

Bombardier Reports Third Quarter 2020 Financial Results, Provides Update on Transition to a Pure-Play Business Aircraft Company

- Total revenues⁽¹⁾ of \$3.5 billion, lower by 5% year-over-year due to pandemic-related disruptions and divestitures; Business Aircraft revenues reached \$1.2 billion on 24 deliveries, growing 10% year-over-year, driven by accelerating *Global 7500* deliveries
- Total adjusted EBITDA⁽¹⁾⁽²⁾ of \$176 million; \$15 million of reported total EBIT⁽¹⁾⁽²⁾
- Free cash flow usage⁽²⁾ of \$0.7 billion, continuing to target breakeven for the second half of the year; operating cash flow usage of \$0.6 billion
- Pro-forma⁽³⁾ liquidity⁽⁴⁾ of ~ \$3.0 billion, including \$1.9 billion of cash on hand and \$275 million from the recently closed sale of aerostructures business
- Sale of Bombardier Transportation to Alstom still expected to close in the first quarter of 2021
- Transitioning to a pure-play business aircraft company; addressing cost structure to drive stronger profitability at current market conditions

All amounts in this press release are in U.S. dollars unless otherwise indicated. Amounts in tables are in millions except per share amounts, unless otherwise indicated.

Montréal, November 5, 2020 – Bombardier (TSX: BBD.B) announced today its financial results for the third quarter of 2020. The Company also provided an update on its progress towards achieving its near-term priorities and its transition to a pure-play business aircraft company.

“While the ongoing pandemic continues to present unprecedented challenges, Bombardier remains focused on advancing its key priorities, which includes taking great care of our people and customers; ensuring sufficient liquidity to weather the storm; and continuing to move forward with our strategic repositioning of Bombardier as a leaner, focused business aviation company,” said Éric Martel, President and Chief Executive Officer, Bombardier Inc. “In the third quarter, we made solid progress on each of these priorities. We secured additional liquidity with a new billion dollar senior secured credit facility, we kept our divestitures moving forward as planned, and with deliveries ramping up across the businesses, we are still targeting break-even free-cash-flow for the second half of the year, assuming operations remain uninterrupted by the pandemic.”

Third quarter revenues of \$3.5 billion reflect the gradual recovery of operations at Aviation and Transportation from the COVID-19 related disruptions in the first half of 2020. Business aircraft revenues in the quarter were up 10% year-over-year, driven by a record 8 *Global 7500* aircraft deliveries, which more than offset lower service revenues as international border restrictions, reduced business activity, and travel continues to pressure business jet utilization.

Total adjusted EBITDA and adjusted EBIT were \$176 million and \$51 million, respectively, for the quarter. These results reflect an unfavorable aircraft revenue mix at Aviation, as well as the impact of several low-margin rolling stock projects, and the lingering impact of the pandemic on Transportation's operations and customers. Total EBIT was \$15 million for the quarter.

Free cash flow usage for the quarter was \$706 million, supporting Aviation's working capital requirements for an expected seasonally strong fourth quarter, including approximately a dozen *Global 7500* deliveries before year end⁽³⁾. Transportation's free cash flow was near break-even for the quarter. Consolidated cash flow usage from operating activities was \$644 million.

Bombardier began the fourth quarter with strong pro-forma liquidity⁽⁴⁾ of approximately \$3.0 billion. This includes \$1.9 billion of cash on hand, access to the undrawn amounts of approximately \$600 million on Transportation's revolving credit facility as of September 30, 2020, \$250 million under the new senior secured term loan facility as at September 30, 2020, and \$275 million of proceeds from the sale of the Aerostructures business. The Company expects to further strengthen liquidity with positive cash generation in the fourth quarter, driven by the release of working capital both at Aviation and Transportation⁽³⁾.

With the definitive Sale and Purchase Agreement signed in September, and the Alstom shareholder approval last week, Bombardier believes it is on a solid path to close the Bombardier Transportation sale in the first quarter of 2021. As a result, the Transportation business results have been classified as discontinued operations as of September 30, 2020. At closing, the Company expects net cash proceeds of approximately \$4.0 billion, which will be directed to debt paydown⁽³⁾.

"We are very excited about our future as a focused business jet company, about our opportunities to grow the services business, and to leverage our industry-leading product portfolio," Martel added. "We look forward to sharing the details of our plans in the near future, as we finalize our debt management strategy and cost-cutting initiatives to ensure our profitability in the current market and strong growth once the pandemic subsides."

