



Investor Presentation

Third Quarter Fiscal Year 2025

Data as of February 14, 2025

Disclaimer

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Presentation includes forward-looking statements about our activities, events and developments that we expect to or anticipate may occur in the future including, for example, statements about our vision, strategies, market trends and outlook, future revenues, earnings, cash flow growth, profit trends, growth capital spending, expansions and new initiatives, including initiatives that pertain to environmental, social and governance (ESG) matters, financial obligations, available liquidities, expected sales, general economic and political outlook, inflation trends, prospects and trends of an industry, expected annual recurring cost savings from operational excellence programs, our management of the supply chain, estimated addressable markets, demands for CAE's products and services, our access to capital resources, our financial position, the expected accretion in various financial metrics, the expected capital returns to shareholders, our business outlook, business opportunities, objectives, development, plans, growth strategies and other strategic priorities, and our competitive and leadership position in our markets, the expansion of our market shares, CAE's ability and preparedness to respond to demand for new technologies, the sustainability of our operations, our ability to retire the Legacy Contracts (as defined in Section 6.2 "Defense and Security" of our MD&A for the third quarter ended December 31, 2024) as expected and to manage and mitigate the risks associated therewith, the impact of the retirement of the Legacy Contracts and other statements that are not historical facts.

Since forward-looking statements and information relate to future events or future performance and reflect current expectations or beliefs regarding future events, they are typically identified by words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "likely", "may", "plan", "seek", "should", "will", "strategy", "future" or the negative thereof or other variations thereon suggesting future outcomes or statements regarding an outlook. All such statements constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation and "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995.

By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties associated with our business which may cause actual results in future periods to differ materially from results indicated in forward-looking statements. While these statements are based on management's expectations and assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that we believe are reasonable and appropriate in the circumstances, readers are cautioned not to place undue reliance on these forward-looking statements as there is a risk that they may not be accurate. The forward-looking statements contained in this Presentation describe our expectations as of February 13, 2025, and, accordingly, are subject to change after such date.

Important risks that could cause such differences include, but are not limited to, strategic risks, such as geopolitical uncertainty, global economic conditions, competitive business environment, original equipment manufacturer (OEM) leverage and encroachment, inflation, international scope of our business, changes in U.S. trade policies or regulations, level and timing of defence spending, constraints within the civil aviation industry, our ability to penetrate new markets, research and development (R&D) activities, evolving standards and technology innovation and disruption, length of sales cycle, business development and awarding of new contracts, strategic partnerships and long-term contracts, risk that we cannot assure investors that we will effectively manage our growth, estimates of market opportunity and competing priorities; operational risks, such as supply chain disruptions, program management and execution, mergers and acquisitions, business continuity, subcontractors, fixed price and long-term supply contracts, our continued reliance on certain parties and information, and health and safety; cybersecurity risks; talent risks, such as recruitment, development and retention, ability to attract, recruit and retain key personnel and management, corporate culture and labour relations; financial risks, such as availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, returns to shareholders, shareholder activism, estimates used in accounting, impairment risk, pension plan funding, indebtedness, acquisition and integration costs, sales of additional common shares, market price and volatility of our common shares, seasonality, taxation matters and adjusted backlog; legal and regulatory risks, such as data rights and governance, U.S. foreign ownership, control or influence mitigation measures, compliance with laws and regulations, insurance coverage potential gaps, product-related liabilities, environmental laws and regulations, government audits and investigations, protection of our intellectual property and brand, third-party intellectual property, foreign private issuer status, and enforceability of civil liabilities against our directors and officers; ESG risks, such as extreme climate events and the impact of natural or other disasters (including effects of climate change) and more acute scrutiny and perception gaps regarding ESG matters; reputational risks; and technological risks, such as information technology (IT) and reliance on third-party providers for information technology systems and infrastructure management. The foregoing list is not exhaustive and other unknown or unpredictable factors could also have a material adverse effect on the performance or results of CAE. Additionally, differences could arise because of events announced or completed after the date of this Presentation. You will find more information about the risks and uncertainties affecting our business in our 2024 financial report for the year ended March 31, 2024 as well as in our MD&A for the third quarter ended December 31, 2024, both of which are available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

Disclaimer

Readers are cautioned that any of the disclosed risks could have a material adverse effect on CAE's forward-looking statements. Readers are also cautioned that the risks described above and elsewhere in this Presentation are not necessarily the only ones we face; additional risks and uncertainties that are presently unknown to us or that we may currently deem immaterial may adversely affect our business.

