Covid-19 & The State of Corporate Mobility

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Executive summary

- Covid-19 changed the way we work & therefore the way we transport, but it didn't affect everyone equally
- Priorities when it comes to travel changed with a higher emphasis on risk of infection
- Companies are facing substantial challenges such as increased transport costs and shortages of drivers & suppliers
- As we step into 2022, we are at the peak of the Omicron variant in terms of new covid-19 cases, but we at HQ are seeing light at the end of the tunnel

Not everyone can work from home

While it used to be the norm to work from 9 to 5, the pandemic has shook all sense of normalcy - challenging our perception and understanding of where we "work." But this isn't true for all industries. As Diedre Lockwood put it, "Most people can't work from home".

In order to work from home, two conditions are necessary:

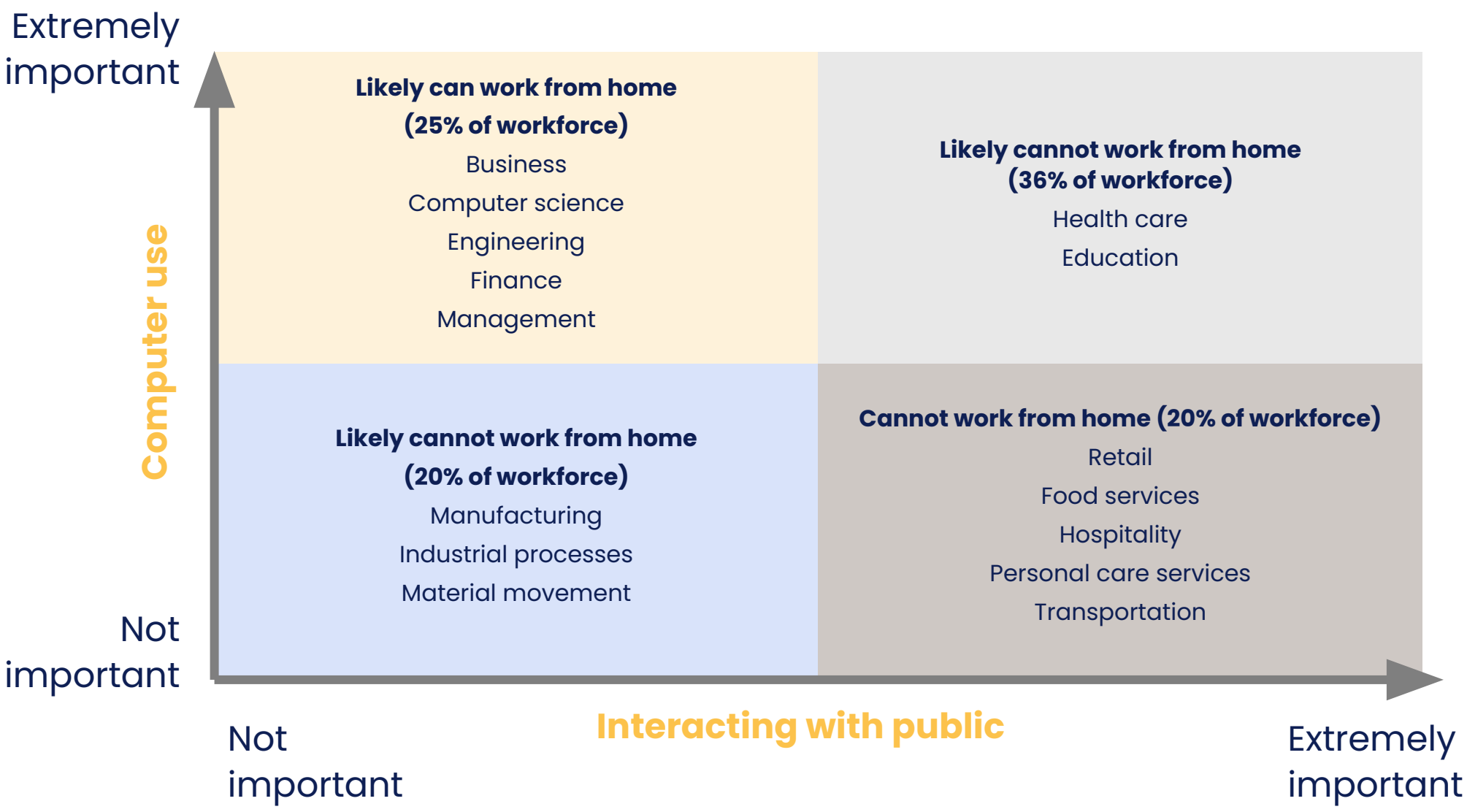
- You do a lot of your work on a computer
- You don't have significant interaction with the public

