



Bombardier Stock Rose 15% in November: Is it a Buy Today?

Description

Bombardier ([TSX:BBD.B](#)) is a Montreal-based company that is engaged in the manufacture and sale of business aircraft in North America, Europe, the Asia Pacific, and around the world. Today, I want to discuss what was behind Bombardier's surge in the month of November. Is this stock worth snatching up right now? Let's jump in.

Why has this stock surged in the month of November?

Shares of this top Canadian stock [climbed 15%](#) in the month of November. Bombardier opened at \$40.50 per share on November 1, 2022. It would close at \$46.90 in its final trading day of the month. Investors are undoubtedly hungry for more significant gains from this stock over the long term.

Investors should be interested in seeking exposure to the transportation space for the years ahead. Market researcher the Brainy Insights announced that the increase in popularity of long-range aircraft has led to a spike in interest for business jets. The report estimated that the global [business jets market](#) was worth US\$28.3 billion in 2021. Brainy Insights projects that this market will grow to US\$40.6 billion by 2030. That would represent a compound annual growth rate (CAGR) of 15% from 2022 through to the end of the forecast period.

Should investors be encouraged by Bombardier's recent earnings?

This company released its third-quarter fiscal 2022 results on November 3. Bombardier delivered total revenues of \$1.5 billion. Meanwhile, it is on track to deliver 120 aircraft for the full year.

Canadian investors who want a clearer picture of a company's profitability may want to utilize EBITDA. EBITDA stands for earnings before interest, taxes, depreciation, and amortization. Bombardier last reported an adjusted EBITDA of \$210 million — up 48% from the previous year. Meanwhile, its adjusted EBITDA margin rose 460 basis points to 14.4%.

Bombardier reported positive free cash flow generation of \$52 million. That was in line with the guidance that it provided in August 2022. The backlog increased \$300 million year over year to \$15 billion. This company was also able to service its debt, reducing the total by \$100 million which brought its year-to-date repayment to \$873 million. Bombardier now possesses very strong [adjusted liquidity](#) of \$1.7 billion with cash and equivalents of \$1.3 billion.

President and Chief Executive Officer Éric Martel praised the company's fundamentals in the third quarter. It delivered well on profitability, free cash flow, liquidity, and steady debt reduction.

Bombardier: Should you buy this surging stock right now?

Shares of Bombardier are trading in favourable value territory compared to its industry peers. This company is on track for strong earnings growth going forward. I'm looking to snatch up Bombardier in the middle of this current run. Relative Strength Index (RSI) is a technical indicator that measures the price momentum of a given security. Bombardier currently possesses an RSI of 84, which puts the stock well into technically overbought territory. Regardless, I'm still looking to snatch up this stock for the long-term promise it offers right now.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:BBD.B (Bombardier)

PARTNER-FEEDS

1. Business Insider
2. Flipboard
3. Koyfin
4. Msn
5. Newscred
6. Quote Media
7. Sharewise
8. Smart News
9. Yahoo CA

PP NOTIFY USER

1. aocallaghan
2. kduncombe

Category

1. Investing

Date

2025/07/03

Date Created

2022/12/02

Author

aocallaghan

default watermark

default watermark