



**CAE**

**TSX: CAE**

**Specializing in training and simulation technologies**

**A pioneer in training and simulation solutions for aviation, defense, and healthcare industries.**

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## About InsightWire

InsightWire produces research reports about companies listed on the stock exchange. These reports are designed to be easy to understand and provide a comprehensive overview of the company at hand.

We strive to include information that is often overlooked and to identify trends that are likely to occur in the future. Our goal is to help our readers learn valuable information about companies that are likely to be important in the coming period.

Our team is committed to providing accurate and up-to-date coverage of financial topics. Our goal is to be a reliable source of objective and factual information for those interested in the stock market and investing.

# CAE



***“As commercial aviation nears full recovery and business aviation exceeds pre-pandemic levels, CAE’s Aviation Talent Forecast shows that the demand (for jobs) will continue to grow.”***

– Nick Leontidis, CAE’s Group President, Civil Aviation

**CAE, a global leader in aviation and defense training, embodies a legacy of innovation and excellence. With a renowned reputation in pilot training, simulation, and mission support, CAE is shaping the future of not only aerospace but healthcare and defense as well, by advancing safety and efficiency through cutting-edge technology and training solutions. Their commitment to pushing boundaries and driving progress in these industries is what has helped CAE to be at the forefront of simulation tech today.**

### **CAE’s origins: founding and background**

CAE, or “Canadian Aviation Electronics,” was founded in 1947 by Ken Patrick in Montreal, Canada. The company’s initial focus was on the development of electronic equipment for the aviation industry. In its early years, CAE was at the forefront of avionics research and development, working on innovations that would transform aviation training and simulation.

CAE’s journey began as they pioneered the creation of flight simulators and other aviation-related technologies. Over the decades, the company expanded its offerings, evolving from a small electronics company into a global leader in training and simulation solutions. This transformation was driven by a commitment to innovation and the relentless pursuit of realism, which has remained at the heart of CAE’s mission ever since.

### **The diverse range of CAE products**

CAE’s product range is designed to meet the training and simulation needs of various industries, making it a leading provider of simulation and training solutions across the globe.





## Aviation Training and Simulation

**Full-flight simulators:** CAE designs and manufactures high-fidelity full-flight simulators, which replicate the experience of flying different aircraft types. These simulators are used for pilot training, proficiency checks, and recurrent training. The applications for the CAE FFS extend to general aviation, commercial aviation, space exploration, and military aviation.

**Flight training devices:** CAE offers various FTDs that provide realistic training for different flight scenarios. These devices are used for pilot training and are especially valuable for recurrent training and skill maintenance.

**Cabin crew training:** they have training solutions for cabin crew as well, which include emergency procedures, safety training, and service procedures to enhance in-flight passenger safety and satisfaction.

**Maintenance training:** there are maintenance training programs and tools for aircraft maintenance engineers and technicians, covering a wide range of aircraft systems and components.

**Pilot training:** CAE provides comprehensive pilot training programs encompassing various aircraft types and operational scenarios, including initial pilot training, type rating, and recurrent training.

## Defense and Security

**Military training simulators:** CAE designs and develops a range of simulators for military training purposes. This includes flight simulators, ground vehicle simulators, and maritime simulators, contributing to enhanced readiness and mission effectiveness.

**Security and mission training:** CAE's security and mission training solutions offer realistic training scenarios for military and security personnel, enabling them to practice mission-critical tasks, tactics, and emergency response.

## Healthcare Simulation

**Patient simulators:** CAE creates high-fidelity patient simulators that are widely used for medical training. These simulators accurately mimic human physiology and allow healthcare professionals to practice various medical procedures and patient care in a controlled and safe environment.

**Surgical simulation:** Surgical simulators help train surgeons in a variety of surgical procedures, allowing them to hone their skills in a risk-free setting.

**Scenario-based training:** CAE's healthcare simulation solutions include scenario-based training for different medical specialties. This facilitates realistic training for various clinical situations and medical emergencies.

## Maritime and Civil Training

**Maritime simulators:** CAE offers a range of maritime simulators for ship handling, navigation, and engine room operations. These simulators are used for training mariners in a variety of scenarios and conditions, enhancing safety and operational efficiency.

**Civil training solutions:** CAE provides a variety of training solutions for civil operations, such as bridge and engine room simulators for maritime training, as well as custom training solutions for different industries.



