



Bombardier Comes Up Dry at Paris Air Show

Description

One of the big (the biggest?) events on the world's aerospace calendar is the just completed Paris Air Show. It's here that those who buy and sell airplanes meet to, well, buy and sell airplanes.

This year's show resulted in the 2nd highest order tally in history and RBC described the overall sentiment on the commercial outlook as "positive".

You sure wouldn't know it however by looking at **Bombardier's** ([TSX:BBD.B](#)) order sheet.

Bombardier booked no, like 0, orders for its new CSeries jets. The CSeries is set for its First Flight before the end of June and a lack of orders hangs a pretty big question mark over this newly designed aircraft.

The company however did have success with \$1.2 billion worth of firm business jet orders. They were the only OEM to sign significant business jet orders, and therefore solidified their position as a leader in this portion of the market.

Competition

While Bombardier's show was underwhelming, its primary competitor in the regional jet market, **Embraer** ([NYSE:ERJ](#)) had a lovely time in Paris. Embraer announced a refresh of their E-Jet Family: the E2. And E2 orders were strong. 212 firm and conditional offers were received.

Foolish Takeaway

Building airplanes is a tough, tough business. And Bomber's experience at the Paris Air Show proves it. Competition is cutthroat, and constant evolution is required. Margins are slim and capital investment is massive, meaning there is little room for error. The CSeries could well prove to be a winner for Bombardier, but it's definitely off to a rocky start. Perhaps a better indication of future demand will be provided after the First Flight is complete.

To learn about 3 companies that have far better business models than Bombardier's, [click here now](#)

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Fool contributor Iain Butler does not own any of the companies mentioned in this report. The Motley Fool has no position in any stocks mentioned at this time.

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