomson Reuters**.

Flourishing business

Docebo's performance in the first half of 2021 indicates a flourishing business. In Q2 2021 (quarter ended June 30, 2021), total revenue and subscription revenue increased by an identical 76% versus Q2 2020. Its annual recurring revenue (ARR) jumped 64%. Net loss, however, expanded from US\$3.5 million to US\$7.2 million.

Still, Docebo Founder and CEO Claudio Erba said, "We are seeing balanced growth across the board from new logo sales, OEM partners, and upsell and cross-sell activity." He added, "While the traditional LMS market has been focused on HR skills training and compliance, our customers use Docebo as a productivity enablement tool to address learning challenges."

For the first half of 2021, Docebo's total revenue and ARR growth versus the same period in 2020 were 68.8% and 63.9%. The company derives revenue from recurring subscriptions to the learning platform and related products plus professional services. Both are clear paths to growth and profitability.

The latest milestone of Docebo is its European expansion into the German market. Management's move is a prelude to capturing the markets in Europe, the Middle East, and Africa.

Strong buy rating

Docebo's total return in the last 1.88 years is 518.06%. Investors can take the cue from market analysts' strong buy recommendations. Buy the tech stock now while it trades at only \$99 per share. Like Lightspeed, Docebo will make headline news very soon.

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