

Reconciliations and Calculations

Reconciliation of adjusted segment operating income

<i>(amounts in millions)</i>	Civil Aviation		Defense and Security		Total	
	2024	2023	2024	2023	2024	2023
<i>Three months ended March 31</i>						
Operating income (loss)	\$ 147.0	\$ 149.3	\$ (680.0)	\$ 29.0	\$ (533.0)	\$ 178.3
Restructuring, integration and acquisition costs	44.4	13.6	10.6	1.5	55.0	15.1
Impairments and other gains and losses arising from significant strategic transactions or specific events:						
Impairment of goodwill	—	—	568.0	—	568.0	—
Impairment of technology and other non-financial assets	—	—	35.7	—	35.7	—
Adjusted segment operating income (loss)	\$ 191.4	\$ 162.9	\$ (65.7)	\$ 30.5	\$ 125.7	\$ 193.4

<i>(amounts in millions)</i>	Civil Aviation		Defense and Security		Total	
	2024	2023	2024	2023	2024	2023
<i>Three months ended March 31</i>						
Adjusted segment operating income (loss)	\$ 191.4	\$ 162.9	\$ (65.7)	\$ 30.5	\$ 125.7	\$ 193.4
Impact from accelerated risk recognition on the Legacy Contracts	—	—	90.3	—	90.3	—
Adjusted segment operating income excluding Legacy Contracts	\$ 191.4	\$ 162.9	\$ 24.6	\$ 30.5	\$ 216.0	\$ 193.4

<i>(amounts in millions)</i>	Civil Aviation		Defense and Security		Total	
	2024	2023	2024	2023	2024	2023
<i>Years ended March 31</i>						
Operating income (loss)	\$ 442.0	\$ 430.3	\$ (627.4)	\$ 35.7	\$ (185.4)	\$ 466.0
Restructuring, integration and acquisition costs	106.9	52.0	24.5	10.6	131.4	62.6
Impairments and other gains and losses arising from significant strategic transactions or specific events:						
Impairment of goodwill	—	—	568.0	—	568.0	—
Impairment of technology and other non-financial assets	—	—	35.7	—	35.7	—
Impairment reversal of non-financial assets following their repurposing and optimization	—	3.0	—	6.8	—	9.8
Adjusted segment operating income	\$ 548.9	\$ 485.3	\$ 0.8	\$ 53.1	\$ 549.7	\$ 538.4

<i>(amounts in millions)</i>	Civil Aviation		Defense and Security		Total	
	2024	2023	2024	2023	2024	2023
<i>Years ended March 31</i>						
Adjusted segment operating income	\$ 548.9	\$ 485.3	\$ 0.8	\$ 53.1	\$ 549.7	\$ 538.4
Impact from accelerated risk recognition on the Legacy Contracts	—	—	90.3	—	90.3	—
Adjusted segment operating income excluding Legacy Contracts	\$ 548.9	\$ 485.3	\$ 91.1	\$ 53.1	\$ 640.0	\$ 538.4

Reconciliation of adjusted net income and adjusted EPS

<i>(amounts in millions, except per share amounts)</i>	Three months ended		Years ended	
	March 31		March 31	
	2024	2023	2024	2023
Net (loss) income attributable to equity holders of the Company	\$ (484.2)	\$ 98.4	\$ (304.0)	\$ 222.7
Net income from discontinued operations	(20.5)	(4.8)	(21.3)	(2.1)
Restructuring, integration and acquisition costs, after tax	42.3	12.5	101.0	48.2
Impairments and other gains and losses arising from significant strategic transactions or specific events:				
Impairment of goodwill, after tax	473.7	—	473.7	—
Impairment of technology and other non-financial assets, after tax	27.4	—	27.4	—
Impairment reversal of non-financial assets following their repurposing and optimization, after tax	—	—	—	7.1
Adjusted net income	\$ 38.7	\$ 106.1	\$ 276.8	\$ 275.9
Average number of shares outstanding (diluted)	318.3	318.7	318.2	318.4
Adjusted EPS	\$ 0.12	\$ 0.33	\$ 0.87	\$ 0.87

