3 Stocks Profiting From the Work-From-Home Trend

Description

While the TSX is down about 10% so far this year, some stocks have managed to beat the market by a wide margin. Lockdowns have forced businesses to shut down, prompting workers to work from home. That's why companies that help workers to work remotely have performed especially well during the pandemic.

Zoom Video Communications

Zoom Video Communications (NASDAQ:ZM) is one of those stocks that has literally exploded since the start of the coronavirus crisis.

Zoom's shares have gained more than 160% year to date, as shutdowns have forced workers to work from home. The company is now worth more than the world's seven biggest airlines.

Zoom is a video conferencing app, allowing people to meet and do presentations virtually instead of in-person. You can also chat and do webinars on Zoom's cloud platform.

Being able to meet remotely is very convenient during a pandemic. Zoom's daily users topped 200 million in March, up from 10 million per day in December.

Many workers will likely continue to work from home long after the pandemic abates. Remote work was on the rise before the pandemic, and the virus only accelerated this trend. So, Zoom should continue to do well post-pandemic.

Docebo

Another stock that has performed very well during the pandemic and will likely continue to thrive in the post-COVID world is **Docebo** (TSX:DCBO).

The stock dipped along with the market in March but has rebounded strongly for a return over 50%

year to date.

Docebo has an AI-powered cloud-based online learning platform that companies can customize to offer their own courses and training. It allows employees to have training remotely, which is very useful during a pandemic.

Docebo's revenue grew 57% to $13.5 million in the first quarter as compared to a year earlier, with subscription revenue up 60.6% to $12.2 million. The company now has 1,938 users, up from 1,596 a year ago.

Docebo donated nine months of free use of its virtual leading platform to Heart & Stroke, helping the health charity to continue to deliver life-saving training safely during the COVID-19 pandemic.

Remote training will probably be one of the changes that will continue after economies recover from the pandemic.

Absolute Software

Another company designed to survive COVID-19 is **Absolute Software** (TSX:ABT).

Vancouver-based Absolute develops, markets, and supports cloud-based endpoint security and data risk management — areas that are pretty essential for all businesses.

Even before the coronavirus massively disrupted the workplaces around the world, IT and security teams were dealing with increasingly complex and fragile endpoint device environments. The COVID-19 outbreak brought a sudden and sizeable surge in employees working remotely, magnifying the security challenges of remote work.

As employees work from home with their devices and sensitive data, spending on cybersecurity tools and applications to secure endpoints like laptops is essential. While endpoints represent a significant cost for all companies, the data that resides on these devices is even more valuable.

Without strong cybersecurity, those data can become the target of hackers and costs organizations millions of dollars.

So, we should see an increased use of Absolute's security platform as people working from home will continue post-pandemic.

Total revenue in fiscal 2020 third quarter was US$26.1 million, representing a year-over-year increase of 5%. Absolute pays a quarterly dividend of $0.08 per share for a dividend yield of 2.4%. The stock has soared more than 50% year to date, so you get both income and growth.

CATEGORY

1. Coronavirus
2. Investing
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1. Editor's Choice

TICKERS GLOBAL

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2. TSX:ABST (Absolute Software)
3. TSX:DCBO (Docebo Inc.)

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