



## Should You Bet on Bombardier Stock Today?

### Description

**Bombardier** ([TSX:BBD.B](#)) is a Montreal-based company that is engaged in the manufacture and sale of business aircraft [in Canada](#) and around the world. Back in 2019, I'd [discussed](#) the spike in activity for this top Canadian stock. Today, I want to discuss whether investors should look to snatch up this stock for the long haul. Let's jump in.

### Why Bombardier stock has had a rough start in 2022

Shares of Bombardier have dropped 16% in 2022 as of late-morning trading on April 19. The stock is still up 55% in the year-over-year period. This company has suffered from production delays in recent years, stirring investor frustration and leading to a disappointing stretch for the stock. That said, it has also demonstrated its ability to deliver on a quality product.

The company's Challenger 3500 business jet recently received acclaim from the 2022 Red Dot Award in the category of Product Design. Back in September 2021, it received an order that exceeded \$530 million for 20 Challenger 3500 jets. Investors should be encouraged by its positive grades.

### Should investors be confident in this company going forward?

Bombardier released its fourth-quarter and full-year 2021 results on February 10, 2022. It reported total revenues of \$6.1 billion in 2021 — up 7% from the previous year. The company was bolstered by improved delivery rates. Meanwhile, adjusted EBITDA soared 2020% to \$640 million. Bombardier's diversified backlog rose to \$12.2 billion by the end of the year. That represented a \$1.5 billion increase from the same period in 2020.

Business jet revenues rose 7% year over year to \$6 billion. The company benefited from a spike in deliveries as well as positive aircraft mix and improved aftermarket performance. Moreover, Bombardier delivered a year-over-year cash flow generation increase of \$2 billion. Once again, Bombardier was bolstered by strong earnings growth and order intake.

This company also unveiled its outlook for 2022 in its most recent earnings report. It anticipates continued improvement in its next fiscal year. Bombardier is projecting total revenues that will exceed \$6.5 billion in 2022. The company should benefit from the steady recovery of the airline industry in the wake of the COVID-19 pandemic. This will include higher flight hours, which will bolster its aftermarket business. Moreover, it has already nearly sold-out its production for the next fiscal year.

## Bombardier: Should you buy or avoid it today?

Back in the summer of 2019, I'd discussed whether investors should snatch up this top Canadian stock after it hit a 52-week low. The stock is trading in the middle of its 52-week range at the time of this writing. Investors should be encouraged by its impressive earnings growth trajectory.

Bombardier is trading in favourable value territory compared to its industry peers at the time of this writing. I'd look to snatch up this promising Canadian manufacturer, as the airline space stages a rebound in the early part of the 2020s.

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