



## FINANCIAL RESULTS FOR THE THIRD QUARTER 2019

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OCTOBER 31, 2019

**BOMBARDIER**

# CAUTION REGARDING FORWARD-LOOKING STATEMENTS

# BOMBARDIER

*This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, 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; expected growth in demand for products and services; growth strategy, including in the business aircraft aftermarket business; 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 project execution in general; competitive position; expectations regarding working capital recovery across late-stage Transportation projects; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations; 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 and restructuring initiatives and anticipated costs, intended benefits and timing thereof; the expected objectives and financial targets underlying our transformation plan and the timing and progress in execution thereof, including the anticipated business transition to growth cycle and cash generation; expectations and objectives regarding debt repayments, expectations and timing regarding an opportunistic redemption of CDPQ's investment in BT Holdco; intentions and objectives for our programs, assets and operations; the pursuit of a divestiture of our operations in Belfast and Morocco, the anticipated benefits of any divestiture or other transaction resulting therefrom and their expected impact on the Corporation's operations, infrastructure, opportunities, financial condition, business plan and overall strategy; the funding and liquidity of Airbus Canada Limited Partnership (ACLP); and the expected impact and intended benefits of our partnership with Airbus and investment in ACLP. As it relates to the sale of the CRJ aircraft program (the Pending Transaction), this presentation also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the respective anticipated proceeds and use thereof and/or consideration therefor, related costs and expenses, as well as the anticipated benefits of such actions and transactions and their expected impact on our guidance and targets; and the fact that closing of these transactions will be conditioned on certain events occurring, including the receipt of necessary regulatory approval.*

*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 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 presentation in relation to the pursuit of a divestiture of our operations in Belfast and Morocco include the following material assumptions: the identification and successful completion of one or more divestiture(s) or other transactions resulting therefrom on commercially satisfactory terms and the realization of the intended benefits therefrom within the anticipated timeframe. The assumptions underlying the forward-looking statements made in this presentation in relation to the Pending Transaction discussed herein include the following material assumptions: the satisfaction of all conditions of closing and the successful completion of such strategic actions and transaction within the anticipated timeframe, including receipt of regulatory approvals. For additional information with respect to the assumptions underlying the forward-looking statements made in this presentation, refer to the Strategic Priorities and Guidance and forward-looking statements sections in Overview, Business Aircraft, Commercial Aircraft, Aerostructures and Engineering Services and Transportation in the MD&A of our financial report for the fiscal year ended December 31, 2018.*

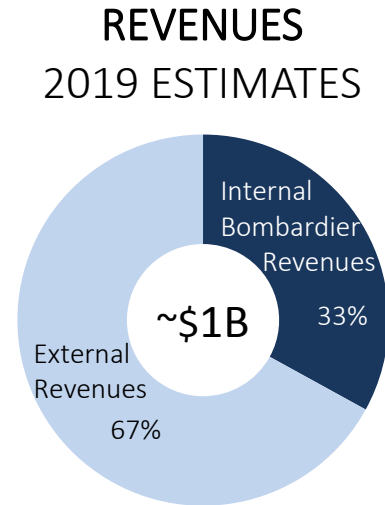
*Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with certain Transportation's legacy projects and the release of working capital therefrom; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; risks associated with our ability to successfully implement and execute our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives, including the formation of Bombardier Aviation; doing business with partners; risks associated with our partnership with Airbus and investment in ACLP; risks associated with our ability to continue with our funding plan of ACLP and to fund, if required, the cash shortfalls; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial existing debt and interest payment requirements; certain restrictive debt covenants and minimum cash levels; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the MD&A of our financial report for the fiscal year ended December 31, 2018. With respect to the pursuit of a divestiture of our operations in Belfast and Morocco discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to identify and complete any divestiture or other transaction resulting therefrom within the expected time frame, on commercially satisfactory terms or at all; all or part of the intended benefits therefrom not being realized within the anticipated timeframe, or at all; and the incurrence of related costs and expenses; and negative effects of the announcement or pendency of any such divestiture or other transaction. With respect to the Pending Transaction discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals, or otherwise satisfy the conditions to the completion of the transaction or delay in completing and uncertainty regarding the length of time required to complete such transactions, and the funds and benefits thereof not being available to Bombardier in the time frame anticipated or at all; alternate sources of funding that would be used to replace the anticipated proceeds and savings from such strategic actions and transactions, as the case may be, may not be available when needed, or on desirable terms. Accordingly, there can be no assurance that any divestiture relating to our operations in Belfast and Morocco, or the Pending Transaction will be undertaken or occur, or of the timing or successful completion thereof, or the amount and use of proceeds therefrom, or that the anticipated benefits will be realized in their entirety, in part or at all. There can also be no assurance as to the completion, the form, or the timing of any BT Holdco buy-back. For more details, see the Risks and uncertainties section in Other in the MD&A of our financial report for the fiscal year ended December 31, 2018.*

