



Investor Presentation

First Quarter Fiscal Year 2026

Data as of 13 August 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 sustainability 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, 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 first quarter ended June 30, 2025) 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 August 12, 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) 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, our ability to 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 shareholder activism availability of capital, customer credit risk, foreign exchange, effectiveness of internal controls over financial reporting, liquidity risk, interest rate volatility, returns to shareholders, 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; sustainability risks, such as extreme climate events and the impact of natural or other disasters (including effects of climate change) and sustainability commitments and expectations; 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 Section 11 "Business risk and uncertainty" of our MD&A for the year ended March 31, 2025, which is 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 August 12, 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 FY2026 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 including the rapidly evolving trade and tariff environment, 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 remaining 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 growth 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 additional 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, 2025, which is 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;
- Cash conversion rate.

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, other than cash conversion rate, are provided in Section 9.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the quarter ended June 30, 2025, which section is incorporated by reference herein. Cash conversion rate is a non-IFRS ratio calculated by dividing free cash flow by adjusted net income. We use it to assess our performance in cash flow generation and as a basis for evaluating our capitalization structure. 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 9.1 "*Non-IFRS and other financial measure definitions*" of our MD&A for the quarter ended June 30, 2025, for references to where these reconciliations are provided. Our MD&A for the quarter ended June 30, 2025, 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

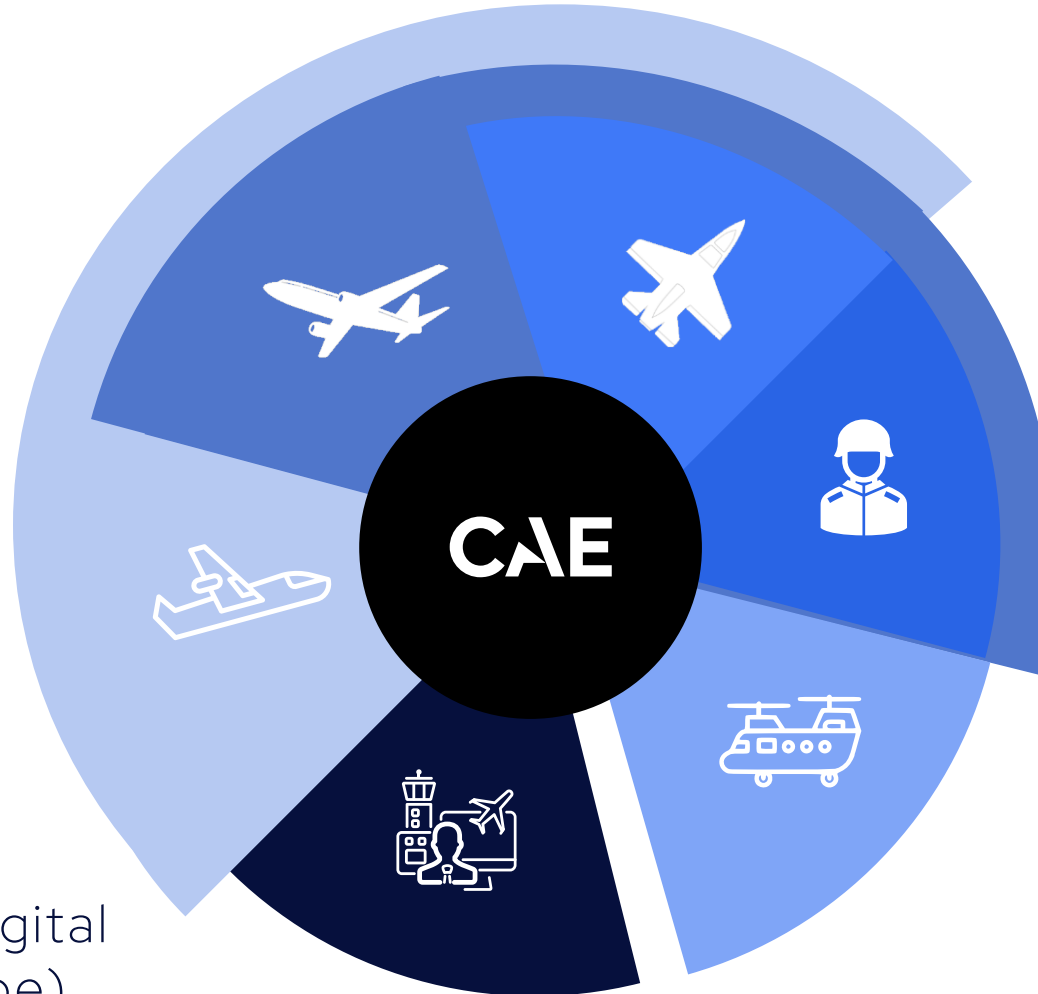
To be the trusted partner in advancing safety and mission readiness, defining the standard of excellence in training and critical operations by harnessing technology and enhancing human performance.

