

> CFI.co Meets the Founder, Chairman and Chief Executive Officer of Seabury Group: John Luth

John Luth thrives on turbulence. As the airline industry weathers a succession of storms – seeking refuge in consolidation, streamlined operations, and peak efficiency – the former CFO of Continental Airlines offers winning formulae to troubled carriers.

Keeping airlines aloft and profitable is the core business of Seabury, an aviation banking and consultancy firm Mr Luth founded in 1995. At the time, Continental was just 21 months out of Chapter 11, but was running short on cash and had too many aircraft. Gordon Bethune, then CEO, asked Mr. Luth to stay on to manage an out-of-court process, but instead Luth struck a deal to allow him to cash out his severance package, reinvest in Continental stock options, and then through his new advisory company, lead a highly successful \$550 million liquidity financing for Continental in 1995.

The results were that Continental was saved from liquidation, its stock soared by more than 12x and Mr. Luth made a small fortune which he used to capitalize what today is the Seabury Group. Initially conceived as a boutique consultancy providing both restructuring advice and investment banking services – a synergy pioneered by Seabury – to struggling carriers.

A communicator par excellence, John Luth strongly believes in transparency and sharing: “In negotiations, I usually begin by clearly stating our goal, in order that we may all help devise a roadmap that gets us to where we need to be.” With a reputation as an exceptionally strong, if not ruthless, negotiator, Mr Luth is widely recognised as one of the world’s premier airline restructuring experts.

Seabury holds a unique position in the aviation sector for operating on the crucial junction between corporate restructuring and aircraft financing: a previously inexistent niche John Luth carved out for his company. From an esoteric purveyor of operational expertise and aircraft financing options, Seabury quickly moved into the mainstream thanks to word of mouth and a string of successful turnarounds. Good news travels fast as well, and Seabury has seen its business grow by a 35% annual average.

“Airlines benefit from our unbiased approach. We are the outsiders looking in and, as such, unencumbered by historical baggage. Seabury’s professionals address all issues objectively, comprehensively and fast. Our integrated method to troubleshooting is based on the accumulated knowledge and experience of the Seabury team.”



CEO: John Luth

Mr Luth stresses that Seabury only hires the best from the industry – people with proven track records and well-established reputations. “We put great stock in client relations. Having outsiders to revamp a struggling business may not always be appreciated in all quarters. However, we do try to make our interventions a fun process for clients by working closely together, bringing in seasoned professionals who become part of the team instead of know-it-all’s fresh out of business school.”

Branching out, Seabury has developed a powerful software application that monitors airline performance in real time using a vast array of indicators and parameters. “It’s something we and our clients are really excited about. Carriers using our software can now evaluate how they are doing at any given time. Already three out of the four major US airlines are using this package to

maintain their operations at peak efficiency.”

Eyeing expansion, Seabury is now setting its sights on the European aviation space and on applying its knowhow to other sectors such as the aerospace and defence industries. “We are also considering a move into merchant banking using our human capital and further exploring synergies.”

John Luth recently helped restructure Monarch Airlines in anticipation of its sale to a private investment group. He also facilitated the airline’s acquisition of thirty Boeing 737 MAX 8 narrow-body aircraft in a deal worth around \$3bn.

Mr Luth holds a Bachelor of Arts degree (magna cum laude) in Economics from the College of the Holy Cross and a Master in Business Administration from the University of Pennsylvania’s Wharton Graduate School. ❁