*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 presentation are expressly qualified by this cautionary statement.*

*All amounts in this presentation are expressed in U.S. dollars, rounded to the nearest decimal, unless otherwise indicated. This presentation should be read in conjunction with the Corporation's Q3 2019 Financial Report. This presentation contains both IFRS and non-GAAP measures. Non-GAAP measures are defined at the end of this presentation and reconciled to the most comparable IFRS measures in the Corporation's Q3 2019 Financial Report. See Caution regarding non-GAAP measures at the end of this presentation.*

# SALE OF AEROSTRUCTURES BUSINESS TO SPIRIT AEROSYSTEMS

- Definitive agreement for the acquisition by Spirit of aerostructures activities in Belfast, UK; Casablanca, Morocco; and the Dallas, U.S. maintenance, repair and overhaul facility (MRO)
- Supply agreement for business aircraft structural components and spare parts
- Closing currently expected in the first half of 2020 and remains subject to regulatory approvals and customary closing conditions



PROCEEDS OF

**\$500 million**

+ Assumption by Spirit of >\$700M liabilities<sup>1</sup>

IMPLIED EV/EBITDA MULTIPLE

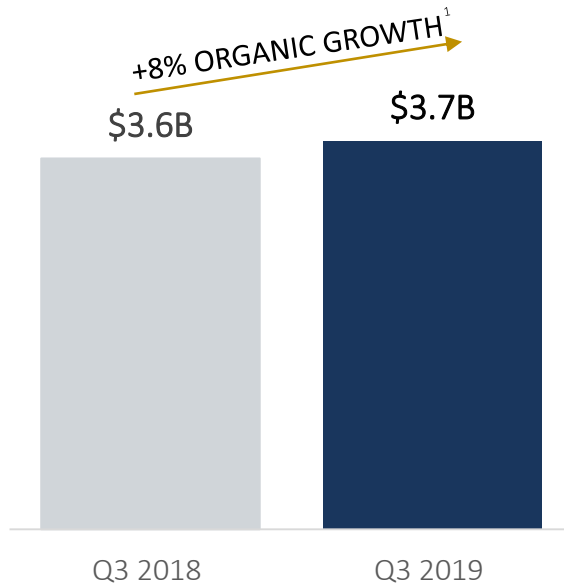
**~10x**

~12% Adjusted 2019E EBITDA

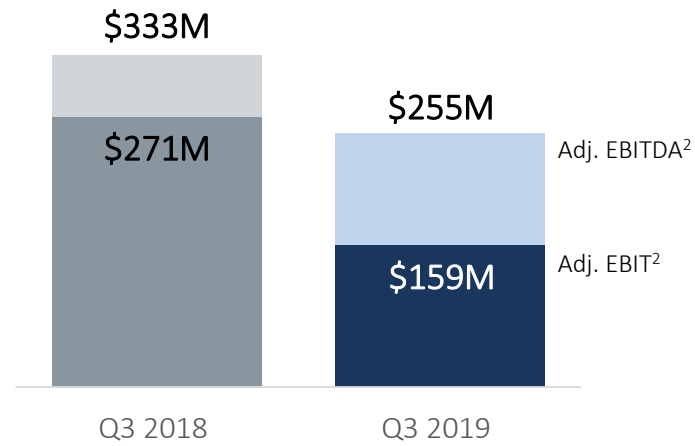
## EXECUTING OUR STRATEGIC VISION TO FOCUS ON BUSINESS AVIATION



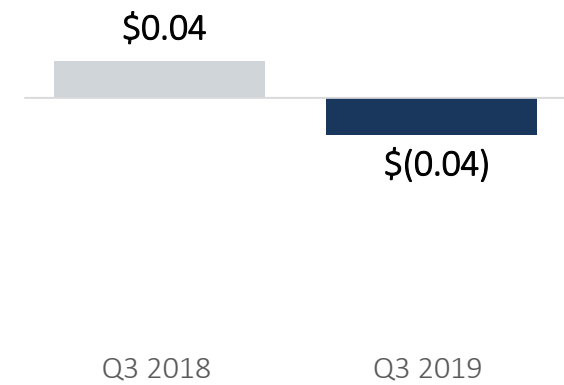
## REVENUES



## EARNINGS



## ADJUSTED EPS<sup>2</sup>

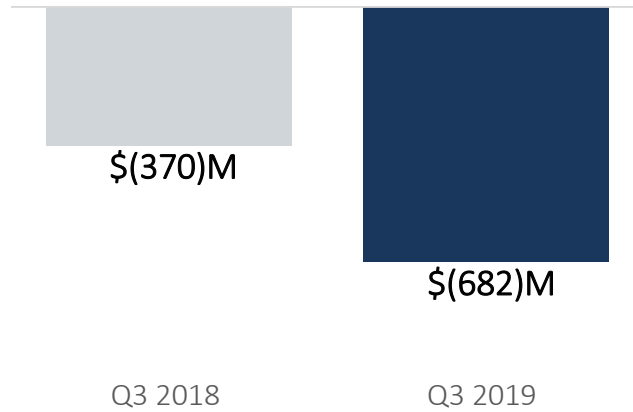


Note: Chart data may not be to scale.

