



Here's How Much You'd Have Today if You'd Invested \$10,000 in Bombardier (TSX:BBD.B) Stock 10 Years Ago

Description

Bombardier ([TSX:BBD.B](#)) had a mediocre year in 2019, falling 5% while the TSX rose by nearly 20%. With disappointing quarterly results, and the company's image taking a beating for quality and timing issues, it's not a big surprise that this past year wasn't a terribly strong one for the company. But that's a relatively small decline for Bombardier, as the company has had even worse returns over a longer period.

But just how bad would your returns be if you had held shares of Bombardier for the past 10 years? If you invested in Bombardier back in February 2010, this is how much your shares would be worth today:

\$3,039

That's a mammoth 70% decline over 10 years. Typically, stocks are safe bets to rise over the long term, but that clearly hasn't been the case with Bombardier. As of the close on Feb. 12, 2010, Bombardier's stock was worth \$5.43. For a \$10,000 investment, investors would have been able to buy roughly 1,842 shares. On Feb. 14, 2020, those shares were worth just \$1.65.

A quick look at the company's financial results makes it easy to see why investors would be selling off the stock over the years. Bombardier recently released its full-year results for 2019, and it was the fifth time in the past six years that the company has landed in the red. And with sales declining over the years, there hasn't been any growth to help make up for the disappointing bottom line.

Why things may not get any better any time soon

As bad as things have been for Bombardier over the years, there's, unfortunately, little reason to be optimistic that things will get any better. With Bombardier continuing to sell off [pieces of its business](#), it becomes more difficult to predict where the company will be 10 years from now. The less predictable the company's business is, the less predictable its stock price is as well.

In the short term, there are still many questions about whether it can post a profit and generate enough positivity to get investors excited about the stock again. While getting out of the commercial aviation business and simplifying its operations may help enable the company to focus on its strengths, it also makes Bombardier less diversified in the process. Its strategy has not paid off for investors thus far, and there's little reason to believe that will change in the near future.

Overall, Bombardier is a very risky buy given the many question marks surrounding the company and where the business will still be years from now. The stock is only a suitable investment for high-risk investors who are comfortable with the reality that they could incur significant losses from holding shares of Bombardier. Until the company can start to demonstrate some consistency and get back to posting consistent profits, it'll remain a very speculative buy at best.

Investors would be better off investing in more stable, blue-chip stocks that have better track records behind them, or, at the very least, stocks that can offer some [attractive dividends](#).

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