

## **CAE concludes acquisition of Sabre's Airline Operations (AirCentre) portfolio**

- **Positions CAE as a digital technology leader, complementing CAE flight simulator and training solutions**
- **Offers flight, crew, aircraft movement, airport and in-flight management and optimization tools that deliver efficiency for the flight ecosystem**
- **Airline Operations portfolio, RB Group and Merlot form CAE's new Civil Flight Services portfolio**

*Montreal, Quebec, Canada, March 1, 2022* – CAE (NYSE: CAE; TSX: CAE) announced today that it has concluded the [previously announced acquisition of Sabre's Airline Operations portfolio](#) (formerly known as AirCentre solutions), a highly valuable suite of flight and crew management and optimization solutions, for an enterprise value of US\$ 392.5 million. The acquisition includes the Sabre Airline Operations product portfolio, related technology and intellectual property as well as the transfer of highly talented workforce.

"We are very pleased to welcome Sabre's Airline Operations customers and employees to CAE," said Marc Parent, CAE's President and CEO. "This acquisition, in addition to our ongoing technological transformation and our previous acquisitions of Merlot and RB Group, allows us to expand our reach into digitally-enabled flight and crew management and optimization services and create additional value for our customers".

Parent added: "CAE's Flight Services solutions allow us to help airlines and business jet operators globally to better manage their operations, decrease costly scheduling disruptions, improve staffing and operational decision-making, and decrease fuel consumption and carbon emissions. This ecosystem also enables pilots and crew members to better manage their day-to-day activities, while supporting them throughout their training and career journeys. Our customers are increasingly adopting digital solutions to improve efficiency and operations, and we are thrilled about this opportunity to expand our suite of innovative civil flight services solutions."

CAE has been carrying out a growth strategy with the intent to emerge from the COVID-19 pandemic a larger, more resilient, and more profitable company than ever before. The acquisition, the ninth accretive acquisition for CAE since the COVID-19 pandemic began, will further expand CAE's reach across its broad customer base beyond simulators and pilot training and establish the company as a technology leader in the growing marketplace for industry-leading, digitally enabled flight and crew operations solutions. CAE expects that the

transaction will be mid-single-digit percentage EPS<sup>1</sup> accretive, and even higher free cash flow<sup>2</sup> accretive, for CAE within the first year post-closing.

Over the past two years, CAE has been unifying its digital flight operations business with the goal of delivering a holistic suite of solutions designed to improve operations and unite airline, business jet operators and crew in a single, interconnected and growing digital ecosystem. With the addition of this suite of digital capabilities to the existing business, CAE will now engage with pilots at every point of their career life cycles, from training and flight preparation, planning and scheduling right through to in-flight route optimization, performance and analytics.

The acquisitions of Merlot and RB Group in December 2020 and April 2021 marked milestones in CAE's journey to pioneer the development of a digital flight operations ecosystem. And in July 2021, CAE announced Project Resilience, a multi-year innovation program to develop the technologies of tomorrow, including digitally immersive solutions leveraging data and artificial intelligence in civil aviation. For more information about CAE's portfolio of flight operations solutions visit [these pages](#).

## **About Sabre Airline Operations**

The Airline Operations business includes almost 500 employees located in 12 countries, including 6 hubs (Dallas, Bangalore, Vienna, Krakow, Montevideo, and Shanghai). It delivers software solutions to more than 150 airline customers, with a portfolio that includes:

- **Crew Management:** Enables enhanced long-term planning, innovative tracking and management, and disruption management decision support to help carriers manage crew schedules and keep crew members informed with real-time data
- **Flight Management:** Allows airlines to manage the core functions of flight operations to deliver efficient flight plans and support increased productivity
- **Movement Manager:** Helps airlines to gain a competitive advantage by optimizing the use of aircraft and operational plans to help meet commercial objectives such as protecting schedules, reducing disruptions and minimizing passenger impact
- **Airport Management:** Manages airport operations such as planning, gate assignments and staffing to support increased operational efficiency, help optimize costs and improve the customer experience
- **In-flight:** Spans all aspects of service planning, meal ordering, forecasting, operations, materials management, financial controls and reporting

## About CAE

CAE is a high technology company, at the leading edge of digital immersion, providing solutions to make the world a safer place. Backed by a record of more than 70 years of industry firsts, we continue to reimagine the customer experience and revolutionize training and operational support solutions in civil aviation, defence and security, and healthcare. We are the partner of choice to customers worldwide who operate in complex, high-stakes and largely regulated environments, where successful outcomes are critical. As testament to our customers' ongoing needs for our solutions, over 60 percent of CAE's revenue is recurring in nature. We have the broadest global presence in our industry, with more than 11,000 employees, 180 sites, and training locations in over 35 countries. [www.cae.com](http://www.cae.com)

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Hashtags: #CAE; #CAEpilot; #CAEcrewperformance

## Caution concerning forward-looking statements with respect to CAE

*This press release includes forward-looking statements about the anticipated benefits of the acquisition by CAE of Sabre's Airline Operations portfolio (the Acquisition), CAE's access to capital resources, and CAE's activities, events and developments that CAE expects to or anticipates may occur in the future including, for example, statements about CAE's 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 CAE to make assumptions and are subject to inherent risks and uncertainties associated with CAE's 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 CAE believes 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.*

