GLOBAL 7500 AIRCRAFT WING PROGRAM TO. BE ACQUIRED BY BOMBARDIER FROM TRIUMPH GROUP INC.

News / Business aviation, Manufacturer

A definitive agreement to acquire the *Global 7500* wing program from Triumph Group Inc. was announced by Bombardier . This acquisition will allow to strengthen Bombardier's position as a leading aerostructures manufacturer and secure the production ramp-up and long-term success of Bombardier's flagship business jet.

The acquired operations will be incorporated into Bombardier's Aerostructures and Engineering Services segment. To support a seamless transition of wing production and deliveries for the *Global 7500* program, which successfully entered into service in December 2018, Bombardier will enter into a lease agreement for Triumph's Red Oak, Texas, facility and continue to operate the production line with the employees currently supporting the program.

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“This acquisition is a perfect strategic fit for Bombardier Aerostructures,” said Danny Di Perna, President, Bombardier Aerostructures and Engineering Services. “It will allow us to bring our extensive technical expertise to one of the industry’s biggest growth programs, while solidifying our position as a leading wing provider. We look forward to welcoming the Triumph employees to Bombardier and ensuring the success of the *Global 7500* program.”

The acquisition of the program’s assets and obligations for a nominal cash consideration is expected to close in the first quarter of 2019, subject to certain closing conditions. Bombardier will assume ongoing working capital investments and usual costs associated with the program’s production ramp-up, which are expected to fall within Bombardier’s consolidated 2019 EBIT before special items and free cash flow guidance ranges, and 2020 objectives.

On a business segment level, Aerostructures revenue guidance for 2019 is adjusted upwards to between $2.25 billion to $2.50 billion, reflecting additional intersegment revenues. The segment’s 2019 EBIT margin before special items(1) guidance is also adjusted to approximately 7.5%, reflecting marginal earnings from these additional sales during the program ramp-up. For 2020, the EBIT margin before special items objective of 9% to 11% remains unchanged.

At Business Aircraft, the 2019 EBIT margin before special items guidance of approximately 7.5% remains unchanged. For 2020, Business Aircraft now targets 50 basis points of margin growth to approximately 8%, the low-end of the previously provided objective, reflecting the short-term impact of maturing the *Global 7500* wing production process.

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