CAE is driving growth and creating value across 6 key divisions

Commercial Aviation
Training & Services

Business Aviation
Training & Services

Airline Operations Digital
Solutions (Flightscape)



Defense & Security (USA)

Defense & Security
(International)

Defense & Security
(Canada)

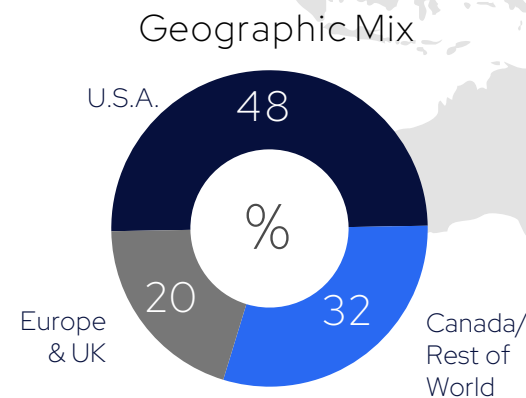
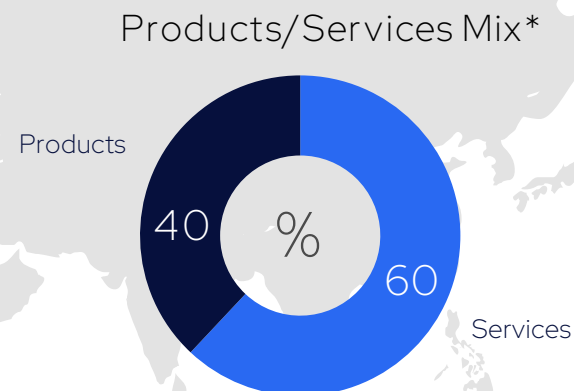
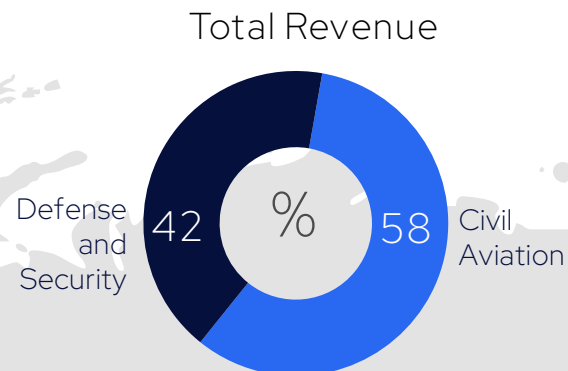
A global leader in training, mission, and operational support solutions

