



# Turn-arounds never turn around ?

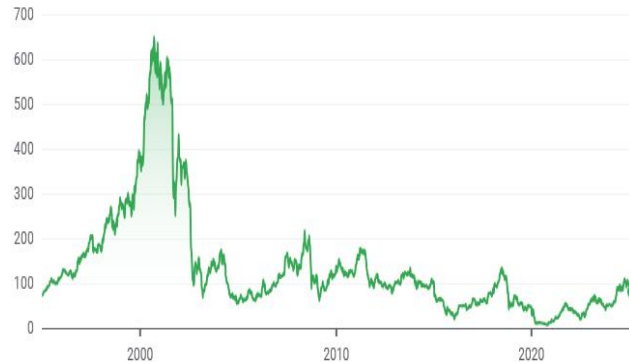
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## Bombardier Inc Class B

**\$81.21** ↑ 6.07% +4.65 MAX

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1D 5D 1M 6M YTD 1Y 5Y MAX



## Bombardier Inc Class B

**\$81.32** ↑ 238.83% +57.32 5Y

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1D 5D 1M 6M YTD 1Y 5Y MAX



# History



Founded in 1942 for  
motorized snowmobiles  
in Quebec  
(Spin-off in 2003 into  
BRP Inc)



1974 first contract to  
build trains



1986 entry into aviation  
with Canadair

# 2016/2017 CS100 Aircraft - Attack on Boeing → Crisis



Cost overruns, engine failure, punitive US tariffs → Bombardier went almost bankrupt.

2016-2020 Disposal of all Commercial Aerospace activities (The CS 100 became the Airbus A220)

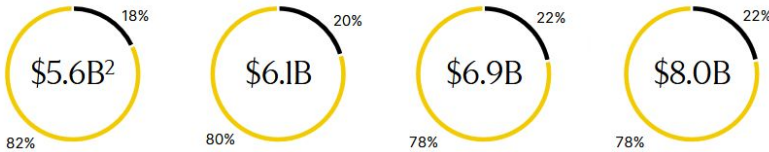
2020 New (non family) CEO

2021 Disposal Bombardier Transportation to Alstom

Since 2021: Fully focused on High End Business Jets

# Since 2020 things are actually tuning around

## Impressive Financial Turnaround Since 2020

	2020	2021	2022	2023	Since Fiscal year ended December 31, 2020	2024
<b>Revenues</b> 	\$5.6B <sup>2</sup>	\$6.1B	\$6.9B	\$8.0B	13% Revenues CAGR 21% Aftermarket Revenues CAGR	8,7 bn
Deliveries	114	120	123	138	Met delivery guidance since 2021	146
Adjusted EBITDA <sup>3</sup>	\$197M <sup>4</sup>	\$639M <sup>4</sup>	\$930M <sup>4</sup>	\$1,230M	84% Adjusted EBITDA <sup>3</sup> CAGR	1.360m
Adjusted EBITDA Margin <sup>5</sup>	3.5%	10.5%	13.5%	15.3%	+4x margin expansion	15,6%
FCF (usage) <sup>3</sup>	\$(1.9)B	\$100M	\$735M	\$257M	\$1.1B FCF <sup>3</sup> generation	232
Net Leverage <sup>5</sup>	41.5x	7.7x	4.6x	3.3x	\$4.5B debt reduction as at May 1 <sup>st</sup> , 2024	2,9x

# Competitors:

**AIRBUS**



Gulfstream®

**BOMBARDIER**



# Business Jet classifications

Business Jet Classification With Prices

	Class	Passengers	Range (NM)	Speed (Mach)	List Price Range (\$M)	Examples	
1	Very Light Jets (VLJs)	2-6	1,200-1,500	0.65-0.75	\$3M-\$8M	Phenom 100, HondaJet	
2	Light Jets	6-8	1,500-2,500	0.75-0.80	\$8M-\$15M	Citation CJ4, Phenom 300	
3	Midsize Jets	7-10	2,500-3,500	0.78-0.82	\$15M-\$25M	Citation XLS+, G280	
4	Super Midsize Jets	8-12	3,000-4,500	0.80-0.85	\$25M-\$40M	Challenger 3500, Praetor 600	
5	Large Jets	10-16	4,500-6,500	0.85-0.90	\$40M-\$75M	Challenger 650, Falcon 7X	
6	Ultra-Long-Range Jets	12-19	6,500-8,000	0.90-0.94	\$75M-\$100M	Global 7500, G700	
7	Executive Airliners (Bizliners)	20+	6,000-8,500+	0.80-0.88	\$80M-\$500M	Boeing BBJ, Airbus ACJ	

