



KEYNOTE ADDRESS TO THE CANADIAN CLUB OF OTTAWA

"Positioning Canada for Global Success"

Mr. Marc Parent, President and Chief Executive Officer

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Bilingual version

Bonjour à tous, hello, everyone. Thank you for being here today.

C'est un véritable honneur d'être de retour au Canadian Club d'Ottawa. À mon arrivée, j'ai été frappé de constater que c'est particulièrement émouvant dans la capitale nationale – il y a des signes partout dans la ville indiquant que le jour du Souvenir est à nos portes.

Crimson poppies remind us that it's a time to honour all those who have served – past and present.

Today, I am honoured to be seated with Her Excellency, Yuliya Kovaliv (YU-LI-AH KOH-VA-LEV), Ukraine's Ambassador to Canada. I salute her and the people of Ukraine for the courage and resilience they have demonstrated in the face of Russia's invasion – a vivid reminder of the importance of the sacrifices of our brave women and men in uniform.

I'd like to salute the many veterans who are in the room today – including a number from my team:

- Dan Gelston, the Group President of CAE's Defense and Security business – and a distinguished veteran of the U.S. Army.
- And France Hebert, CAE's Vice President and Head of Defense and Security in Canada. The Canadian Armed forces are a bit of a family business in France's case – she is not only a veteran, but also a military wife and mom. Her son, Second-Lieutenant Alexandre Stevenson, recently graduated from the Royal Military College in Kingston and is now completing his artillery training at Gagetown. A wonderful family legacy!

I'm proud to tell you that Dan and France are not alone at CAE.

About 2,000 of our employees are veterans – you can see some of them on the screen – and they bring a wealth of knowledge and experience to every part of our business.

We're very lucky to have them!

I'm happy to be here today to speak to you on a topic that I think is critically important: **the need for collaboration between the private sector and Government to advance Canada's influence on the world stage.**

Let me start by saying a few words about the company I have the privilege to lead.

With strong Canadian roots, CAE has become a global leader with more than 13,000 employees based at some 250 sites in over 40 countries. Approximately 90% of our revenue comes from outside Canada, contributing 4.2 billion dollars in revenue in our last fiscal year.

We may be homegrown, but we compete on the global stage, with industry giants. And when our customers choose CAE, they are choosing Canada and its vibrant aerospace sector. As Canadians, we tend to be humble, but in this case, I think we can also be very proud.

I'm equally proud of CAE's noble mission: to make the world safer.

Today, CAE is the world's largest provider of civil aviation training services. No matter where you fly, chances are that your pilot and co-pilot were trained in one of our training centres around the world or in one of our state-of-the-art flight simulators - designed and built in Montreal.

Si vous avez voyagé récemment, vous avez certainement remarqué que les aéroports sont plus occupés que jamais. Notre désir de voyager ne montre aucun signe de ralentissement et, par conséquent, les professionnels de l'aviation sont très en demande.

En fait, nous avons publié notre rapport intitulé « Prévisions en matière de talents en aviation » en juin dernier au salon du Bourget à Paris. Nous prévoyons un besoin mondial de 1,3 million de nouveaux pilotes, techniciens de maintenance d'aéronefs et membres d'équipage de cabine au cours des dix prochaines années afin de soutenir la croissance attendue des marchés de l'aviation commerciale et de l'aviation d'affaires. CAE jouera un rôle clé dans leur formation.

Our mission is the same in Defense & Security: to make the world safer.

Our role is to support national security and sovereignty for Allied nations, and we are keenly aware that our technology and training equips men and women in uniform with the expertise and solutions to bring them home safely to their families after they complete their missions. This is an immense responsibility, and one that drives us every single day.

It may surprise you to learn that CAE is the largest defence and security contractor in Canada.

There are key elements of Canadian history that helped make CAE the icon it is today. Although the company started in Montreal in 1947, as a small Canadian aviation electronics company -- hence the acronym "CAE" -- its antecedent was the British Commonwealth Air Training Plan established during World War II.

Canada made a commitment to the world back in 1939, establishing over 150 schools and training sites across Canada and training more than 130,000 pilots and aircrew during the war.

It was a massive undertaking at the time and one that was launched almost overnight, because the war had created an urgent need, and because there was a shared sense of purpose among industry and government.

Today, it is a proud heritage that we at CAE continue to build on, as do other Canadian manufacturing companies.

In 1952, we were awarded our first simulator contract from the Canadian Defence Forces for the CF-100 Canuck interceptor, a plane developed and manufactured here in Canada.

