

Docebo Inc.

Fourth Quarter 2020 Earnings

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PRESENTATION

Operator

Good morning, everyone, and welcome to the Docebo Inc. Fourth Quarter 2020 Earnings Call. All participants are currently in a listen-only mode. Following the presentation, we will open the line for a question-and-answer session for analysts. Instructions will be provided at that time for research analysts to ask questions. We ask that analysts please limit themselves to two questions and return to the queue for any follow-ups.

I would now like to turn the call over to Docebo's Investor Relations, Dennis Fong. Please go ahead, Dennis.

Dennis Fong — Investor Relations, Docebo Inc.

Thank you, operator. Before we begin, Docebo would like to remind listeners that certain information discussed today may be forward-looking in nature. Such forward-looking information reflects the Company's views with respect to future events. Any such information is subject to risks, uncertainties, and assumptions that could cause actual results to differ materially from those projected in the forward-looking statements. For more information on the risks, uncertainties, and assumptions related to forward-looking statements, please refer to the Docebo's public filings, which are available on SEDAR and on EDGAR.

During the call we will reference certain non-IFRS financial measures. Although we believe that these measures provide useful supplemental information about our financial performance, they're not

recognized measures and do not have standardized meanings under IFRS. Please see our MD&A for additional information regarding our non-IFRS financial measures, including for reconciliations to the nearest IFRS measures. Please note that, unless otherwise stated, all references to any financial figures are in US dollars.

Now I'd now like to turn the call over to Docebo's CEO, Claudio Erba.

Claudio Erba — Chief Executive Officer, Docebo Inc.

Thank you, Dennis, and good morning, everyone, and thank you for joining us on our fourth quarter earnings call. With me today is Ian Kidson, our Chief Financial Officer, and Alessio Artuffo, our Chief Revenue Officer.

Over the past year, managing through the pandemic brought on many challenges for our employees, our customers, and the global economy, but one clear trend has emerged—the digital transformation of training is accelerating rapidly. A critical component to any corporate e-learning program is the LMS, which manages training delivery. Today, the Docebo LMS is positioned as one of the preeminent solutions on the market.

In the fourth quarter we continued to see strong momentum across our business as we once again generated record new logo, upsell, and OEM sales. This was driven by broad based demand as we added 154 net new customers from the third quarter of 2020 and ended the fourth quarter with 2,179 customers. Average contract value grew both quarter over quarter and year over year to \$34,000 and the average contract value for new customers in the fourth quarter was over \$40,000. In addition, in the

fourth quarter approximately 80% of the ARR from logo and customer expansion signings were for multi-year deals, showing again that learning is strategic for our customers

External customer and partner training is one of our favourite customer use cases, but we are also winning a large number of internal training use cases. Two examples in the fourth quarter were with NBCUniversal Media and Ubisoft.

NBCUniversal, the American media and entertainment conglomerate, was in search of a LMS that would simply and effectively support their reporting requirements. They chose Docebo to grant them the autonomy to manage their own training courses internally and to provide their learners with a dynamic learning experience that nicely fit with their branding requirements.

Ubisoft, the French-based video game company with more than 18,000 employees in 40 studios around the world, had a vision to create a learning environment that allows for constant reskilling through highly qualitative digital experiences. In order to consolidate their training and manage their compliance requirements, Ubisoft signed on with Docebo, introducing social learning and collaborative elements to its global workforce and providing them with exciting new learning opportunities.

Another key driver in our growth has been land and expand and in the fourth quarter we signed customer expansion agreements with Cisco and Heart & Stroke. Cisco has been a Docebo customer since 2018 when they acquired BroadSoft, a global voice over IP and unified communications provider that began using the Docebo LMS in 2016. Cisco has since expanded its adoption of Docebo, including their most recent addition of Webex in the fourth quarter of 2020.

Heart & Stroke Foundation began using Docebo in the second quarter of 2020, when we provided them with free use of the Docebo platform for nine months to support their training and research during a time of remote work triggered by COVID. In Q4, after having tested the AI-powered learning platform, they have officially signed with Docebo to transform their learning experience throughout their organization.

A third factor in our growth is our OEM business, which continues to outperform and has been the largest single contributor to ARR for several quarters. Once again, OEM revenue increased quarter over quarter, both in absolute dollars and as a percentage of our total subscription revenue. This remains a very exciting channel for us and we have an active pipeline of OEM opportunities that we hope to convert in 2021.