Except as required by law, we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise. The forward-looking information and statements contained in this Presentation are expressly qualified by this cautionary statement.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Presentation. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements. Except as otherwise indicated by CAE, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may occur after February 13, 2025. The financial impact of these transactions and special items can be complex and depends on the facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way or in the same way we present known risks affecting our business. Forward-looking statements are presented in this Presentation for the purpose of assisting investors and others in understanding certain key elements of our expected FY2025 financial results and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

MATERIAL ASSUMPTIONS

The forward-looking statements set out in this Presentation are based on certain assumptions including, without limitation: the prevailing market conditions, geopolitical instability, the customer receptivity to our training and operational support solutions, the accuracy of our estimates of addressable markets and market opportunity, the realization of anticipated annual recurring cost savings and other intended benefits from restructuring initiatives and operational excellence programs, the ability to respond to anticipated inflationary pressures and our ability to pass along rising costs through increased prices, the actual impact to supply, production levels, and costs from global supply chain logistics challenges, the stability of foreign exchange rates, the ability to hedge exposures to fluctuations in interest rates and foreign exchange rates, the availability of borrowings to be drawn down under, and the utilization, of one or more of our senior credit agreements, our available liquidity from cash and cash equivalents, undrawn amounts on our revolving credit facility, the balance available under our receivable purchase facility, the assumption that our cash flows from operations and continued access to debt funding will be sufficient to meet financial requirements in the foreseeable future, access to expected capital resources within anticipated timeframes, no material financial, operational or competitive consequences from changes in regulations affecting our business, our ability to retain and attract new business, our ability to effectively execute and retire the Legacy Contracts while managing the risks associated therewith, our ability to defend our position in the dispute with the buyer of the CAE Healthcare business, and the realization of the expected strategic, financial and other benefits of the increase of our ownership stake in SIMCOM Aviation Training in the timeframe anticipated. Air travel is a major driver for CAE's business and management relies on analysis from the International Air Transport Association (IATA) to inform its assumptions about the rate and profile of recovery in its key civil aviation market. Accordingly, the assumptions outlined in this Presentation and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate. For more information, including with respect to other assumptions underlying the forward-looking statements made in this Presentation, refer to the "*Business risk and uncertainty*" section of our MD&A for the year ended March 31, 2024, and of our MD&A for the third quarter ended December 31, 2024, both of which are available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

CURRENCY

All amounts in this presentation are expressed in Canadian dollars unless otherwise indicated.

NON-IFRS AND OTHER FINANCIAL MEASURES

This Presentation includes non-IFRS financial measures, non-IFRS ratios, capital management measures and supplementary financial measures. These measures are not standardized financial measures prescribed under IFRS and therefore should not be confused with, or used as an alternative for, performance measures calculated according to IFRS. Furthermore, these measures should not be compared with similarly titled measures provided or used by other issuers. Management believes that these measures provide additional insight into our operating performance and trends and facilitate comparisons across reporting periods.

Performance Measures

- Gross profit margin (or gross profit as a % of revenue);
- Operating income margin (or operating income as a % of revenue);
- Adjusted segment operating income or loss;
- Adjusted segment operating income margin (or adjusted segment operating income as a % of revenue);
- Adjusted effective tax rate;
- Adjusted net income or loss;
- Adjusted earnings or loss per share (EPS);
- EBITDA and Adjusted EBITDA;
- Free cash flow.

Liquidity and Capital Structure Measures

- Non-cash working capital;
- Capital employed;
- Adjusted return on capital employed (ROCE);
- Net debt;
- Net debt-to-capital;
- Net debt-to-EBITDA and net debt-to-adjusted EBITDA;
- Maintenance and growth capital expenditures.

Growth Measures

- Adjusted order intake;
- Adjusted backlog;
- Book-to-sales ratio.

To give the reader a better understanding of the indicators used by management, definitions of all non-IFRS and other financial measures are provided in Section 12.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the third quarter ended December 31, 2024, which section is incorporated by reference herein. In addition, when applicable, we provide a quantitative reconciliation of the non-IFRS and other financial measures to the most directly comparable measure under IFRS, which reconciliations are incorporated by reference herein. Refer to Section 12.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the third quarter ended December 31, 2024, for references to where these reconciliations are provided. Our MD&A for the third quarter ended December 31, 2024, is available on our website (www.cae.com), SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov).