Those who can't are more vulnerable

Based on the Nonrelocatable Occupations study conducted by Marissa Baker in April 2020, only 25% of employees fit into the "work from home" category, while most of the rest don't.

The other 75% (those that have to arrive to work every day,) are likely to face job disruption during times like these. And, to add to the mix, they are also potentially taking on risk by interacting with the public and other workers, as well as by taking public transportation.

Who can work from home ?



Tech companies have embraced remote work the most

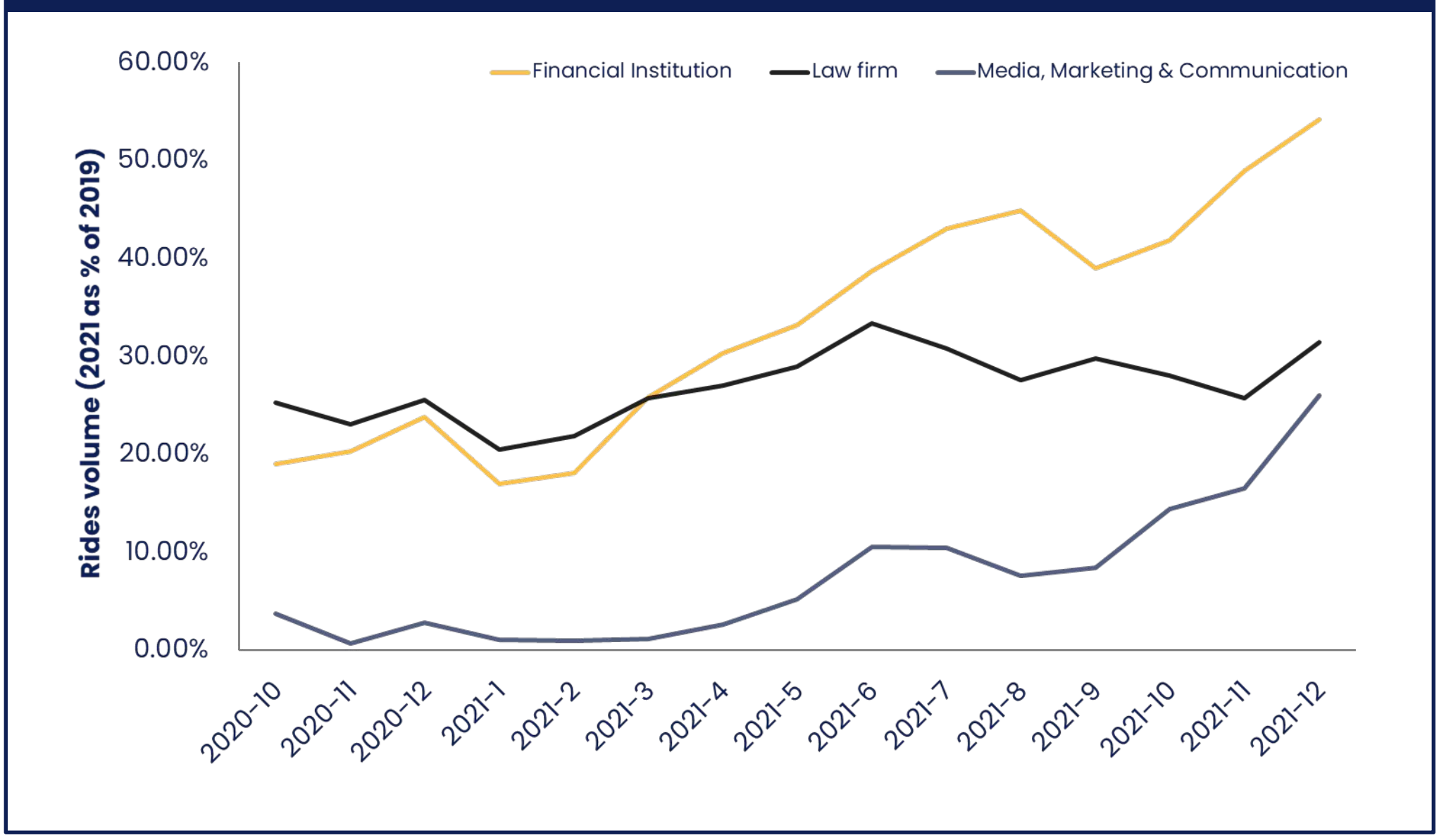
When it comes to companies that technically can work from home, at HQ, we see a range of outcomes. Tech companies embraced working from home. CEOs have been on a pendulum, putting going to work plans in action and then postponing them as a new wave hits. While the intentions of management teams are to bring the employees back to the office, they are in no rush.