<i>(amounts in millions, except per share amounts)</i>	Three months ended		Years ended	
	March 31		March 31	
	2024	2023	2024	2023
Adjusted net income	\$ 38.7	\$ 106.1	\$ 276.8	\$ 275.9
Impact from accelerated risk recognition on the Legacy Contract, after tax	78.5	—	78.5	—
Adjusted net income excluding Legacy Contracts	\$ 117.2	\$ 106.1	\$ 355.3	\$ 275.9
Adjusted EPS excluding Legacy Contracts	\$ 0.37	\$ 0.33	\$ 1.12	\$ 0.87

Reconciliation of free cash flow

<i>(amounts in millions)</i>	Three months ended		Years ended	
	March 31		March 31	
	2024	2023	2024	2023
Cash provided by operating activities*	\$ 46.7	\$ 158.5	\$ 438.8	\$ 522.9
Changes in non-cash working capital	168.5	22.1	128.1	(114.5)
Net cash provided by operating activities	\$ 215.2	\$ 180.6	\$ 566.9	\$ 408.4
Maintenance capital expenditures	(23.2)	(14.8)	(102.5)	(62.8)
Intangible assets expenditures excluding capitalized development costs	(7.6)	(13.7)	(33.4)	(39.3)
Proceeds from the disposal of property, plant and equipment	0.3	0.9	4.0	5.7
Net payments to equity accounted investees	(3.4)	(0.4)	(43.9)	(10.9)
Dividends received from equity accounted investees	6.8	20.6	37.1	40.9
Other investing activities not related to growth	(0.8)	(1.2)	(10.2)	(6.3)
Impact of discontinued operations	3.8	(24.4)	0.2	(2.6)
Free cash flow	\$ 191.1	\$ 147.6	\$ 418.2	\$ 333.1

* before changes in non-cash working capital

Reconciliation of EBITDA, adjusted EBITDA, net debt-to-EBITDA and net debt-to-adjusted EBITDA

	Last twelve months ended	
	March 31	
<i>(amounts in millions, except net debt-to-EBITDA ratios)</i>	2024	2023
Operating (loss) income	\$ (185.4)	\$ 466.0
Depreciation and amortization	368.7	330.2
EBITDA	\$ 183.3	\$ 796.2
Restructuring, integration and acquisition costs	131.4	62.6
Impairments and other gains and losses arising from significant strategic transactions or specific events:		
Impairment of goodwill	568.0	—
Impairment of technology and other non-financial assets	35.7	—
Impairment reversal of non-financial assets following their repurposing and optimization	—	9.8
Adjusted EBITDA	\$ 918.4	\$ 868.6
Net debt	\$ 2,914.2	\$ 3,032.5
Net debt-to-EBITDA	15.90	3.81
Net debt-to-adjusted EBITDA	3.17	3.49

	Last twelve months ended	
	March 31	
<i>(amounts in millions, except net debt-to-EBITDA ratios)</i>	2024	2023
Adjusted EBITDA	\$ 918.4	\$ 868.6
Impact from accelerated risk recognition on the Legacy Contracts	90.3	—
Adjusted EBITDA excluding Legacy Contracts	\$ 1,008.7	\$ 868.6
Net debt-to-adjusted EBITDA excluding Legacy Contracts	2.89	3.49

Reconciliation of capital employed and net debt

<i>(amounts in millions)</i>	As at March 31 2024	As at March 31 2023
Use of capital:		
Current assets	\$ 2,006.5	\$ 2,235.0
Less: cash and cash equivalents	(160.1)	(217.6)
Current liabilities	(2,358.4)	(2,246.7)
Less: current portion of long-term debt	308.9	214.6
Non-cash working capital	\$ (203.1)	\$ (14.7)
Property, plant and equipment	2,515.6	2,387.1
Intangible assets	3,271.9	4,050.8
Other long-term assets	2,040.1	1,763.6
Other long-term liabilities	(407.7)	(565.4)
Capital employed	\$ 7,216.8	\$ 7,621.4
Source of capital:		
Current portion of long-term debt	\$ 308.9	\$ 214.6
Long-term debt	2,765.4	3,035.5
Less: cash and cash equivalents	(160.1)	(217.6)
Net debt	\$ 2,914.2	\$ 3,032.5
Equity attributable to equity holders of the Company	4,224.9	4,507.7
Non-controlling interests	77.7	81.2
Capital employed	\$ 7,216.8	\$ 7,621.4