ABOUT MATERIAL INFORMATION

This Presentation includes the information we believe is material to investors after considering all circumstances, including potential market sensitivity. We consider something to be material if: – It results in, or would reasonably be expected to result in, a significant change in the market price or value of our shares; or – It is likely that a reasonable investor would consider the information to be important in making an investment decision.

Our vision

To be the worldwide partner of choice in civil aviation and defence and security, by revolutionizing our customers' training and critical operations with digitally immersive solutions to elevate safety, efficiency and readiness

CAE is driving growth and creating value across 5 key divisions

Commercial Aviation
Training & Services

Business Aviation
Training & Services

Flight Operations
Solutions



Defense & Security (USA)

Defense & Security
(International)

A global leader in training, mission, and operational support solutions

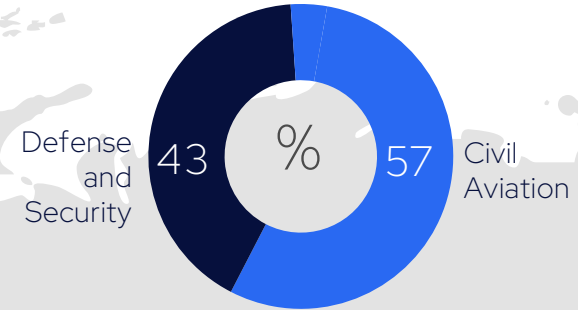
\$4.3B
FY24 revenue

40+
countries

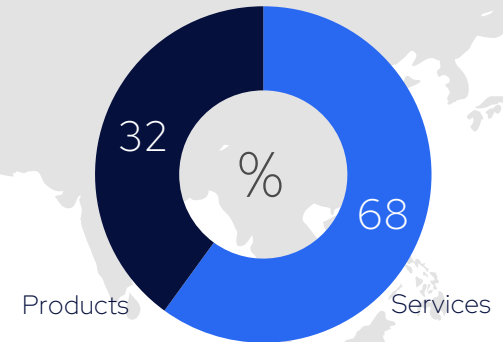
240+
locations

~13,000
employees

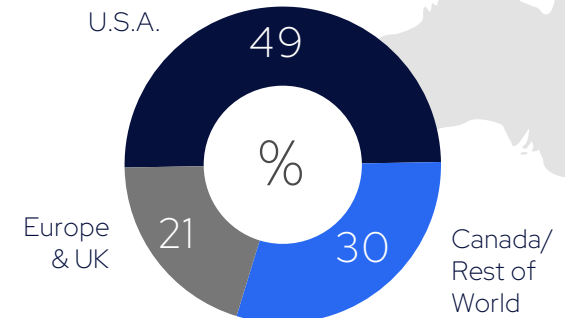
Total Revenue



Products/Services Mix*



Geographic Mix



For the year ended, March 31, 2024.
* Approximate value including JV sales

Current and next-generation products enabling our training ecosystem



CAE**SimfinityXR**SERIES



CAE**400XR**SERIES



CAE**Sprint™**



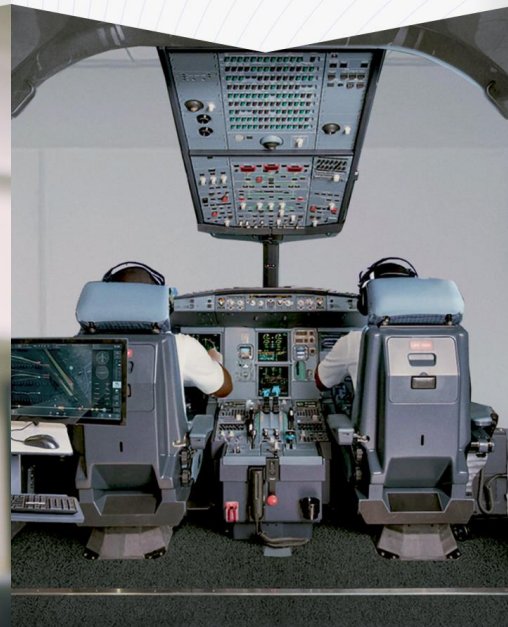
CAE**500XR**SERIES
CAE**550XR**SERIES



CAE**600XR**SERIES



CAE**7000XR**SERIES



Civil Aviation

Elevating and advancing human performance



CAE

With the world's largest aviation training footprint, we equip people in critical roles with expertise and solutions to make the world safer