Eight years later, we won a milestone contract to build simulators for the CF-104 Starfighter.

That became a launch pad for CAE into the global market with sales to several NATO allies.

In the 1980s, when Canada acquired its CF-18 fighter jets, the Government had the foresight to ensure their pilots were trained at home, and that the In-Service Support – the maintenance, data integration, and operational support – would also be done in Canada.

In 2009 and 2010, CAE won contracts to be the Operational Training Systems Provider for Canada's new fleets of CC-130J Hercules transport aircraft and CH-147 Chinook medium and heavy lift helicopters.

These contracts meant CAE and its pan-Canadian team of suppliers would develop the training programs for these aircraft, and then provide decades of in-service support for the training systems in places like Petawawa and Trenton.

They have helped create and/or maintain thousands of jobs in Canada.

These successive decisions are why, today, Canada's aerospace industry is one of the most innovative and export-driven sectors in the country, contributing close to 27 billion dollars to the Canadian economy.

The R&D, the expertise, the intellectual property, the know-how - **and the trust** - that industry gains as a result of these strategic procurements contribute to Canada's status as a world leader in aerospace -- one that punches well above its weight.

It is what gave CAE, for example, the pedigree to acquire the L3 Harris Military Training business in 2021 and become the leading provider of flight training and simulation for the U.S. Department of Defence. Today, CAE trains all 43,000 aviators in every branch of the U.S. military at some point in their career.

Another recent example: just this past summer, Canada selected SkyAlyne - our joint venture with KF Aerospace - as the preferred bidder for the Future Aircrew Training Program, or FAcT. As a result, Canada's military flight training will continue to be done at home - for the next two decades!

To the people in the room who helped make this critical decision: **thank you**. *Merci de votre appui indéfectible.*

This is transformational for the Canadian Armed Forces and the Defence industrial base in the country. It is the right decision for the aerospace sector, the more than 1,000 companies in our supply chain - the majority of which are SMEs -- and the 19,000 Canadians employed through this partnership across Canada, including the Indigenous communities who have partnered with us and who will contribute to this effort for years to come.

CAE is an unrelenting champion for Canada because we know that our success is deeply rooted here at home, with over 5,000 employees contributing to our success across the

country. Our headquarters are in Montreal, Quebec, and that is also where all of our manufacturing takes place, along with most of the company's R&D work.

So all of this is how a relatively small Canadian company became the flagship it is today, recognized around the world as best-in-class with amazing products, cutting-edge technology and world-class training centres.

This does not just happen. It is not an accident.

It stems from Canada supporting its champions, believing in them, promoting them, and leaning on them in times of need.

And in return, these champions continually establish and nurture collaboration and partnerships to develop the technologies of tomorrow, both at home and abroad.

CAE is doing just that as a contributing leader to the Initiative for Sustainable Aviation Technology -- or INSAT.

INSAT will support the aerospace sector's growth by encouraging the development of disruptive sustainable aviation technologies, strengthening aerospace supply chains, and building the workforce of the future.

In 2023, we cannot make the world a safer place without integrating sustainability into everything we do.

What we do here at CAE -- simulation-based training in civil aviation -- prevents five million tons of CO² from being emitted every year, versus training on the real aircraft.

And it's not just in training that we have an impact. Our digital flight operations solutions help airlines optimize their flight plans, reduce their fuel consumption and, as a result, their carbon emissions.

The aviation industry has made a commitment to become net zero by 2050, and we all have a role to play in achieving this!

To that point, CAE became Canada's first carbon-neutral aerospace company back in 2020. But we didn't stop there. We continue to decarbonize our operations, our buildings, and our supply chain with ambitious reduction targets.

As part of Project Resilience, a partnership with the Governments of Canada and Quebec, CAE has committed to investing 1 billion dollars in R&D in Canada and its innovation ecosystems over five years to develop next generation aviation technologies – including Advanced Air Mobility – or air taxis, as they are more commonly called.

We are playing a key role in ushering in this new era in electric aviation.

We also have a fleet of training aircraft for which we are developing an electric conversion kit right here in Canada to convert part of that fleet to electric propulsion.

And at CAE, we have a proud history of collaboration with higher education institutions. Carleton University, the title sponsor of today's event, is an example of the over 50 universities and colleges across Canada with whom we have worked for decades to develop the next generation of aviation talent.