For non-IFRS and other financial measures monitored by CAE, and a reconciliation of such measures to the most directly comparable measure under IFRS, please refer to Section 12 of CAE's MD&A for the year ended March 31, 2024 (which is incorporated by reference into this press release) available on our website (www.cae.com), SEDAR+ (www.SEDARplus.ca) and EDGAR (www.sec.gov).

Consolidated Income Statement

	Three months ended		Years ended	
	2024	March 31 2023	2024	March 31 2023
<i>(amounts in millions of Canadian dollars, except per share amounts)</i>		Reclassified		Reclassified
Revenue	\$ 1,126.3	\$ 1,197.4	\$ 4,282.8	\$ 4,010.6
Cost of sales	844.8	860.6	3,128.3	2,927.1
Gross profit	\$ 281.5	\$ 336.8	\$ 1,154.5	\$ 1,083.5
Research and development expenses	41.7	37.8	149.8	129.0
Selling, general and administrative expenses	138.1	134.2	535.0	501.5
Other (gains) and losses	36.3	(9.3)	27.9	(22.4)
Share of after-tax profit of equity accounted investees	(24.6)	(19.3)	(72.2)	(53.2)
Restructuring, integration and acquisition costs	55.0	15.1	131.4	62.6
Impairment of goodwill	568.0	—	568.0	—
Operating income (loss)	\$ (533.0)	\$ 178.3	\$ (185.4)	\$ 466.0
Finance expense – net	52.4	50.4	205.0	173.6
(Loss) earnings before income taxes	\$ (585.4)	\$ 127.9	\$ (390.4)	\$ 292.4
Income tax (recovery) expense	(80.6)	30.8	(72.8)	62.6
Net income (loss) from continuing operations	\$ (504.8)	\$ 97.1	\$ (317.6)	\$ 229.8
Net income from discontinued operations	20.5	4.8	21.3	2.1
Net income (loss)	\$ (484.3)	\$ 101.9	\$ (296.3)	\$ 231.9
Attributable to:				
Equity holders of the Company	\$ (484.2)	\$ 98.4	\$ (304.0)	\$ 222.7
Non-controlling interests	(0.1)	3.5	7.7	9.2
(Loss) earnings per share attributable to equity holders of the Company				
Basic and diluted – continuing operations	\$ (1.58)	\$ 0.29	\$ (1.02)	\$ 0.69
Basic and diluted – discontinued operations	0.06	0.02	0.07	0.01

Consolidated Statement of Comprehensive Income

<i>(amounts in millions of Canadian dollars)</i>	Three months ended		Years ended	
	2024	March 31 2023	2024	March 31 2023
		Reclassified		Reclassified
Net (loss) income from continuing operations	\$ (504.8)	\$ 97.1	\$ (317.6)	\$ 229.8
Items that may be reclassified to net (loss) income				
Foreign currency exchange differences on translation of foreign operations	\$ 100.6	\$ 20.7	\$ (4.7)	\$ 325.3
Net (loss) gain on hedges of net investment in foreign operations	(46.6)	0.4	8.0	(112.6)
Reclassification to income of gains on foreign currency exchange differences	(1.4)	(0.2)	(1.6)	(6.4)
Net loss on cash flow hedges	(19.3)	(3.8)	(11.9)	(14.0)
Reclassification to income of losses (gains) on cash flow hedges	0.1	6.0	5.0	(5.5)
Income taxes	8.5	(2.3)	(1.0)	9.9
	\$ 41.9	\$ 20.8	\$ (6.2)	\$ 196.7
Items that will never be reclassified to net (loss) income				
Remeasurement of defined benefit pension plan obligations	\$ 38.5	\$ 18.5	\$ 16.0	\$ 74.2
Income taxes	(10.2)	(4.8)	(4.2)	(19.7)
	\$ 28.3	\$ 13.7	\$ 11.8	\$ 54.5
Other comprehensive income from continuing operations	\$ 70.2	\$ 34.5	\$ 5.6	\$ 251.2
Net income from discontinued operations	\$ 20.5	\$ 4.8	\$ 21.3	\$ 2.1
Other comprehensive (loss) income from discontinued operations	(5.3)	(0.1)	(7.0)	5.8
Total comprehensive (loss) income	\$ (419.4)	\$ 136.3	\$ (297.7)	\$ 488.9
Attributable to:				
Equity holders of the Company	\$ (420.3)	\$ 132.5	\$ (305.4)	\$ 475.6
Non-controlling interests	0.9	3.8	7.7	13.3