> We are putting our Back to office plans in place, and our employees are not comfortable riding the public transportation, so we are looking for other options
>
> ***– Software company, location: SF >3k employees globally***

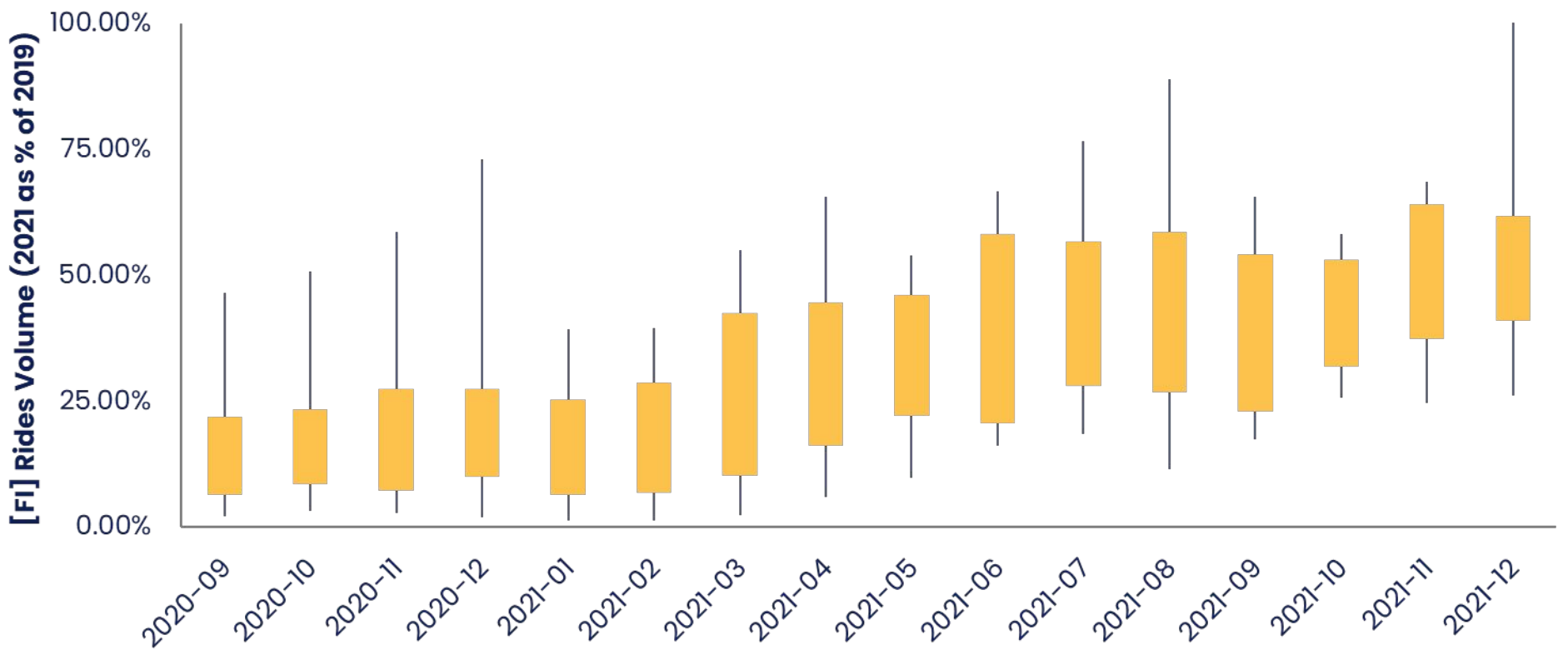
Not all companies that can work from home, will

