



## Parents: Pay for Your Child's Education With This 1 Stock!

### Description

With a market capitalization just \$200 million apart, **Beyond Meat** and **CAE** ([TSX:CAE](#))([NYSE:CAE](#)) are somewhat similar. Luckily for investors, the similarities end there.

Beyond Meat's stock price has increased 120% since its IPO in May 2019. CAE's stock price has increased 799% since its IPO in 1995.

In my opinion, Beyond Meat's stock is overvalued with revenues of \$88 million at year-end 2018, despite having a market capitalization of \$8.85 billion. At a more realistic market capitalization of \$8.69 billion with \$3.3 billion in revenues, CAE clearly has a more proportionate valuation.

CAE is a global company that offers training for civil aviation, defence, security, and healthcare. It specializes in simulators and synthetic exercises that are alternatives to real life training.

**Air Canada** is one of its clients, and the benefits from using the simulator include saving on fuel that would be used for training purposes as well as preventing a real plane from crashing in the event that the student pilot makes an error.

CAE is a worthwhile investment due to its list of clients and increasing operating incomes

### List of clients

The beauty of CAE is its leading market position in the simulation industry. In addition to partnering with Air Canada for its flight training needs, it is also engaged in joint ventures with some of the world's largest companies.

In its airline division, the company partners with China Eastern, Emirates, IndiGo, Japan Airlines, Lufthansa, and Singapore Airlines, just to name a few.

One of the company's more valuable partnerships is the one with Emirates Airlines. It currently offers flight training at the Silicon Oasis and Al Garhoud centres located in Dubai.

Its Al Gahoud training location offers business pilot training and maintenance training on various aircraft platforms. The Silicon Oasis location offers airline pilot training and business pilot training. Between these two locations, CAE offers comprehensive aviation training to clients in the region.

This is good news for investors, as the company's profile of partnerships give it credibility, which leads to [additional business in the future](#).

## Increasing operating income

The company's operating income has increased every year for the past five fiscal years from \$280 million in fiscal 2015 to \$418 million in fiscal 2019.

As an investor, it is imperative to find a company with a strong operating income as it represents income derived from the company's main line of business before one-time deductions. Given that CAE's operating net income is increasing every year indicates that the business is growing.

## Summary

When it comes to simulation training in the aviation, healthcare, defence or security industries, there is no better company than CAE.

With an international footprint and its partnership with leading airline companies around the world, CAE has effectively branded itself as the go-to company for a myriad of training needs.

Although it is a little-known fact, the company is responsible for the NATO Flying Training in Canada program, which specializes in [training pilots to be combat ready](#). Given the sensitivity of this training program, the fact that CAE landed the contract gives credence to its position as a trusted and reliable provider of simulation services.

### CATEGORY

1. Investing
2. Tech Stocks

### TICKERS GLOBAL

1. NYSE:CAE (CAE Inc.)
2. TSX:CAE (CAE Inc.)

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**Date**

2025/08/25

**Date Created**

2019/10/26

**Author**

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