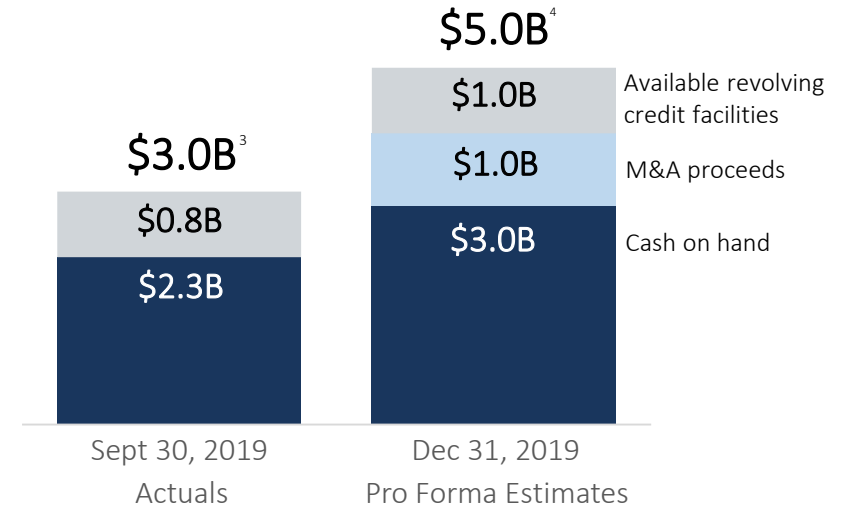
<sup>1</sup> Excluding divestitures and currency translation impact

<sup>2</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide and the associated GAAP equivalents refer to our disclosure regarding non-GAAP measures at the end of this presentation.

## FCF USAGE<sup>1</sup>



## AVAILABLE SHORT-TERM CAPITAL RESOURCES<sup>2</sup>



Note: Chart data may not be to scale. Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide and the associated GAAP equivalents refer to our disclosure regarding non-GAAP measures at the end of this presentation.

<sup>2</sup> Defined as cash and cash equivalents plus the amount available under our revolving credit facilities.

<sup>3</sup> Certain totals may not agree due to rounding.

<sup>4</sup> Dec 31 2019 liquidity position based on latest 2019 estimates. Expected M&A proceeds based on proceeds expected from the sales of CRJ and Aerostructures businesses, expected to close during the first half of 2020 and remain subject to regulatory approvals and customary closing conditions.





# 2019 FINANCIALS

# BOMBARDIER

	<u>2019 YEAR TO DATE</u>	<u>2019 GUIDANCE</u>
REVENUES	\$11,552M	\$16.5 – 17.0B
ADJ. EBITDA <sup>1</sup>	\$833M	\$1.20 – 1.30B
ADJ. EBIT <sup>1</sup>	\$536M	\$700 – 800M
FCF <sup>1</sup>	\$(2,155)M	~\$(500)M

Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

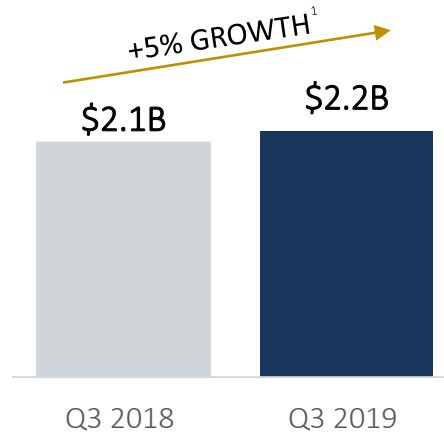
<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide and the associated GAAP equivalents refer to our disclosure regarding non-GAAP measures at the end of this presentation.