SELECTED RESULTS

RESULTS OF THE QUARTER

Three-month periods ended September 30			2020			2019		
	Continuing operations	Discontinued operations ⁽⁵⁾	Total		Continuing operations	Discontinued operations ⁽⁵⁾	Total	
					restated ⁽⁵⁾	restated ⁽⁵⁾		
Revenues	\$ 1,405	\$ 2,120	\$ 3,525		\$ 1,547	\$ 2,175	\$ 3,722	
Gross margin	\$ 168	\$ 161	\$ 329		\$ 220	\$ 220	\$ 440	
Adjusted EBITDA	\$ 84	\$ 92	\$ 176		\$ 111	\$ 144	\$ 255	
Adjusted EBITDA margin ⁽²⁾	6.0 %	4.3 %	5.0 %		7.2 %	6.6 %	6.9 %	
Adjusted EBIT	\$ (11)	\$ 62	\$ 51		\$ 49	\$ 110	\$ 159	
Adjusted EBIT margin ⁽²⁾	(0.8)%	2.9 %	1.4 %		3.2 %	5.1 %	4.3 %	
EBIT	\$ (29)	\$ 44	\$ 15		\$ 55	\$ 88	\$ 143	
EBIT margin	(2.1)%	2.1 %	0.4 %		3.6 %	4.0 %	3.8 %	
Net income (loss)	\$ (24)	\$ 216	\$ 192		\$ (168)	\$ 77	\$ (91)	
Diluted EPS (in dollars)	\$ (0.01)	\$ 0.06	\$ 0.05		\$ (0.07)	\$ 0.01	\$ (0.06)	
Adjusted net income (loss) ⁽²⁾	\$ (210)	\$ (5)	\$ (215)		\$ (155)	\$ 100	\$ (55)	
Adjusted EPS (in dollars) ⁽²⁾	\$ (0.09)	\$ (0.04)	\$ (0.13)		\$ (0.06)	\$ 0.02	\$ (0.04)	
Net additions to PP&E and intangible assets	\$ 36	\$ 26	\$ 62		\$ 77	\$ 48	\$ 125	
Cash flows from operating activities	\$ (619)	\$ (25)	\$ (644)		\$ (393)	\$ (164)	\$ (557)	
Free cash flow usage	\$ (655)	\$ (51)	\$ (706)		\$ (470)	\$ (212)	\$ (682)	
As at			September 30, 2020				December 31, 2019	
Cash and cash equivalents ⁽⁶⁾			\$ 1,870				\$ 2,629	
Available short-term capital resources ⁽⁷⁾			\$ 2,709				\$ 3,925	
Order backlog (in billions of dollars)								
Aviation								
Business aircraft			\$ 12.2				\$ 14.4	
Other aviation ⁽⁸⁾			\$ 1.1				\$ 1.9	
Transportation			\$ 34.1				\$ 35.8	

RESULTS OF THE NINE-MONTH PERIOD

Nine-month periods ended September 30			2020			2019		
	Continuing operations	Discontinued operations ⁽⁵⁾	Total		Continuing operations	Discontinued operations ⁽⁵⁾	Total	
					restated ⁽⁵⁾	restated ⁽⁵⁾		
Revenues	\$ 4,150	\$ 5,768	\$ 9,918		\$ 5,076	\$ 6,476	\$ 11,552	
Gross margin	\$ 427	\$ 17	\$ 444		\$ 738	\$ 654	\$ 1,392	
Adjusted EBITDA	\$ 201	\$ (173)	\$ 28		\$ 425	\$ 408	\$ 833	
Adjusted EBITDA margin	4.8 %	(3.0)%	0.3 %		8.4 %	6.3 %	7.2 %	
Adjusted EBIT	\$ (46)	\$ (270)	\$ (316)		\$ 232	\$ 304	\$ 536	
Adjusted EBIT margin	(1.1)%	(4.7)%	(3.2)%		4.6 %	4.7 %	4.6 %	
EBIT	\$ 479	\$ (282)	\$ 197		\$ 940	\$ 258	\$ 1,198	
EBIT margin	11.5 %	(4.9)%	2.0 %		18.5 %	4.0 %	10.4 %	
Net income (loss)	\$ (155)	\$ (76)	\$ (231)		\$ (13)	\$ 125	\$ 112	
Diluted EPS (in dollars)	\$ (0.07)	\$ (0.12)	\$ (0.19)		\$ (0.01)	\$ (0.01)	\$ (0.02)	
Adjusted net income (loss)	\$ (640)	\$ (375)	\$ (1,015)		\$ (417)	\$ 193	\$ (224)	
Adjusted EPS (in dollars)	\$ (0.27)	\$ (0.25)	\$ (0.52)		\$ (0.18)	\$ 0.02	\$ (0.16)	
Net additions to PP&E and intangible assets	\$ 170	\$ 70	\$ 240		\$ 290	\$ 112	\$ 402	
Cash flows from operating activities	\$ (2,028)	\$ (1,116)	\$ (3,144)		\$ (743)	\$ (1,010)	\$ (1,753)	
Free cash flow usage	\$ (2,198)	\$ (1,186)	\$ (3,384)		\$ (1,033)	\$ (1,122)	\$ (2,155)	

