



## This Boring Stock Has Outperformed Bitcoin This Year!

### Description

Growth investors have been focused on tech stocks and cryptocurrency for triple-digit opportunities, while a legacy industrial brand seems to be silently outperforming them this year.

**Bombardier** ([TSX:BBD.B](#)) has been firing on all cylinders since it sold its debt-heavy railway business to focus on the jet business. The stock is up by over 590% over the past 12 months, having benefited from the opening of the global economy and the resumption of air travel. Much of this gain was registered in 2021. In fact, Bombardier's stock has outperformed Bitcoin, which is only up 120% year to date and 297% over the past 12 months.

Could this industrial giant's stunning rebound continue or are investors too late to cash in? Here's a closer look.

### Pent-up demand

The manufacturer and distributor of air transportation equipment is seeing a significant increase in demand, which has strengthened investor sentiments in the market. Management has already confirmed it is focused on sorting backlog and winning new orders. Amid pent-up demand, the company is well-positioned to see both its top- and bottom-line improve significantly.

With air travel expected to come back in a big way, Bombardier remains well-positioned to benefit. Airlines have just started reinvesting in their fleet. Many of them have also decommissioned or sold older aircraft to deal with the crisis last year. This rebound is likely to linger for the foreseeable future.

While Bombardier stock is up by more than 300% year to date, there is still room for more price appreciation.

### Bombardier's long-term prospects

CEO Erik Martel has reiterated that Bombardier is in a robust growth phase as the overall outlook on

the air travel industry improves. In the second quarter, the company [posted a 24.65%](#) increase in earnings. With the financial growth expected to continue into year-end, the stock sentiments should improve, which could see the shares re-rated even higher.

There is no doubt that Bombardier is a top-tier stock for anyone looking to gain exposure to the air travel industry as the effects of the pandemic fade away.

## Valuation

Despite the surge in valuation, Bombardier is still fairly valued. The stock trades at a price-to-sales multiple of 0.61 and an enterprise value-to-revenue of 1.77. The company is also backed by a solid cash position of about \$3.6 billion. That should help offset some of the debt that is still on Bombardier's books. The rest could be dealt with as cash flow recovers.

If the current trend continues, Bombardier could soon be profitable again. That could be the ultimate catalyst for the stock and unlock more value for patient shareholders. Consequently, any pullback from current highs would present an ideal opportunity to buy the stock at a discount.

## Bottom line

Industrial giant Bombardier has been quietly outperforming. The stock is up 590% over the past year – on par with small tech stocks and cryptocurrencies. In fact, Bombardier has even outperformed Bitcoin this year. There's still some room left to grow, which is why this stock should be on your watch list.

### CATEGORY

1. Investing

### TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)

### PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

### PP NOTIFY USER

1. arosenberg
2. vraisinghani

### Category

1. Investing

**Date**

2025/09/26

**Date Created**

2021/11/12

**Author**

vraisinghani

default watermark

default watermark