



Should You Invest in Bombardier Inc. (TSX:BBD.B) Ahead of the Q3 Results?

Description

Over the course of the past year, **Bombardier Inc.** ([TSX:BBD.B](#)) has shed many of the longstanding concerns that plagued it in the past, and in doing so has become an intriguing [long-term investment option](#).

But is the company worthy of an investment? Let's take a look at some of the recent noteworthy developments and attempt to answer that question.

Bombardier's first delivery to Delta

Delta Air Lines Inc. was the first major airline from the U.S. that ordered the iconic CSeries (now referred to as the A220), and when the deal was announced several years ago it was seen as a major vote of confidence for Bombardier.

Bombardier's first A220 delivery was made to Delta last week, another major milestone for the project that has been plagued by delays, cost overruns, and unexpected events.

The Delta deal calls for another 74 aircraft to be delivered over the course of the next few years, and Delta intends to make good on its pledge to fly the A220 on routes out of New York's LaGuardia, which should garner even more interest in the revolutionary new aircraft.

Business jet deliveries are on target

Earlier this month Bombardier made another time commitment, noting that business jet delivery targets would be met for the year. In the most recent quarter, Bombardier delivered 20 Challengers, seven Global jets and four Learjets.

The delivery target for this year is 135 jets, which is not only still attainable, but also matches the goal set last year, which Bombardier exceeded.

Maintaining on-time deliveries was historically an issue for Bombardier, so progress on this front over the past year is an encouraging sign that shouldn't be discounted.

New business is strong

Bombardier's popular line of Global jets is in the midst of a massive upgrade, with the updated 5500 and 6500 models undergoing flight testing and slated for delivery to customers next year.

The larger and more expensive Global 7500 recently received certification from Transport Canada and is set to begin flying later this year. One of the most appealing features of the new jet that is driving interest is its range, which at 14,260km is the longest-range business jet on the planet, allowing previously unattainable nonstop business routes such as New York to Hong Kong.

Bombardier noted that the Global 7500 is already sold out through 2021, and is forecasting revenues to hit US\$8.5 billion annually within the next two years.

Improving financials

While the results for the third quarter are still under two weeks out, the second quarter results do show the marks of a steady improvement in the company.

Revenue saw a 3% improvement over the same period in the prior year, while EBITDA saw a 7% improvement over the same quarter, coming in at \$4.26 billion and \$336 million, respectively. Most telling is the fact that net income for the quarter came in at \$70 million in contrast to the \$243 million loss reported in the same quarter last year.

Final thoughts: should you buy?

Bombardier represents an [interesting investment option](#) that may be worthy of consideration for some key reasons.

First, the company has a refreshing new line of business jets that are growing in popularity that are set to provide years of revenue growth for the company.

Second, following a drop from the highs reached in the summer, Bombardier now trades near the same levels the company was at near the end of the CSeries dispute, the only difference being that Bombardier is in a vastly improved state.

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