Around 59% of Canadians Have Altered Retirement Plans, Says TD Bank

Description

According to a survey conducted by **Toronto-Dominion Bank**, the ongoing macro-economic uncertainty has led to a rising number of Canadians altering savings and retirement plans. The survey details 59% of respondents have stated they will alter savings goals due to changing circumstances since the onset of the COVID-19 pandemic.

Comparatively, the survey conducted last year showcased "just" 35% of Canadians confirmed savings and retirement plans were impacted due to COVID-19. Further, around 50% of the respondents claimed they are confident about their investment knowledge, while almost 40% say they might not achieve savings goals.

Aim to maximize RRSP contributions

Savings and investments may be a tricky or complicated process given the ongoing volatility in equity markets and rising inflation rates. However, it's also important to invest a small portion of your income in the stock market, as this asset class has consistently delivered inflation-beating returns over time.

Further, it makes sense to try and maximize your RRSP (Registered Retirement Savings Plan) contributions, as they will lower your tax bill significantly. For example, if you earned $60,000 in 2021, you could contribute $10,800 (up to 18% of your total income) towards this registered account, lowering your tax liability to $49,200.

Given that equity markets remain volatile in the near term, you need to take a long-term view and benefit from the power of compounding. Further, the ongoing selloff allows you to buy quality growth stocks such as **Docebo** (TSX:DCBO)(NYSE:DCBO) at a discount.

The bull case for Docebo

Founded in 2005, Docebo has seen a massive change in the way enterprises approach learning. In the past decade, e-learning solutions were considered "nice to have." But in recent years, and given the accelerated shift towards remote work, companies are recognizing e-learning solutions as a core part of their strategies.

Docebo was first launched as an open-source model that was installed on enterprise servers. In 2012, it transitioned towards a cloud-based SaaS (software-as-a-service) platform model. It was one of the first companies to introduce artificial intelligence into the e-learning market, providing Docebo with a competitive advantage. Enterprises can get data-driven insights that can enhance the employee learning experience.

Docebo ended Q3 of 2021 with a customer base of 2,636 and US$104 million in annual recurring revenue. Its recurring revenue accounts for 93% of total sales and has grown by 65% year over year. The company expects the learning management systems or LMS market to touch US$30 billion by 2025, up from US$9.5 billion in 2019, indicating an annual growth rate of 21%, providing it with enough opportunity to expand it's top line going forward.

Further, the average contract value for Docebo has risen to US$39,300 in Q3 of 2021, up from US$11,500 in 2016 and US$27,400 in 2019. Its net dollar retention rate stands at 108%, which suggests customers are increasing spending on the Docebo platform.

Despite a gross margin of almost 80%, Docebo is still reporting an adjusted loss, which indicates the company is sacrificing the bottom line for revenue growth. DCBO stock is down 41% from all-time highs and is trading at a discount of 55% compared to consensus analyst estimates.

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