All of our success to date has been on the back of the strength of one core product, the Docebo LMS. The years we have spent evolving the Docebo platform have put us in a position to solve the learning challenges of some of the largest and most progressive companies in the world. But today, in order to take advantage of the full promise of digital learning, our customers need to turn to multiple vendors, with the LMS being just one piece of the solution.

Our customers are looking for solutions to address content creation, measure learning effectiveness, and drive insights from learning analytics, all while the core LMS function of learning delivery also continues to evolve. It is my longer-term vision that Docebo be able to provide customers within a single cohesive platform addressing all of these solutions and we have been working towards achieving this goal for the past several years.

I am very happy to be able to tell you that we have started to take our first significant steps along this journey. We have started with the recent launch of Learning Impact, the learning effectiveness tool which we acquired via the forMetris purchase. This will be followed later in the year by Docebo Shape, our AI-based content creation tool. Other tools and features are expected to follow at various points over the next 18 months.

Of course, we look forward to being able to cross sell these new Docebo products to our existing LMS customers, but many of these are standalone products that will also be made available to customers using other LMS platforms. In the coming months, we will be sharing more with you on our long-term vision of the industry and upcoming product launches, so please stay tuned.

Lastly, I want to touch on our activities since our Nasdaq IPO in December, where we raised approximately \$155 million in net proceeds. Our US listing has been another great milestone in Docebo's progression as a leading player in the global LMS industry and has helped to raise our profile with prospective customers and employees. We are actively adding depth and talent throughout our organization and this investment is a key focus for the leadership team as we prepare Docebo for the next \$100 million in revenue growth and beyond.

In line with this thinking, I want to take a moment to welcome Trisha Price, who recently joined Docebo as an Independent Director, further increasing the diversity and experience of our Board. Trisha is currently the Chief Product Officer at the global cloud-banking leader, nCino, and we look forward to drawing on her wealth of knowledge in software as a service and financial services technology as we continue on our growth journey.

In summary, the strength of our customer pipeline, upcoming new products, and expanding profile within our industry has increased our confidence as we enter 2021. With consistent organic ARR growth of over 50% in 2020, while operating near adjusted EBITDA break even, we believe our financial performance puts us in a select group of the fastest growing publicly-traded global SaaS companies.

With that, I will now pass the call to Ian to speak to the financials.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Thank you, Claudio, and good morning, everyone.

As usual, I will remind everyone that you can find a detailed breakdown of our financial results for the three months ended December 31, 2020 in our press release, our MD&A, and financial statements, which are now made available on our website and are also filed on SEDAR and EDGAR. We also have a slide deck to accompany our earnings call discussion that was made available on our Investor Relations website this morning. For those who want to follow along, I'm going to start my remarks with slide four.

As most of you are aware, in January 2021, in cooperation with a major shareholder, Docebo facilitated a secondary offering on the Nasdaq exchange. In conjunction with the offering, we released early guidance results for the fourth quarter for 2020 for several key metrics, including revenue, ARR, and average contract value or, ACV. The ranges provided were \$18.25 million to \$18.75 million for revenue, \$73 million to \$74 million for ARR, and \$33.5 million to \$33.95 thousand for ACV. Today I am pleased that we are able to report final results either close to or above the high end of each of these ranges.

Total revenue grew to \$18.8 million, an increase of 53% from the prior year period. Subscription revenues grew 49% from the prior year and were \$16.7 million or nearly 89% of total revenue for the quarter. Professional services revenue in the fourth quarter was \$2 million, an increase of 94% from the prior year.

ARR is the driver behind subscription revenue growth and we're reporting \$74 million in ARR at the end of the fourth quarter, an increase of 57% from the \$47.2 million in ARR that we reported at the end of the fourth quarter of 2019. Of particular note, the growth in ARR in the fourth quarter was broadly based. There were no large outlying deals to skew the results, either to the good or bad. When compared to the third quarter of 2020, the \$9.4 million increase in ARR represented a new high watermark for Docebo. In considering this performance, it's worth emphasizing that our ARR growth is all truly organic and does not reflect the benefit of any M&A, as the revenue from forMetris is not currently categorized as ARR.

Professional services revenue increased substantially period to period. Unlike subscription revenue, which is highly predictable, professional services revenue can vary significantly, even between what would otherwise be highly comparable contracts. In the near to medium term, we expect that professional services revenue will continue to represent approximately 7% to 8% of total revenue. We had 2,179 customers at the end of the fourth quarter and our average contract value, or ACV, increased to approximately \$34,000, up 24% from \$27,000 at the end of the fourth quarter last year.

