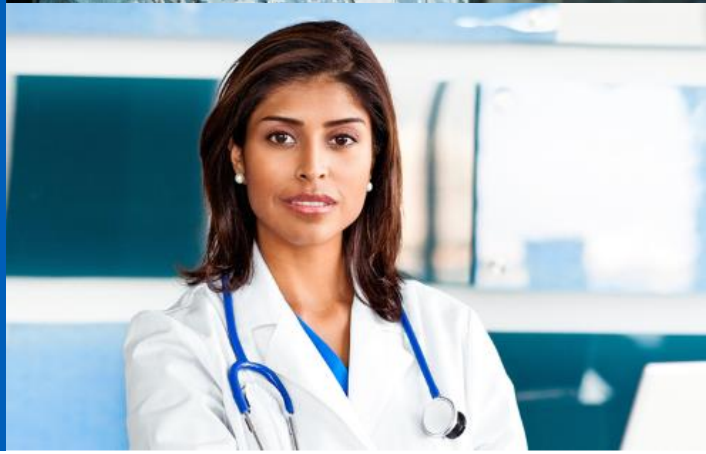
Supplemental Q4 FY2019 Presentation

For the fourth quarter ended March 31, 2019

May 17, 2019



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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, capital spending, expansions and new initiatives, financial obligations and expected sales. Forward-looking statements normally contain words like *believe, expect, anticipate, plan, intend, continue, estimate, may, will, should, strategy, future* and similar expressions. 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. All such forward-looking statements are made pursuant to the safe harbour provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

You will find more information in Section 9-Business risk and uncertainty of our fourth quarter and fiscal year ended March 31, 2019 MD&A. This document has been filed with the Canadian securities commissions and is available on our website (www.cae.com) and on SEDAR (www.sedar.com). It has also been filed with the U.S. Securities and Exchange Commission under Form 6-K and is available on EDGAR (www.sec.gov). Forward-looking statements in this document represent our expectations as of May 17, 2019, and, accordingly, are subject to change after this date. We caution readers that the risks described 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. Additionally, differences could arise because of events that are announced or completed after the date of this document, including mergers, acquisitions, other business combinations and divestitures. 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 report are expressly qualified by this cautionary statement.

The terms "segment operating income (SOI)", "SOI before specific items", "earnings per share (EPS) before specific items", "order intake", "backlog", "book-to-sales", "free cash flow", "return on capital employed (ROCE)", "utilization rate", "net-debt-to-capital ratio", and "capital expenditures" are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other issuers. Refer to the section "Non-GAAP and other financial measures" in our fourth quarter and year ended March 31, 2019 MD&A for more details.

Consolidated financial highlights

Q4 FY19 Results

$1.0 B	**$177.2 M**	**$0.48**	**$ 1.4 B**	**1.38x**
quarterly revenue (up 42% year over year)	quarterly SOI before specific items (up 51% year over year)	EPS before specific items (vs. $0.31 in Q4 FY18)	quarterly order intake	quarterly book-to-sales ratio

FY19 Results

$3.3 B	**$487.4 M**	**$1.25**	**$ 4.0 B**	**1.20x**
record annual revenue (up 17% year over year)	annual SOI before specific items (up 10% year over year)	EPS before specific items (vs. $1.11 in FY18)	record annual order intake	annual book-to-sales ratio
$ 9.5 B	**$323.8 M**	**12.9%**	**76%**	**43.9:56.1**
record backlog (up 18% year over year)	free cash flow (98% cash conversion)	ROCE before specific items (vs. 12.7% in FY18)	civil training centre utilization rate	net debt-to-capital ratio (vs. 22.0:78.0 in Q4 FY18)

Specific items for fiscal 2019 include the costs arising from the acquisition and integration of Bombardier's Business Aviation Training Business (BBAT).