Consolidated Statement of Financial Position

<i>(amounts in millions of Canadian dollars)</i>	March 31 2024	March 31 2023
Assets		
Cash and cash equivalents	\$ 160.1	\$ 217.6
Accounts receivable	624.7	615.7
Contract assets	537.6	693.8
Inventories	573.6	583.4
Prepayments	68.0	64.1
Income taxes recoverable	35.3	48.3
Derivative financial assets	7.2	12.1
Total current assets	\$ 2,006.5	\$ 2,235.0
Property, plant and equipment	2,515.6	2,387.1
Right-of-use assets	545.8	426.9
Intangible assets	3,271.9	4,050.8
Investment in equity accounted investees	588.8	530.7
Employee benefits assets	65.7	51.1
Deferred tax assets	233.3	125.1
Derivative financial assets	4.2	9.2
Other non-current assets	602.3	620.6
Total assets	\$ 9,834.1	\$ 10,436.5
Liabilities and equity		
Accounts payable and accrued liabilities	\$ 1,035.3	\$ 1,036.7
Provisions	42.6	26.7
Income taxes payable	31.1	21.1
Contract liabilities	911.7	905.7
Current portion of long-term debt	308.9	214.6
Derivative financial liabilities	28.8	41.9
Total current liabilities	\$ 2,358.4	\$ 2,246.7
Provisions	14.0	20.1
Long-term debt	2,765.4	3,035.5
Royalty obligations	74.4	119.4
Employee benefits obligations	98.7	91.9
Deferred tax liabilities	36.6	129.3
Derivative financial liabilities	2.9	6.5
Other non-current liabilities	181.1	198.2
Total liabilities	\$ 5,531.5	\$ 5,847.6
Equity		
Share capital	\$ 2,252.9	\$ 2,243.6
Contributed surplus	55.4	42.1
Accumulated other comprehensive income	154.0	167.2
Retained earnings	1,762.6	2,054.8
Equity attributable to equity holders of the Company	\$ 4,224.9	\$ 4,507.7
Non-controlling interests	77.7	81.2
Total equity	\$ 4,302.6	\$ 4,588.9
Total liabilities and equity	\$ 9,834.1	\$ 10,436.5