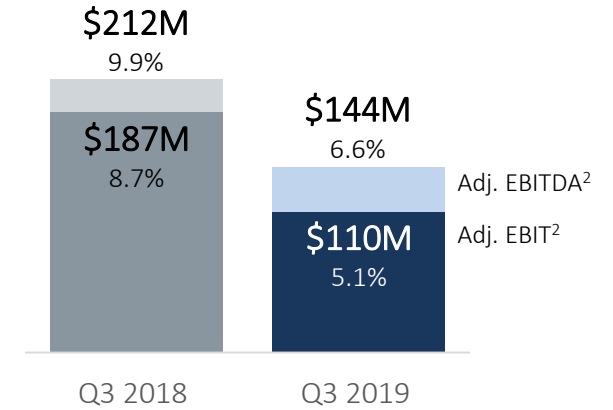


# TRANSPORTATION HIGHLIGHTS

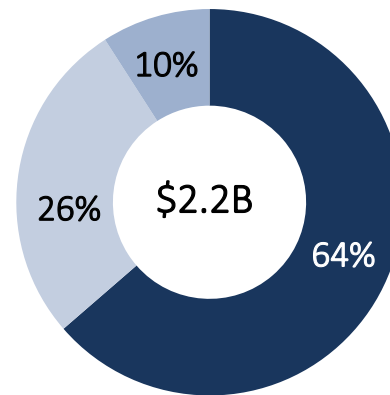
## REVENUES



## EARNINGS

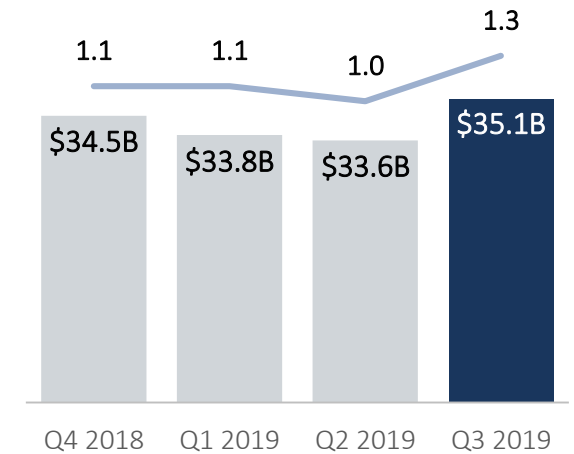


## Q3 REVENUE BREAKDOWN



■ Rolling Stock and Systems ■ Services ■ Signaling

## BACKLOG AND BOOK-TO-BILL (T4Q)<sup>3</sup>



Note: Chart data may not be to scale.

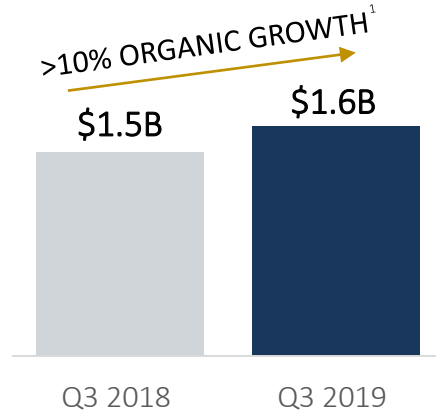
<sup>1</sup> Excluding currency translation

<sup>2</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide and the associated GAAP equivalents refer to our disclosure regarding non-GAAP measures at the end of this presentation.

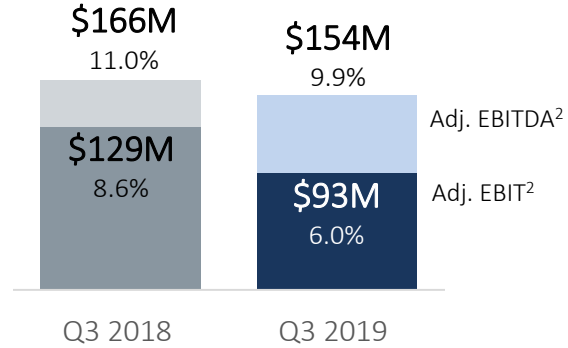
<sup>3</sup> Trailing four quarter (T4Q) ratio of new orders over revenues

# AVIATION HIGHLIGHTS

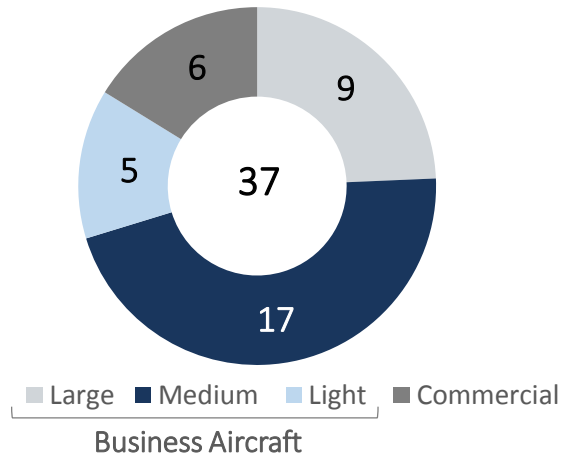
## REVENUES



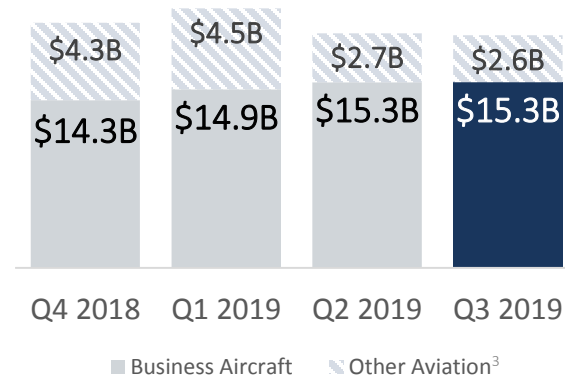
## EARNINGS



## Q3 DELIVERIES



## BACKLOG



Note: Chart data may not be to scale.