However, what is most interesting to us at HQ is that many companies that have the option to work from home did not. This was most true for companies that are client facing - from financial institutions, to investment banks and even law firms. At HQ - we saw that the level of recovery in transportation for these firms to be highly dependent on the industry & on the specific client.

We see a different recovery level between different industries. As an example - financial institution clients show higher recovery levels in 2021, reaching >40% of 2019 levels. Law firms show recovery of around 30% of 2019 levels. Media & marketing firms showed significant recovery towards the end of year at >20% of 2019 levels.

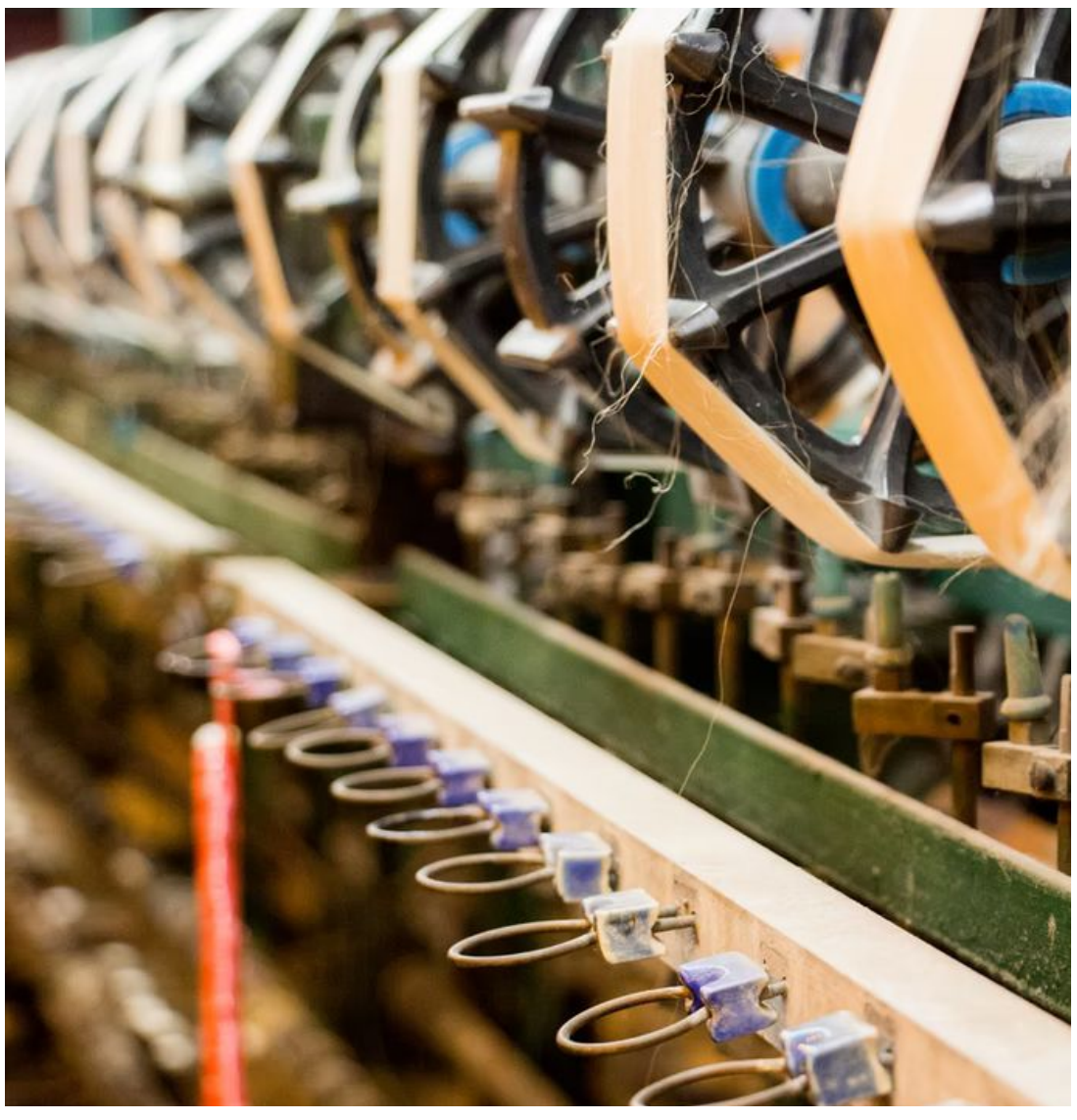


Recovery levels are also highly dependant on the client: When looking at financial institutions, we see a range of recovery levels ranging from 25% to >70% of 2019 depending on the specific client and how adamant they are on getting back on the road

