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WORKING FROM HOME

The most rapid organizational transformation in the history of the modern firm

It now seems that the workplace of the future will blend physical and virtual environments. Flexible work arrangements will be the norm and this will reshape workplaces and work spaces.



The “new normal” revolves around the Work From Home (WFH) theme as IT spending shifts towards WFH infrastructure (cloud data centers, collaboration and video conference tools etc.).



Gartner estimates that, by 2030, remote working demand will increase by 30% as Generation Z fully enters the workforce.

The digital transformation stakes have been dramatically raised and a massive digital transformation is already well underway.

For years, firms have been moving towards an increasingly digital core based on software, data and digital networks, requiring a fundamentally new operating architecture. This should continue to be beneficial to many companies within the electronic value chain, from providers of virtual reality headsets and Wi-Fi routers to companies providing communication infrastructure, applications and Cloud services.

Digital applications and hardware now allow users to remotely collaborate, with collaboration tools and platforms.

In this scenario, which themes and stocks are the winners?

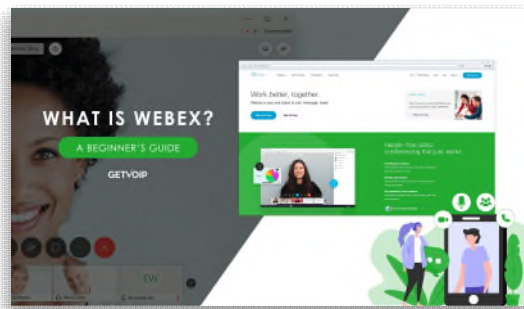
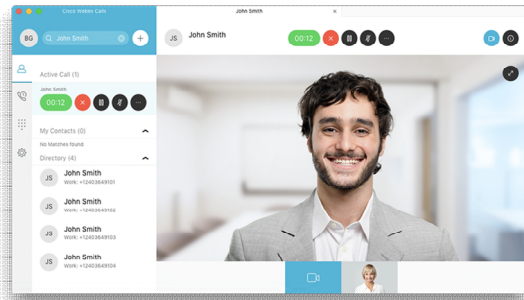
+30%

INCREASED
DEMAND OF
WFH BY 2030



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Video conferencing providers are an exemplary case of this, showing that almost any process can be rapidly digitized and virtualized. As such, **Zoom Video, Microsoft Teams, Cisco Webex, Skype and Google Hangouts** appear to be the preferred choice of video conference platform for many companies.

On 10 March, Cisco reported that **more than 30%** of its top global enterprises had asked for help scaling-up remote work capacity by increasing the number of users with access to its Webex Meetings tool. Ultimately, the COVID-19 crisis will lead to greater operating efficiency and will drive digitalization of society at an incredible rate. In a period of days, almost any process that could be rapidly digitized has been virtualized.



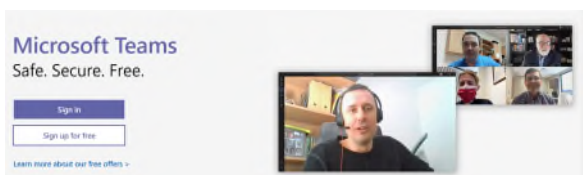
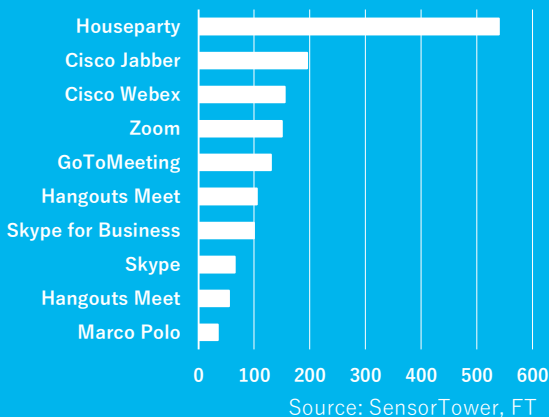
Prior to COVID-19, Zoom reported that its Cloud service logged more than 40 million hosted meetings and 8.6 billion meeting minutes per month. Overnight, Zoom has become a mainstream communication tool as well as a social platform for millions, including school and college students, church and concert-goers, and families and friends looking to connect whilst subject to social distancing measures. According to Apptopia, **on 11 March, 343,000 people downloaded the Zoom app globally**, compared with 90,000 people worldwide two months previously.



Microsoft is another big winner, given the popularity of its chat and conferencing app, Teams. As more people work from home, **the app had 44 million users as of 18 March**, more than double the 20 million daily active users reported in November.

Pace of growth of global downloads for Houseparty is far outstripping other video conferencing apps

Percentage growth in downloads between the weeks beginning 2 March and 9 March



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