SEGMENTED RESULTS AND HIGHLIGHTS

Aviation

Results of the quarter

Three-month periods ended September 30	2020	2019	Variance
Revenues			
Business aircraft	\$ 1,225	\$ 1,114	10 %
Other aviation	\$ 180	\$ 444	(59)%
Total Revenues	\$ 1,405	\$ 1,558	(10)%
Aircraft deliveries (in units)			
Business aircraft	24	31	(7)
Commercial aircraft ⁽⁹⁾	—	6	(6)
Adjusted EBITDA	\$ 114	\$ 154	(26)%
Adjusted EBITDA margin	8.1 %	9.9 %	(180) bps
Adjusted EBIT	\$ 19	\$ 93	(80)%
Adjusted EBIT margin	1.4 %	6.0 %	(460) bps
EBIT	\$ 9	\$ 96	(91)%
EBIT margin	0.6 %	6.2 %	(560) bps
Net additions to PP&E and intangible assets	\$ 36	\$ 87	(59)%
As at	September 30, 2020	December 31, 2019	Variance
Order backlog (in billions of dollars)			
Business aircraft	\$ 12.2	\$ 14.4	(15)%
Other aviation	\$ 1.1	\$ 1.9	(42)%

- Revenues of \$1.4 billion reflect a 22% year-over-year growth from business aircraft manufacturing activities driven by stronger *Global 7500* deliveries. This growth was offset by lower services and aerostructures activities impacted by the COVID-19 pandemic and the wind-down of commercial aviation activities following the completion of the sale of the CRJ program in the second quarter.
- Aviation delivered 24 aircraft during the quarter, lower year-over-year due to the realignment of production to the lower demand environment caused by the COVID-19 pandemic. The third quarter featured an unprecedented 8 class-defining *Global 7500* aircraft deliveries, in-line with the goal to double deliveries in the second half of the year, relative to the first six months. Aircraft deliveries are expected to seasonally peak in the fourth quarter supported by a \$12.2 billion business aircraft backlog.⁽³⁾
- Quarterly adjusted EBITDA and adjusted EBIT margins of 8.1% and 1.4%, respectively, reflect lower aircraft deliveries and services activities, combined with low contribution of early *Global 7500* units as the program continues to progress on its production learning curve. Reported EBIT margin during the quarter of 0.6%.
- Bombardier's service and support network continued to expand its worldwide presence by entering into an agreement to establish a wholly-owned service centre in Berlin following the completion of the acquisition of all the issued and outstanding shares of Lufthansa Bombardier Aviation Services (LBAS) and joining forces with Jetex to establish a world-class fixed-base operator (FBO) experience in Singapore.

Subsequent to the quarter, Bombardier also announced the expansion of its service and support network footprint in Asia-Pacific with a new service centre in Melbourne, Australia slated to be operational in 2022.

- On October 6, 2020, the Corporation announced the entry-into-service of the *Learjet 75 Liberty* light jet. Delivering better performance at operating costs comparable to its competitors, the aircraft offers an exceptional value proposition to light jets customers and operators.