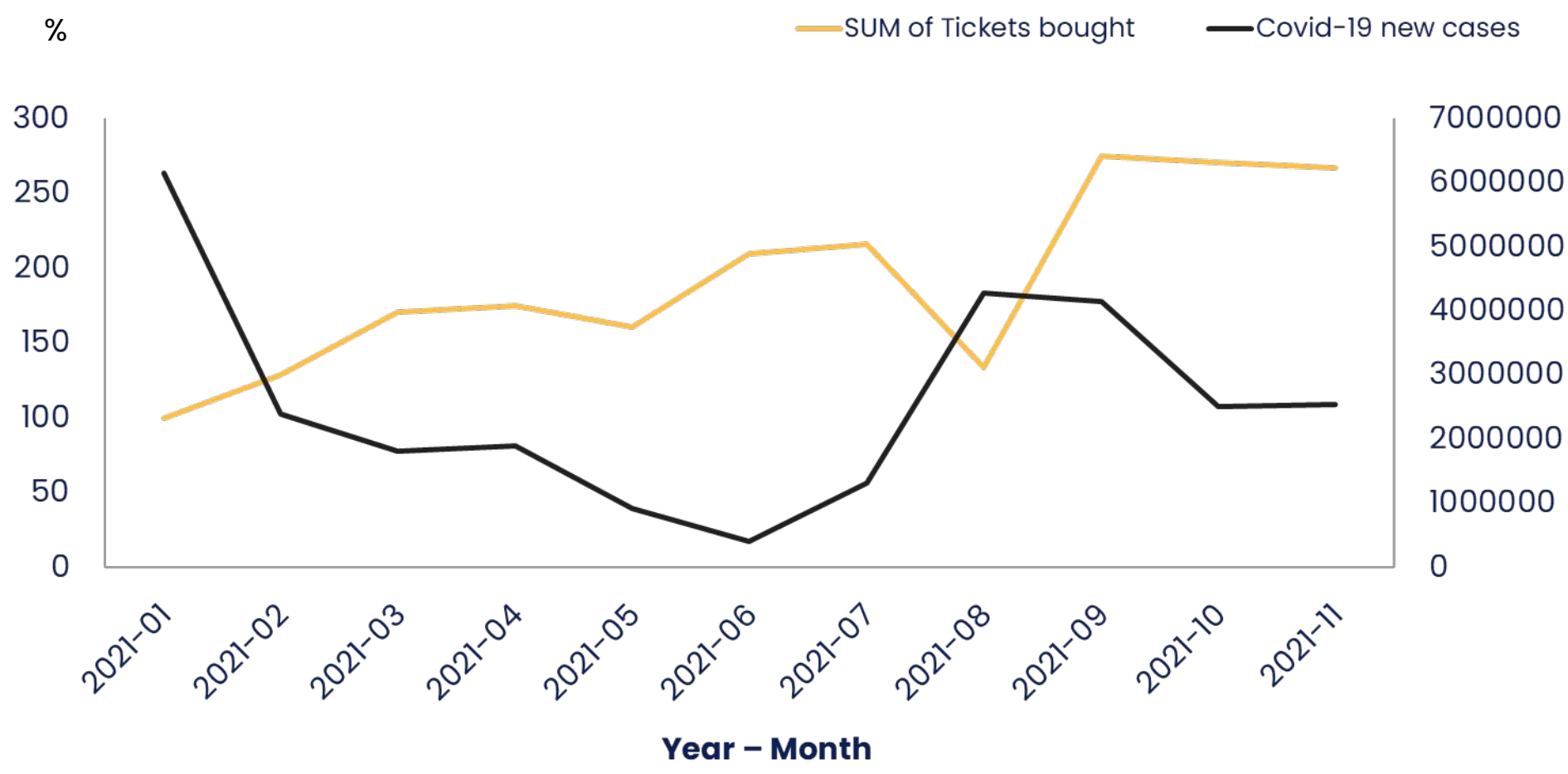


75% of employees can't work from home

The vast majority of employees can't work from home even if they wanted to. Companies from manufacturing, automotive, factories, food & beverage industries come to HQ to provide transportation solutions for their employees; using our shuttles to attract talent and to help them avoid public transportation. In many cases, these companies also contact us because their staff does not have good public transportation options to get them to work, given the company's facilities are located far away from city centers.



Manufacturing companies are using HQ Shuttles 3x the rate of what they did at the start of 2021



COMPANIES PRIORITIZING HEALTH

While companies in the past prioritized speed & convenience when choosing their mode of transportation, in today's climate, companies have Risk of infection at the top of their list

Reducing the risk of infection has become the primary reason for the choice of a mode of transportation

Key reasons to choose a mode of transportation[1], rank

[1]Question: What were/are your key reasons to choose a mode of transportation? Aggregated results from China, France, Germany, Italy, Japan, UK and US, Reasons ranked by number of respondents.
SOURCE: McKinsey Center for Future Mobility

For that reason, many of HQ's clients require a list of protocols to ensure the health & safety of their employees. HQ's technology platform easily provides contact tracing reports, giving employers full transparency and increased control

- Full cleaning & EPA-grade disinfectants every night
- Rider's temperature taken before riding
- All riders & driver must wear masks
- Driver tested for Covid-19 every morning
- Social distancing, one seat empty
- Contact tracing reports
- Adhering to all CDC guidelines

