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Russian Oligarch Sells Stake in Shoe Retailer

The buyer of shares in Obuv Rossii has not been named, nor the value of the deal disclosed.

By bne IntelliNews

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Billionaire Mikhail Prokhorov, sold its entire 15.625% stake in Russian shoe producer and retailer Obuv Rossii **bne IntelliNews**

Karyo Holdings, controlled by billionaire Mikhail Prokhorov, sold its entire 15.625 percent stake in Russian shoe producer and retailer Obuv Rossii (OR), the company told bne intellinews. The buyer of the shares and the value of the deal have not yet been disclosed.

Prokhorov's was a very successful speculative investment. He bought a stake in a private equity deal between the company's first and second attempts at an initial public offering (IPO).

Related article: Russian Shoe Sales Plummet Amid Economic Crisis

Obuv is a classic Russian retail story. Its offering is priced in the mid-market and focuses on the burgeoning middle class living in the regions. Russia's footwear market is in recovery mode and has long-term growth potential, as Russians own a fraction of the shoes that their Western peers do, the company's CEO Anton Titov told bne in 2017.

Titov currently owns a 50 percent stake in OR. In April, the company said it is planning to open 150 new stores. As of the end of March 2019, the total number of points of sale stood at 756 stores, including 167 franchise stores.

OR more than doubled its net profit to International Financial Reporting Standards in the first quarter of 2019, posting bottom line growth of 161 percent to 217 million rubles — up by 126 percent to $3.4 million. The company's Ebitda was up by 77 percent year-on-year, with both net profit and earnings beating consensus expectations for the reporting quarter.

Since 2016 Prokhorov has been selling off his assets in Russia after an alleged "imperative recommendation" from Kremlin.

His downfall has been linked to his short-lived political ambitions in 2012.

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