



Bombardier, Inc. (TSX:BBD.B) Is Rallying! Buy Now?

Description

As recently as a year ago, it would have been unthinkable to consider that **Bombardier, Inc.** ([TSX:BBD.B](#)), the plane and train manufacturer and long-time source of harsh criticism among investors and analysts alike, was a [compelling option for investors](#) to consider, but that's exactly the environment we are in now.

Let's take a look at how we got to this point and how good of an investment Bombardier really is.

Bombardier's CSeries drama has a happy ending

Most of the criticism of Bombardier over the past few years has been aimed squarely at the revolutionary new jet, the CSeries. The CSeries managed to attract a huge amount of attention owing to its small size and high efficiency.

Being a smaller jet, the CSeries could fly into and serve smaller routes, where the even the smallest jets offered by the duopoly of major aerospace manufacturers had no competing product.

Unfortunately, development of the jet met significant scheduling and budgetary delays, drawing the ire of investors, and then once certified, the jet failed, at least initially, to attract any orders from large airlines.

Adding to those woes, aerospace behemoth **Boeing Co.** attempted, but ultimately failed to have crushing tariffs imposed on the CSeries. That eventually led Bombardier into the arms of European aerospace giant and primary competitor to Boeing, Airbus.

Airbus has since taken over majority interest in the CSeries and recently re-branded the aircraft line as the A220, which fits more in line with the branding that Airbus already offers. Bombardier still maintains a one-third interest in the CSeries, which makes the next part of this story that much more appetizing for investors.

Orders are coming in for the A220

The aircraft formerly known as the CSeries was always regarded as a revolutionary and attractive jet for airlines, but it failed to muster significant orders, with many airlines taking a wait-and-see approach.

That's all changed now that Airbus is at the helm, leveraging its financial and marketing muscle, along with its experienced sales force.

Earlier this week, **JetBlue Airways Corp.** announced an order of 60 of the Airbus A220-300 aircraft (formerly the CS300), with deliveries starting within the next two years and an option for a further 60 aircraft available in 2025.

While airlines can typically receive discounts on larger orders of new aircraft, the price of the deal could be as high as US\$5.4 billion.

Even better, industry pundits note that further deals for the A220 from other airlines at the Farnborough show could still be announced before it ends this weekend.

Keep in mind that Bombardier already [struck another deal](#) this past spring with Air Baltic for 30 of the larger A220-300 aircraft valued at over \$3 billion.

Should you buy Bombardier?

Bombardier is, in my opinion, a compelling investment option for long-term investors. With the A220 firmly in the hands of Airbus, Bombardier's focus can turn to other projects, such as its recently updated Global 7500 Business jet, which is scheduled to gain certification and delivery later this year.

The Global 7500 is a massive game-changer for the lucrative business jet market. The new jet boasts being the largest in size and having the longest range available of any business jet, with the ability to fly 19 passengers over 14,000 kilometres non-stop.

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dafxentiou

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