

Russia's Biggest Grain Freight Transporter Postpones Share Sale

RusTransCom was planning to list on the London Stock Exchange.

By [bne IntelliNews](#)

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There have been a number of IPOs on the Russian equity market since the start of 2019. **Pixabay**

Russian rail operator RusTransCom, which transports grain, mineral fertilisers, and timber, has postponed its plans for an initial public offering (IPO), the company said in a [statement](#).

The company had planned to launch an IPO on the London Stock Exchange to raise \$300 million, which would have been the first IPO by a Russian company in almost two years on the LSE.

Since the start of 2019 there have been a number of IPOs on the Russian equity market, after no deals since August 2018. But the postponement of the RusTransCom IPO along with the earlier shelving of a Secondary Public Offering (SPO) by meat major Cherkizovo, show the trend may be faltering.

While Cherkizovo reportedly could not raise enough bids at the price it set, RusTransCom said it had “received several proposals regarding private equity transactions, which are better aligned with the Group’s development strategy.”

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Molesto Investments, owned by Konstantin Sintsov and Konstantin Zasov holds 95.7 percent of RusTransCom. The freight company had put two independent directors on the board ahead of the IPO — Marcus Rhoads, formerly at Ernst & Young and Will Ebott, formerly of BoA Merrill Lynch, Renaissance Capital, VTB Capital and Deutsche Bank/UFZ.

RusTransCom operates 68,000 freight cars, more than half of which are for the transportation of grain. In 2018 the company transported 60.7 million tonnes of grain, made revenues of 51.5 billion rubles, net profit of 11.6 billion rubles and had an Ebitda margin of 60 percent.

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