<sup>1</sup> Excluding divestitures.

<sup>2</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide and the associated GAAP equivalents refer to our disclosure regarding non-GAAP measures at the end of this presentation.

<sup>3</sup> Including 32 firm orders for CRJ900 as of September 30, 2019 and 45 firm orders and 4 options for CRJ900 as of December 31, 2018. CRJ production is expected to conclude in the second half of 2020, following the delivery of the current backlog of the aircraft.





POSITIVE MOMENTUM  
AT AVIATION

TURNING THE CORNER  
AT TRANSPORTATION

STRENGTHENING &  
SIMPLIFYING THE BUSINESS

**BOMBARDIER**



# CONSOLIDATED Q3 FINANCIAL PERFORMANCE

# BOMBARDIER

Three-month periods ended Sept 30	2019	2018	VARIANCE	YEAR TO DATE	2019 GUIDANCE
REVENUES	\$3.7B	\$3.6B	2%	\$11.6B	\$16.5-17.0B
ADJUSTED EBITDA <sup>1</sup>	\$255M	\$333M	(23)%	\$833M	\$1.2-1.3B
ADJUSTED EBITDA MARGIN <sup>1</sup>	6.9%	9.1%	(220) bps	7.2%	
EBIT	\$143M	\$267M	(46)%	\$1.2B	
EBIT MARGIN	3.8%	7.3%	(350) bps	10.4%	
ADJUSTED EBIT <sup>1</sup>	\$159M	\$271M	(41)%	\$536M	\$700-\$800M
ADJUSTED EBIT MARGIN <sup>1</sup>	4.3%	7.4%	(310) bps	4.6%	
CASH FLOW FROM OPERATING ACTIVITIES	\$(557)M	\$(141)M	\$(416)M	\$(1.8)B	
FCF <sup>1</sup>	\$(682)M	\$(370)M	\$(312)M	\$(2.2)B	~\$(500)M
DILUTED EPS	\$(0.06)	\$0.04	\$(0.10)	\$(0.02)	
ADJUSTED EPS <sup>1</sup>	\$(0.04)	\$0.04	\$(0.08)	\$(0.16)	

Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

# TRANSPORTATION Q3 FINANCIAL PERFORMANCE

# BOMBARDIER

Three-month periods ended Sept 30	2019	2018	VARIANCE	YEAR TO DATE	2019 GUIDANCE
REVENUES	\$2.2B	\$2.1B	2%	\$6.5B	~\$8.75B
ADJUSTED EBITDA <sup>1</sup>	\$144M	\$212M	(32)%	\$408M	
ADJUSTED EBITDA MARGIN <sup>1</sup>	6.6%	9.9%	(330) bps	6.3%	
EBIT	\$88M	\$184M	(52)%	\$258M	
EBIT MARGIN	4.0%	8.6%	(460) bps	4.0%	
ADJUSTED EBIT <sup>1</sup>	\$110M	\$187M	(41)%	\$304M	
ADJUSTED EBIT MARGIN <sup>1</sup>	5.1%	8.7%	(360) bps	4.7%	~5.0%
BACKLOG	\$35.1B	\$34.5B <sup>2</sup>	\$0.6B	\$35.1B	
BOOK-TO-BILL <sup>3</sup>	2.1	0.9	1.2	1.3	

Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

<sup>2</sup> As at December 31, 2018

<sup>3</sup> Ratio of new orders over revenues



# AVIATION Q3 FINANCIAL PERFORMANCE

# BOMBARDIER

Three-month periods ended Sept 30	2019	2018	VARIANCE	YEAR TO DATE	2019 GUIDANCE
REVENUES	\$1.6B	\$1.5B	4.0%	\$5.1B	~\$8.0B
ADJUSTED EBITDA <sup>1</sup>	\$154M	\$166M	(7)%	\$578M	
ADJUSTED EBITDA MARGIN <sup>1</sup>	9.9%	11.0%	(110) bps	11.4%	
EBIT	\$96M	\$132M	(27)%	\$1.1B	
EBIT MARGIN	6.2%	8.8%	(260) bps	21.6%	
ADJUSTED EBIT <sup>1</sup>	\$93M	\$129M	(28)%	\$388M	
ADJUSTED EBIT MARGIN <sup>1</sup>	6.0%	8.6%	(260) bps	7.6%	~7.0%
BUSINESS AIRCRAFT BACKLOG	\$15.3B	\$14.3B <sup>2</sup>	\$1.0B	\$15.3B	
OTHER AVIATION BACKLOG <sup>3</sup>	\$2.6B	\$4.3B <sup>2</sup>	\$(1.7)B	\$2.6B	
DELIVERIES	37	36	1	117	175-180

Refer to our disclosure on forward-looking statements and assumptions at the beginning of this presentation.

