

ANALYTICS

AUCHAN, NESTLÉ, FM LOGISTIC AND LEMANA PRO UNDER TEMPORARY MANAGEMENT. WHY IT HAPPENED AND WHAT COMES NEXT?

President Vladimir Putin on 17 September signed a decree placing under temporary management several of the largest remaining Russian assets of European companies: namely, the main Russian legal entities of the French grocery chain **Auchan**, the home-improvement retailer **Lemana Pro** (formerly Leroy Merlin), the French logistics operator **FM Logistic** and Switzerland's **Nestlé**, the world's largest food and beverage producer.

The combined revenue of these assets is estimated at 1 trillion rubles (USD12 billion). The temporary manager of all the companies is L.E.V. Management, a little-known joint-stock company set up about two years ago with charter capital of 15,000 rubles (USD180), zero revenue in 2025, one employee and undisclosed owners.

How the companies operated in Russia after 2022

Nestlé stopped investing in the Russian market in March 2022 and withdrew a number of its global brands from sale there, but continued to supply essential products and kept six factories in Russia making confectionery, baby food and pet food. It has not said it intends to sell its Russian business.

The Mulliez family, which owns Auchan, has likewise made no statement about leaving Russia. In autumn 2024, however, the media reported that the French owners might sell the business, with sources naming Gazprombank as a potential buyer. Auchan's Russian office dismissed the reports as rumours at the time. According to the newspaper *Izvestia*, Auchan agreed this summer to sell its Russian business to the investment holding Kama Capital, but the deal could not be completed. It finally collapsed after the asset was placed under temporary management.

Lemana Pro was controlled by other members of the Mulliez family. Unlike Auchan, the business changed its name and nominal owner in Russia. Since late 2023, 99.99 % of the Russian legal entity of the former Leroy Merlin has been held by a structure from a "friendly" jurisdiction: Scenari Holding LP, a company registered in the United Arab Emirates whose owners are unknown. The French group Adeo still holds 0.007 %. The business was run by local management.

The family-owned FM Logistic worked with many Russian companies, including Nestlé's Russian subsidiary: the food and drinks maker stored its goods in the operator's warehouses, a source in the commercial property market told *RBC*. FM Logistic also served Auchan in part. Before 2022 its portfolio comprised 22 warehouse complexes in various regions with a total area of 816,000 sq m, but the portfolio has since changed. In recent years the operator has sought buyers for its warehouses under a sale-leaseback scheme (in which the owner sells a property but remains its tenant). According to the *RBC* source, the company now owns roughly a quarter of that space: 216,000 sq m in Moscow, Rostov-on-Don and Ulyanovsk.

Reaction to the decree and the management shake-up

One factor in the decision to put the Russian assets of Nestlé and Auchan under temporary management, the Kremlin said, was that their owners are based in European countries that Moscow regards as "unfriendly". According to Kremlin spokesman Dmitry Peskov, Moscow took into account these countries' involvement in military action against Russia, including strikes on civilian economic infrastructure, as well as other factors of a "working nature". L.E.V. Management was chosen as manager because it "best met the necessary parameters", Peskov added.

Lemana Pro and Auchan's Russian office said all of their sites continued to operate as normal. Nestlé "took note" of the presidential decree and pledged to maintain continuity of its business operations in Russia, while saying it would take the steps necessary to protect its rights. On 18 September Switzerland's State Secretariat for Economic Affairs said it was "concerned" about the situation and was working with Nestlé "to reverse the compulsory management", *Bloomberg* reported.

Soon after the decree, the temporary manager sent letters to the management and staff of the companies. Andrei Krayushkin, chief executive of L.E.V. Management, told Auchan's management there were no plans to replace the retailer's current leadership or revise the terms of its operation. In an address to employees of Nestlé Russia, meanwhile, he said the food producer would continue to operate under executive director Denis Voityuk, to preserve continuity and keep the business running effectively.

It later emerged, however, that the chief executives of Auchan, Lemana Pro and FM Logistic had been replaced. Auchan's new chief executive is Ilya Berdnikov, who previously worked at X5, Mondelez International and Kraft Heinz. Asya Balabay, who held the post before him, will stay on as the company's executive director.

Lemana Pro is now headed by Denis Isaev, who according to the State register of legal entities owns 64.5 % of the Krasnodar-based commercial bank Gaztransbank and 95 % of the Krasnodar company Tsentri-Hotel. He replaced the Frenchman Laurent Defassieu, who had led the Russian company since 2019.

