



## Last Call for Bombardier (TSX:BBD.B) Stock

### Description

Just a few short years ago, **Bombardier** ([TSX:BBD.B](#)) was full of growth potential. The highly anticipated and innovative CSeries jet was coming to market. Bombardier had a series of lucrative rail contracts with cities across the globe from Toronto to New York and beyond. Gradually, the long-term potential of each of those initiatives evaporated, leading to this last call for investors.

Bombardier then did the previously unthinkable — the company sold off its lucrative rail transportation business in a multi-billion-dollar deal. This left Bombardier with just its private business jet segment, having already offloaded its commercial air business.

The culmination of those troubles came this past summer, when Bombardier was booted from both the S&P/TSX Composite Index as well as the S&P/TSX60.

Bombardier is now a fraction of its former self. Could a recovery still be possible?

### Where does Bombardier go from here?

Bombardier's massive offloading was part of a much larger strategy: to become a pureplay in the private jet market. The approach is sound one. The latest line of Global Express jets has both positive reviews and a full order book. The flagship Global 7500 also broke several world records earlier this year. The jet flew 8,152 nautical miles at a sustained speed of Mach 0.85. This was the longest flight ever flown by a business jet and highest speed over the longest distance.

Unfortunately, the financial injection that came from offloading those assets gave way to [another crisis](#) — the COVID-19 pandemic. In the period since the pandemic began, demand for air travel, and even business travel, has dried up. Again, this leaves Bombardier investors in a precarious position, and I haven't even mentioned the most recent quarterly update.

That update included a 5% drop in revenue when compared with last year to \$3.5 billion. The Global 7500 jet I mentioned earlier was a key driver of revenue. Business aircraft revenue hit \$1.2 billion in the quarter with 24 deliveries. When compared with last year, the segment saw a 10% improvement.

## Last call for investors?

As an investment, Bombardier appears to be circling the drain. Bombardier has missed its delivery dates, burned through cash, and sold off its once impressive list of assets. Bombardier's stock price is now (still) trading at bargain-basement prices. Lackluster demand for travel will keep Bombardier at lows for the foreseeable future.

While there could conceivably be a recovery over the longer term, that recovery will be tied to the end of the pandemic. To put it another way, this is the last call for investors. There are far, [far better options](#) to consider at this point.

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