Transportation

Results of the quarter⁽⁵⁾

Three-month periods ended September 30	2020	2019	Variance
Revenues	\$ 2,120	\$ 2,175	(3)%
Order intake (in billions of dollars)	\$ 1.5	\$ 4.5	(67)%
Book-to-bill ratio ⁽¹⁰⁾	0.7	2.1	(1.4)
Adjusted EBITDA ⁽¹¹⁾	\$ 92	\$ 144	(36)%
Adjusted EBITDA margin ⁽¹¹⁾	4.3 %	6.6%	(230) bps
Adjusted EBIT ⁽¹¹⁾	\$ 62	\$ 110	(44)%
Adjusted EBIT margin ⁽¹¹⁾	2.9 %	5.1%	(220) bps
EBIT	\$ 44	\$ 88	(50)%
EBIT margin	2.1 %	4.0%	(190) bps
Net additions to PP&E and intangible assets	\$ 26	\$ 48	(46)%
As at	September 30, 2020	December 31, 2019	
Order backlog (in billions of dollars)	\$ 34.1	\$ 35.8	(5)%

- Revenues during the quarter totalled \$2.1 billion, 5% lower year-over-year excluding currency translation impact, as operations gradually recover from disruptions across Europe and the Americas during the first half of 2020 due to the COVID-19 pandemic.
- Adjusted EBIT margin of 2.9% in the third quarter reflects an unfavourable rolling stock contract mix with approximately a third of revenues not contributing to earnings. Reported EBIT margin during the quarter of 2.1%.
- Key projects in the U.K. and Germany are gradually being homologated, moving into the critical fleet acceptance process and towards regular delivery phase by year end. The margin dilution from these contracts is expected to continue through the end of 2020 as we progress on these contracts.⁽³⁾
- The outlook for Transportation remains positive and is supported by a \$34.1 billion backlog and strong industry fundamentals.⁽³⁾
 - Order intake of \$1.5 billion for the quarter reflects project wins across geographies, with notable contract awards in Spain, India and the U.S. With several contract awards having been delayed globally over the past six months due to the COVID-19 pandemic, we now expect a strong order recovery in the final months of 2020 with a healthy mix of options being exercised as well as service contracts.⁽³⁾

About Bombardier

With over 52,000 employees across two business segments, Bombardier is a global leader in the transportation industry, creating innovative and game-changing planes and trains. Our products and services provide world-class transportation experiences that set new standards in passenger comfort, energy efficiency, reliability and safety.

Headquartered in Montréal, Canada, Bombardier has production and engineering sites in over 25 countries across the segments of Aviation and Transportation. Bombardier shares are traded on the Toronto Stock Exchange (BBD). In the fiscal year ended December 31, 2019, Bombardier posted revenues of \$15.8 billion. News and information are available at bombardier.com or follow us on Twitter [@Bombardier](https://twitter.com/Bombardier).

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The Management's Discussion and Analysis and the Interim Consolidated Financial Statements are available at ir.bombardier.com.

bps: basis points

(1) Includes the amounts from continuing and discontinued operations.

(2) Non-GAAP financial measures. Refer to the Non-GAAP financial measures and Liquidity and capital resources section for definitions of these metrics and the Analysis of results section hereafter for reconciliations to the most comparable IFRS measures.

(3) See the forward-looking statements disclaimer at the end of this press release as well as the forward-looking statements section and the assumptions following same in Overview in the MD&A of the Corporation's financial report for the three- and nine-month periods ended September 30, 2020, as well as the Strategic Priorities and Guidance and forward-looking statements sections in the applicable reportable segment in the MD&A of the Corporation's financial report for the fiscal year ended December 31, 2019, for details regarding the assumptions on which the forward-looking statements are based.

(4) Non-GAAP financial measure. Pro-forma liquidity is defined as cash and cash equivalents of \$1,870 million plus access to the undrawn amounts of \$589 million on Transportation's revolving credit facility and \$250 million under the new senior secured term loan facility as at September 30, 2020, and \$275 million of cash consideration from the sale of the aerostructures businesses, received following quarter end.

(5) Transportation was classified as discontinued operations as of September 30, 2020. As a result, the results of operations have been restated for comparative periods. Refer to Note 21 - Discontinued operations to our Interim consolidated financial statements for more details.

(6) Includes cash and cash equivalents from the aerostructures businesses totalling \$38 million and from Transportation totalling \$672 million presented under Assets held for sale as of September 30, 2020, \$50 million from the aerostructures businesses as of June 30, 2020 and \$51 million from the aerostructures businesses as of December 31, 2019, respectively. Cash and cash equivalents from Transportation as of December 31, 2019 amounted to \$540 million. Refer to Reshaping the portfolio section in Aviation section and Sale of Transportation business section of the MD&A for the three and nine month period ended September 30, 2020, Note 18 - Assets held for sale and Note 21 - Discontinued operations to the Interim consolidated financial statements for more details on the transaction and the accounting treatments.