Historically we have reported net dollar retention rate, or NDRR, as being greater than 100%. This year we're providing a more precise net dollar retention rate with our 2020 year end reporting and we

will continue to provide NDRR annually on this basis going forward. NDRR measures the relative increase or decrease in revenue from a consistent cohort of customers period to period and provides insight into the net effect of upsells and churn in an underlying portfolio of customers. In 2020, NDRR was 108%, which compares favourably to the 105% which was actually realized in 2019. We are particularly pleased by the year-over-year improvement of this metric in the context of the pandemic that we experienced during the year and the consequential higher rates of churn, which have now been normalized.

The fifth slide shows gross profit for the fourth quarter. As a percentage of revenue, gross profit margin was 84.1% of sales, an increase from 81.2% of sales in the prior year. Gross margin benefited from lower fees with our hosting provider. And while we will continuously work with our provider to further optimize this agreement, our long-term expectation for gross margin is for it to normalize in the 82% to 85% range.

On slide six you can see a summary of our operating expense lines. Total operating expenses for the fourth quarter increased to \$19.9 million as compared to \$13.1 million for the prior year. Included in the \$19.9 million is a foreign exchange loss of \$3.4 million, which relates primarily to the cash held on our balance sheet at year end and is, therefore, for the most part unrealized. Operating costs excluding this loss were \$16.5 million and compare to the \$13.4 million in operating costs also excluding foreign exchange impacts that we reported in the third quarter of 2020. The primary drivers of the increase in operating expenses from the third quarter were higher G&A and sales and marketing expenses.

The G&A expense growth came as the result of higher salaries, benefits, and recruitment fees in support of our growing operations as well as increased costs of compliance associated with our Nasdaq

listing, including increased accounting, legal, and directors and officers insurance expenses. On a go-forward basis, we estimate our US listing will add approximately \$5 million of annual recurring costs as compared only being listed on the TSX. D&O insurance is the principal component in this increase.

Sales and marketing expense increased on an absolute dollar basis from \$5.8 million to \$6.5 million but declined as a percentage of revenue to 34.4% as compared to 36.0% for the third quarter of 2020. To some extent, we're playing catch up on personnel investments we had postponed earlier in the year, so we expect sales and marketing expense as a percentage of revenue to continue to increase, both on an absolute basis as well as a percent of revenue in the near term. Our medium-term expectation for sales and marketing expense as a percentage of total revenue continues to be in the 35% to 40% range and will remain there for so long as our growth trajectory continues at or close to its current level.

We reported adjusted EBITDA of \$0.5 million for the fourth quarter of 2020 compared to a loss of \$1 million in the prior year. We also reported a net loss of \$3.7 million for the quarter as compared to a \$3.3 million net loss for the prior year period. As already noted, the net loss for the fourth quarter reflects a \$3.4 million foreign exchange loss.

In the fourth quarter we generated positive free cash flow of \$6.5 million, driven by \$7 million in positive cash flow from operations, largely as the result of a strong performance in accounts receivable collection. Our balance sheet is very healthy given our free cash flow profile and the proceeds we've realized from recent equity financings. With an additional \$155 million in net proceeds from the US IPO in December, cash at the end of the fourth quarter was approximately \$220 million and we carry no debt.

In 2021, our focus will be to invest to maximize organic revenue growth and it will continue to be such so long as our LTV to CAC remains attractive, as we believe this is the best use of our capital. We will continue to look at M&A opportunistically to advance our objective to offer a complete suite of learning products and provide more cross sell opportunities. Although this may mean expense growth accelerating faster than revenue growth in the near term, we believe it sets the stage for higher growth and profitability over the longer term.

With that, I'll turn it over to the operator now to take some questions from the analysts.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now take questions from research analysts. Should you have a question, please press the star followed by the one on your touchtone phone. You will hear a three-tone prompt acknowledging your request. As a reminder, please limit yourself to two questions and re-queue for any follow ups.

The first question comes from Robert Young at Canaccord. Please go ahead.

Robert Young — Analyst, Canaccord Genuity

Hi. Good morning. Thanks for the disclosure on the retention. I'd like to ask a question there. The increase from 105% to 108%, you already highlighted the expectation of churn. Beginning of the year it

was expected to be higher and it's improved since then, but I'd like to better understand the increase. Is it more driven by expansions of existing customers or is it driven by better churn (inaudible) than maybe you would have expected at the beginning of the year? Because it looks like that would have reversed course significantly to get an increased retention.

Claudio Erba — Chief Executive Officer, Docebo Inc.

Rob, ciao. Claudio speaking. Before handing the answer to Ian, I just want to say ciao.

