



## Forget Zoom (NASDAQ:ZM)! Here Are 2 Canadian Work-From-Home Stocks

### Description

Everyone is now working from home. As social-distancing and self-isolation measures kicked in last month, companies had to decide between shutting down operations or allowing employees to work remotely. This means many businesses rushed to adopt digital tools and platforms that can help their teams coordinate and work virtually.

This rush has created a boom for companies that supply key software and video conferencing technology. Unfortunately, some of the best remote work stocks are listed in New York rather than Toronto. NASDAQ-listed **Zoom**, of course, has surged 121% year to date. That being said, here are two work-from-home stocks Canadians can invest in for exposure to this booming market.

### Content management

Waterloo-based **Open Text** ([TSX:OTEX](#))([NASDAQ:OTEX](#)) is arguably one of Canada's best software companies. Large corporations across the world rely on the platform to manage documents and web content for their enterprise. Now that nearly all businesses have been pushed to work from home, demand for web content management could spike.

A spike in new clients isn't the only reason I like this stock. Open Text's existing client base includes some top-notch names. Corporate giants such as **ADP**, **ArcelorMittal**, and **BCE** rely on the platform to manage their workflow. Open Text also has a partnership with tech giant Google to deliver cloud services to its clients.

These robust clients are less likely to cut back on their Open Text contract, despite the downturn in the economy. I believe the stock doesn't reflect the potential for this work-from-home stock to attract new customers and retain existing ones. It's down 22.5% since mid-February. That presents an opportunity for Canadian investors.

### Work-from-home security

Another overlooked aspect of working from home is the gap in cybersecurity. Cyber criminals know that employees don't have the same resources and infrastructure to protect their laptops and

smartphones at home. Online attacks have spiked since the shutdown.

**Absolute Software** (TSX:ABT) provides the sort of endpoint software companies need to protect their work-from-home employees. In just two years, the company has managed to [double earnings](#). This year, I would expect earnings to boom even further, as companies try to protect their critical data.

The stock is down just 5.6% from its all-time high from two months ago. It has managed to maintain its lucrative 3.2% dividend yield. The stock trades at just 28 times trailing earnings, which is reasonable for a growth-focused tech stock.

With organic demand for cybersecurity surging and no visibility on how long employees have to keep working from home, I'd say this is a top pick for Canadian investors.

## Special mention

**Shopify** isn't a traditional work-from-home stock. However, I believe it deserves a special mention, considering the state of the economy. As people lose their jobs and are trapped at home, launching online shops could become a viable way to boost income. Dropshipping and e-commerce marketing can be done remotely. Investors should probably add Shopify to their work-from-home portfolio.

## Bottom line

There's opportunity in every crisis. As the economy shuts down and families isolate at home, companies that provide tools to generate income remotely should thrive.

### CATEGORY

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2. TSX:ABST (Absolute Software)
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