



## Bombardier Stock Flies Higher, Reporting US\$238M Profit

### Description

**Bombardier** ([TSX:BBD.B](#)) shares climbed higher on Feb. 10 after the business jet maker, which reports in U.S. dollars, reported a profit of US\$238 million compared to a loss of US\$337 million the year before.

- Bombardier stock reported a profit of US\$0.09 per diluted share, exceeding estimates.
- The company surpassed even its own guidance for 2021 and provided updated guidance for 2022.
- Revenue came in at US\$1.77 billion, down from US\$2.34 billion the year before.
- Adjusted EBITDA is now expected to be more than US\$825 million.

### What happened in Q4 for Bombardier stock?

Bombardier stock saw a massive improvement during its recent fourth quarter. While revenue was down 32% year over year to \$1.77 billion, the company still managed to put out a [profit](#) of US\$238 million. This compared to a net loss of US\$337 million, or US\$0.18, the same time last year.

The news allowed Bombardier stock to announce several things. First, it exceeded its own guidance for the quarter. Next, it forecasted higher deliveries for its popular aircraft. And it will be increasing its guidance for 2022.

This comes as business owners and wealthy individuals continue to choose private over public flying during the pandemic. This is likely to continue, which is why Bombardier stock ramped up production. However, revenue fell short thanks to that very pandemic, along with supply-chain disruptions and labour shortages.

### What did Bombardier management say?

It wasn't an easy decision to get to where Bombardier stock is today. Over the last few years, the company cut off every arm of its business, from trains to aerospace, to focus solely on business jet

production. Now, with the Challenger 3500 on the market, there is proof it was the right call.

“Overall, the 2021 results are proof that our plan gave us both the structure and the agility to manage any outside obstacles and capitalize on a faster-than-expected industry [recovery](#),” said Éric Martel, president and chief executive officer. “Looking ahead, we are positioning ourselves to increase the number of deliveries by another 15-20% as soon as 2023, while maintaining a sharp focus on balancing longer-term production increases with the pricing environment.”

## What's next for Bombardier stock?

That's the big question, and one management happily answered. As mentioned, there is to be an increase in production of between 15% to 20% by 2023. For 2022, however, Bombardier stock also projects higher deliveries than 2021, where it delivered 120 for the year. Business jet revenue is now expected to reach US\$6.5 billion in 2022 compared to US\$6 billion in 2021.

Bombardier stock also took the time to announce this means it's on track to meet or exceed its 2025 objectives. It increased its EBITDA by 29% compared to 2021 to over US\$825 million, with US\$50 million in positive free cash flow.

Shares of Bombardier stock climbed 8% in the last 24 hours and up 195% in the last year. Analysts give it a consensus target price of \$2.35 — a potential upside of 26% as of writing.

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