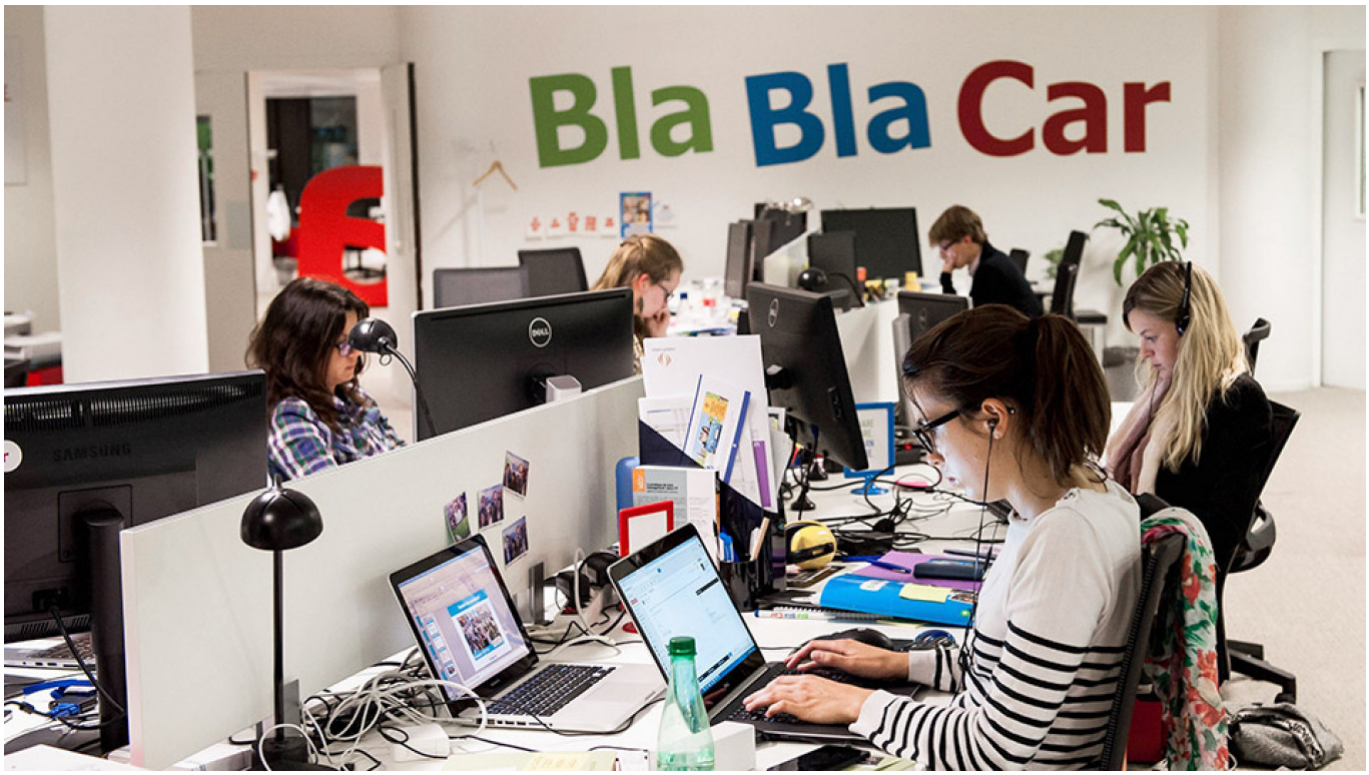
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Ride-Sharing Group BlaBlaCar Looks to Expand Into Bus Ticketing in Russia and Beyond

The French carpooling giant is set to acquire Busfor and kick-start the digitization of bus ticket sales.

By East-West Digital News

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BlaBlaCar is the carpooling market leader in Russia. **Imago / TASS**

French carpooling giant BlaBlaCar is aiming to expand into a new market segment with the acquisition of international bus ticketing platform Busfor, the business daily Kommersant reported, citing BlaBlaCar CEO Nicolas Bruisson and Busfor co-founder Ilya Yekushevsky.

A deal would mark an important step toward the consolidation and digitization of the bus ticketing market in Russia and other countries where BlaBlaCar and Busfor would operate jointly.

The deal, which is still subject to regulatory approval, could be completed in the fourth quarter of 2019. The terms of the agreement have not been disclosed, but Kommersant quoted unnamed industry insiders as saying a no-money transaction is a possibility, with Busfor's shareholders receiving a stake in the French company.

One of the sources believes Busfor's options are limited due to the small amount of cash remaining in the company's coffers, despite a 2018 $8.5 million injection from Swedish shareholder Vostok New Ventures (VNV). As of the second quarter of 2019, Busfor was valued at $69.95 million, according to the investment firm's financial report, as reported by Kommersant.

Related article: Russian Train Driver Suspended After Picking Up BlaBlaCar Passengers on the Job

BlaBlaCar entered the Russian and Ukrainian markets in 2014 through the acquisition of Ukrainian site Podorozhniki. Activity in Russia quickly reached a "phenomenal level," Bruisson has said — to the extent that it became the carpooling market leader in the country, while Russia overtook France as BlaBlaCar's biggest market.

The ride-sharing group asserted its leadership in Russia last year with the acquisition of BeepCar, a competing carpooling service run by Mail.Ru Group. In early 2019, BlaBlaCar began publishing bus ride offers on its Russian platform.

BlaBlaCar claims to have invested more than $10 million in developing its service in Russia, which is used today by "over 20 million members" with "more than 100,000 daily rides."

The company has two shareholders in common with Busfor: Baring Vostok, the famous U.S.-led Russian private equity firm, which invested €21.3 million in the company in 2016, and VNV, which could see its stake in BlaBlaCar increase as a result of the acquisition of Busfor.

Online ticket sales

Launched in Ukraine in 2010, Busfor — previously known as Gillbus — is now headquartered in Poland. It operates in Belarus, Russia, Ukraine; a range of EU countries including Albania, Austria, Bulgaria, Czechia, Italy and Poland; as well as in Thailand and other emerging countries.

The company claims to be in partnership with more than 700 bus companies, and hopes to sell more than 10 million tickets in 2019. According to Yekushevsky, the number of tickets sold more than tripled in 2018.

The average ticket price is $22, with Busfor getting a 15% fee on each sale, Kommersant reported last year, citing company data.

The bus transportation market in Eastern Europe and the former Soviet Union is worth $9 billion a year, and online ticket sales accounted for just 2%-5% of the total in 2018. Busfor believes online sales will grow to 30% of transactions by 2022, and aims to control a third of

this volume.

Since its inception, Busfor has received financial support from Intel Capital, InVenture Partners and FinSight in 2014, from Ukraine's Chernovetskyi Investment Group (CIG) in 2015, then from Baring Vostok and Elbrus Capital in 2016. In November 2017 InVenture Partners sold its share to Baring Vostok and Elbrus Capital.

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