## Additional services

**e-Learning solutions:** CAE offers e-learning modules and computer-based training resources that complement their hands-on training offerings. These digital resources allow learners to access training materials remotely, providing flexibility and accessibility.

**Training centers:** CAE operates a network of training centers worldwide, where they provide training services using their simulators and training devices. These centers are strategically located to serve a broad range of clients.

**Training software:** CAE develops training software that complements their hardware solutions, enabling scenario creation and management, as well as supporting training program management.

**Instructor support and services:** CAE offers a range of services, including instructor support, courseware development, and curriculum design to enhance the effectiveness of training programs.

**Consulting and support services:** CAE provides consulting services to help organizations optimize their training programs and operational efficiency. They also offer support and maintenance services for their products and solutions.

## CAE's major partnerships

CAE has developed partnerships with some of the most prominent companies in multiple fields. The list of partnerships they are involved with is not only limited to the bigger names in industries like security, aerospace, and health-care but it is worth examining some of their most profitable and forward-thinking connections.

***“As a Boeing-authorized training provider, CAE will leverage its expertise and network of more than 70 training centers worldwide to bring high-quality training on Boeing aircraft closer to our shared customer base.”***

– Marc Parent, CAE's President, and CEO on collaboration with Boeing

## Airbus

CAE collaborates with Airbus, one of the world's leading aircraft manufacturers, to provide training solutions for Airbus aircraft. This partnership involves the development of Airbus-specific full-flight simulators (FFS) that replicate the flight experience of Airbus models. These simulators are used for pilot training and proficiency checks on Airbus aircraft, ensuring that pilots are well-prepared to operate these planes safely and effectively.

## Boeing

Similar to their partnership with Airbus, CAE works with Boeing, another major aircraft manufacturer. They develop training programs and simulation solutions tailored to Boeing aircraft. This collaboration ensures that pilots training on Boeing aircraft receive realistic and effective training, improving their skills and safety.

## United Airlines

CAE's partnership with United Airlines is crucial for pilot training. CAE provides training services to United Airlines, which includes pilot training and proficiency checks. The use of CAE's state-of-the-art simulators and training centers helps United Airlines maintain the highest standards of safety and operational excellence.

## U.S. Department of Defense

CAE has a long history of collaboration with the U.S. Department of Defense (DoD). This partnership encompasses the development of military training and simulation solutions. CAE's simulators are used for training military personnel, including fighter pilots, transport aircraft crews, and helicopter pilots. The partnership contributes to enhancing readiness, mission effectiveness, and overall military capabilities.

## CAE's market position

Canadian Aviation Electronics has grown into a powerhouse in multiple fields but has seen particular strength in the aerospace industry. As a whole, CAE has a market cap of roughly \$9.3 billion, a market float of around \$3.17 billion, and a share price that has stayed in and around \$29 a share, hitting a peak of \$41 in 2019.

The share price may have plateaued somewhat in the last 3 to 5 years but CAE is currently at the forefront of industries whose revenue is only going to grow in the wake of technological advancements in fields like aerospace, security, and defense. In particular, there are exciting movements happening with innovation in sustainable aviation in Canada right now that could ultimately be significantly profitable and beneficial.

## Can this simulation giant stay relevant long into the future?

The future for CAE appears exceptionally promising, driven by ongoing technological innovations and the growing global demand for high-quality training and simulation solutions. As the aviation industry continues to expand, CAE is poised to maintain its leadership position by leveraging cutting-edge technologies such as virtual reality, artificial intelligence, and data analytics to enhance the realism and effectiveness of its training programs.

Their commitment to sustainability aligns with the aviation sector's increasing emphasis on environmental responsibility, positioning them as a forward-thinking partner in the industry. CAE's global reach, extensive partnerships, and adaptability to emerging markets also provide a solid foundation for future growth, allowing them to tailor their solutions to meet the specific needs of diverse clientele worldwide.

Additionally, the healthcare sector's growing recognition of the importance of medical simulation and patient safety will drive further expansion for CAE. Their expertise in healthcare simulation solutions positions them to play a vital role in preparing healthcare professionals for future healthcare crises and improving patient care.

Essentially, CAE has established a foothold in multiple different fields with its simulation training innovations. This tech is in a strong position to grow into the future as the demand for efficient training in safe simulated environments for the medical and defense fields won't be dissipating anytime soon.

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