150,000+
pilots

Trained Annually*

1.3M
hours

Simulator Training Delivered
Annually*

#1
Civil Aviation
Training



Every 5
seconds



using our flight
ops solutions

70+
locations



130+
aircraft in
training network



1,300+
Full Flight Simulators
manufactured



360+
Full Flight Simulators
in our training network



* Average (FY19, FY20, FY22, FY23, FY24)

Significant growth runway with 1.3 million new commercial and business aviation personnel required by 2032

New Commercial Aviation Personnel Needed:

1,180K

252K
New Pilots Needed



599K
New Cabin Crew Needed



328K
New Maintenance Technicians Needed



New Business Aviation Personnel Needed:

106K

32K
New Pilots Needed



74K
New Maintenance Technicians Needed



Commercial

Commercial aviation fleet growth 2023-2032:

39%



Business

Business aviation fleet growth 2023-2032:

18%

Sources: CAE Aviation Talent Forecast 2023, Aviation Week, Cirium, IATA

A woman in military camouflage is wearing a headset and glasses, looking down in a control room. The background is filled with blurred blue and white lights, suggesting a high-tech environment.

Defense & Security

Making the world a safer place through enhanced mission readiness

CAE

Located in key growth markets with local community and industry connection

Regional offices with manufacturing and integration capabilities

- Tampa, FL (US HQ)
- Arlington, TX
- Halifax, NS
- Montreal, QC
- Ottawa, ON
- Burgess Hill, UK
- Stolberg, Germany
- Sydney, AU

145+

sites



40+

countries



6,000+

employees



85+

platforms



2,000+

engineers

Defence markets growing across regions and platforms: Need to meet critical training needs in complex environments


Forecasted defence budget growth across key allied nations, CAGR FY24-FY29

3.6% 

Average personnel shortfalls across key allied nations

17% 

Military training spending forecast

 2.6% 10-year CAGR*

Forecasted deliveries in aircrafts, and helicopters

 6.7% 10-year CAGR*

Strong backlog growth fuels continued growth across Civil and Defense

Civil

\$8.8B

Record adjusted backlog*



1.42x

Book to sales* (TTM)



44%

y/y adjusted backlog* growth



D&S

\$11.5B

Record adjusted backlog*



2.19x

Book to sales* (TTM)



104%

y/y adjusted backlog* growth



* Data as of Q3 FY25. Non-IFRS and other financial measures (See slides 4, 21-22)

Our disciplined, balanced and market-led approach to capital allocation

Revenue, earnings and cash-flow growth through multiple levers

- Organic FFS deployments
- New JV training agreements with airline partners
- Expanding training outsourcing of existing JV partners

Strong financial positioning for resiliency and financial flexibility

- Continue to bolster balance sheet through deleveraging
- Maintain investment grade profile

