

Bombardier Updates 2025 Strategic Objectives to Reflect Strong Performance and Solid Business Fundamentals

Montréal, March 23, 2023 – Bombardier (BBD-B.TO) will host its 2023 Investor Day this morning. Éric Martel, Bombardier’s President and CEO, along with Paul Sislian, Executive Vice President, Aftermarket Services & Strategy, and Bart Demosky, Executive Vice President and Chief Financial Officer, will present an overview of the company’s solid progress made and new opportunities for diversified growth.

“In 2021, we laid the foundation for a stronger, more resilient and predictable Bombardier by 2025. Halfway down the road, we can say we are delivering on that promise,” said Martel. “All of Bombardier’s strategic priorities are on track or ahead of plan. We are therefore proud to announce today that we are confidently raising the bar. The future is bright for Bombardier. While we are carefully monitoring the current market situation, we know that we have all the ingredients in place to remain a driving force in the industry. Our financial performance allows us to secure our vision for the future, and enable our exceptional, dedicated and passionate teams to lead the way toward more sustainable aviation.”

Updated 2025 objectives reflect strong execution and confidence in business fundamentals

Based on strong business execution and fundamentals, Bombardier will announce today that it is updating its 2025 objectives⁽¹⁾. The company is now targeting more than \$9 billion in annual revenue by 2025, with an adjusted EBITDA⁽²⁾ of more than \$1,625 million, and a healthy adjusted EBITDA margin⁽³⁾ of approximately 18%. Bombardier also expects to generate significant free cash flow⁽²⁾ in the coming years, to the tune of more than \$900 million per year by 2025 and will continue to de-lever its business, now expecting to reach a net leverage ratio⁽³⁾⁽⁴⁾ in the range of 2.0x to 2.5x.

	Initial 2025 objectives ⁽¹⁾	Updated 2025 objectives ⁽¹⁾
Revenues	~\$7.5 billion	>\$9 billion
Adjusted EBITDA ⁽²⁾	~\$1,500 million	>\$1,625 million
Adjusted EBITDA margin ⁽³⁾	~20%	~18%
Free cash flow ⁽²⁾	>\$500 million	>\$900 million
Net leverage ratio ⁽³⁾⁽⁴⁾	~3.0x	2.0x – 2.5x

Consistent progress on all key objectives since 2020

Between 2020 and 2022, Bombardier's revenues⁽⁵⁾ grew 23%, to \$6.9 billion. The expanded aftermarket business was an important contributor, with revenues increasing by more than 50% in the same period. The company more than quadrupled its profitability to \$930 million in adjusted EBITDA⁽²⁾, and generated \$835 million in free cash flow⁽²⁾ over the last two years. In terms of deleveraging, Bombardier kept up its opportunistic and proactive approach and has reduced its total debt by \$4.5 billion, when including this year's debt-related transactions, a 45% reduction compared to 2020. This also resulted in credit rating upgrades from both S&P and Moody's in 2022.

Stronger balance sheet and robust cash generation

Bombardier will continue to focus on strengthening its balance sheet, optimizing its liquidity requirements, and improving its leverage level. The company is revising its net leverage ratio⁽³⁾⁽⁴⁾ objective to a range of 2.0x - 2.5x by 2025, from the previous approximately 3.0x target, which would be approaching investment grade credit levels.

On the back of improved business fundamentals, Bombardier now expects to generate more than \$900 million per year in free cash flow⁽²⁾ by 2025. As its leaders will explain during Investor Day, this gives Bombardier ample flexibility and sets it up for significant capital allocation optionality in the future.

Maintaining the leadership position in the industry

With continued strong demand in the medium and large business jet categories, Bombardier is well positioned with its industry-leading *Challenger* and *Global* platforms. Over the past two years, the company introduced the new *Global 8000*, an evolution of the industry flagship *Global 7500* aircraft, further solidifying Bombardier's leadership position in the large jet segment. Bombardier also upgraded its best-selling *Challenger 300* family with the *Challenger 3500*, an addition that has maintained Bombardier as the leader of the super mid-size market. Thanks to its outstanding portfolio, Bombardier had the highest number of deliveries among business jet manufacturers for the last two years, as reported by the General Aviation Manufacturers Association (GAMA).