(7) Defined as cash and cash equivalents including cash and cash equivalents from Transportation plus the undrawn amounts under Transportation's revolving credit facility and our senior secured term loan.

(8) Includes the firm orders amounting to \$1.1 billion from the aerostructures businesses presented under Assets held for sale as of September 30, 2020 and December 31, 2019. Also included 20 firm orders for CRJ900 as of December 31, 2019. The backlog for the CRJ Series aircraft program amounting to \$0.4 billion was removed as a result of the closing of the sale of the CRJ Series aircraft program to Mitsubishi Heavy Industries, Ltd (MHI) on June 1, 2020.

(9) On May 31, 2019, the Corporation completed the sale of the Q Series aircraft program assets, including aftermarket operations and assets, to De Havilland Aircraft of Canada Limited (formerly Longview Aircraft Company of Canada Limited). On June 1, 2020, the Corporation completed the sale of the regional jet program to (MHI).

(10) Ratio of new orders over revenues.

(11) Including share of income from joint ventures and associates amounting to \$29 million for the three-month period ended September 30, 2020 (\$20 million for the three-month period ended September 30, 2019).

CAUTION REGARDING NON-GAAP FINANCIAL MEASURES

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

Non-GAAP financial measures	
Adjusted EBIT	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, impact of business disposals and significant impairment charges and reversals.
Adjusted EBITDA	Adjusted EBIT plus amortization and impairment charges on PP&E and intangible assets.
Adjusted net income (loss)	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.
Adjusted EPS	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.
Free cash flow (usage)	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.

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.

Reconciliations of non-GAAP financial measures to the most comparable IFRS financial measures are provided in the tables hereafter, except for the following reconciliations:

- adjusted EBIT to EBIT – see the Results of operations tables in the reporting segments and Consolidated results of operations section; and
- free cash flow usage to cash flows from operating activities – see and the tables below and the Free cash flow usage table in the Liquidity and capital resources section.

Reconciliation of segment to consolidated results

	Three-month periods ended September 30		Nine-month periods ended September 30	
	2020	2019 ⁽¹⁾	2020	2019 ⁽¹⁾
Revenues				
Aviation	\$ 1,405	\$ 1,558	\$ 4,151	\$ 5,088
Transportation ⁽¹⁾	2,120	2,175	5,768	6,476
Corporate and Others	—	(11)	(1)	(12)
	3,525	3,722	9,918	11,552
Reclassified ⁽¹⁾	(2,120)	(2,175)	(5,768)	(6,476)
	\$ 1,405	\$ 1,547	\$ 4,150	\$ 5,076
Adjusted EBIT⁽²⁾				
Aviation	\$ 19	\$ 93	\$ 24	\$ 388
Transportation ⁽¹⁾	62	110	(270)	304
Corporate and Others ⁽³⁾	(30)	(44)	(70)	(156)
	\$ 51	\$ 159	\$ (316)	\$ 536
Reclassified ⁽¹⁾	(62)	(110)	270	(304)
	\$ (11)	\$ 49	\$ (46)	\$ 232
Special Items				
Aviation	\$ 10	\$ (3)	\$ (434)	\$ (712)
Transportation ⁽¹⁾	18	22	12	46
Corporate and Others	8	(3)	(91)	4
	\$ 36	\$ 16	\$ (513)	\$ (662)
Reclassified ⁽¹⁾	(18)	(22)	(12)	(46)
	\$ 18	\$ (6)	\$ (525)	\$ (708)
EBIT				
Aviation	\$ 9	\$ 96	\$ 458	\$ 1,100
Transportation ⁽¹⁾	44	88	(282)	258
Corporate and Others ⁽³⁾	(38)	(41)	21	(160)
	\$ 15	\$ 143	\$ 197	\$ 1,198
Reclassified ⁽¹⁾	(44)	(88)	282	(258)
	\$ (29)	\$ 55	\$ 479	\$ 940