So Ian, are you taking it?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Sure. It was a combination of factors, Rob. We started implementing some better controls on churn and internal processes on customer management in late 2019. And it was fortuitous timing because, obviously, the environment changed through 2020. So our ability to manage our customers has been improving. That was coupled with better performance on the upsell/cross-sell front. So it was both.

Robert Young — Analyst, Canaccord Genuity

And that's one of the areas that you've been investing, is the upsell, like better support organization, better ability to drive that land and expand, and so would it be fair to say that your

performance there in expenses has moved forward significantly in 2020 and that's going to stay as the case here in 2021? Or is it going to be better? How do we think about that?

Ian Kidson — Chief Financial Officer, Docebo Inc.

I'll say yes to that, but probably best to have Alessio maybe talk a little bit about our performance on the upsell side.

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Hi, Rob. Good morning. We're pleased with seeing that the tactics and the activities on retention improvement are paying back. You're right when you say that there's focus on expansion. We continue to win departments of very large organizations and when that happens it leads itself to the possibility of continuing to win business within the same business or across the ecosystem of those companies.

It is no secret that we have continued to invest in empowering this engine, the upsell expansion engine. We think that, even net of any new product, there is a tremendous opportunity. And as we continue to successfully launch products like Docebo Learning Impact that opportunity increases even further. So we think we're very well positioned to maintain high performance in NDRR and I would just not make a statement that it will be either or churn related or upsell related, because our goal really and what we're executing is improving both.

Robert Young — Analyst, Canaccord Genuity

All right. Thank you. And one quick one on, I think a quarter ago or two quarters ago you highlighted QSR expansion that was going to fall into Q1. You didn't update anything on that in the release. I was wondering if that's still something you expect to happen in Q1. Then I'll pass the line.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Yes, it is.

Operator

Thank you. The next question comes from Stephanie Price at CIBC. Please go ahead.

Stephanie Price — Analyst, CIBC World Markets

Hi. Good morning. I just wanted to follow up on Rob's question around the customer expansions. Obviously, you had some very strong ones, including Cisco this quarter and Walmart in the past. Just curious about the sales process and how you kind of look to expand within these existing customers and whether you ramped up that sales team at all.

Claudio Erba — Chief Executive Officer, Docebo Inc.

Yes, Stephanie, Claudio speaking. Great to meet you. I will let Alessio answer this question.

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Stephanie, good morning. Great question. I could probably speak to you about this for the next 15 to 20 minutes, but I'll give you the short version of our strategy in upsell.

Number one, a good upsell strategy starts with a happy customer base. Our number-one effort is to continue to create products that lead our customers to adoption and happiness. That's really the foundation of any good upsell engine. Having said that, there's really a companywide effort. And I really mean it. We are investing proportionately in empowering our professional services organization to implement faster and better. We're investing in our support organization to provide to customers the support they need to solve the issues at the right time. That creates the premise for a customer experience and account management team to continue winning business.

I understand that your question is on the sales motion. So, at a high level, when we're winning new customers and new organizations, there is a team of account managers and customer experience specialists that support these customers. When we look at these customers, we try and think what is the opportunity size across the customer, and not only within the organization itself, but around the ecosystem of sister companies and such of these customers. And we activate account development motions to understand who are the different buyer personas across the companies and I'd say, you know, we like to say that every customer we land that there is another six to eight buyers within the customer that we could reach out to and we execute towards that.

At a high level, I think this is what you're asking, Stephanie. Is it satisfactory?

Stephanie Price — Analyst, CIBC World Markets

Yeah, no, absolutely. That's great color. Thank you. Maybe a completely unrelated question. Just around forMetris, just curious about how the integration is going and how customers are responding to the expanded offering.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Claudio, you're on mute.

Claudio Erba — Chief Executive Officer, Docebo Inc.

Sorry. Before answering the specific forMetris question, Stephanie, I want to reiterate what Alessio stated. I mean Docebo has always been perceived like a product company where the product is our main asset. But actually, our sales organization, over time, and especially during the last year, became another strategic asset for Docebo. And it's an asset we can leverage to sell new products to the market.

Let's say that the first product that will be sold to our actual customers, but also to new customers, is the former forMetris product now renamed the Docebo Impact. And when we have demoed it, the logic that the LMS is delivering the training, but you need an assessment tool to understand the quality of the learning you deliver, of the curricula you deliver, and using this data to re-strategize some part of the learning strategy that is not effective as expected, this is the real strength of Docebo Impact.