Consolidated Statement of Changes in Equity

<i>(amounts in millions of Canadian dollars, except number of shares)</i>	Attributable to equity holders of the Company							
	Common shares Number of shares	Stated value	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total	Non- controlling interests	Total equity
Balances as at March 31, 2022	317,024,123	\$ 2,224.7	\$ 38.6	\$ (31.2)	\$ 1,777.6	\$ 4,009.7	\$ 76.9	\$ 4,086.6
Net income	—	\$ —	\$ —	\$ —	\$ 222.7	\$ 222.7	\$ 9.2	\$ 231.9
Other comprehensive income	—	—	—	198.4	54.5	252.9	4.1	257.0
Total comprehensive income	—	\$ —	\$ —	\$ 198.4	\$ 277.2	\$ 475.6	\$ 13.3	\$ 488.9
Exercise of stock options	882,167	18.9	(2.6)	—	—	16.3	—	16.3
Equity-settled share-based payments expense	—	—	6.1	—	—	6.1	—	6.1
Transactions with non-controlling interests	—	—	—	—	—	—	(9.0)	(9.0)
Balances as at March 31, 2023	317,906,290	\$ 2,243.6	\$ 42.1	\$ 167.2	\$ 2,054.8	\$ 4,507.7	\$ 81.2	\$ 4,588.9
Net (loss) income	—	\$ —	\$ —	\$ —	\$ (304.0)	\$ (304.0)	\$ 7.7	\$ (296.3)
Other comprehensive (loss) income	—	—	—	(13.2)	11.8	(1.4)	—	(1.4)
Total comprehensive (loss) income	—	\$ —	\$ —	\$ (13.2)	\$ (292.2)	\$ (305.4)	\$ 7.7	\$ (297.7)
Exercise of stock options	405,943	9.3	(1.5)	—	—	7.8	—	7.8
Equity-settled share-based payments expense	—	—	14.8	—	—	14.8	—	14.8
Transactions with non-controlling interests	—	—	—	—	—	—	(11.2)	(11.2)
Balances as at March 31, 2024	318,312,233	\$ 2,252.9	\$ 55.4	\$ 154.0	\$ 1,762.6	\$ 4,224.9	\$ 77.7	\$ 4,302.6

Consolidated Statement of Cash Flows

Years ended March 31

(amounts in millions of Canadian dollars)

	2024	2023
Operating activities		
Net (loss) income	\$ (296.3)	\$ 231.9
Adjustments for:		
Depreciation and amortization	374.8	342.2
Impairment of goodwill	568.0	—
Impairment (reversal) of non-financial assets – net	57.3	(2.4)
Share of after-tax profit of equity accounted investees	(72.2)	(53.2)
Deferred income taxes	(166.5)	10.4
Investment tax credits	(14.8)	(5.4)
Equity-settled share-based payments expense	14.8	6.1
Defined benefit pension plans	8.3	4.8
Other non-current liabilities	(9.7)	(15.9)
Derivative financial assets and liabilities – net	(12.7)	(3.7)
After-tax gain on disposal of discontinued operations	(16.5)	—
Other	4.3	8.1
Changes in non-cash working capital	128.1	(114.5)
Net cash provided by operating activities	\$ 566.9	\$ 408.4
Investing activities		
Business combinations, net of cash acquired	\$ —	\$ (6.4)
Proceeds from disposal of discontinued operations	275.3	—
Property, plant and equipment expenditures	(329.8)	(268.8)
Proceeds from disposal of property, plant and equipment	4.0	5.7
Advance payments for property, plant and equipment	—	(30.1)
Intangible assets expenditures	(147.9)	(126.4)
Net payments to equity accounted investees	(43.9)	(10.9)
Dividends received from equity accounted investees	37.1	40.9
Other	(10.2)	(4.7)
Net cash used in investing activities	\$ (215.4)	\$ (400.7)
Financing activities		
Net (repayment of) proceeds from borrowing under revolving credit facilities	\$ (396.7)	\$ 44.5
Proceeds from long-term debt	433.5	31.2
Repayment of long-term debt	(370.4)	(161.0)
Repayment of lease liabilities	(69.5)	(83.4)
Net proceeds from the issuance of common shares	7.8	16.3
Other	—	(0.2)
Net cash used in financing activities	\$ (395.3)	\$ (152.6)
Effect of foreign currency exchange differences on cash and cash equivalents	\$ (13.7)	\$ 16.4
Net decrease in cash and cash equivalents	\$ (57.5)	\$ (128.5)
Cash and cash equivalents, beginning of year	217.6	346.1
Cash and cash equivalents, end of year	\$ 160.1	\$ 217.6

Contacts

Investor Relations:

Andrew Arnovitz, Senior Vice President, Investor Relations and Enterprise Risk Management, 1-514-734-5760, andrew.arnovitz@cae.com

Media:

Samantha Golinski, Vice President, Public Affairs and Global Communications, 1-438-805-5856, samantha.golinski@cae.com