As I mentioned earlier, the world is going to need 1.3 million aviation professionals over the next 10 years -- and 284,000 of those are pilots. To address that need, we must tap into the entire talent pipeline out there.

To that point: did you know that today, only five percent of commercial pilots are women? That is something that CAE is working hard to change through our “Women in Flight” Ambassador Program that aims to provide financial support to deserving women pursuing a career in aviation.

As an example: just last week, Air Canada and CAE marked the fifth anniversary of the Captain Judy Cameron Scholarships, announcing that applications for the 2024 edition of the scholarship are now open.

We are also working hard to increase the number of pilots from other underrepresented groups, including First Nations. That's why we are proud to support the First Nations Technical Institute, near Kingston -- the only Indigenous post-secondary flight school of its kind in Canada.

When I come to Ottawa, I am often struck by how the private and the public sector too often seem to talk past each other.

That's one of the reasons I felt it was important to come here today, to encourage an important conversation.

There are so many opportunities for us to be working together more efficiently.

Looking to the future, we have to recognize that the global economic and geopolitical environment is – to put it mildly – uncertain.

As Canada looks to assume its role in a polarized and fragmented world, we need to ask ourselves a defining question: **what role do we want Canada to play to address the challenges of tomorrow and build a better world?**

Canadians have always responded to world events with concrete action and compassion. We have a proud history of training troops, police officers, election monitors and public servants around the world.

It was former U.S. President Obama who once famously said that “the world needs more Canada” – a statement that is truer today than ever before.

With recent geopolitical events, it’s clear that the world needs what Canada has in abundance: our resources, our expertise and our innovation.

Canada has a stellar reputation that we must not only live up to, but continue to build upon.

To reach our full potential on the global stage, we need a strong industrial base able to create and export Canadian capabilities, expertise, and know-how.

My message to Government is straightforward:

We are here to serve. We want to be more than your supplier. We want to be your partner. Governments, defence forces and the private sector all face similar challenges – and are better positioned to face them **together**.

Take the integration of the 5th-generation aircraft comprising data integration, cyber security, and In-Service Support needs.

This is a larger undertaking than has ever been attempted by our country.

The modernization of NORAD will push the limits of ingenuity and challenge our notion of industrial sovereignty.

Moving forward with the Indo-Pacific Strategy will require agility, investment, and cooperation.

These are three examples that will require seamless interoperability and interchangeability with our Allies.

They will require a Canadian industry with the experience and the ability to work with the world's largest defence and aerospace companies – and integrate them into the sovereign, Canadian supply chain – including the Indigenous supply chain.

There are huge challenges to overcome, but with the right approach, Canadian industry can become an extension of Canada's foreign policy and help project influence on the world stage.

Delivering these initiatives in partnership between the public and private sectors will continue to build our industrial base, elevate Canada, and increase our ability to play a key role in global security.

It will strengthen a globally competitive aerospace sector in Canada and create good jobs at home -- in every region.

For Canada to be truly relevant and to be able to respond to the challenges we face, the public and private sectors need in concert with each other and at the pace required by world events.

In other words: we need to work together more closely, and we need to move quicker. This is a mindset that I know we can adopt, because we did it not so long ago.

During the pandemic, we saw decisions being made, decisively, programs rolling out in record time, and a government, and public service with a can-do attitude.

We in the private sector were asked to help. We at CAE pivoted and built ventilators, we opened vaccination centres at our headquarters in Montreal... it was all-hands-on-deck in sharing risk and moving forward.

Decision-makers knew not all their decisions would be perfect. They knew new information would force a change in direction. But they acted anyway. Was it perfect? No! Were mistakes made? Yes! But together, we accomplished a lot, and we learned to better work together. I hope we don't lose that.

In closing, my message is this:

Bring us in – we are prepared to offer our full suite of capabilities to help solve the issues facing Canada and our allies.

With challenges like:

Ushering in a new era of electric aviation, and achieving net zero carbon emissions by 2050.

We can do it – together!

Supporting Ukrainians now, and helping Ukraine rebuild its military and commercial aviation sector in the future.

We can do it – together!

Reclaiming the mantle of “the aerodrome of democracy” and projecting Canada’s influence around the world.

We can do it – together!

I believe that it's time for us to unleash our greatest ambitions. To come together with purpose and a shared sense of urgency, at a time when the world needs it most.

To dream big and make even bigger things happen in Canada -- for the rest of the world.

At CAE, we stand ready to do just that, because now, more than ever, I know we can make the world safer – **together!**

Merci. Thank you.