# Some more facts on the Private Jet business

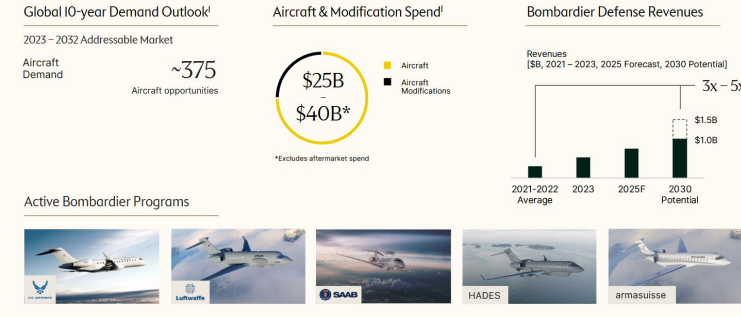
- more than 60% of all Private jets are sold into the US market
- 60-70% of Private Jet usage is Corporate , 20-30% HNWI
- Fleet operators (Netjets etc.) represent an increasing share in private jet usage
- Assumed growth rates ~6% p.a. for some years to come
- Many “Celebrity billionaires” have more than one Private Jet

**Larry Page and Sergey Brin** – *Co-founders of Google*

- **Aircraft:** Multiple, including Gulfstream G550s
- **Details:** Page and Brin maintain a collection of private aircraft, including Gulfstream G550s, known for their reliability and performance.  
[sentinel-aviation.com](http://sentinel-aviation.com)

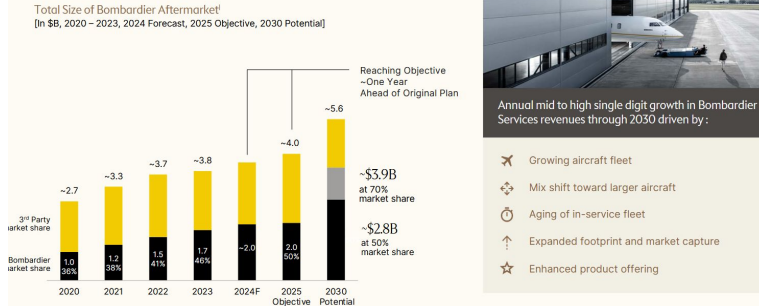
# Growth Drivers: Defence & Services

## Robust Demand in the Defense Market Supports 3x to 5x Revenue Growth



- Main application: Surveillance
- Surveillance equipment used to be so large that a Commercial jet was needed
- With new tech, smaller business jets can carry out the same tasks

## Customer Services Will Continue Significant Growth at Higher Margins



- Historically, only a small part of Bombardier's fleet was serviced by B.
- In the last years, they successfully managed to increase the percentage of the fleet that gets serviced by Bombardier but there is still a lot of runway.

# Management

## President and Chief Executive Officer

Director since 2020



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Éric Martel was appointed President and Chief Executive Officer of Bombardier in the spring of 2020. Since then, he has been a driving force behind Bombardier's successful repositioning as a company purely focused on business aviation. Under his leadership, Bombardier is evolving its industry-leading portfolio of business jets and expanding its service footprint around the world while delivering strong financial results. He is deeply committed to the company's Environmental, Social and Governance strategy, notably its goals of increasing diversity and the number of women in management positions, and shaping a more sustainable future for business aviation. Mr. Martel is also a member of Bombardier's Board of Directors.

Prior to his appointment, he was President and Chief Executive Officer of Hydro-Québec from 2015 to 2020. From 2002 until 2015, he held positions of increasing responsibility within Bombardier, including President of Bombardier Business Aircraft, President of Bombardier Aerospace Services, Vice-President and General Manager of the Global and Challenger platforms and he also worked at Bombardier Transportation from 2002 to 2004 as Vice President of Operations for North America. Prior to joining Bombardier, Mr. Martel worked for various other high-profile multinational companies, such as Pratt & Whitney, Rolls Royce, Procter & Gamble and Kraft Foods.

Mr. Martel holds a bachelor's degree in electrical engineering from Laval University and was awarded an honorary doctorate by Concordia University in 2019. He was elected as a Fellow to the Canadian Academy of Engineering in 2022.