Specific items for fiscal 2018 include the net gains on disposal of our equity interest in the joint venture Zhuhai Xiang Yi Aviation Technology Company Limited (ZFTC) and the remeasurement of the previously held Asian Aviation Centre of Excellence Sdn. Bhd. (AACE) investment upon acquisition and the impacts of the enactment of the U.S. tax reform.

Segment financial highlights

Revenue and SOI

Q4 FY19 *(amounts in millions, unless otherwise noted)*		Revenue	Revenue Growth		SOI	SOI Growth
Civil Aviation Training Solutions*	$	593.4	50%	$	122.3	64%
Defence and Security**	$	387.9	34%	$	51.7	42%
Healthcare	$	40.7	16%	$	4.2	—

Fiscal 2019 *(amounts in millions, unless otherwise noted)*		Revenue	Revenue Growth		SOI	SOI Growth
Civil Aviation Training Solutions*	$	1,875.8	15%	$	351.1	13%
Defence and Security**	$	1,306.7	21%	$	134.8	9%
Healthcare	$	121.6	6%	$	4.8	—

Backlog

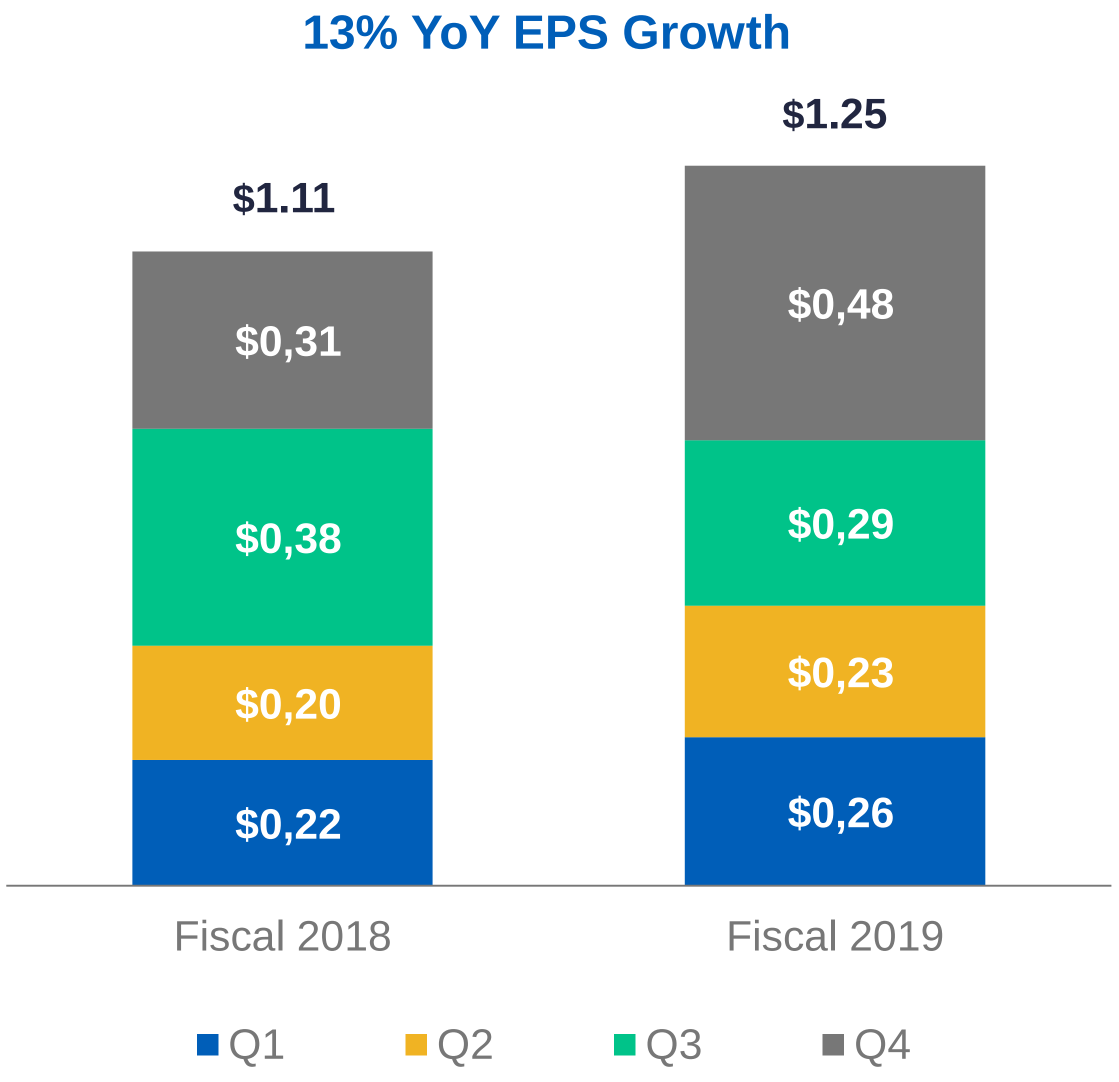
(amounts in billions, unless otherwise noted)	Q4 FY19 Order Intake	Fiscal 2019 Order Intake	Q4 FY19 Book-to-Sales	Fiscal 2019 Book-to-Sales	Total Backlog
Civil Aviation Training Solutions	$1.1	$2.8	1.87x	1.48x	$5.0
Defence and Security	$0.3	$1.1	0.68x	0.83x	$4.5
Healthcare	—	$0.1	1.00x	1.00x	—