Yevgeny Nenashev has become chief executive of all the Russian entities of FM Logistic. According to the SPARK database, he previously held stakes in several businesses of Vadim Chigirinsky, including City Media and City Entertainment Group, and was also a minority shareholder in Askania Trust, a small commercial bank but one of the oldest in Russia. His predecessor, Oleg Alkhamov, will remain executive director.

There were changes at Nestlé's main Russian legal entity too, but a different mechanism provided for by law was chosen there. The right to act alone on behalf of Nestlé Rossiya LLC went not to an individual with the status of chief executive but to a legal entity, L.E.V. Management. Until 23 September 2026 those powers belonged to the company's chief executive, Denis Voityuk, according to the state register. Voityuk will remain for now as executive director of Nestlé Russia, a source at one of the group's companies told *RBC*.

A change of chief executive is a fairly predictable method, already used before, of establishing de facto control over a company once its shares or stakes have been placed under temporary management, lawyers say. The temporary manager receives the owner's powers over the shares or stakes transferred to it, subject to the restrictions set out in the decree. But that does not in itself make it the company's chief executive or give it the right to sign contracts directly on the company's behalf. The manager cannot sell or pledge the shares, which remain with the foreign owner.

What temporary management means

This is not the first time the Russian assets of foreign companies have been placed under temporary management. The mechanism was introduced by Decree No 302 in April 2023 and was first applied to the Russian assets of the energy companies Fortum and Uniper. Among large consumer-sector companies, the Russian subsidiary of France's Danone and the brewer Baltika, previously owned by Denmark's Carlsberg, have also been subject to it. They were later taken out of the management of the Federal Property Management Agency and sold to new Russian owners. Canpack, the international maker of aluminium cans, recently went the same way: its Russian plants were sold to a Russian businessman after about eight months of temporary management. By *RBC*'s count, however, of 28 cases of temporary management, the Russian assets of 21 foreign groups remain under it. The latest episode was the transfer of the assets of the German retailer **Metro** to temporary management in late September.

As a rule, temporary management can serve as an interim stage before a sale, but that outcome is not predetermined. The procedure in itself does not automatically signal preparation for a sale. The Russian business of the Italian appliance maker **Ariston**, for instance, was taken out of temporary management in 2025 and returned to its previous owner. The *Financial Times* reported that "intensive lobbying by senior Italian officials" played the decisive role in that case.

Placing assets under temporary management can be a "preparatory" stage before a full transfer of control over a business, or a way of "encouraging" current owners to decide more quickly to hand it over, lawyers say. One M&A adviser calls it "coercion to sell". If temporary management "pushes" current owners to sell, the sale will take place at a substantial discount, experts believe.

RBC's sources see coercion to sell in Nestlé's case in particular, noting that this summer a company previously unknown in the market, KS Logistics LLC, asked President Putin to introduce temporary management at Nestlé's Russian subsidiaries.

Ulrich Schmid, a professor at the University of St Gallen, argues that the timing of the move against Nestlé's assets is no accident. "The Kremlin is sending the following message to Switzerland: If you hadn't imposed sanctions on Russia, our economic relations would be untroubled," he told *Bloomberg*.

Among those who may be interested in gaining access to the assets of Auchan and Lemana Pro are marketplaces, which could be drawn by the chains' large distribution centres, one of RBC's sources in retail said. Another source points out that, alongside the consumer-sector companies, placed under temporary management was also the subsidiary of one of the world's largest logistics operators.

The Russian assets of Auchan and Nestlé are attractive among other things because "a lot of cash" has built up on their balance sheets after they long paid no dividends to owners in unfriendly countries, says Mikhail Burmistrov, chief executive of INFOline-Analytics. In Lemana Pro's case it is unknown whether the company paid dividends, because the subsidiary's financial statements are not publicly disclosed.

Lemana Pro is the most valuable of the companies placed under temporary management: Burmistrov puts its value at 300 billion to 350 billion rubles (USD3.6 to USD4.2 billion). For Auchan the figure is 60 billion to 70 billion rubles, and for Nestlé 160 billion to 170 billion rubles (including money in bank accounts).

Experts also do not rule out another scenario, in which the assets of Auchan, Lemana Pro, Nestlé and FM Logistic soon change not their owner but their manager. One of RBC's sources in the financial market allows that the assets could be transferred in the short term to a new temporary manager, and that a large financial or industrial group could theoretically be appointed to manage them later.

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