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Yandex to Expand UberEats in Russia With Local Acquisition

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Andrey Rudakov / Bloomberg

(Bloomberg) — Yandex NV, Russia's largest search engine, bought local food-delivery firm Foodfox to expand its tie-up with Uber Technologies Inc. in the country, according to a statement Monday.

Uber agreed in July to merge its business in Russia and CIS with Yandex into a $3.7 billion joint venture to be controlled by the Russian company, as it battles across the globe with local car-sharing and food-delivery startups. The deal, approved by the Russian antitrust service and set to close in January, also included UberEats.

Related article: Russian Tech Giant Yandex Merges Taxi Service With Uber

The venture's food-delivery division will be headed by Foodfox founders Maxim Firsov and Sergey Polissar, Yandex said in the statement. Foodfox works with over 2,000 restaurants in

Moscow.

UberEats says it offers food from “several hundred” places in Moscow and delivers from McDonald’s under a global contract. That compares with 6,500 restaurants, including Burger King, Dunkin’ Donuts, and Subway, that work with Mail.ru Group Ltd.’s Delivery Club, the largest service in the market.

Yandex shares rose as much as 1.1 percent in Moscow.

Russia’s food-delivery market is worth $1.3 billion, according to Mail.ru, which acquired Delivery Club a year ago from Germany’s Rocket Internet SE for $100 million. Foodfox, which says it’s the second-largest player in Moscow, is seeking regional expansion, using Yandex’s online advertising power.

Yandex didn’t disclose how much it paid for Foodfox in its statement. In November, the RBC news website reported the price tag was less than $10 million.

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