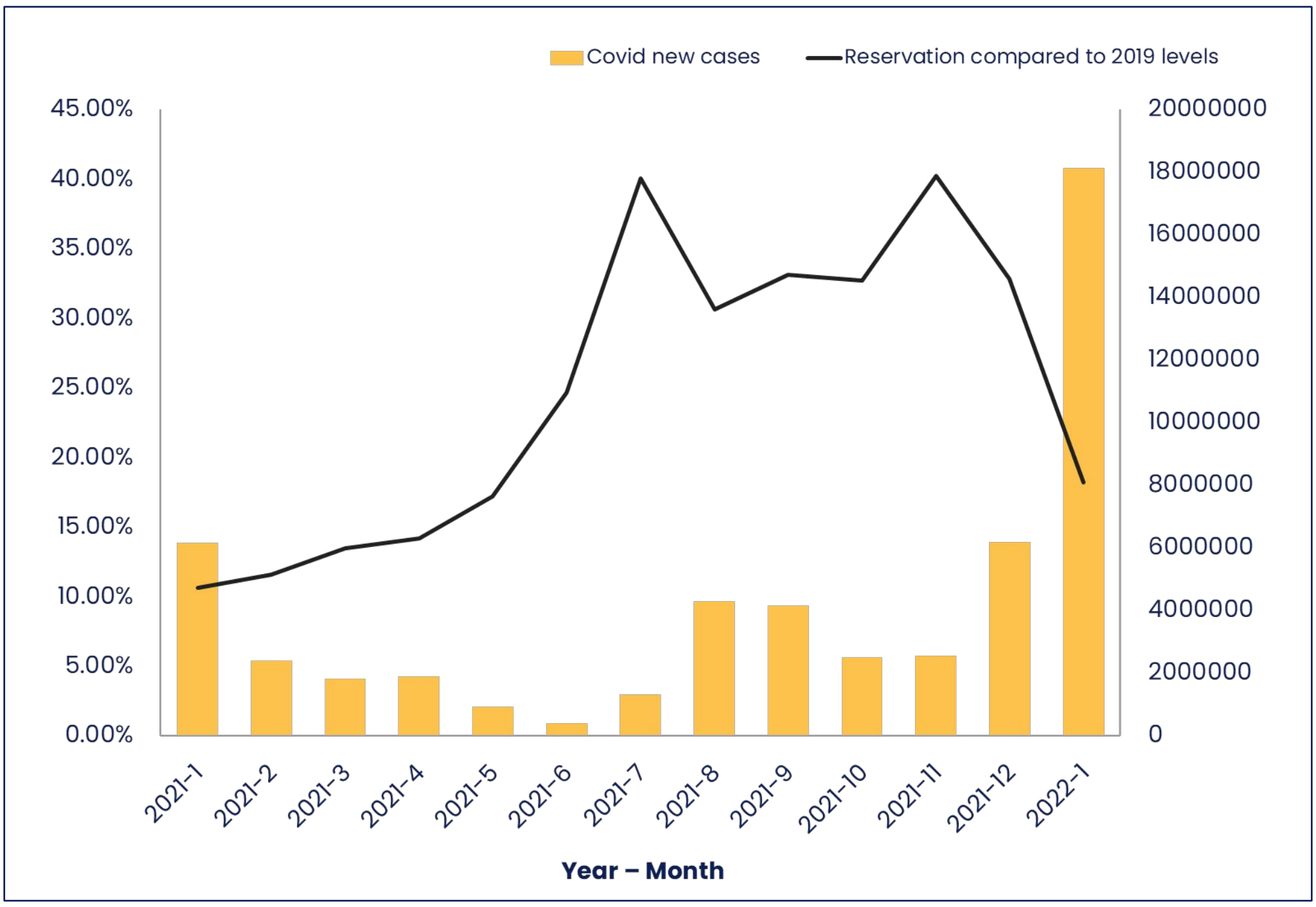
> We are very adamant on working from the office. To ensure a safe commute for our employees - we have strict health protocols in place to ensure that
>
> ***– Financial company location: NY >10k employees globally***

New year, new variant

While we've seen recovery over the course of 2021, we've also seen that ride reservation numbers have a clear correlation to the number of new Covid-19 cases that arise. For every pandemic wave that has hit, we've seen a decline in reservations. But one thing is clear - the sensitivity of the ups and downs is decreasing; with Omicron, even as the number of new cases have reached a peak high, the number of ride reservations remain at a higher level than they were in January 2020

We are cautiously optimistic

This month we saw a record high number of new covid-19 cases, which dropped ride reservations from 40% to 20% of 2019 levels - but as we now slowly recover from the most recent variant, we expect to see the reservation numbers picking up again, and doing so much faster than last year.

We are also seeing glimmers of recovery for the corporate travel space.

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