## Executive Vice President and Chief Financial Officer

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Bart Demosky was appointed Executive Vice President and Chief Financial Officer in November 2020. He brings to Bombardier recognized leadership and extensive experience acquired within public industrial companies undergoing transformation. He is an accomplished senior executive with a long track record of creating value through innovation and building high performing teams. In his most recent role as President & CEO of Universal Rail Systems Inc., Mr. Demosky was responsible for executing the successful restructuring and turnaround of Canada's leading rail infrastructure and services company. Under his leadership, Universal established itself as the partner of choice across Canada for maintenance, infrastructure and integrated rail projects and services.

Prior to joining Universal Rail, Mr. Demosky served as the Executive Vice President and Chief Financial Officer of Canadian Pacific Railway Limited during its transformation from 2013 to 2015. Previously, Mr. Demosky was the Chief Financial Officer of Canada's largest integrated oil company, Suncor Energy Inc., from 2009 to 2013 and held various other executive positions during his eight years with the company, including Senior Vice-President Business Services and Vice-President and Treasurer.

Mr. Demosky brings over 30 years of leadership and operating experience in the transportation, energy, infrastructure and services industries. He holds a Bachelor's degree in Economics from the University of Calgary and is an Honours graduate from the University of Calgary's Management Development Program.

# Valuation - Comparables

	Bombardier	Dassault Aviation	Embraer	General Dynamics	Textron	Avg		MTU	Rolls Royce
NTM P/E	9,4	21,0	25,6	17,6	11,8	17,1		21,6	31,6
NTM EV/EBIT	9,7	21,0	16,4	15,3	12,5	15,0		16,3	22,1
EBIT Margin	10,5%	6,8%	6,9%	12,0%	8,0%	8,8%		12,5%	13,0%
ROCE	13,2%	5,8%	5,3%	14,6%	9,0%	9,6%		14,5%	13,0%

- no direct Private Jet peer available
- On average, the Peer Group is less profitable but 50-70% more expensive

# Shares & Shareholders

## Share Information

Bombardier has issued shares in the following classes:

As at February 4, 2025	Voting rights	Issued and outstanding	Ticker
<u>Class B shares</u> <sup>1*</sup>	1 vote per share	86,072,687	BBD.B
<u>Class A shares</u> <sup>2</sup>	10 votes per share	12,349,370	BBD.A

1. Net of 1,596,014 Class B Subordinate Voting Shares purchased and held in trust in connection with the PSU and RSU plans.
2. As at March 6, 2023, Janine Bombardier, Claire Bombardier Beaudoin, Huguette Bombardier Fontaine and J.R. André Bombardier (collectively, the "Principal Shareholders") beneficially owned or exercised control or direction over, directly or indirectly, 9,977,978 Class A shares and 1,208,449 Class B subordinate voting shares, representing in the aggregate 80.80% of the issued and outstanding Class A shares and 1.40% of the issued and outstanding Class B subordinate voting shares of the Corporation and 48.13% of all the voting rights attached to all of its issued and outstanding voting shares.

# Ambitious 2025 targets

## On Track to Our 2025 Objectives and Positioned for Growth Through 2030

### 2025 Objectives

#### Revenues

 Aircraft Manufacturing & Other <sup>1</sup>	~65%
 Aftermarket	~22%
 Defense & Pre-owned Aircraft <sup>2</sup>	~13%



Adjusted EBITDA<sup>3</sup>

>\$1,625M

Adjusted EBITDA Margin<sup>4</sup>

~18%

FCF<sup>3</sup> Generation

>\$900M

Net Leverage<sup>4</sup>

2.0x – 2.5x



### Growth Levers Through 2030

- ☆ Industry-leading portfolio
- ✈ Bombardier Defense growth
- ✂ Continued Aftermarket expansion
- ♻ Pre-owned market capture
- ✚ M&A / Partnership opportunities

# But what about TARIFFS !!!!



- In total, around 40-50% of sales go into the US
- around 50% of the value creation of a Global Series jet is in the US and might not be subject to taxation (Wings, engines etc.)
- Final assembly in Canada but might be moved to US
- Defence business is tariff exempted, services and international business not impacted
- Competitor Gulfstream sources Aluminium, turbines etc. from Canada & Mexico
- As of now (March 2025), Bombardier is most likely not subject to tariffs (USMCA compliant) until April

# Summary

- + Impressive turnaround from 2020 and good fundamental momentum
- + Attractive business segment
- + Cheap compared to competitors
- + 12 bn of loss carried forward
  
- Uncertainty because of tariffs
- Balance sheet not fully recovered (Single B rating, negative equity)