



EXECUTIVE LEADERSHIP

CALIN ROVINESCU

Air Canada chief executive Calin Rovinescu stresses the importance of managing the carrier with an eye on long-term profits, not short-term movements in the company's stock.

"Everything this leadership team has been doing has been focused along the lines of long-term, sustainable profitability," he tells FlightGlobal.

Though that philosophy at times created friction with financial analysts, Rovinescu has delivered.

Since he became chief executive in April 2009, Air Canada has swung from a company with vast financial problems to a fast-growing, profitable machine that holds an increasingly relevant position on the world airline stage.

"My philosophy has been to be surrounded by a group of people who are empowered," Rovinescu explains.

"We embarked on our path toward becoming a global champion," he adds. "We didn't want to be relevant just in Canada or North America."

One judge described Rovinescu as "a slam-dunk" for this award, saying "it's recognition for this year, but it's a long-term project – Air Canada is still doing the right thing".

In 2009, Air Canada faced a "liquidity crisis" – it had "bloated" costs, a growing pension deficit of C\$3.2 billion (\$2.4 billion) and stock that at times traded for less than C\$2 per share.

Air Canada lost C\$24 million in 2009 – a notable improvement from 2008 – closing the year with C\$1.1 billion in cash and short-term investments.

"Those were the cards we were dealt when I started," Rovinescu says. "That burning platform created a phenomenal opportunity to transform."

Flash forward to 2017, when Air Canada earned a C\$2 billion profit with nearly C\$4 billion in cash and short-term investments on hand. It posted profits in each of the last six years, and shares now trade at greater than C\$20.

Over the past nine years, Rovinescu's team have addressed the pension issue, secured new

financing and negotiated fresh agreements with labour groups.

They also set a goal to cut unit costs 15% between 2012 and 2018, then raised the target to 21%.

Air Canada predicts 2018 unit costs will be about 17% less than in 2012 – an improvement made possible by broad fleet and network changes, Rovinescu says.

Under his leadership, Air Canada embarked on significant international expansion to dozens of distant cities. It introduced 35 Boeing 787s, added seats to other aircraft types and, in 2013, launched low-fare unit Rouge.

Air Canada also expanded hubs in Montreal, Toronto and Vancouver, and sought to carry more overseas-bound US passengers.

Last year, Air Canada started acquiring Boeing 737 Max aircraft, and it expects to receive its first Bombardier CS300s in 2019.

As fortunes improved, so did employees' mindsets. "You start feeling like a winner," Rovinescu says. "We are starting to walk the walk on this question of global competitiveness."

Jon Hemmerdinger



Max Kingsley-Jones/FlightGlobal

Fleet renewal: 35 787s added

"That burning platform created a phenomenal opportunity to transform"

CALIN ROVINESCU
 Chief executive, Air Canada

PAST WINNERS

2017 Alan Joyce, Qantas | **2016** Michael O'Leary, Ryanair | **2015** Willie Walsh, International Airlines Group | **2014** Temel Kotil, Turkish Airlines | **2013** James Hogan, Etihad Airways | **2012** Shinchiro Ito, All Nippon Airways | **2011** Kong Dong, Air China | **2010** Richard Anderson, Delta Air Lines | **2009** Enrique Cueto, LAN | **2008** Wolfgang Mayrhuber, Lufthansa | **2007** Jean-Cyril Spinetta and Leo van Wijk, Air France-KLM | **2006** Gerard Arpey, American Airlines | **2005** Geoff Dixon, Qantas | **2004** Willie Walsh, Aer Lingus | **2003** Rod Eddington, British Airways | **2002** Xavier de Irala, Iberia

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