<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation.

<sup>2</sup> As at December 31, 2018

<sup>3</sup> Including 32 firm orders for CRJ900 as of September 30, 2019 and 45 firm orders and 4 options for CRJ900 as of December 31, 2018

# BOMBARDIER AVIATION SEGMENT RECONCILIATION

# BOMBARDIER

		2018					2019		
		Q1	Q2	Q3	Q4	FY	Q1	Q2	H1
BUSINESS AIRCRAFT	REVENUES	\$1,110	\$1,307	\$1,083	\$1,494	\$4,994	\$970	\$1,382	\$2,352
	ADJUSTED EBIT <sup>1</sup>	98	111	89	122	420	74	97	171
	ADJUSTED EBIT %	8.8%	8.5%	8.2%	8.2%	8.4%	7.6%	7.0%	7.3%
COMMERCIAL AIRCRAFT	REVENUES	\$463	\$616	\$256	\$421	\$1,756	\$241	\$516	\$757
	ADJUSTED EBIT <sup>1</sup>	(73)	(66)	(9)	(9)	(157)	22	12	34
	LESS: ACLP EQUITY PICKUP	N/A	N/A	(13)	(27)	(40)	1	(9)	(8)
	ADJUSTED EBIT <sup>1</sup> EXCLUDING ACLP	(73)	(66)	4	18	(117)	21	21	42
AEROSTRUCTURES & ENGINEERING SERVICES	REVENUES	\$446	\$455	\$430	\$622	\$1,953	\$470	\$565	\$1,035
	ADJUSTED EBIT <sup>1</sup>	47	57	36	48	188	66	37	103
	ADJUSTED EBIT %	10.5%	12.5%	8.4%	7.9%	9.6%	14.0%	6.5%	10.0%
ELIMINATIONS	REVENUES	\$(344)	\$(375)	\$(265)	\$(395)	\$(1,379)	\$(271)	\$(343)	\$(614)
	ADJUSTED EBIT <sup>1</sup>	(18)	3	-	(4)	(19)	(17)	(4)	(21)
BOMBARDIER AVIATION	REVENUES	\$1,675	\$2,003	\$1,504	\$2,142	\$7,324	\$1,410	\$2,120	\$3,530
	ADJUSTED EBIT <sup>1</sup>	54	105	129	184	472	144	151	295
	ADJUSTED EBIT %	3.2%	5.2%	8.6%	8.6%	6.4%	10.2%	7.1%	8.4%

<sup>1</sup> Non-GAAP measure. For further information on non-GAAP measures used on this slide refer to our disclosure regarding non-GAAP measures at the end of this presentation



# GLOBAL 5500, GLOBAL 6500, GLOBAL 8000 AND LEARJET 75 LIBERTY AIRCRAFT DISCLAIMER

**BOMBARDIER**

The Global 5500, Global 6500, Global 8000 Learjet 75 Liberty aircraft are currently in development, and as such are subject to changes in family strategy, branding, capacity, performance, design and/or systems. All specifications and data are approximate, may change without notice and are subject to certain operating rules, assumptions and other conditions. This document does not constitute an offer, commitment, representation, guarantee or warranty of any kind.

## CAUTION REGARDING NON-GAAP FINANCIAL MEASURES

This presentation is based on reported earnings in accordance with IFRS and on the following non-GAAP financial measures:

### Non-GAAP financial measures

<b>Adjusted EBIT</b>	EBIT excluding special items. Special items comprise items which do not reflect the Corporation's core performance or where their separate presentation will assist users of the consolidated financial statements in understanding the Corporation's results for the period. Such items include, among others, the impact of restructuring charges and significant impairment charges and reversals.
<b>Adjusted EBITDA</b>	Adjusted EBIT, amortization and impairment charges on PP&E and intangible assets.
<b>Adjusted net income (loss)</b>	Net income (loss) excluding special items, accretion on net retirement benefit obligations, certain net gains and losses arising from changes in measurement of provisions and of financial instruments carried at FVTP&L and the related tax impacts of these items.
<b>Adjusted EPS</b>	EPS calculated based on adjusted net income attributable to equity holders of Bombardier Inc., using the treasury stock method, giving effect to the exercise of all dilutive elements.
<b>Free cash flow (usage)</b>	Cash flows from operating activities less net additions to PP&E and intangible assets.

Non-GAAP financial measures are mainly derived from the consolidated financial statements but do not have standardized meanings prescribed by IFRS. The exclusion of certain items from non-GAAP performance measures does not imply that these items are necessarily non-recurring. Other entities in our industry may define the above measures differently than we do. In those cases, it may be difficult to compare the performance of those entities to ours based on these similarly-named non-GAAP measures.

