

## Bombardier cutting about 5,000 jobs as part of restructuring plan

THE CANADIAN PRESS

Updated: November 8, 2018



People tour the Bombardier Global 7000 aircraft and facility in Toronto on Nov. 3, 2015. **NATHAN DENETTE / THE CANADIAN PRESS**



SHARE



ADJUST



COMMENT



PRINT

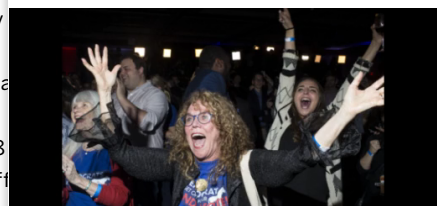
MONTREAL — Bombardier Inc. announced Thursday it will shed 5,000 jobs company-wide and sell off two units as part of chief executive Alain Bellemare's five-year plan to rein in costs, focus on rail and business jets and reduce the net long-term debt of \$9 billion. About 2,500 Bombardier workers will be laid off in Quebec and 500 in Ontario, with the 2,000 other cuts occurring overseas, according to a spokesman, who did not specify the units. The company said it will sell its Q400 turboprop aircraft program to a subsidiary of Longview Aviation Capital Corp. for about US\$300 million. The Montreal-based company also announced the sale of its flight training business to CAE Inc. for about US\$645 million. The restructuring, announced alongside Bombardier's third-quarter earnings, is slated for completion within 18 months and for savings of \$250 million annually. The announcement comes after mass layoffs over the past three years, with about 14,500 positions cut around the world in the aerospace and railway divisions. Dropping the Q400 will allow Bombardier to zero in on producing its Global series of long-range business jets, including the Global 7500, whose first aircraft is slated for delivery next month. "With the measures announced, we are confident that we will

## FEATURED ARTICLES



## Democrats flip the House, Republicans solidify the Senate: Let the battles begin

## TRENDING IN CANADA



## Democrats flip the House, Republicans solidify the Senate: Let the battles begin

billion, powered by more deliveries of its Global 7500s. Free cash flow came in "well below" expectations that Bombardier could break even on cash without falling back on its \$635 million in proceeds from the sale of a Toronto plant earlier this year, said analyst Benoit Poirier of Desjardins Capital Markets. National Bank Financial analyst Cameron Doerksen characterized the sell-off "both today and in the prior months as irrational," citing healthy liquidity and a lower risk profile. "The new facility at Pearson (airport) will probably be producing only the Global business jet, and having a dedicated facility for one line gives them a chance to optimize the performance," said Ernie Arvai, a partner at commercial aviation consultancy AirInsight. "The next question for Bombardier is what happens with the CRJ line and what happens with the rest of the commercial business." The fate of the aging CRJ regional jets has been unclear since the company announced in October 2017 that Airbus SE would acquire a majority 50.01 per cent stake in the C Series, effective July 1 of this year. Bellemare said at the time the company was committed to the Q400 and CRJ. "We like these products, they give us critical mass." He offered similar sentiments Thursday. "On the CRJ, the focus is still on reducing cost and selling aircraft today. We are losing money on the CRJ." Karl Moore, an aviation expert at McGill University's Desautels Faculty of Management, said the layoffs and selloffs will allow Bombardier to shift away from regional jets and shrink its debt. "The transportation side and business jets are clearly the central focus of Bombardier going forward," Moore said. Quebec Premier Francois Legault weighed in after speaking with company and union leaders, saying his economy minister has started calling Quebec aerospace companies that are on the hunt for skilled workers. "When we have more information, we can assess how to minimize the number of laid-off employees," Legault told reporters. Federal innovation minister Navdeep Bains responded to past criticism around public investment in the 76-year-old company, including a \$372.5-million loan from Ottawa in 2017. He noted that the massive loan came with a commitment to maintain or create 5,300 positions, but said he was "disappointed with the jobs being lost." "Of course this is very difficult for the workers. We understand that," he added, pledging continued support for the aerospace sector. The changes come as Bombardier reported a profit of US\$149 million or four cents per share in its latest quarter, compared with a loss of US\$100 million or four cents per share in the same quarter last year. Revenue in what was the company's third quarter totalled US\$3.64 billion, down from US\$3.84 billion a year ago. On an adjusted basis, Bombardier said it earned four cents per share in the quarter compared with a break-even result in the third quarter of 2017, beating analyst expectations. Longview Aviation, the parent company to Viking Air Ltd., said once it completes its deal with Bombardier it will become North America's largest commercial turboprop aircraft manufacturer. The agreement encompasses the entire Dash 8 program, including the 100, 200 and 300 series and the in-production Q400 program. "The Dash 8 turbo-prop is the perfect complement to our existing portfolio of specialized aircraft including the Twin Otter and the Canadair CL 215 and 415 series of water bombers," Longview Aviation chief executive David Curtis said in a statement. CAE president Marc Parent said in a statement its purchase of Bombardier's flight training wing "represents a win-win for both companies, resulting in enhanced core focus." Companies in this story: (TSX:BBD.B, TSX:CAE)