Bombardier maintains its strong focus on sustainability and takes concrete steps to manufacture and service aircraft with the smallest possible environmental impact on the path toward its goal of a 25% reduction in greenhouse gas emissions by 2025, relative to 2019 levels. This has been a clear priority for its research and development teams through programs like the [EcoJet](#) research project, unveiled in 2022, and was also behind the company's decision to cover [all its flight operations](#) with sustainable aviation fuel (SAF), using the Book and Claim system, from 2023 onwards.

Bombardier Defense set to grow to a greater than \$1 billion business in the second half of the decade⁽¹⁾

In 2022, Bombardier strategically reinforced its specialized aircraft business by establishing Bombardier Defense in Wichita, KS. Since then, the company has been leveraging its longstanding and well-

recognized expertise in specialized aircraft, the unique advantages of its *Challenger* and *Global* platforms, as well as its technical capabilities, world-class flight test center, and engineering know-how to increasingly stand out in the Defense market.

Considering that Defense programs are long to operationalize, Bombardier has been preparing its infrastructures to enhance its participation in the segment for the long run. With the demand for right-sized, flexible aircraft solutions on the rise, the company is well positioned to compete and win this market, and anticipates tripling its revenues from defense sales and services to more than \$1 billion in the second half of the decade⁽¹⁾.

Aftermarket and Certified Pre-owned businesses continue to drive growth and diversification

Bombardier has invested significantly into its aftermarket business since 2020, and it has played an important role in the diversification of its revenues. The company's service footprint has grown by close to one million square feet of new capacity worldwide, and its Aftermarket team has added more than 250 skilled technicians to its ranks. The strategy is working: Bombardier has increased aftermarket revenues more than 50% since 2020, and is on track to meet its goal of \$2 billion by 2025, with clear opportunity for growth beyond that point⁽¹⁾. Bombardier's Certified Pre-owned program, launched in 2021, has proven to be a successful addition to the company's aftermarket offering, and will continue to play an important role in revenue growth and further diversification.

Webcast details

Bombardier's 2023 virtual Investor Day will begin at 9 a.m. (ET) on March 23, 2023. After the presentation, the leadership team will be available to answer questions from analysts and institutional investors. The link to the webcast, as well as the Investor Day presentations, [are available here](#).

About Bombardier

Bombardier (BBD-B.TO) is a global leader in aviation, focused on designing, manufacturing, and servicing the world's most exceptional business jets. Bombardier's *Challenger* and *Global* aircraft families are renowned for their cutting-edge innovation, cabin design, performance, and reliability. Bombardier has a worldwide fleet of approximately 5,000 aircraft in service with a wide variety of multinational corporations, charter and fractional ownership providers, governments, and private individuals. Bombardier aircraft are also trusted around the world in government and military special-mission roles leveraging Bombardier Defense's proven expertise.

Headquartered in Greater Montréal, Québec, Bombardier operates aerostructure, assembly and completion facilities in Canada, the United States and Mexico. The company's robust customer support network services the *Learjet*, *Challenger* and *Global* families of aircraft, and includes facilities in

strategic locations in the United States and Canada, as well as in the United Kingdom, Germany, France, Switzerland, Italy, Austria, the UAE, Singapore, China and Australia.

For corporate news and information, including Bombardier's Environmental, Social and Governance report, as well as the company's plans to cover all its flight operations with Sustainable Aviation Fuel (SAF) utilizing the Book and Claim system visit bombardier.com. Learn more about Bombardier's industry-leading products and customer service network at businessaircraft.bombardier.com. Follow us on Twitter [@Bombardier](https://twitter.com/Bombardier).

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- (1) This press release includes a number of forward-looking statements. See the forward-looking statements disclaimer at the end of this press release as well as the Guidance and forward-looking statements section in the Overview section in the management's discussion and analysis (**MD&A**) of the Corporation's financial report for the fiscal year ended December 31, 2022 (**2022 Financial Report**), available on SEDAR (www.sedar.com) and on the Corporation's website at bombardier.com/en/investors/financial-reports, for details regarding the assumptions on which the forward-looking statements are based.
- (2) Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section in the MD&A of the 2022 Financial Report for definitions of these metrics. This information is included by reference.
- (3) Non-GAAP financial ratio. A non-GAAP financial ratio is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Refer to the Non-GAAP and other financial measures section in the MD&A of the 2022 Financial Report for definitions of these metrics. This information is included by reference.
- (4) Net leverage ratio defined as adjusted net debt to adjusted EBITDA.
- (5) Excludes revenues related to Aerostructure prior to the disposal of the Aerostructure and the Commercial aircraft businesses in 2020.

