



## Bombardier (TSX:BBD.B): Finally a Good Growth Stock?

### Description

There are few stocks on the market today that resonate with investors as much as **Bombardier** ([TSX:BBD.B](#)). The business jet manufacturer has a storied volatile past but now appears to have a solid business model it can handle. Does this make Bombardier a good growth stock?

Let's try to answer that question.

### Our story so far

Bombardier has had its fair share of problems over the years. In recent years, Bombardier was forced to sell its well-known (and valuable) rail business, as well as its non-business passenger jet business. One of the more iconic assets that were sold off during that time was the revolutionary CSeries passenger jet, which now lives on as the Airbus A220.

Development of what became the A220 was costly. The project was years late and billions over budget, leading the company almost to the brink. Selling off those assets provided Bombardier with the capital it needed to concentrate on a refresh of its core (remaining) segment — smaller business jets.

### Big jet, massive potential

One of the first new jets that Bombardier rolled out came from its highly touted Global Express line. The Global 7500 in particular boasts a bevy of new features and capabilities that the market has taken to.

The 7500 is the flagship of Bombardier's portfolio. The aircraft holds several records, including for distance and speed. To put those records into context, the Global 7500 has a range of 14,260 km at a speed of Mach 0.925.

In other words, the 7500 could fly non-stop between some of the previously unattainable city pairings. Examples of this include New York to Hong Kong or Singapore to San Francisco. Turning to speed, the

Global 7500 holds the record for business travel between Los Angeles and New York, completing the trip in under four hours.

If that weren't enough, the 7500 also boasts the largest business jet cabin on the market, boasting four separate living spaces as well as a full-size kitchen.

These factors make the jet incredibly popular, which translates into the orders the company sorely needs.

## Small jet, big potential

If the Global 7500 is the large flagship, Bombardier's Challenger series is arguably the smaller (but not smallest) sibling of the larger Global lineup. The smaller size of the Challenger doesn't translate into any less potential.

A refreshed Challenger jet, branded as the Challenger 3500, was shown off last month, and the response has been phenomenal. The redesigned jet seats 10 passengers and features unique features such as voice-controlled cabin lighting.

The immense popularity of the jet is already translating into orders. Last month, Bombardier announced that it had received the largest business jet deal of the year — 20 Challenger 3500 gets. The price for those 20 jets comes in at a cool US\$534 million.

It's beginning to look like Bombardier is finally the good growth stock investors wanted several years ago.

## What's next for Bombardier, and should you buy?

When Bombardier made the difficult decision to sell off its other segments, that decision was risky. The company was straddled with debt. Bombardier was also missing delivery windows on the orders it did have.

Fortunately, things have changed. Bombardier's renewed focus on a singular segment has arguably helped the company push forward and see some [growth](#).

But does this make Bombardier a good growth stock? There is growth potential, but along with that potential comes a fair share of risk. If potential investors can handle that risk, there is an upside in buying Bombardier at this time.

Alternatively, if you are less risk averse, there are plenty of [other investments to consider](#). Some of those other options also provide a [tasty dividend](#), which is something that Bombardier doesn't.

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