Reconciliation of adjusted EBITDA to EBIT

	Three-month periods ended September 30			2020			2019		
	Continuing operations	Discontinued operations ⁽¹⁾	Total	Continuing operations	Discontinued operations ⁽¹⁾	Total	Continuing operations	Discontinued operations ⁽¹⁾	Total
				restated ⁽¹⁾	restated ⁽¹⁾				
EBIT	\$ (29)	\$ 44	\$ 15	\$ 55	\$ 88	\$ 143			
Amortization	95	30	125	62	34	96			
Impairment charges (reversals) on PP&E and intangible assets ⁽⁴⁾	6	—	6	—	—	—			
Special items excluding impairment charges (reversals) on PP&E and intangible assets ⁽⁴⁾	12	18	30	(6)	22	16			
Adjusted EBITDA	\$ 84	\$ 92	\$ 176	\$ 111	\$ 144	\$ 255			

⁽¹⁾ Transportation was classified as discontinued operations as of September 30, 2020. As a result, the results of operations have been restated for comparative periods. Refer to Note 21 - Discontinued operations to our Interim consolidated financial statements for more details.

⁽²⁾ Refer to the Non-GAAP financial measures section for definitions of these metrics and reconciliations to the most comparable IFRS measures.

⁽³⁾ Includes share of income (loss) from ACLP of \$(12) million for the third quarter of 2019 and \$3 million and \$(20) million for the nine-month periods ended September 2020 and 2019, respectively. On February 12, 2020, Bombardier transferred its remaining interest in ACLP to Airbus and the Government of Québec.

⁽⁴⁾ Refer to the Consolidated results of operations section and Transportation section for details regarding special items.

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

Three-month periods ended September 30, 2020

	Continuing operations		Discontinued operations ⁽¹⁾		Total	
	(per share)		(per share)		(per share)	
Net income (loss)	\$	(24)	\$	216	\$	192
Adjustments to EBIT related to special items ⁽²⁾	18	\$ 0.01	18	\$ 0.01	36	\$ 0.02
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	6	—	(242)	(0.11)	(236)	(0.11)
Accretion on net retirement benefit obligations	14	—	4	—	18	—
Tax impact of special ⁽²⁾ and other adjusting items	(224)	(0.09)	(1)	—	(225)	(0.09)
Adjusted net loss	(210)		(5)		(215)	
Net loss attributable to NCI	—		(81)		(81)	
Preferred share dividends, including taxes	(6)		—		(6)	
Adjusted net loss attributable to equity holders of Bombardier Inc.	\$	(216)	\$	(86)	\$	(302)
Weighted-average diluted number of common shares (in thousands)	2,410,975		2,410,975		2,410,975	
Adjusted EPS (in dollars)	\$	(0.09)	\$	(0.04)	\$	(0.13)

Reconciliation of adjusted net loss to net loss and computation of adjusted EPS

Nine-month periods ended September 30, 2020

	Continuing operations		Discontinued operations ⁽¹⁾		Total	
	(per share)		(per share)		(per share)	
Net loss	\$	(155)	\$	(76)	\$	(231)
Adjustments to EBIT related to special items ⁽²⁾	(525)	\$ (0.22)	12	\$ —	(513)	\$ (0.22)
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	183	0.08	(333)	(0.13)	(150)	(0.05)
Accretion on net retirement benefit obligations	39	0.02	11	—	50	0.02
Tax impact of special ⁽²⁾ and other adjusting items	(182)	(0.08)	11	—	(171)	(0.08)
Adjusted net loss	(640)		(375)		(1,015)	
Net loss attributable to NCI	—		(214)		(214)	
Preferred share dividends, including taxes	(19)		—		(19)	
Adjusted net loss attributable to equity holders of Bombardier Inc.	\$	(659)	\$	(589)	\$	(1,248)
Weighted-average diluted number of common shares (in thousands)	2,404,679		2,404,679		2,404,679	
Adjusted EPS (in dollars)	\$	(0.27)	\$	(0.25)	\$	(0.52)

⁽¹⁾ Transportation was classified as discontinued operations as of September 30, 2020. As a result, the results of operations have been restated for comparative periods. Refer to Note 21 - Discontinued operations to our Interim consolidated financial statements for more details.

⁽²⁾ Refer to the Consolidated results of operations section and Transportation section for details regarding special items.

