



## Good Buy? Bombardier, Inc. (TSX:BBD.B) Unveils a New Large CSeries Order

### Description

When **Bombardier, Inc.** ([TSX:BBD.B](#)) unveiled the revolutionary new CSeries jet just a few years ago, it was heralded as an evolutionary step for the industry. The jet was more efficient and lighter than the competition, and the allure of a new jet in the underserved 100-150 passenger segment drew the attention of airlines everywhere.

Unfortunately, a series of delays, cost overruns, and even a trade spat with aircraft manufacturing behemoth **Boeing Co.** left potential airline customers waiting to see how and if Bombardier's new jet would successfully make it to market and keep flying.

### Bombardier's latest CSeries order

Orders have been sparse for the CSeries over the past few months. While the dispute with Boeing Co. and the related tariffs issue with the U.S. Department of Commerce are now resolved, Bombardier has received plenty of interest but no orders for the CSeries, at least until this week.

Bombardier announced this week a deal with Air Baltic for a CSeries order of at least 30 of the larger CS300 jets, with options for an additional 30 aircraft. While discounts are common in bulk orders, the list price of the initial 30 jets would amount to over \$3 billion.

Air Baltic was one of the initial launch partners of the CSeries, and it already has a fleet of eight CS300 aircraft and an additional 12 CS300 aircraft on order yet to be delivered. More importantly, this latest follow-up order is a vote of confidence in the CSeries for airlines that are still taking a wait-and-see approach to the jet.

### Bombardier's new Global business aircraft is set to fly, too

The CSeries is not the only Bombardier-built jet making the news.

Bombardier's business line of Global jets recently made news as well. The upcoming Global 5500 and 6500 jets are upgrades over the existing 5000 and 6000 models, touting new "Nuage" patented seating, upgraded engines, and greatly increased fuel efficiency that will add an additional 500-600

nautical miles to the range of the jet.

The upgraded seats stem from the recently rebranded 7500 global line, which is on track for certification and delivery during the second half of the year.

### **Is Bombardier a worthwhile investment?**

Bombardier has historically suffered from delays, cost overruns, and other unfortunate events that weighed it down. And as revolutionary and attractive the CSeries is to airlines looking for a smaller, efficient aircraft, Bombardier's less-than-stellar record of meeting delivery windows is a valid concern for airlines.

That being said, the deal with Airbus regarding the CSeries, which is likely to be [unveiled as the A200](#) at an upcoming event within weeks, will be both assisting and liberating to Bombardier. The efficiency and expertise of Airbus, not to mention the manufacturing and financial muscle, will provide the catalyst that other airlines were waiting for to jump in and buy the CSeries.

Furthermore, the upcoming release of the new business line of Global jets is lining up with a growing demand for business jets, where Bombardier's existing family of jets is already a popular choice.

In my opinion, Bombardier remains an [intriguing turnaround investment](#) option for those investors looking to diversify their portfolios.

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