



SECTOR LEADERSHIP

**DIMITRIOS GEROGIANNIS**

It would be difficult to find a greater contrast than that between the fortunes of Aegean Airlines today and those during what its chief executive Dimitrios Gerogiannis calls the “perfect storm” at the height of Greece’s economic crisis in 2009.

The Star Alliance carrier reported a €120 million (\$139 million) EBITDA profit for the 2017 financial year – a 56% improvement on the year before and a fifth consecutive year of profitability.

Earlier this year, Aegean unveiled an order for 20 Airbus A320neos and 10 A321neos as the centrepiece of a fleet modernisation programme.

One awards judge says: “It’s an economy that’s gone through hell... to make it work and to do what he’s done is outstanding.”

At a time of consolidation within the European market, Aegean remains fiercely independent and Greek-owned.

Speaking at the UK Aviation Club in London in February, Gerogiannis described how after seven consecutive years of profit

from 2003 to 2009, Aegean faced two major challenges. In that year, the “long-term structural problems” of the Greek economy “surfaced very violently” leading to the “perennial” Greek crisis.

“The result of this crisis has been a reduction of 25% of the GDP of Greece in seven years – this is the worst and longest economic crisis any European country ever experienced, including post-war Germany,” he says.

Aegean was also “excluded” from participating in the privatisation of Greek carrier Olympic Air. In reaction, it made two “important decisions”, he says.

One was to “defend” the airline’s position in international markets, which it had been growing since 2006 as domestic traffic began to falter. The second was not to “allow or give space for... Olympic to grow”.

The strategy has borne fruit. Despite facing increasing low-cost competition, including the establishment of a Ryanair base at Athens, Gerogiannis says Aegean keeps growing and has held its own on international routes.

In October 2013, Aegean secured permission from the European Commission to merge with Olympic, having previously been blocked from doing so on competition grounds.

“Post-Olympic and post-2013 we very quickly exploited the synergies between Aegean and Olympic and we started growing the company immediately after the acquisition,” he recalls.

Between 2013 and 2017, it doubled the size of its fleet from 30 to 60, saw a two-fold increase in revenue and doubled passenger numbers from 6.2 million to 13.2 million, while also growing its international network.

Gerogiannis emphasised the importance of its “people” in its success to date during his speech in London. With Aegean operating similar aircraft to its competitors, its employees have proven to be a “tangible asset” for the airline to differentiate itself.

With Greece set to officially end its financial assistance from the Eurozone in August, the outlook for Aegean seems bright.

Oliver Clark



Fleet modernisation has begun

**“We very quickly exploited synergies between Aegean and Olympic”**

DIMITRIOS GEROGIANNIS  
 Chief executive, Aegean Airlines

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\*Before 2017, this category was “Regional Leadership”