

Yandex NV Strikes \$5.2Bln Deal With Russian Investors

February 05, 2024



Yandex's corporate office in Moscow. [Moscow-Live Photobank / flickr](#)

Tech giant Yandex [announced](#) Monday it has agreed to sell its Russian assets to a consortium of Russian investors for 475 billion rubles (\$5.2 billion).

The deal marks an end to more than two decades of Western investment in Yandex, which for years was seen as the crown jewel of Russia's fast-growing tech industry and an example of successful Western investment in Russia.

The Netherlands-based Yandex N.V. had been negotiating a restructuring after Western sanctions over Russia's war in Ukraine forced Yandex to effectively split into two companies, with one based in Russia and the other in Amsterdam.

"Yandex N.V., the Dutch parent company of the Yandex group... has entered into a definitive agreement with a purchaser consortium to sell all of the Yandex group's businesses in Russia and certain international markets," the company said in a press release.

Related article: [Tech Giant Yandex Gets New Russian Owner Ahead of Restructuring](#)

Yandex's sale price includes the Russian government's "mandatory discount" of at least 50% to the "fair value" of Yandex's total assets, which Yandex N.V. estimates at 918 billion rubles (\$10.2 billion). Yandex's market capitalization had neared \$30 billion in the pre-war year of 2021.

The deal, which still needs the Kremlin's approval, is one of the largest among the spate of corporate exits since Moscow ordered troops into Ukraine.

Yandex N.V. said its board approved the sale unanimously and now needs majority approval from shareholders at upcoming presentations.

"We anticipate that the first closing will occur in the first half of 2024," the press release states.

The Netherlands-based holding company will retain a small chunk of Yandex's international-focused business lines, including AI cloud and data platforms, and self-driving technologies.

Yandex N.V. Board chairman John Boynton said the agreement announced Monday would allow shareholders to recover "some value" for the businesses from which it is divesting.

"We believe that the proposed sale will position both parts of the current group to develop and grow for the benefit of their stakeholders," he said.

Related article: [Yandex Co-Founder Arkady Volozh Condemns 'Barbaric' War in Ukraine](#)

Yandex N.V. said the buyer, an investment fund called Consortium.First, includes Russian companies and investment funds that are not under Western sanctions.

The buyers will be prohibited from transferring Yandex's shares for a year after the deal.

One of the investment funds to buy Yandex is ultimately owned by Russian oil major Lukoil.

As part of the deal, Yandex N.V. will be renamed and will no longer use the Yandex brand name.

Later on Monday, the Kremlin welcomed the proposed deal.

"Yandex is a national technology champion. For us, it is of course important that the company continues to work in the country," Kremlin spokesman Dmitry Peskov told reporters.

AFP contributed reporting.

Original url:

<https://www.themoscowtimes.com/2024/02/05/yandex-nv-strikes-52bln-deal-with-russian-investors-a83970>