Balancing risk-reward with capital returns to shareholders

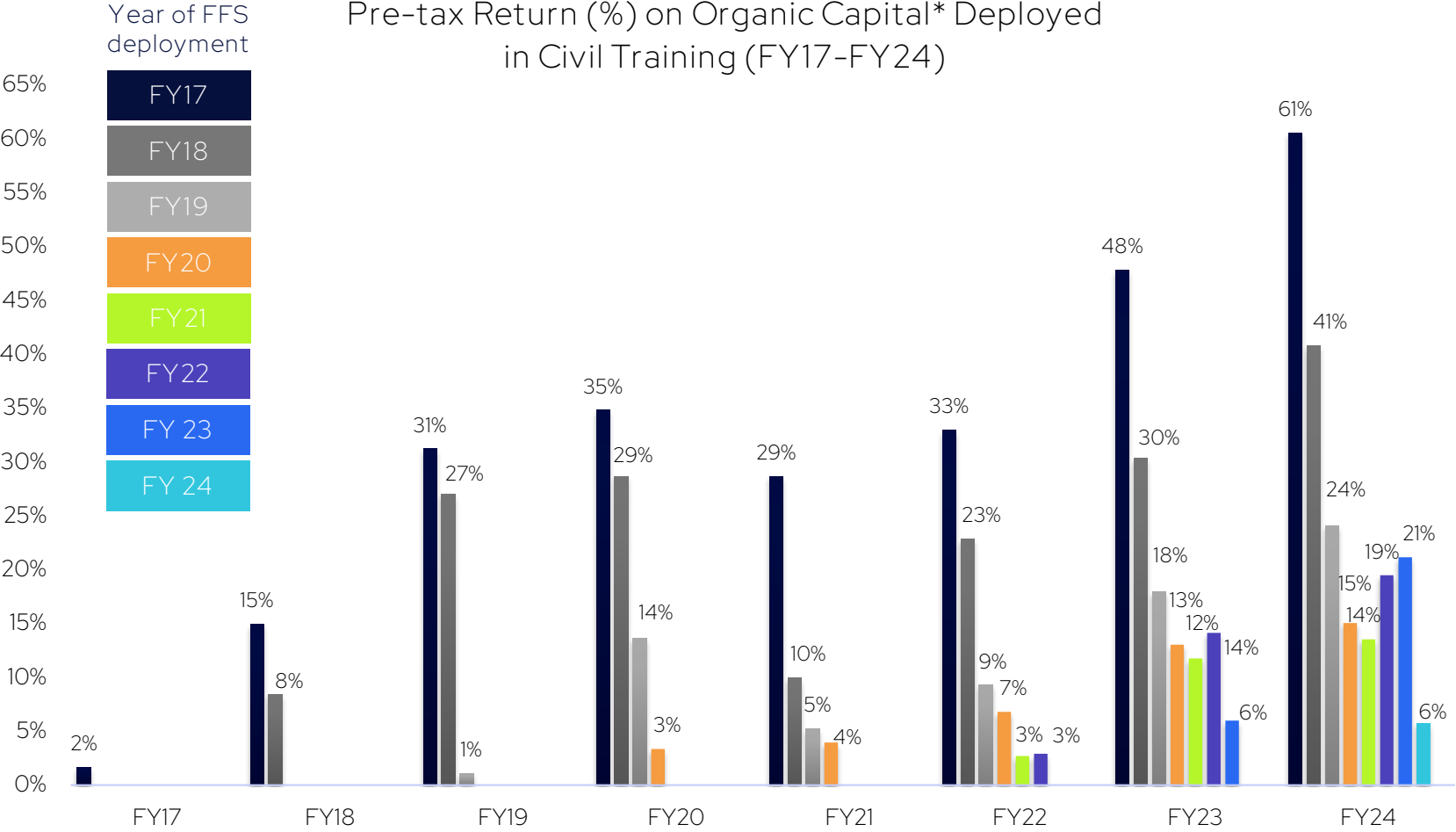
- Repurchase shares under NCIB* opportunistically and continue to evaluate possibility of dividend reinstatement

*Normal Course Issuer Bid, approved May 27, 2024, to purchase, for cancellation, up to 15,932,187 (or up to 5%) of common shares, commencing May 30, 2024, and ending May 29, 2025.

Organic capital deployment driving recurring revenue and attractive incremental returns

\$1,077M+

organic capital*
invested in FY17-FY24
to deploy 114 Full Flight
Simulators (FFS)
within CAE's Civil aviation
training network



*Defined as the operating profit of the FFS divided by the investment in FFS by year of deployment

Outlook for FY25



Consolidated

- Target three-year EPS growth (FY22-25) in the low-to mid-teens percentage range.
- Total CAPEX for fiscal 2025 to be approximately \$30 million higher than fiscal 2024 CAPEX of \$329.8 million.
- Target net debt-to-adjusted EBITDA of below 3x by the end of FY25.[^]
- FCF conversion >150% of adjusted net income
- Annual finance expense to be approximately \$10 million higher than FY24.



Civil

- Annual adjusted segmented operating income* growth modestly below 10%;
- Annual Civil adjusted segment operating income margin* modestly below 22-23% range



Defense & Security

- Annual revenue growth in high-single-digit percentage range (up from prior outlook for low-to mid-single-digit percentage growth);
- Annual Defense adjusted segment operating income margin* to increase to higher end of 6- to 7-percent range.
- Legacy Contracts (6): complete one additional at the end of the fiscal year, bringing remaining total to 5, as expected.