** Segment operating income before specific items*
*** Segment operating income before expenses related to the acquisition and integration of Alpha-Omega Change Engineering (AOCE)*

Earnings per share before specific items

Fiscal 2019 results are presented before specific items of the costs arising from the acquisition and integration of BBAT

Fiscal 2018 results are presented before specific items of the U.S. tax reform and net gains on strategic transactions relating to our Asian joint ventures



Management’s outlook for fiscal 2020

Management outlook for fiscal year 2020

CAE’s core markets benefit from secular growth and the Company expects to continue exceeding underlying market growth in fiscal year 2020. In Civil, the Company expects to continue building on its positive momentum in training, increasing market share and securing new customer partnerships with its innovative training solutions. Civil expects operating income to grow in the upper 20 percent range on continued strong demand for its training solutions, including maintaining a leading share of FFS sales, and the integration of the recently acquired Bombardier BAT Business. In Defence, the Company expects mid to high single-digit percentage operating income growth as it delivers from backlog and continues to win opportunities from a large pipeline. CAE expects Healthcare to achieve double-digit growth under its new leadership, expanded salesforce, and the continued launch of innovative products. Funding growth opportunities remains CAE’s top capital allocation priority and continues to be driven by and supportive of growing customer training outsourcings in its large core markets. The Company prioritizes market-led capital investments that offer sustainable and profitable growth and accretive returns and support its strategy to be the recognized worldwide training partner of choice. CAE currently expects total annual capital expenditures to increase modestly, by approximately 10 to 15 percent, in fiscal 2020, primarily to keep pace with growing demand for training services from its existing customers and to secure new long-term customer contracts. Management’s expectations are based on the prevailing positive market conditions and customer receptivity to CAE’s training solutions as well as material assumptions contained in this press release, quarterly MD&A and in CAE’s fiscal year 2019 MD&A.

Expect to exceed underlying growth of CAE’s core markets

IFRS 16 – Impacts

IFRS 16 effective April 1, 2019 for CAE with no restatement of prior periods

- Main impacts to CAE:
  - Right-of-use assets of approximately $230 million to be recorded on the balance sheet on transition
  - Lease liabilities of approximately $260 million to be recorded on the balance sheet on transition
  - Rent expense to be replaced by depreciation and finance expense

- Management's outlook for fiscal 2020 has been prepared considering the implementation of IFRS 16
  - Expected to have a negative $0.01 EPS impact in FY20

Our vision is to be the recognized global

training partner of choice

to enhance safety, efficiency and readiness.