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FORWARD-LOOKING STATEMENTS

This press release includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, financial performance, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; customer value; expected demand for products and services; growth strategy; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and execution of orders in general; competitive position; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements, and ongoing review of strategic and financial alternatives; the introduction of, productivity enhancements, operational efficiencies, cost reduction and restructuring initiatives, and anticipated costs, intended benefits and timing thereof; the ability to continue business transition to growth cycle and cash generation; expectations, objectives and strategies regarding debt repayment, refinancing of maturities and interest cost reduction; compliance with restrictive debt covenants; expectations regarding the declaration and payment of dividends on our preferred shares; intentions and objectives for our programs, assets and operations; expectations regarding the availability of government assistance programs; both the repercussions of the COVID-19 pandemic and the impact of the ongoing military conflict between Ukraine and Russia on the foregoing and the effectiveness of plans and measures we have implemented in response thereto; and expectations regarding the strength of the market, inflationary and supply chain pressures, and ongoing economic recovery in the aftermath of the COVID-19 pandemic.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as “may”, “will”, “shall”, “can”, “expect”, “estimate”, “intend”, “anticipate”, “plan”, “foresee”, “believe”, “continue”, “maintain” or “align”, the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, guidance, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this press release include the following material assumptions: growth of the business aviation market and the Corporation’s share of such market; proper identification of recurring cost savings and executing on our cost reduction plan; optimization of our real estate portfolio, including through the sale or other transactions in respect of real estate assets on favorable terms; and access to working capital facilities on market terms. For additional information, including with

respect to other assumptions underlying the forward-looking statements made in this press release, refer to the Forward-looking statements – Assumptions section of the Management’s Discussion & Analysis (MD&A) of the Corporation’s financial report for the fiscal year ended December 31, 2022. Given the impact of the changing circumstances surrounding both the repercussions of the COVID-19 pandemic and the ongoing military conflict between Ukraine and Russia, including because of the emergence of COVID-19 variants and the imposition of financial and economic sanctions and export control limitations, and the related response from the Corporation, governments (federal, provincial and municipal, both domestic, foreign and multinational inter-governmental organizations), regulatory authorities, businesses, suppliers, customers, counterparties and third-party service providers, there is inherently more uncertainty associated with the Corporation’s assumptions as compared to prior years.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks associated with general economic conditions; operational risks (such as risks related to development of new business; order backlog; deployment and execution of our strategy, including cost reductions and working capital improvements and manufacturing and productivity enhancement initiatives; developing new products and services; the certification of products and services; pressures on cash flows and capital expenditures, including due to seasonality and cyclicity; doing business with partners; product performance warranty and casualty claim losses; environmental, health and safety concerns and regulations; dependence on limited number of contracts, customers and suppliers, including supply chain risks; human resources including the global availability of a skilled workforce; reliance on information systems (including technology vulnerabilities, cybersecurity threats and privacy breaches); reliance on and protection of intellectual property rights; reputation risks; adequacy of insurance coverage; risk management; and tax matters); financing risks (such as risks related to liquidity and access to capital markets; substantial debt and interest payment requirements, including execution of debt management and interest cost reduction strategies; restrictive and financial debt covenants; retirement benefit plan risk; exposure to credit risk; and reliance on government support); risks related to regulatory and legal proceedings; business environment risks (such as risks associated with the financial condition of business aircraft customers; trade policy; increased competition; political instability; financial and economic sanctions and export control limitations; global climate change; and force majeure events); market risks (such as foreign currency fluctuations; changing interest rates; increases in commodity prices; and inflation rate fluctuations); and other unforeseen adverse events. For more details, see the Risks and uncertainties section in Other in the MD&A of the Corporation’s financial report for the fiscal year ended December 31, 2022. Any one or more of the foregoing factors may be exacerbated by the repercussions of the COVID-19 pandemic and the ongoing military conflict between Ukraine and Russia, and may have a significantly more severe impact on the Corporation’s business, results of operations and financial condition than in the absence of such events.

Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Other risks and uncertainties not presently known to us or that we presently believe are not material could also cause actual results or events to differ materially from those expressed or implied in our forward-looking statements. The forward-looking statements set forth herein reflect management’s expectations as at the date of this report and

are subject to change after such date. Unless otherwise required by applicable securities laws, we expressly disclaim any intention, and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.