[^]3.36x net debt-to-adjusted EBITDA* (3.08x excluding Legacy Contracts) as of Q3 FY25

* Non-IFRS and other financial measures (See slides 4, 21-22)

Sustainability

Civil Aviation
Moving aviation safety, inclusion, and industry decarbonization forward

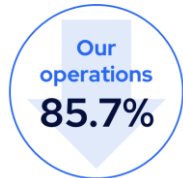


Defense & Security
Noble mission to support preparedness; fostering sovereignty, stability and safety through deterrence



Climate

By FY33, CAE commits to:



Approved by SBTi¹



Committed to 100% sourcing with renewable electricity by 2050

Advancing sustainable aviation



Mobilising our partners for greater impact

CAE Resilient Together

Operational Excellence... & ...Sustainability Leadership

Human Sustainability



15 CAE Women in Flight Ambassadors receiving full scholarship for their pilot training

S&P Global

top 15% of our industry



B in FY24



1. Base year for scope 1 and 2 targets: FY19; base year for scope 3 target: FY22. Scope 3 targets is applicable to only the following categories: purchased goods and services, capital goods and fuel and energy related activities

Financial Highlights

<i>(amounts in millions, except per share amounts, adjusted ROCE and book-to-sales ratio)</i>	Q3FY25	Q3FY24	Variance %
Performance			
Revenue	\$1,223.4	\$1,094.5	12%
Operating income	\$262.6	\$121.6	116%
Adjusted segment operating income*	\$190.0	\$145.1	31%
Net income attributable to equity holders of the Company	\$168.6	\$56.5	198%
Basic and diluted earnings per share (EPS) - continuing operations	\$0.53	\$0.18	194%
Adjusted EPS*	\$0.29	\$0.24	21%
Net cash provided by operating activities	\$424.6	\$220.8	92%
Free cash flow*	\$409.8	\$190.0	116%
Liquidity and Capital Structure			
Capital employed*	\$8,111.8	\$7,813.7	4%
Adjusted return on capital employed (ROCE)*	5.7%	7.0%	
Total debt	\$3,655.4	\$3,209.9	14%
Net debt*	\$3,352.9	\$3,085.4	9%
Growth			
Adjusted order intake*	\$2,218.7	\$1,273.9	74%
Adjusted backlog*	\$20,279.7	\$11,746.3	73%
Book-to-sales ratio*	1.81x	1.16x	
Book-to-sales ratio for the last 12 months	1.74x	1.10x	

*Non-IFRS and other financial measures. See slide 4.

Reconciliation of non-IFRS measures

	Last twelve months ended December 31	
Reconciliation of EBITDA, adjusted EBITDA, net debt-to-EBITDA and net debt-to-adjusted EBITDA	2024	2023
<i>(Amounts in millions, except net debt-to-EBITDA ratios)</i>		
Operating (loss) income	\$ (43.7)	\$ 525.9
Depreciation and amortization	400.4	359.7
EBITDA	\$ 356.7	\$ 885.6
Restructuring, integration and acquisition costs	111.5	91.5
Impairments and other gains and losses arising from significant strategic transactions or specific events:		
Impairment of goodwill	568.0	—
Impairment of technology and other financial assets	35.7	—
Gain on fair value remeasurement of SIMCOM	(72.6)	—
Adjusted EBITDA	\$ 999.3	\$ 977.1
Net debt	\$ 3,352.9	\$ 3,085.4
Net debt-to-EBITDA	9.40x	3.48x
Net debt-to-adjusted EBITDA	3.36x	3.16x
	Three months ended December 31	
Reconciliation of adjusted net income and adjusted earnings per share (EPS)	2024	2023
<i>(Amounts in millions, except per share amounts)</i>		
Net income attributable to equity holders of the Company	\$ 168.6	\$ 56.5
Net loss from discontinued operations	—	1.9
Restructuring, integration and acquisition costs, after tax	—	18.2
Impairments and other gains and losses arising from significant strategic transactions or specific events:		
Gain on fair value remeasurement of SIMCOM, after tax	(76.7)	—
Adjusted net income	\$ 91.9	\$ 76.6
Average number of shares outstanding (diluted)	319.8	319.1
Adjusted EPS	0.29	0.24

Reconciliation of non-IFRS measures

Reconciliation of adjusted segment operating income		Civil Aviation		Defense & Security		Total	
Three months ended December 31		2024	2023	2024	2023	2024	2023
<i>(Amounts in millions)</i>							
Operating income	\$	223.4	\$ 101.0	\$ 39.2	\$ 20.6	\$ 262.6	\$ 121.6
Restructuring, integration and acquisition costs		—	23.2	—	0.3	—	23.5
Impairments and other gains and losses arising from significant strategic transactions or specific events:							
Gain on fair value remeasurement of SIMCOM		(72.6)	—	—	—	(72.6)	—
Adjusted segment operating income	\$	150.8	\$ 124.2	\$ 39.2	\$ 20.9	\$ 190.0	\$ 145.1