\$4.7B
FY25 revenue

40+
countries

~240
sites

~13,000
employees



For the year ended, March 31, 2025.
* Approximate value including JV sales

Current and next-generation products enabling our training ecosystem



CAESimfinityXR SERIES



CAE400XR SERIES



CAESprint™



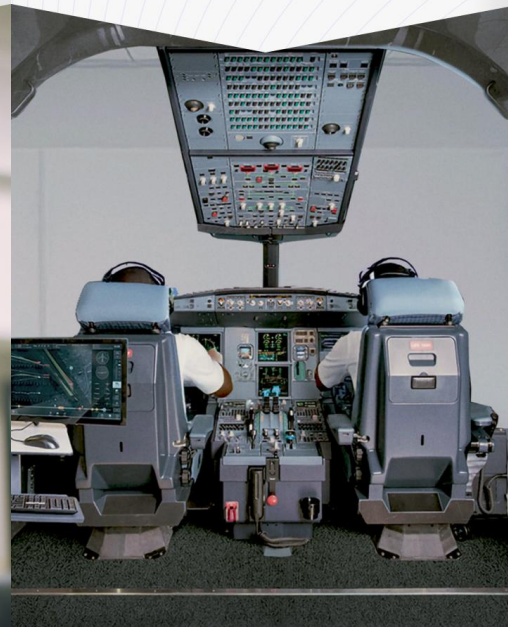
CAE500XR SERIES
CAE550XR SERIES



CAE600XR SERIES



CAE7000XR SERIES



Civil Aviation

Elevating and advancing human performance

CAE

We are the world's largest provider of civil aviation training services with the unique capability and global scale to address the total lifecycle needs of the professional pilot, from cadet to captain

155,000+
pilots

Trained Annually*

1.3M
hours

Simulator Training Delivered
Annually*

#1

Civil Aviation
Training



Every 5 seconds



a flight takes off
using Flightscape,
powered by CAE

85+
sites



120+
aircraft in
training network



1,350+

Full Flight Simulators
manufactured



360+

Full Flight Simulators
in our training network



* FY25

1.5 million new personnel required by 2034 to support commercial and business aviation growth

New commercial aviation personnel needed:

1,292K

New business aviation personnel needed:

102K

267K

New pilots needed



678K

New cabin crew needed



347K

New maintenance technicians needed



33K

New pilots needed



69K

New maintenance technicians needed



New air traffic controllers needed:

71K

Commercial

35%

Commercial aviation fleet growth*

3.25%

9-year CAGR*

Business

19%

Business aviation fleet growth*

1.80%

9-year CAGR*

A woman in a military uniform and headset is shown in a control room, looking down at a screen. 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, DE
- Sydney, AU

140+

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 FY25-FY30*

3.9% 


Average personnel shortfalls across key allied nations

17% 

Military training spending forecast

 5.9% 5-year CAGR*

Forecasted deliveries in aircrafts, and helicopters

 4.4% 5-year CAGR*

Sources: Global Data Training and Simulation database, Naval and land platforms, Global Data Platform Acquisitions database, Global Data Defense Forecast database and CAE internal analysis.

*For 5-year CAGR: 2025-2030. The calculations do not account for the recent declarations by several countries to raise their expenditures in the upcoming years.

Strong adjusted backlog growth fuels continued growth across Civil and Defense

Civil

\$8.4B

Adjusted backlog*



1.27x

Book to sales* (TTM)



27%

y/y adjusted backlog* growth



Defense

\$11.1B

Adjusted backlog*



2.08x

Book to sales* (TTM)



7%

y/y adjusted backlog* growth



* Data as of Q1 FY26. Non-IFRS and other financial measures (See slides 4, 21-23)