Reconciliation of adjusted EPS to diluted EPS (in dollars)

Three-month periods ended September 30	2020						2019	
	Continuing operations	Discontinued operations ⁽¹⁾	Total		Continuing operations	Discontinued operations ⁽¹⁾	Total	
					restated ⁽¹⁾	restated ⁽¹⁾		
Diluted EPS	\$ (0.01)	\$ 0.06	\$ 0.05	\$ (0.07)	\$ 0.01	\$ (0.06)		
Impact of special ⁽²⁾ and other adjusting items	(0.08)	(0.10)	(0.18)	0.01	0.01	0.02		
Adjusted EPS	\$ (0.09)	\$ (0.04)	\$ (0.13)	\$ (0.06)	\$ 0.02	\$ (0.04)		

Reconciliation of adjusted EPS to diluted EPS (in dollars)

Nine-month periods ended September 30	2020						2019	
	Continuing operations	Discontinued operations ⁽¹⁾	Total		Continuing operations	Discontinued operations ⁽¹⁾	Total	
					restated ⁽¹⁾	restated ⁽¹⁾		
Diluted EPS	\$ (0.07)	\$ (0.12)	\$ (0.19)	\$ (0.01)	\$ (0.01)	\$ (0.02)		
Impact of special ⁽²⁾ and other adjusting items	(0.20)	(0.13)	(0.33)	(0.17)	0.03	(0.14)		
Adjusted EPS	\$ (0.27)	\$ (0.25)	\$ (0.52)	\$ (0.18)	\$ 0.02	\$ (0.16)		

Reconciliation of free cash flow usage to cash flows from operating activities

Three-month periods ended September 30	2020						2019	
	Continuing operations	Discontinued operations ⁽¹⁾	Total		Continuing operations	Discontinued operations ⁽¹⁾	Total	
					restated ⁽¹⁾	restated ⁽¹⁾		
Cash flows from operating activities	\$ (619)	\$ (25)	\$ (644)	\$ (393)	\$ (164)	\$ (557)		
Minus:								
Net additions to PP&E and intangible assets	36	26	62	77	48	125		
Free cash flow usage	\$ (655)	\$ (51)	\$ (706)	\$ (470)	\$ (212)	\$ (682)		

Reconciliation of free cash flow usage to cash flows from operating activities

Nine-month periods ended September 30	2020						2019	
	Continuing operations	Discontinued operations ⁽¹⁾	Total		Continuing operations	Discontinued operations ⁽¹⁾	Total	
					restated ⁽¹⁾	restated ⁽¹⁾		
Cash flows from operating activities	\$ (2,028)	\$ (1,116)	\$ (3,144)	\$ (743)	\$ (1,010)	\$ (1,753)		
Minus:								
Net additions to PP&E and intangible assets	170	70	240	290	112	402		
Free cash flow usage	\$ (2,198)	\$ (1,186)	\$ (3,384)	\$ (1,033)	\$ (1,122)	\$ (2,155)		

⁽¹⁾ Transportation was classified as discontinued operations as of September 30, 2020. As a result, the results of operations have been restated for comparative periods. Refer to Note 21 - Discontinued operations to our Interim consolidated financial statements for more details.

⁽²⁾ Refer to the Consolidated results of operations section and Transportation section for details regarding special items.

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, 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 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 project execution in general; competitive position; expectations regarding challenging Transportation projects and the release of working capital therefrom; 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 and expected financial requirements; productivity enhancements, operational efficiencies and restructuring initiatives; expectations and objectives regarding debt repayments and refinancing of bank facilities and maturities; expectations regarding availability of government assistance programs, 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; and the impact of the COVID-19 pandemic on the foregoing and the effectiveness of plans and measures we have implemented in response thereto. As it relates to the previously announced sale of the Transportation division to Alstom (the "Pending Transaction"), this press release also contains forward-looking statements with respect to the expected completion and timing thereof in accordance with its terms and conditions; the respective anticipated proceeds and use thereof, as well as the anticipated benefits of such a transaction and its expected impact on our outlook, guidance and targets, operations, infrastructure, opportunities, financial condition, business plan and overall strategy.

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, 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 are set out throughout this press release (particularly, in the assumptions below the Forward-looking statements in this press release). For additional information, including with respect to other assumptions underlying the forward-looking statements made in this press release, refer to the Strategic Priorities and Guidance and forward-looking statements sections in the applicable reportable segment in the MD&A of our financial report for the fiscal year ended December 31, 2019. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Corporation's assumptions as compared to prior periods.