Let's say that every new product we are building, and expect some news in the future, building and releasing and selling, of course, is built to be sold not only to Docebo LMS users but can be flagged inside other learning management systems that can benefit from a learning impact analysis also if these customers are not using the Docebo Learning Management System.

Stephanie Price — Analyst, CIBC World Markets

Okay. That's great colour. Thanks so much.

Operator

Thank you. The next question comes from Daniel Chan at TD. Please go ahead.

Daniel Chan — Analyst, TD Securities

Hi. Good morning. Just wanted to touch on the OEM sales. Those continued to be strong and you mentioned it was record performance. Can you provide any insight on how the attach rate to your partner solutions are going and any feedback you're getting from them?

Claudio Erba — Chief Executive Officer, Docebo Inc.

So, about the attachment rate and the answer, I will let Ian answer. That said, I want to say that I'm very happy and excited on the technology we have built for the OEM and the pipeline we have.

That said, Ian, are you going to answer about this question?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Sure. I mean, Dan, we've never commented on our penetration within any particular OEMs and I think that's probably the way we're going to proceed in the future, so I can't respond definitively. I will

say though that, to the extent that our OEM business is driven by HCM platforms, which I think it's fair to say that today it is, the HCMs are historically very strong in the fourth quarter and, as a consequence, a strong performance, our strong performance in the fourth quarter was related to that.

Alessio, are there any other sort of general observations that are worth making with regard to the OEM performance?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

With regards to OEM performance, that's absolutely correct. And I would reiterate what we have said in the past, that while HCM leads itself to being a primary target for us for OEM relationships, we've widened that net to other sectors and other types of organizations that are showing interest. But that's just the product, also about the maturity of our OEM product itself. But with regard to attachment rates specifically, I would confirm what you said, Ian.

Daniel Chan — Analyst, TD Securities

Okay. That's helpful. And then maybe can you comment on the relative size of deals won from OEM sales relative to your direct sales?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Alessio, do you want to touch on that or...?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

My line was bad. The question didn't come through clearly. I apologize about that. Could you please repeat it?

Daniel Chan— Analyst, TD Securities

I'll repeat it, Alessio. Sure. Just on the relative size of deals for OEM sales, how do they compare to sales made from your direct sales?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Well, the nature of a sale of an OEM organization is add on, whereas the nature of the sale of our direct team is primary product. That in itself is the most significant and notable difference.

Now when you look at add-on sale, just like we have add-ons on our side, the beauty of it is that they can be very powerful in sales execution, both (inaudible) and in the base. So we like partnering with organizations that have a large installed base, because with proper execution of upsell and sales expansion, that base is a very fertile territory for add-on add. The average deal size is in itself smaller, and that depends also on the segment that they sell into, but the velocity of those deals tends to be much faster so, in a short and brief recap, smaller deals as a part of an add-on strategy.

Daniel Chan— Analyst, TD Securities

Okay. That's very helpful. Thank you. And then maybe related to deal size, your ACV continues to grow. Can you comment on whether that's volume driven or whether the customers are taking on more modules? And if it's the latter, which modules have been very popular? Thank you.

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Yeah, so it's a mix of both. And the reality is we continue to work with larger organizations. Yeah, that's a fact. They're buying more products and modules, that's a fact. And we're getting better at positioning certain capabilities and winning business and displacing competitors that are very strong in the enterprise segment. And we're very happy with our results in the enterprise and major segments that are really our target markets. I wouldn't attribute growth in ACV to, again, a specific factor; rather, it's a mix of combined efforts.

Operator

Thank you. The next question comes from Richard Tse at National Bank. Please go ahead.

Richard Tse — Analyst, National Bank Financial

Thank you. Just for our sort of modelling purposes, I was curious to get your perspective. No doubt, if you look at sort of the full year, you guys had some incredible growth, certainly relative to lot of names, at 54% in terms of the subscription part. No doubt some of that probably had to do with the shift to remote learning. So, as we look out into 2021 and 2022, should we expect that to moderate a little bit to sort of reflect, hopefully, a return to a normal life here? Or should we sort of assume it's going to be sustained given the initiatives that you're putting in place here going forward?

Claudio Erba — Chief Executive Officer, Docebo Inc.

Yeah, so I think that you have to imagine the adoption of a learning management system as a software as a strategic move. I mean there is not a one-to-one correlation to the pandemic like Zoom. I mean if you come back to the office, you are not using Zoom for working with your peers and with your colleagues. So there is a direct reduction.

