

Enabling technologies

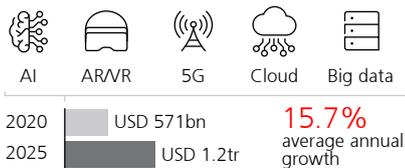
Longer Term Investments (LTI)

Tech devices and advances have disrupted every aspect of our lives. And over the next decade, spending on the underlying enabling technologies that allow their development and production should remain high as both disrupting and incumbent companies continue to invest to increase or defend market share.

Projections and opportunities

Annual growth

We expect the market for the next five enabling technologies—AI, AR/VR, 5G, cloud, and big data—to grow by an average 15.7% annually, from USD 571bn in 2020 to USD 1.2tr in 2025.



Source: UBS, as of January 2022

Big data

Every month, Facebook has roughly 2.9 billion active users, and more than 20 billion messages are exchanged between businesses and users on Facebook Messenger.



Source: Bloomberg Intelligence, UBS, as of January 2022

Artificial intelligence

We expect the AI hardware and services market to grow from USD 36bn in 2020 to USD 90bn in 2025.

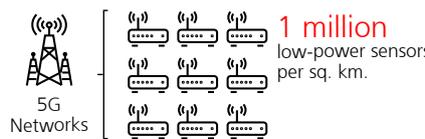


Source: IDC, Bloomberg Intelligence, UBS, as of January 2022

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5G

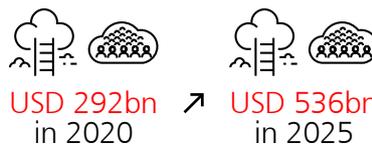
5G networks should support unprecedented capacity as measured in device numbers. Ericsson envisions 5G networks providing connectivity for up to 1 million low-power sensors per square kilometer.



Source: Ericsson, UBS, as of January 2022

Cloud

We expect the cloud market to grow from USD 292bn in 2020 to USD 536bn in 2025.



Source: IDC, Bloomberg Intelligence, UBS, as of January 2022

AR/VR

We expect the combined revenues of the AR/VR industry to grow from USD 22bn in 2020 to USD 107bn in 2025.

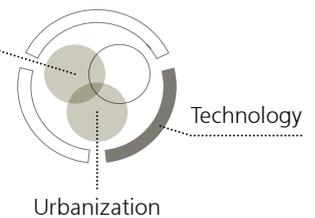


Source: eMarketer, IDC, Goldman Sachs, Bloomberg Intelligence, UBS, as of January 2022



Enabling technologies investment properties

Population growth



○ Influencer

⊗ Key drivers



Near-term drivers

- Technological disruption
- Urbanization



Sustainable Development Goal

- SDG 9: Industry, innovation, and infrastructure

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