*Important risks that could cause such differences include, but are not limited to, the failure to gain access to expected capital resources within anticipated timeframes or at all, risks relating to the Acquisition, such as all or part of the intended benefits therefrom not being*

*realized or unanticipated integration-related issues, costs or delays, risks relating to the COVID-19 pandemic such as health and safety, reduction and suspension of operations, global economic conditions, diversions of management attention, heightened IT risks, liquidity risks and credit risks, risks relating to the industry such as competition, business development and awarding of new contracts, level and timing of defence spending, government-funded defence and security programs, constraints within the civil aviation industry, regulatory matters, natural or other disasters, environmental laws and regulations, climate change, risks relating to CAE such as evolving standards and technology innovation, CAE's ability to penetrate new markets, R&D activities, fixed-price and long term supply contracts, strategic partnerships and long-term contracts, procurement and original equipment manufacturer (OEM) leverage, product integration and program management, protection of CAE's intellectual property and brand, third-party intellectual property, loss of key personnel, labour relations, liability risks that may not be covered by indemnity or insurance, warranty or other product-related claims, integration of acquired businesses through mergers, acquisitions, joint ventures, strategic alliances or divestitures, reputational risk, U.S. foreign ownership, control or influence mitigation measures, length of sales cycle, seasonality, continued returns to shareholders, information technology and cybersecurity, CAE's reliance on technology and third party providers, data privacy, and risks relating to the market such as foreign exchange, availability of capital, credit risk, pension plan funding, doing business in foreign countries, geopolitical uncertainty, anti-corruption laws and taxation matters. Additionally, differences could arise because of events announced or completed after the date of this press release. More information about the risks and uncertainties affecting CAE's business can be found in the Management's Discussion & Analysis for the year ended March 31, 2021 and the Management's Discussion & Analysis for the quarter ended December 31, 2021. Any one or more of the factors described above and elsewhere in this press release, and in the documents referenced herein, may be exacerbated by the continuing COVID-19 pandemic and may have a more negative impact on CAE's business, results of operations and financial condition. Accordingly, 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 press release, and in the documents referenced herein, are not necessarily the only ones CAE faces; additional risks and uncertainties that are presently unknown to CAE or that CAE may currently deem immaterial may adversely affect CAE's business.*

*Pending the Acquisition closing, Sabre's Airline Operations portfolio is a fully integrated business unit of Sabre, and separate financial statements historically have not been prepared for the Sabre Airline Operations portfolio. Consequently, the financial information of the Sabre Airline Operations portfolio included in this document has been derived from the consolidated financial statements and historical accounting records of Sabre and reflects certain significant assumptions, judgments and allocations made by Sabre. The financial position, net income and cash flows of the Sabre Airline Operations portfolio may not be representative of the financial performance if the Sabre's Airline Operations portfolio had been a stand-alone entity or operated independently of Sabre. As a result, the historical financial information or expected future financial results of the Sabre Airline Operations portfolio may not be a reliable indicator of future results.*

*Except as required by law, CAE disclaims 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 press release are expressly qualified by this cautionary statement.*

### **Material Assumptions**

*The forward-looking statements set out in this press release are based on certain assumptions including, without limitation: access to expected capital resources within anticipated timeframes, the integration and the realization of the anticipated benefits and synergies of the Acquisition in the timeframe anticipated, the anticipated negative impacts of the COVID-19 pandemic on CAE's businesses, operating results, cash flows and/or financial condition, including the intended effect of mitigation measures implemented as a result of the COVID-19 pandemic, CAE's available liquidity from cash and cash equivalents, undrawn amounts on CAE's revolving credit facilities, the balance available under CAE's receivable purchase program, CAE's cash flows from operations and continued access to debt funding will be sufficient to meet financial requirements in the foreseeable future; and no material financial, operational or competitive consequences of changes in regulations affecting CAE's business. For additional information, including with respect to other assumptions underlying the forward-looking statements made in this press release, refer to the applicable reportable segment in the Management's Discussion & Analysis for the year ended March 31, 2021 and the Management's Discussion & Analysis for the quarter ended December 31, 2021. Given the impact of the changing circumstances surrounding the COVID-19 pandemic and the related response from CAE, governments, regulatory authorities, businesses and customers, there is inherently more uncertainty associated with CAE's assumptions. Accordingly, the assumptions outlined in this press release, and in the documents referenced herein, and, consequently, the forward-looking statements based on such assumptions, may turn out to be inaccurate.*

### **Non-GAAP and other financial measures**

*This press release includes non-GAAP and other financial measures. Non-GAAP measures are useful supplemental information but do not have a standardized meaning according to GAAP and therefore may not be comparable to similar measures presented by other issuers. These measures should not be confused with, or used as an alternative for, performance measures calculated according to GAAP. They should also not be used to compare with similar measures from other companies. Management believes that providing certain non-GAAP measures provides users with a better understanding of our results and trends and provides additional information on our financial and operating performance.*

#### **<sup>(1)</sup> EPS**

*CAE calculates earnings per share by taking the diluted earnings per share from continuing operations attributable to equity holders of the CAE and dividing that by the average number of diluted shares.*

#### **<sup>(2)</sup> Free cash flow**

*CAE calculates free cash flow by taking the net cash generated by its continuing operating activities, subtracting maintenance capital expenditures, investment in other assets not related to growth and dividends paid and adding proceeds from the disposal of property, plant and equipment, dividends received from equity accounted investees and proceeds, net of payments, from equity accounted investees.*

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