## CONNECT WITH US

### NEWS RELEASES



Promoted by **Business Wire**



**International Consensus Statement on Postoperative Anemia Management**

**Recommends Noninvasive Hemoglobin Measurement Including Masimo SpHb®**



**CommScope to Acquire ARRIS: Approximately \$7.4 Billion Transaction Accelerates**

**CommScope Vision to Shape Communications Networks ...**



**AST (Canada) CEO Margot Jordan Participates in Covenant House Sleep**

**Out to Raise over \$1 ...**



**Rockwell Automation Names Susana Gonzalez President for EMEA Region**

[More News Releases](#)

PREVIOUS



© Healthy Kids project wraps up: 50,000 participated in 342 activities

## This Week's Flyers

WINDSOR STAR

NEWS

BUSINESS

OPINION

SPORTS

ARTS

LIFE

CAREERS

OBITS

VIDEOS

SIGN IN

SUBSCRIBE

Hover for Flyer

Hover for Flyer

Hover for Flyer

Powered by

# Comments

We encourage all readers to share their views on our articles and blog posts. We are committed to maintaining a lively but civil forum for discussion, so we ask you to avoid personal attacks, and please keep your comments relevant and respectful. If you encounter a comment that is abusive, click the "X" in the upper right corner of the comment box to report spam or abuse. We are using Facebook commenting. Visit our FAQ page for more information.

0 Comments

Sort by 

Newest

SUBMIT

This thread is closed

Facebook Comments Plugin

## DAILY HEADLINE NEWS

Email

By clicking "Submit", I consent to receiving the above communication from Postmedia Network Inc. I understand that I may unsubscribe from these communications at any time.

## NEWS RELEASES

Promoted by GlobeNewsWire

Bombardier cutting about 5,000 jobs as part of restructuring plan

Bombardier cutting about 5,000 jobs as part of restructuring plan

Bombardier cutting about 5,000 jobs as part of restructuring plan

Bombardier cutting about 5,000 jobs as part of restructuring plan

### NEWS

- Local News
- National
- World
- Traffic

### BUSINESS

- Local Business
- Energy
- Technology
- FP Markets
- FP Headlines
- FP Money
- Small Business

### OPINION

- Editorials
- Columnists
- Letters

### SPORTS

- Hockey
- Football
- Baseball
- Basketball
- Golf

### ARTS

- Local Arts
- Movies
- Television
- Music
- Books

### LIFE

- All Life
- Fashion & Beauty
- Homes
- Food
- From the Vault

365 Bloor St East, Toronto, ON, M4W3L4, [www.postmedia.com](http://www.postmedia.com)

© 2018 Postmedia Network Inc. All rights reserved.

Unauthorized distribution, transmission or republication strictly prohibited.

Powered by [WordPress.com](#) VIP

CLASSIFIEDS

- Driving
- Obits
- Announcements
- FlyerCity
- Careers
- Browse Listings
- Place a Classified Ad
- Local Directory

LEGAL

- Privacy
- Terms
- Copyright & Permissions

SERVICES

- Advertise With Us
- Subscribe
- My Subscription
- Edit Profile
- Contact
- ePaper
- Digital Access
- Contests

PROPERTIES

- Calgary Herald
- Canada.com
- Edmonton Journal
- London Free Press
- Montreal Gazette
- National Post
- Ottawa Citizen
- Leader-Post (Regina)
- The StarPhoenix (Saskatoon)
- The Province (Vancouver)
- Vancouver Sun