Prior to the first quarter of fiscal year 2019, the Corporation reported non-GAAP measures labeled "EBIT before special items" and "EBITDA before special items". Beginning in the first quarter of fiscal year 2019, the Corporation changed the label of these non-GAAP measures to "adjusted EBIT" and "adjusted EBITDA", respectively, without making any change to the composition of these non-GAAP measures. The Corporation believes that this new label aligns better with broad market practice in its industry and better distinguishes these measures from the IFRS measurement "EBIT" and "EBITDA".

### Adjusted EBIT, adjusted EBITDA, adjusted net income (loss) and adjusted EPS

Management uses adjusted EBIT, adjusted EBITDA, adjusted net income (loss) and adjusted EPS for purposes of evaluating underlying business performance. Management believes these non-GAAP earnings measures in addition to IFRS measures provide users of our Financial Report with enhanced understanding of our results and related trends and increases the transparency and clarity of the core results of our business. Adjusted EBIT, adjusted EBITDA, adjusted net income (loss) and adjusted EPS exclude items that do not reflect our core performance or where their exclusion will assist users in understanding our results for the period. For these reasons, a significant number of users of the MD&A analyze our results based on these financial measures. Management believes these measures help users of MD&A to better analyze results, enabling better comparability of our results from one period to another and with peers.

### Free cash flow (usage)

Free cash flow is defined as cash flows from operating activities less net additions to PP&E and intangible assets. Management believes that this non-GAAP cash flow measure provides investors with an important perspective on the Corporation's generation of cash available for shareholders, debt repayment, and acquisitions after making the capital investments required to support ongoing business operations and long-term value creation. This non-GAAP cash flow measure does not represent the residual cash flow available for discretionary expenditures as it excludes certain mandatory expenditures such as repayment of maturing debt. Management uses free cash flow as a measure to assess both business performance and overall liquidity generation.

# RECONCILIATION OF SEGMENT TO CONSOLIDATED RESULTS

## Reconciliation of segment to consolidated results<sup>(1)</sup>

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2019 <sup>(2)</sup>	2018	2019 <sup>(2)</sup>	2018
<b>Revenues</b>				
Aviation	\$ 1,558	\$ 1,504	\$ 5,088	\$ 5,182
Transportation	2,175	2,140	6,476	6,754
Corporate and Others	(11)	(1)	(12)	(3)
	\$ 3,722	\$ 3,643	\$ 11,552	\$ 11,933
<b>Adjusted EBIT<sup>(3)</sup></b>				
Aviation	\$ 93	\$ 129	\$ 388	\$ 288
Transportation	110	187	304	583
Corporate and Others <sup>(4)</sup>	(44)	(45)	(156)	(128)
	\$ 159	\$ 271	\$ 536	\$ 743
<b>Special Items</b>				
Aviation	\$ (3)	\$ (3)	\$ (712)	\$ 35
Transportation	22	3	46	45
Corporate and Others	(3)	4	4	4
	\$ 16	\$ 4	\$ (662)	\$ 84
<b>EBIT</b>				
Aviation	\$ 96	\$ 132	\$ 1,100	\$ 253
Transportation	88	184	258	538
Corporate and Others <sup>(4)</sup>	(41)	(49)	(160)	(132)
	\$ 143	\$ 267	\$ 1,198	\$ 659

<sup>(1)</sup> Figures are restated as a result of the formation of Bombardier Aviation, our new reportable segment. Refer to the Segment reporting section in Overview for further details.

<sup>(2)</sup> Refer to Note 2 - Changes in accounting policies, to our interim consolidated financial statements, for the impact of the adoption of IFRS 16, Leases. Under the modified retrospective approach adopted by the Corporation, 2018 figures are not restated.

<sup>(3)</sup> Non-GAAP financial measure. Refer to the Non-GAAP financial measures section for a definition of this metric.

<sup>(4)</sup> Includes share of net loss from ACLP of \$12 million and \$20 million for the three- and nine-month periods ended September 30, 2019, respectively (\$13 million for the three- and nine-month periods ended September 30, 2018).

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

# BOMBARDIER

## Reconciliation of adjusted EBITDA to EBIT

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2019	2018	2019	2018
<b>EBIT</b>	\$ 143	\$ 267	\$ 1,198	\$ 659
Amortization	96	62	293	188
Impairment charges (reversals) on PP&E and intangible assets <sup>(1)</sup>	—	—	(4)	11
Special items excluding impairment charges (reversals) on PP&E and intangible assets <sup>(1)</sup>	16	4	(654)	76
<b>Adjusted EBITDA</b>	\$ 255	\$ 333	\$ 833	\$ 934

<sup>(1)</sup> Refer to the Consolidated results of operations section for details regarding special items.