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

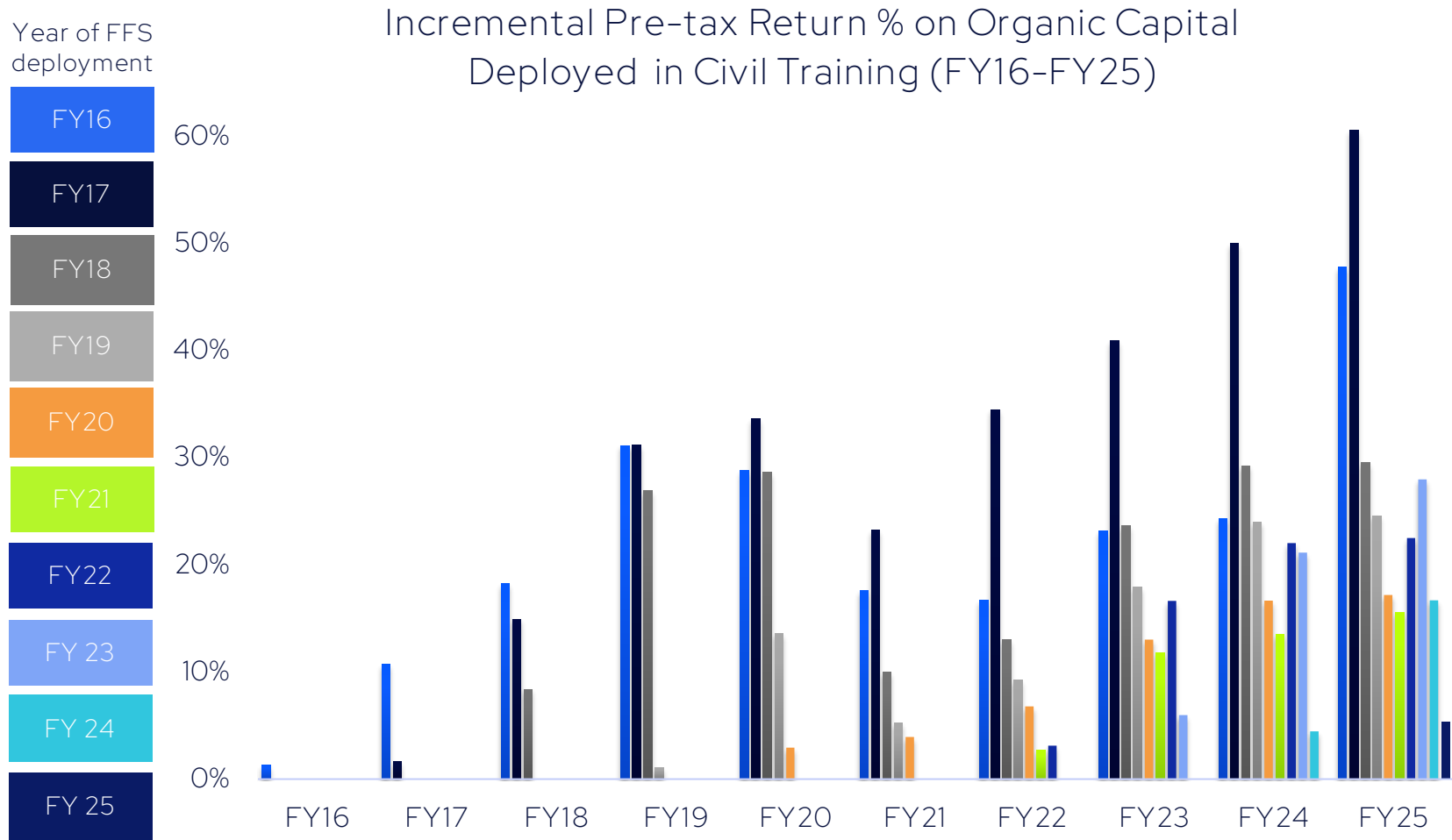
Balancing risk-reward with capital returns to shareholders

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

*Normal Course Issuer Bid, renewed on 6 June 2025, to purchase, for cancellation, up to 16,019,294 (or up to 5%) of common shares, commencing 10 June 2025, and ending 9 June 2026.

Organic capital deployment driving recurring revenue and attractive incremental returns

\$1,205M+
organic capital*
invested in FY16-FY25
to deploy 138 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 FY26



Consolidated

- Total CAPEX for fiscal 2026 to be modestly lower than fiscal 2025, which totaled \$356.2 million.
- Target net debt-to-adjusted EBITDA* of 2.5x by the end of fiscal 2026[^]
- Cash conversion rate* ~150% of adjusted net income*
- Quarterly run-rate finance expense of approximately \$55 million
- Annual effective income tax rate ~25%



Civil

- Annual adjusted segmented operating income* growth in the mid-single-digit percent range
- Annual adjusted segment operating income margin* expected to remain stable



Defense & Security

- Low double-digit percentage growth in annual adjusted segment operating income*
- Defense adjusted segment operating income margin* of ~8 - 8.5%

[^]2.75x net debt-to-adjusted EBITDA* as of end Q1 FY26.

