



1 TSX Stock That Doubled in Q3 2021

Description

Canada's primary equities benchmark seems to gather strength every time it's on the verge of a sharp [market correction](#). The **TSX** displayed resiliency once more, finishing at 20,416.30 on October 8, 2021. Investors were relieved to see a triple-digit gain (364 points) from Monday's closing of 20,052.30.

While the TSX posted a record high on September 3, 2021, it didn't really perform well in the third quarter, placing 73rd out of 92 global indices. Only two of the 11 primary sectors are in negative territory year-to-date. The energy sector is riding high with a 70.63% gain thus far versus the broader market's 17.11%.

For individual stocks, one name stood out at the quarter's end. **Bombardier** ([TSX:BBD.B](#)) has risen by as much as 100% to \$2.16 from \$1.08 on June 18, 2021. The total return for the quarter is 62%. However, at \$2.03 per share as of October 8, 2021, the [growth stock](#) is up 323% year-to-date.

Business aviation

Bombardier manufactured snowmobiles and subway cars before it ventured into the aerospace sector in 1986. Today, the \$4.99 billion company's strategic focus is business aviation. It manufactures and sells the most comprehensive business jets in the industry.

The Global 7500 aircraft is the industry flagship and the world's largest and longest-range business jet. Bombardier's new Learjet 75 Liberty belongs to the iconic Learjet brand and features the first private executive suite. The Challenger aircraft (3500, 360, and 650 variants) are among the best-selling business jets in the world.

Business performance

Bombardier endured unprecedented challenges in 2020. The pure-play business aviation company suffered a 13% drop in revenue versus the full year 2019. However, it trimmed down its losses by 65% to US\$568 million. The global pandemic affected many of its operations in North America and Europe.

Some of Bombardier's activities were either reduced or suspended.

The story has changed, and [business has improved tremendously](#) this year. In Q1 2021, Bombardier reported an 18% increase in business jet revenues versus Q1 2020. There was a favourable mix of large-cabin aircraft deliveries, notably eight global 7500 aircraft.

Management sold its transportation business in January 2021 and used the proceeds to fully liquidate its outstanding senior secured term loan facility with HPS Investment Partners. The mover reduced Bombardier's annual cash interest costs by around \$200 million versus the debt servicing cost in 2020.

The second-quarter results were far better, with revenue and adjusted EBITDA climbing 25% and 361% compared to Q2 2020. Bombardier also reported a 162% turnaround on the bottom line. Its net income was US\$139 million net income versus the US\$223 million net loss.

According to management, the 45% year-over-year increase in aircraft deliveries (29) reflect the strong demand for large-category jets. Bombardier also notes the rising use of business jets globally. In North America and Europe, it's almost close to pre-pandemic levels.

Business outlook

The all-around solid execution prompted management to raise its revenue and adjusted EBITDA guidance for the full year 2021. Bombardier President and CEO Éric Martel said the company is on track to reposition itself as the world's business jet manufacturer of choice. Bombardier's market momentum augurs well for the investors. The stock's rally could extend further and deliver more explosive returns than the 488.41% in the last 12 months.

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