



Could Docebo (TSX:DCBO) Be a Millionaire-Maker Stock?

Description

Docebo ([TSX:DCBO](#))([NASDAQ:DCBO](#)) has been a power performer for Motley Fool investors over the last two years. Since coming on the TSX today in October 2019, you'd think Docebo stock would have fallen victim to the pandemic. But that simply hasn't been the case.

Shares of Docebo stock are up 595% since its initial public offering and 150% in the last year alone. [Growth has slowed](#) a touch, but it's still up 12% in the last month. That's what most stocks would love to claim in an entire year.

Is Docebo stock a millionaire maker? Fellow Fool writers claim that a millionaire-maker stock is one that can return 10 times its value in 20 years. While Motley Fool investors could claim millionaire potential in the early days, can Docebo stock hold up over the next two decades?

Right place, right time

Docebo stock did so well because it really was the right company to come along at the right time. The learning management software company provides training for those that can't work in office. This provides employers with the ability to hire around the globe, knowing everyone will receive the same training.

This was perfect when the pandemic hit — so perfect, in fact, that **Amazon** Web Services picked up the company for its own training purposes. Since then, the company has come a [long way](#). And not just from share price. Docebo stock is now listed on the **TSX** today and continues to now play a vital role in companies large and small to allow for remote training.

However, many Motley Fool investors worry that there will be slower growth or backtracking in a post-pandemic world. Companies are already having employees come back to the office. And even if that isn't on a 100% scale, that will still likely mean less use of the \$3.62 billion company in the very near future.

Let's do the math

Let's figure out what Docebo stock would need to be to reach that millionaire-maker valuation. You can use the valuation metrics from similar companies in the tech field, such as Amazon and **Shopify** to determine what top and bottom lines Docebo would need.

To become a millionaire maker over the next two decades, the company would need to be valued around \$513 billion. That's an incredible jump from where it is today at \$3.62 billion. By comparison, Amazon currently has a price-to-sales (P/S) ratio of 3.82 and price-to-earnings of 58.2. In comparison, Shopify has a P/S of 58.93 and P/E of 73.23.

If we use the more conservative side and stick with the numbers from Amazon, we then look at where Docebo stock sits today. It has a P/S of 43.95 with a negative P/E. During the latest earnings report, the company saw revenue of \$25.6 million. While that's an increase of 76%, it's *incredibly* far from where it would need to be as a millionaire-maker stock. Meanwhile, it saw a net loss of \$7.2 million from the prior year.

Valuation isn't everything

This growth is still great — impressive, even. And valuations are certainly important if you want to physically calculate where the stock could be in two decades from now. However, always take these numbers with a grain of salt. The market is a fickle place. While it can help you make a decision, it shouldn't be the be all, end all.

In the short term, it's likely Docebo stock will see a pullback. This comes from less use and excitement coming out of the pandemic. However, long term, there is an overall trend towards remote work. It's cheaper and better for mental health. Companies don't run adult day cares; they run businesses. If people are getting their work done, and the company has everyone on the same page, it shouldn't matter where they're located.

That being said, it's unlikely that Docebo stock will be a typical "millionaire-maker" stock. But for long-term investors, the question is, will it beat out the TSX today? It looks like it will continue to do so. It has taken on a new area of tech that allows for few competitors. It's latched on to the new way of working, and therefore investors will likely continue to be rewarded for years, even decades, to come.

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