



## Can Bombardier, Inc. Profit and Expand Beyond the CSeries?

### Description

**Bombardier, Inc.** ([TSX:BBD.B](#)) made headlines recently when the company secured a massive order for the new CSeries jet from **Delta Air Lines Inc.** Up until that order, the company was in dire need of assistance from a new order, aid from the government, or, in reality, both.

Exactly how much has actually changed at the Montreal-based manufacturer remains to be seen, but the company does seem to be breathing a sigh of relief after that order.

Bombardier continues to make strides and advances on the industry, and the order appears to have sparked a larger interest in the airliner.

### A bigger CSeries in play?

The current CSeries line consists of the smaller 110 seat CS100 and the larger 135 seat CS300. Both of those jets are slated in the 100-150 passenger range of jets. Interestingly enough, however, Bombardier trademarked both the CS500 and CS900.

Those trademarks expired and were not renewed in 2014, but that hasn't stopped speculation that larger sibling to the CSeries line of jets is in the cards. If the CSeries pans out to be as fuel efficient and as advanced as the company and the certification tests claim, there could be some justification to releasing a larger 150-seat (or higher) variant.

Bombardier's focus remains on the CS100 and CS300 deliveries, however—as it should. The CS300 is slated to enter service sometime during the fourth quarter of this year with Air Baltic, whereas the smaller CS100 variant is targeted to launch in July with launch partner **Swiss international Air Lines**.

A bump in production is expected to occur over the next few years as 325 CSeries jets are targeted for delivery through 2020.

### New CSeries prospects

During the Paris Air Show last year, the CSeries attracted a lot of attention but did not get any

orders—arguably because of the long-standing delays and uncertified status (at the time) of the plane.

The Delta order and **Air Canada's** letter of intent lit a fire under the project, and many airlines that were taking a wait-and-see attitude are starting to come out of the shadows and talk with Bombardier about potentially doing business together.

One new prospect that's getting attention is that JetBlue Airways Corporation is in talks with Bombardier about potentially signing a deal for the CSeries. While nothing formal has been disclosed, JetBlue does operate a fleet of smaller aircraft and has routes that would, for the most part, transition well with the CSeries.

Looking to other markets, one area of interest is China. Air traffic in China is growing quicker than anywhere else, and beyond the well-known markets of Beijing and Shanghai, there are countless tier-two airports and feeder cities that would benefit from the CSeries's range, efficiency, and seat limits.

While recent developments have put Bombardier and the CSeries into the spotlight and provided a boost to the stock price, the company remains a fairly risky investment. The stock is still hovering just over the \$2 mark, but the good will and orders will soon need to be followed up by actual deliveries.

In my opinion, there are far better options on the market for investors at the moment, but Bombardier will start to look more attractive to investors once the company starts deliveries of the CSeries.

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