## Free cash flow usage<sup>(1)</sup>

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2019 <sup>(2)</sup>	2018	2019 <sup>(2)</sup>	2018
<b>Net income (loss)</b>	\$ (91)	\$ 149	\$ 112	\$ 263
Non-cash items				
Amortization	96	62	293	188
Impairment charges (reversals) on PP&E and intangible assets	—	—	(4)	11
Deferred income taxes	(23)	(50)	286	(73)
Gains on disposals of PP&E and intangible assets	—	(11)	(7)	(575)
Losses (gains) on disposals of businesses	—	10	(739)	609
Share of income of joint ventures and associates	(7)	(9)	(47)	(59)
Share-based expense	4	20	34	67
Loss on repurchase of long-term debt	—	—	84	—
Dividends received from joint ventures and associates	1	30	20	49
Net change in non-cash balances <sup>(3)</sup>	(537)	(342)	(1,785)	(1,172)
<b>Cash flows from operating activities</b>	(557)	(141)	(1,753)	(692)
Net additions to PP&E and intangible assets	(125)	(229)	(402)	(167)
<b>Free cash flow usage<sup>(1)</sup></b>	(682)	(370)	(2,155)	(859)

<sup>(1)</sup> Non-GAAP financial measures. Refer to the Non-GAAP financial measures section for definitions of these metrics.

<sup>(2)</sup> Refer to Note 2 - Changes in accounting policies, to our interim consolidated financial statements, for the impact of the adoption of IFRS 16, Leases. Under the modified retrospective approach adopted by the Corporation, 2018 figures are not restated.

<sup>(3)</sup> Refer to Note 24 - Net changes in non-cash balances, to our interim consolidated financial statements for further details.



# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

# BOMBARDIER

## Reconciliation of adjusted net income (loss) to net income (loss) and computation of adjusted EPS

	Three-month periods ended September 30			
	2019		2018	
	(per share)		(per share)	
<b>Net income (loss)</b>	\$	(91)	\$	149
Adjustments to EBIT related to special items <sup>(1)</sup>		16	\$ 0.01	4
Adjustments to net financing expense related to:				
Net change in provisions arising from changes in interest rates and net loss (gain) on certain financial instruments		4	0.00	5
Accretion on net retirement benefit obligations		18	0.01	16
Interest related to tax litigation <sup>(1)</sup>		—	—	(4)
Tax impact of special <sup>(1)</sup> and other adjusting items		(2)	0.00	(3)
<b>Adjusted net income (loss)</b>		(55)		167
Net loss attributable to NCI		(48)		(38)
Preferred share dividends, including taxes		—		(7)
Dilutive impact of CDPQ conversion option		—		(13)
<b>Adjusted net income (loss) attributable to equity holders of Bombardier Inc.</b>	\$	(103)	\$	109
Weighted-average diluted number of common shares (in thousands)		2,386,781		2,624,943
<b>Adjusted EPS (in dollars)</b>	\$	(0.04)	\$	0.04

## Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Three-month periods ended September 30	
	2019	2018
<b>Diluted EPS</b>	\$ (0.06)	\$ 0.04
Impact of special <sup>(1)</sup> and other adjusting items	0.02	—
<b>Adjusted EPS</b>	\$ (0.04)	\$ 0.04

<sup>(1)</sup> Refer to the Consolidated results of operations section for details regarding special items.

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

# BOMBARDIER

## Reconciliation of adjusted net income (loss) to net income and computation of adjusted EPS

	Nine-month periods ended September 30			
	2019		2018	
	(per share)		(per share)	
<b>Net income</b>	\$	112	\$	263
Adjustments to EBIT related to special items <sup>(1)</sup>		(662)	\$ (0.28)	84 \$ 0.03
Adjustments to net financing expense related to:				
Net change in provisions arising from changes in interest rates and net gain on certain financial instruments		(46)	(0.02)	(31) (0.01)
Accretion on net retirement benefit obligations		51	0.02	50 0.02
Interest related to tax litigation <sup>(1)</sup>		—	—	(4) 0.00
Loss on repurchase of long-term debt <sup>(1)</sup>		84	0.04	— —
Tax impact of special <sup>(1)</sup> and other adjusting items		237	0.10	(73) (0.03)
<b>Adjusted net income (loss)</b>		(224)		289
Net loss attributable to NCI		(139)		(46)
Preferred share dividends, including taxes		(14)		(21)
Dilutive impact of CDPQ conversion option		—		(6)
<b>Adjusted net income (loss) attributable to equity holders of Bombardier Inc.</b>	\$	(377)	\$	216
Weighted-average diluted number of common shares (in thousands)		2,379,795		2,503,332
<b>Adjusted EPS (in dollars)</b>	\$	(0.16)	\$	0.09

## Reconciliation of adjusted EPS to diluted EPS (in dollars)

	Nine-month periods ended September 30	
	2019	2018
<b>Diluted EPS</b>	\$ (0.02)	\$ 0.08
Impact of special <sup>(1)</sup> and other adjusting items	(0.14)	0.01
<b>Adjusted EPS</b>	\$ (0.16)	\$ 0.09

<sup>(1)</sup> Refer to the Consolidated results of operations section for details regarding special items.