What we are seeing in our industry is actually that there is an awareness that there is a tool, which is a learning management system and online learning in general, that was not leveraged efficiently like can be done. So now the customers are more aware that they have this tool. And this tool will not fade away because it does not have a direct correlation between employees coming back to the office. We are not providing guidance on the growth, but we are happy that now the buyers are becoming more and more sophisticated.

That said, I would like Ian giving you more color on the direct question you have raised.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Sure. Look, as everyone knows, we don't provide guidance. The way that I've tried to respond, because I know the appetite is insatiable, but the way that I've tried to respond in the past is to say that we obviously monitor momentum in our business and at this point, even though our business is slightly seasonal, there's nothing, as I've said historically, there's nothing that we see that would suggest there's going to be a change in the momentum in our business to the downside. I'm not an expert on how businesses are operating in the US, but a lot of the US is more functionally normal than what we see here

in Canada and, you know, the concern or evidence of a significant headwind as COVID starts to diminish, we have not seen as of yet any indication that that's going to be the case.

Richard Tse — Analyst, National Bank Financial

Okay. That's totally fair. I was just sort of kind of curious to get that perspective.

Ian Kidson — Chief Financial Officer, Docebo Inc.

No, no, look, we understand it and we watch our funnel daily to try to figure that out.

Richard Tse — Analyst, National Bank Financial

Right. Okay. As far as my second question goes, obviously you guys have done an incredible job on the OEM side as well. Beyond kind of HCM, there are probably some meaningful opportunities and other sort of segments, notably like ERP and such. What's the plan or is there a plan to sort of expand kind of the OEMs over the next 12 months into some of those other areas?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

A great question. Yeah, we have made no—

Claudio Erba — Chief Executive Officer, Docebo Inc.

I was muted. Sorry, Alessio. Product guy speaking here. So, we have built a super great technology because it's agnostic on the software we interface with, so we OEM with. That said, it's just a matter of fantasy on where we can plug Docebo in OEM. Why? Because learning is happening in every phase of the workflow. So you are learning when you are inside your CRM. You are learning when you are into your partner portal system. So, with our technology, we are capable to be plugged in interesting vertical software that's needed to provide learning but don't have the capability to build their own LMS or their own learning technologies. Because don't forget that Docebo is becoming a multiproduct suite.

That said, if I have to identify immediate opportunities also based on feedback on the beta testing of new OEM models that we are releasing, and I'm thinking about plug-ins of Docebo that run inside the web pages, I can say that partner portals are interesting because usually the partner portal is providing training inside the partner portal to the partner network. So partner portal software, talent management software, OEM software, I can say also maybe some CRM, are great opportunities for us. And I repeat myself: Docebo OEM as a product is agnostic. That said, (inaudible) inside all the technologies.

Richard Tse — Analyst, National Bank Financial

Okay. Thank you.

Operator

Thank you. The next question comes from Gavin Fairweather at Cormark Securities. Please go ahead.

Gavin Fairweather — Analyst, Cormark Securities

Hey, there. Good morning. Good afternoon, Claudio. Just on the 150 new logo additions in the quarter, that's up from kind of 100 in the past few quarters. I guess I'm just curious for some attribution on that. Would you tie that to higher inbound leads or higher win rates or maybe a bit of both?

Claudio Erba — Chief Executive Officer, Docebo Inc.

Alessio? Sorry.

Ian Kidson — Chief Financial Officer, Docebo Inc.

It's okay. Alessio, I can comment on this one quickly. It was two things. Two things. One, when we look at logo additions, it's always on a net basis, and we've said in the past that we have a historical component of our customer base that are very small pieces of our revenue pie, still folks who pay us \$1,000 a year. As that piece diminishes, then the fall off that we have that acts against our new logo adds also starts to diminish, right? And so that's one thing that happened in the quarter.

The other aspect though, probably more important is, first of all, the gross dollar add was very significant, and there were no really big wins included in that add. And so they were basically all singles. There might have been one or two doubles, but there were no grand slams in the quarter.

Gavin Fairweather — Analyst, Cormark Securities

Okay. I guess I was just curious if you wanted to comment on onboard rates in particular and whether those have moved around. I don't know if Alessio would have any comments on that.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Sorry, Gavin, you're breaking up there.

Gavin Fairweather — Analyst, Cormark Securities

Okay. I'll pass the line. Thank you.

Operator

The next question comes from Martin Toner at ATB Capital Markets. Please go ahead.

Martin Toner — Analyst, ATB Capital Markets

Good morning and thanks for taking my call and congrats on a great year.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Thank you, Martin. Good morning. Nice to have you with us.

