

These 2 Stocks Can Double Your September CRA Cash Benefit

## **Description**

# Your CRA cash benefit for September

If you are eligible for the CERB and have exhausted your \$12,000 limit in August, you can apply for another four weeks (August 30-September 26) on August 31. Remember, this CERB payment will be added to your 2020 taxable income.

September is also the deadline to file your 2019 tax returns. You should meet this deadline to continue receiving other cash benefits, which the CRA only offers to taxpayers. Some of these benefits include Goods and Service Tax credit of up to \$451 and Canada Child Benefit of up to \$6,400.

# Maximize your September CRA cash benefit

You can make the most of your September CRA cash benefits by investing some of them in growth stocks. If you have already withdrawn some savings for your September expenses, you can claim your CERB and put the entire amount in your Tax-Free Savings Account (TFSA). Two stocks can double your \$2,000 CERB to \$4,000 in the next three to five years.

## **Kinaxis**

My first stock pick is **Kinaxis** (<u>TSX:KXS</u>), a provider of supply chain planning solutions. Founded in 1984, the company is in a mature growth stage. It caters to large enterprises and has a diversified customer base, with no single customer accounting for over 10% of its revenue.

This ensures long-term subscriptions and stable cash flows. Between 2015 and 2019, it had revenue and adjusted EBITDA CAGR of 16% and 14%, respectively. During that time, its stock rose at an average annual rate of 40%.

In the second quarter, Kinaxis' revenue surged 45% as many large enterprises renewed their

subscription for a longer-term. This shows its resilience to the pandemic, although it is seeing some delays in signing new contracts and renewal of subscriptions.

Kinaxis is adopting machine learning to improve its demand forecast and analysis as per the changing business environment. As global trade complexities grow and the pandemic changes consumer spending, there is an ever-growing need for supply chain planning.

Kinaxis stock has doubled this year and surged 60% last year. It is trading at 25 times its sales per share, a decent valuation for a company whose revenue is growing double-digit. If you had invested \$2,000 in Kinaxis in January 2019, you would have \$6,250 by now. This would have extended your CRA cash benefit by three months.

# **Lightspeed POS**

My second stock pick is **Lightspeed POS** (<u>TSX:LSPD</u>), a provider of cloud-based point-of-sale solutions to retailers and restaurants. The company is relatively new and in a high-growth stage. It was founded in 2005 and launched its initial public offering in March 2019. That year alone the stock doubled as its revenue rose 55%.

The company's revenue had just started to accelerate that the pandemic struck its customers and temporarily close their physical stores. As Lightspeed solutions are designed for physical stores, it saw a steep decline as many customers canceled their subscriptions. This sent its stock down 67% in March.

However, Lightspeed saw a 400% surge in e-commerce volumes in April as compared to February. It flowed with the tide and introduced new services and features that integrate inventory, shipping, marketing, and reports of physical and online stores.

It also introduced various e-commerce themes to allow customers to create their online store. The company launched Lightspeed Capital that provides retailers up to US\$50,000 in financing per location. They can use this money to buy inventory, do marketing, and manage cash flows. It is also broadening its services to include golf.

Lightspeed stock has surged 220% from its March low and is back to its pre-pandemic level. The stock is trading at 20 times its sales. As its sales grow so will the stock.

## **Investor corner**

You can use your \$2,000 CRA emergency cash benefit to invest \$1,000 in Kinaxis and Lightspeed and double your money in two to three years.

### **CATEGORY**

- 1. Coronavirus
- 2. Investing
- 3. Tech Stocks

### TICKERS GLOBAL

- 1. TSX:KXS (Kinaxis Inc.)
- 2. TSX:LSPD (Lightspeed Commerce)

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