



Bombardier, Inc.: 3 Airlines That Could Be the Next CSeries Customer

Description

It's been well over a year since **Bombardier, Inc.** ([TSX:BBD.B](#)) last secured an order for its CSeries line of planes. But as the CS100 nears certification, Bombardier is claiming that airlines remain very interested in the CSeries.

Of course, the company is not predicting when the next order will arrive, nor which airline it will come from. From time to time though, we get hints about who the next customer will be.

On that note, below are three airlines that could be the next customer.

1. AirBaltic

Latvia-based AirBaltic already has an order for 13 CS300 aircraft, but it also has an option for seven more CSeries jets. And the company has made no secret it wants to order those additional planes.

While speaking on Friday, CEO Martin Gauss said, "We want to buy them. That's what the business plan says, because it's better for AirBaltic in the future if we have the chance to put the aircraft into our equity."

This is not a done deal. AirBaltic is short on cash and needs over €100 million in financing to proceed with its planned purchases. And this will depend on an €80 million funding package from the Latvian government, which the country's parliament is set to vote on next week. So far though, the prognosis looks good.

2. Porter

Like AirBaltic, Porter Airlines wants to buy CSeries aircraft, but it has some major obstacles to overcome before doing so. The company must gain approval to fly jets in and out of the Billy Bishop Toronto City Airport and must also gain approval to expand the airport's runway.

These plans will require approval from the federal government, led by Justin Trudeau's Liberal Party. But Mr. Trudeau is firmly opposed to any extension to the airport's mandate.

There is some hope that Mr. Trudeau will change his stance once an independent study on Porter's proposals is released. But until then Bombardier should not count on any firm Porter orders.

3. United Airlines

Thus far, Bombardier has been unable to secure any CSeries orders from a blue-chip North American airline. But that doesn't mean these airlines aren't showing interest.

The most promising prospect comes from United Airlines. According to multiple reports, the airline is said to be deciding between the CSeries and Embraer's E195 planes for an order that would likely total 30 aircraft (with an option for 30 more). This would be a major victory for Bombardier if it won the order and could restart momentum for the CSeries.

Importantly, **Boeing** and Airbus are probably not in the running for this contract, since their planes are larger than what United is looking for. Given what has happened over the past year, this dramatically increases Bombardier's chances.

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