Martin Toner — Analyst, ATB Capital Markets

So, you mentioned higher profile as a function of the Nasdaq listing and I mean that sounds pretty positive for revenue growth prospects going forward. Can you talk a little bit about that?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Sure. I mean look, being listed on the Nasdaq is, look, it's an expensive undertaking. And if we didn't think that there were positives associated with it, obviously, we wouldn't have moved forward. But the profile that we believe that it provides us is multifaceted. And I almost wouldn't want to weight any of these as being dramatically more important than the other, but we're obviously, from an investor perspective, to the extent they can trade our stock in a home currency on a home exchange, it makes it better for US investors. Or just more natural for US investors.

But as I said, equally important for us is, given our hiring requirements, being listed on the Nasdaq exchange and having compensation programs that can reflect stock and incentive plans associated with a Nasdaq listing is also important. It's a competitive world out there and that's something that has already proven to be beneficial for us.

And then the last thing, of course, is with our customers there's an element of being a grown up company in listing on the Nasdaq. Candidly, I think it's fair to say and, Alessio, you may want to comment on this, but I think it's fair to say that the days where we used to fight the battle with our customers of are we real, are we big enough to service a large company, I think those days are, to all intents and purposes, behind us at this point. But Alessio, why don't you take that?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

I agree on that last comment. There are two factors that contribute to that perception evolving and changing. One is certainly Nasdaq adds a level of prestige to the organization and the customers and prospects appreciate that and they understand what it comes with. And secondly, as we continue to win large logos and partner with organizations in the degree of maturity and success of the AWS and Walmart, there's a recognition that that doesn't happen randomly and those are statements to the growth of the company on top of the Nasdaq listing. So yeah, we are pleased with it.

Martin Toner — Analyst, ATB Capital Markets

Super. Thanks very much. If I can add a follow on, why does the forMetris revenue go into ARR? And will that change going forward or will you consider a change to the revenue model that will allow it to go into ARR?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Yeah, it's a great question. Candidly, it's a technicality. And we did struggle a little bit and decided to take the high road. The structure of their contracts today, if you were to take that structure and compare it to our MSSA, it's just different. And we will be working with their customer base to put them on to paper that's structured like ours and that's why in our remarks I said our revenue is not currently classified as ARR. As we convert those contracts into, as I said, as we convert those contracts onto our paper, then we will start to classify them as ARR.

Martin Toner — Analyst, ATB Capital Markets

Okay. Super. Thank you very much.

Operator

The next question comes from Suthan Sukumar at Eight Capital. Please go ahead.

Suthan Sukumar — Analyst, Eight Capital

Good morning, gents, and congrats on the strong results. Good to see the strong momentum in the business continue. I wanted to touch on some of the strengths you're seeing in new customer wins here. What can you share on the profiles of these new customers coming on board and how much of these are net new to learning versus competitive displacements?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Suthan, good morning and thank you for the kind words. What can we share on the makeup of the new customers? Well, a couple of things. I think it was in the script that it was a record quarter, not only for new logo, but also for upsell. And when we think upsell, we don't think just upsell to the same customer, but cross-sell within the customer organization. And I think that's important to answer your question and give context.

With regards to the new customers that we're signing, no very net new specific trend, Suthan. We continue to excel in industries and sectors in which we have shared great stories in the past. I also believe it was in the script, but to add more colour, just to be very clear, we haven't incorporated in the quarter four results really large, so to speak, whale deals well above the standard ticket. We have, in fact,

distributed this across a multitude of customers, primarily in software and technology, in the manufacturing, financial services, retail. Those are some of the sectors in which we continue to see strong momentum. The displacement factor is the primary case.

The ideal customer profile of Docebo is not anymore a first-time adopter. It used to be. The ideal customer of Docebo as a competitor in-house or in homegrown solution, but I would say that 90% of the instances we displace either a large HCM or another LMS point solution. And we're seeing a trend where HCM or talent management suite displacement happens most frequently in the enterprise segment. That's where we win the bigger deals from the talent LMS combined type of solutions.

Suthan Sukumar — Analyst, Eight Capital

Great. That's pretty helpful. Secondly, I wanted to touch on the competitive landscape. Curious if you guys are seeing any notable changes in the competitive backdrop now versus kind of recent quarters. I mean we saw Microsoft Launch launch Viva. Wondering what you're seeing from some of the existing competitors in this space and if there's any emergence of new entrants here as the market opportunity for learning really expands here.

Claudio Erba — Chief Executive Officer, Docebo Inc.

