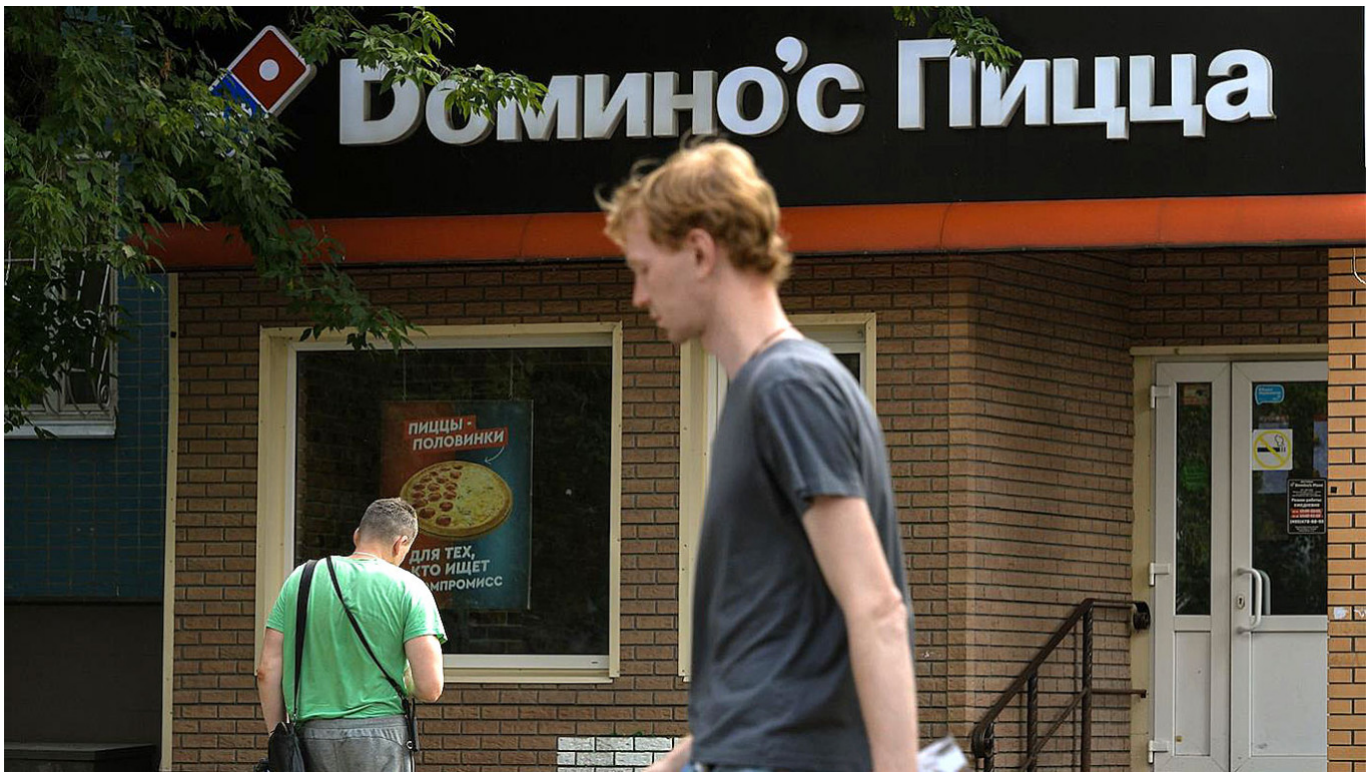
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Domino’s Pizza Files for Bankruptcy in Russia

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Domino's Pizza in Moscow. **Gleb Shchelkunov / Kommersant**

The franchise operator of Domino’s Pizza in Russia said Monday that its Russian business will file for bankruptcy after reportedly failing to sell off its assets.

“A bankruptcy petition of DPRussia will be filed in accordance with the relevant statutory requirements in due course,” DP Eurasia said in a statement.

The process “will bring about the termination of the attempted sale process of DPRussia,” it added without stating the reason for the failed sale.

In addition to Russia, Netherlands-based DP Eurasia is the master franchisee of the Domino’s Pizza brand in Turkey, Azerbaijan and Georgia.

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Last year, DP Eurasia announced an evaluation of its Russian presence and classified the Russian segment as “discontinued operations” in 2022 financial statements.

The franchise operator said its Turkish subsidiary had settled DPRussia’s external debt of 520 million rubles ($5.5 million), reducing gross debt and bringing gross cash balance to almost $6 million.

Since December, Russia has forced foreign companies leaving the country to sell their assets to Russian buyers at a 50% discount and charged them an exit fee of at least 10% of the transaction value.

DP Eurasia acknowledged an “increasingly challenging environment” for its Russian operations over the past several months, following Moscow's invasion of Ukraine and an exodus of Western companies.

The Kremlin’s recent seizures of major European corporations have sparked fresh concern among Western businesses still operating in Russia.

Domino’s Pizza first opened restaurants in Russia in 1998, with franchise agreements becoming available in 2016. At least 184 locations of the American pizza chain were still operating in Russia as of July 2022.

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