* Non-IFRS and other financial measures (See slides 4, 21-23)

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:



Scope 1 and 2 emissions



Scope 3 emissions

Approved by SBTi¹

CLIMATE GROUP
RE100

Advancing
sustainable
aviation

Committed to
100% sourcing
with renewable
electricity by
2050



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



TCFD

CAE

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

Financial Highlights

(amounts in millions, except per share amounts, adjusted ROCE, net debt-to-adjusted EBITDA and book-to-sales ratio)		Q1FY26		Q1FY25	Variance %
Performance					
Revenue	\$	1,098.6	\$	1,072.5	2%
Operating income	\$	133.8	\$	108.6	23%
Adjusted segment operating income*	\$	147.8	\$	134.2	10%
Net income attributable to equity holders of the Company	\$	57.2	\$	48.3	18%
Basic and diluted earnings per share (EPS)	\$	0.18	\$	0.15	20%
Adjusted EPS*	\$	0.21	\$	0.21	—%
Net cash used in operating activities	\$	(15.3)	\$	(12.9)	(19%)
Free cash flow*	\$	(36.2)	\$	(25.3)	(43%)
Liquidity and Capital Structure					
Capital employed*	\$	8,227.2	\$	7,538.4	9%
Adjusted return on capital employed (ROCE)*		7.0%		5.7%	
Net debt-to adjusted EBITDA*		2.75		3.41	
Growth					
Adjusted order intake*	\$	1,122.8	\$	1,192.0	(6%)
Adjusted backlog*	\$	19,484.1	\$	16,977.9	15%
Book-to-sales ratio*		1.02		1.11	
Book-to-sales ratio for the last 12 months		1.61		1.19	

*Non-IFRS and other financial measures. See slides 21 to 23.

Reconciliation of non-IFRS measures

Reconciliation of EBITDA, adjusted EBITDA, net debt-to-EBITDA and net debt-to-adjusted EBITDA	Last twelve months ended June 30	
	2025	2024
<i>(Amounts in millions, except net debt-to-EBITDA ratios)</i>		
Operating income (loss)	\$ 754.4	\$ (205.1)
Depreciation and amortization	430.6	376.7
EBITDA	\$ 1,185.0	\$ 171.6
Restructuring, integration and acquisition costs	30.9	142.0
Impairments and other gains and losses arising from significant strategic transactions or specific events:		
Executive management transition costs	22.3	—
Gain on fair value remeasurement of SIMCOM	(72.6)	—
Shareholder matters	10.6	—
Impairment of goodwill	—	568.0
Impairment of technology and other non-financial assets	—	35.7
Adjusted EBITDA	\$ 1,176.2	\$ 917.3
Net debt	\$ 3,236.1	\$ 3,129.7
Net debt-to-EBITDA	2.73	18.24
Net debt-to-adjusted EBITDA	2.75	3.41

Reconciliation of non-IFRS measures

Reconciliation of adjusted net income and adjusted EPS		Three months ended June 30	
		2025	2024
<i>(Amounts in millions, except per share amounts)</i>			
Net income attributable to equity holders of the Company	\$	57.2	\$ 48.3
Restructuring, integration and acquisition costs, after tax		—	19.5
Impairments and other gains and losses arising from significant strategic transactions or specific events:			
Executive management transition costs, after tax		10.3	—
Adjusted net income	\$	67.5	\$ 67.8
Average number of shares outstanding (diluted)		321.1	318.8
Adjusted EPS	\$	0.21	\$ 0.21

Reconciliation of non-IFRS measures

Reconciliation of adjusted segment operating income	Civil Aviation		Defense & Security		Total	
Three months ended June 30	2025	2024	2025	2024	2025	2024
<i>(Amounts in millions)</i>						
Operating income	\$ 99.4	\$ 89.8	\$ 34.4	\$ 18.8	\$ 133.8	\$ 108.6
Restructuring, integration and acquisition costs	—	16.6	—	9.0	—	25.6
Impairments and other gains and losses arising from significant strategic transactions or specific events:						
Executive management transition costs	8.2	—	5.8	—	14.0	—
Adjusted segment operating income	\$ 107.6	\$ 106.4	\$ 40.2	\$ 27.8	\$ 147.8	\$ 134.2