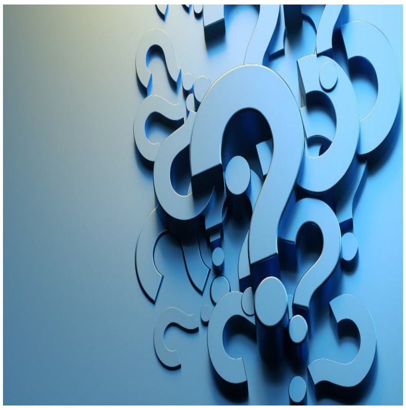

Docebo Stock: Just a Fad or Due for a Huge Rebound?

Description

Docebo (TSX:DCBO)(NASDAQ:DCBO) is one of those tech stocks that rose and fell in such quick succession that many of us pushed it from our minds. But that can be harmful to both investors and the market. And Docebo stock is a prime example.

While shares of Docebo stock are down almost 50% year to date, those shares have recovered by 24% in the last month alone. So, the question is, was Docebo stock just a work-from-home fad? Or does it offer investors long-term growth?

What happened?

Docebo stock came on the market at pretty much exactly the right time. The work-from-home economy was booming, as businesses around the world needed to keep companies running, even as stay-home orders were enforced.

Enter Docebo stock, which almost immediately announced a partnership with **Amazon** to get workers the training they needed to continue working, even while at home. It also meant that businesses could hire and train new workers — not just from nearby, but from anywhere in the world.

But then, the drop in tech stocks came. Shares of Docebo stock hit an all-time high almost a year ago and then fell dramatically by 82% from peak to trough. Yet, as mentioned, those shares are starting to climb once more. While still down 64% from peak pricing, they're up 24% in the last month.

So, what should investors do now with Docebo stock?

Performance is up

To get an idea of how this company could perform in the future, we should turn to earnings. Docebo stock has been doing quite well in this regard. Revenue was up 37% year over year, with subscription revenue representing 91% of total revenue and was up 35%. It's also profitable, achieving gross profit of $28 million, up 37% from the year before.

Docebo stock continued to grow its customer base as well, with new customers around the world, as it scaled its Amazon Web Services relationship. It's this brand-name recognition that's likely to draw in even more clients in the future.

So, there's a plus and minus to this news. On the plus side, clearly, Docebo stock is up. It's created a learning tool that likely only needs tweaks, not major overhauls, to allow its artificial intelligence to work with any business. With little investment, profit looks achievable. However, there remains volatility around the stock, both in terms of excitement among growth stocks, and risk among investors wanting in and out in a short period of time.

Bottom line

Docebo stock remains as a strong name in the software-as-a-service industry and trades at a huge discount. It continues to trade at attractive valuations, with stable and growing recurring revenue, and secure profitability. So, now could be the time to get back into Docebo stock, as it continues its upward momentum. That being said, you may want to watch the stock carefully in signs of economic turmoil. Docebo stock may continue to be one of the companies that are first to go based on its small amount of time in the market.

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1. Investing
2. Tech Stocks

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