Claudio speaking. I think that the industry is changing and the product needed to change very fast to go where the learning is going. I mean Viva is a collector of several functions that want to revamp the old school Internet, which is great. I mean the unification of activity is important. But we think that the new integration with Docebo with Microsoft Teams, which we have released recently, is more important,

especially to support the remote work that is still continuing and will continue at least at the end of H1 in North America and probably a little bit longer everywhere else in the world.

That said, classic competitors are growing because e-learning is growing and we know them. What scares me is what I don't know. And mainly, you know, now learning in the workflow, the skill system or the enablement platform like sales enablement platform, if you imagine, this learning can happen inside every single platform. So we need to be ready to bring the learning where the learner is and not only pretending that the learner logs in inside an LMS. And that's where we are working.

Suthan Sukumar — Analyst, Eight Capital

Okay, great. That's good colour. Thank you, Claudio. That's it for me, guys. I'll pass the line.

Operator

Thank you. And the last question comes from Nick Agostino at Laurentian Bank. Please go ahead.

Nick Agostino — Analyst, Laurentian Bank Securities

Good day, all. I guess just coming back to the OEM question, if you guys could comment on, when you look at the revenue growth from the OEMs, recognizing the relative proportions of your OEM partners, was it driven by one OEM or was it equally proportional, again, recognizing the relative proportion, was it equally proportional in terms of their contributions? And the second part of that question is what regions, if there was any, where these OEMs were getting a greater attraction?

Ian Kidson — Chief Financial Officer, Docebo Inc.

Do you want me to take that, Alessio?

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Sure. Go ahead. Let me know if you want me to chime in.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Okay. Hey, Nick. Thanks for the question and great to have you with us.

So, when we started our work with Ceridian, it took us a long time, like over two years, to be in a position where we could support them. And I think everyone is familiar with that story. It's still though, even though technically we are now capable of responding very quickly and being integrated within an OEM platform, working with an OEM is still a critical strategic decision for them. And so we have put a team together that, over the past year, has built a pipeline to add to our stable of OEM partners.

Having said that, the vast majority of our OEM revenue still comes from our original partner and that's why, when I look at our business over the next five years and think about the kind of companies that we can partner with and should be partnering with and are in our pipeline, that's why I get excited. So, to answer your very specific question, the vast majority or the very material majority of our OEM revenue is still a single customer related.

Nick Agostino — Analyst, Laurentian Bank Securities

Okay. And then on that same topic, if we look at Ceridian and we look at MRH and you spoke about it took two years (inaudible) good adoption with Ceridian, when you overlay the traction of those two OEMs, would you say that MRH is ahead of or on par with or behind where Ceridian would have been at that same point in time? Just trying to understand the penetration you're getting as you might bring on other OEMs.

Ian Kidson — Chief Financial Officer, Docebo Inc.

Alessio, why don't I let you talk to that? Without getting specific.

Alessio Artuffo — Chief Revenue Officer, Docebo Inc.

Yes. So, look, we know the potential of the relationship with Ceridian. We're close partners and we've been in this, like Ian said, for a while. So our visibility on the model there is certainly more mature. MHR started ramping late 2020, so it's early days. With that said, Ceridian remains, ah, we plan on them to continue to be a significant driver. But when we look at MHR and beyond, the opportunities that we have in funnel, we think that over the next two years the curve that is primarily attributable to Ceridian will flatten away and distribute more evenly. It's hard to say today exactly when and how, but we know it will.

I think one important note, you know, MHR is, from a regional standpoint, which I think was in your initial question, is very UK focused, whereas Ceridian, despite an incredible effort in acquisition also, is a much more global player with footprint in North America. Our strategy and our goal and what we're executing is continuing to partner with organizations that cover the entire world without focusing or

precluding any single geography. So we're looking carefully at each and every market to OEM with companies from Northern Europe to APAC and so on and so forth. So we're actively pursuing every opportunity and regions are a consideration in our hunting strategy.

Nick Agostino — Analyst, Laurentian Bank Securities

Okay. Thank you.

Operator

Thank you. There are no further questions. I will now turn the call back over to Claudio Erba for closing comments.

Claudio Erba — Chief Executive Officer, Docebo Inc.

It was a pleasure having you here for our first earnings call together with TSX and Nasdaq, I felt the pressure, and I really hope to have you in the next earnings call, which will be probably in May, so not longer. And probably, I'm not saying we will be in a vaccine (inaudible) heard immunity scenario, but it will be more relaxed. Anyway, guys, thank you so much. It has been a pleasure. Thank you.

Operator

Ladies and gentlemen, this concludes your conference call for today. We thank you for participating and we ask that you please disconnect your lines.