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 projects; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; execution of our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; 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 debt and interest payment requirements; restrictive debt covenants and minimum cash levels; financing support for the benefit of certain customers; and reliance on government support), market risks (such as 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 for the three and nine month period ended September 30, 2020 and in the MD&A of our financial report for the fiscal year ended December 31, 2019. Any one or more of the foregoing factors may be exacerbated by the ongoing COVID-19 outbreak 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 outbreak. As a result of the current COVID-19 pandemic, additional factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: risks related to the impact and effects of the COVID-19 pandemic on economic conditions and financial markets and the resulting impact on our business, operations, capital resources, liquidity, financial condition, margins, prospects and results; uncertainty regarding the magnitude and length of economic disruption as a result of the COVID-19 outbreak and the resulting effects on the demand environment for our products and services; emergency measures and restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chain, customers, workforce, counterparties and third-party service providers; further disruptions to operations, production, project execution and deliveries; technology, privacy, cyber security and reputational risks; and other unforeseen adverse events.

With respect to the Pending Transaction, 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 satisfy closing conditions, including regulatory approvals, or delay in completing such a transaction, and the occurrence of a material adverse change; alternate sources of funding to replace the anticipated proceeds from the Pending Transaction may not be available when needed, or on desirable terms; the occurrence of an

event which would allow the parties to terminate their obligations or agreements in principle; changes in the terms of the transaction; the failure by the parties to fulfill their obligations; risks associated with the loss and replacement of key management and personnel; and the impact of the transaction on our relationships with third parties, including potentially resulting in the loss of clients, employees, suppliers, business partners or other benefits and goodwill of the business.

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. For more details, see the Risks and uncertainties sections in Other in the MD&A of our financial report for the three and nine month period ended September 30, 2020 and in the MD&A of our financial report for the fiscal year ended December 31, 2019. 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 press release 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.

Forward-looking statements in the MD&A are based on and subject to the following material assumptions:

Overall business

- general economic conditions, which include the impact on the economy and financial markets of the COVID-19 pandemic and other health risks;
- the ability of our supply base and third-party service providers to gradually resume support to product development and planned production rates on commercially acceptable terms in a timely manner;
- the effectiveness of our mitigation measures taken in response to the COVID-19 pandemic to minimize the resulting downward pressure on cash flow and manage liquidity;
- our ability to execute and deliver additional effective mitigation initiatives in response to future developments;
- the accuracy of our estimates and judgments regarding the duration, scope and impacts of the ongoing COVID-19 pandemic on our business, operations, liquidity, financial condition, margins, cash flows, prospects and results in future periods;
- the ability to have sufficient liquidity to execute the strategic plan, to meet financial and other covenants contained in our credit facilities, letter of credit facilities, outstanding senior notes and asset backed facilities, and to pay down long-term debt or refinance revolving and term facilities and maturities;
- the expected impact of emergency measures implemented by governments;
- the effectiveness of government support programs, including wage subsidies, tax payment deferrals, pension contribution holidays and other measures addressing liquidity needs of corporations during the crisis and our ability to qualify for same;
- the effectiveness of COVID-19 containment efforts and gradual recovery of global environment and global economic conditions;
- the time frames for the ramp-down of current COVID-19 social distancing guidelines and other mitigation-related requirements;
- retention of key employees and management;
- our ability to successfully defend ourselves against litigation matters;
- our ability to access the capital markets as needed; and
- the availability of working capital financing initiatives and ongoing provision of credit by financial institutions to subject parties.

Aviation

- alignment of adjusted production rates to reduced market demand and significant slowdown in order intake; and
- our ability to make required production rate adjustments as business aircraft operations gradually resume.

Transportation

- closing of the sale of the Transportation division to Alstom in the first quarter of 2021 in accordance with negotiated terms; and
- our ability to reestablish new contract schedules with customers and suppliers to optimize cash generation as production gradually resumes.

The assumptions underlying the forward-looking statements made in this press release in relation to the Pending Transaction specifically include the following material assumptions: the satisfaction of all closing conditions (including regulatory approvals, and, as regards to the sale of the Transportation division and absence of a material adverse change) and receipt of expected proceeds within the anticipated timeframe; and fulfillment by the parties of their obligations.

For additional information, including with respect to other assumptions underlying the forward looking statements made in this press release, refer to the Strategic Priorities and Guidance and forward-looking statements sections in applicable reportable segment in the MD&A of our financial report for the fiscal year ended December 31, 2019. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from the Corporation, governments (federal, provincial and municipal), regulatory authorities, businesses and customers, there is inherently more uncertainty associated with the Corporation's assumptions as compared to prior periods.

For a discussion of the material risk factors associated with the forward-looking information, refer to the Risks and uncertainties section in Other.