

Q3 2020 Financial Results

Supplementary Slides

November 20, 2020



Important Notice

This presentation, and the accompanying oral presentation, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation, and the accompanying oral presentation, that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our expected financial performance and operational performance for the year ending December 31, 2020, as well as statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “forecast,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature. These forward-looking statements are based on management’s current expectations. Actual results may differ materially from the results predicted or implied by such statements, and our reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, significant competition in our markets, our ability to maintain and enhance our brand, our ability to improve our user experience and product offerings, our ability to respond to industry developments, our reliance on Russian Internet infrastructure, macroeconomic and global geopolitical developments affecting the Russian economy or our business including the COVID-19 pandemic, changes in the political, legal and/or regulatory environment, privacy and data protection concerns and our need to expend capital to accommodate the growth of the business, as well as those risks and uncertainties included under the caption “Risk Factors” in our Annual Report on Form 20-F for the year ended December 31, 2019 and our prospectus pursuant to the Rule 424 (b) filed with the SEC on July 16, 2020 as such factors may be updated from time to time in our other filings with the U.S. Securities and Exchange Commission (“SEC”), which is on file with the SEC and is available on the SEC website at www.sec.gov. In addition, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements that we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation are inherently uncertain and may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. Accordingly, you should not rely upon forward-looking statements as predictions of future events. In addition, the forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this presentation. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Unless otherwise indicated, information contained in this presentation concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third-party sources, as well as data from our internal research and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described above. These and other factors could cause results to differ materially from those expressed in the estimates made by independent parties and by us.

This presentation includes certain financial measures not presented in accordance with the International Financial Reporting Standards (“IFRS”) including but not limited to, Adjusted EBITDA, Adjusted EBITDA Margin, Net Working Capital, Capex and Net Debt / Adjusted EBITDA, as well as operating metrics, including ARPC. These financial measures are not measures of financial performance in accordance with IFRS and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to loss after tax, revenue, gross profit or other measures of profitability, liquidity or performance under IFRS. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies, which may be defined and calculated differently. See the appendix for a reconciliation of these non-IFRS measures to the most directly comparable IFRS measure.

Certain figures in this presentation may not recalculate exactly due to rounding. This is because percentages and/or figures contained herein are calculated based on actual numbers and not the rounded numbers presented.

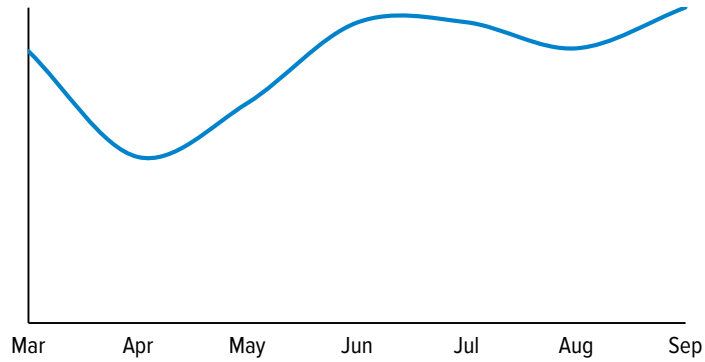


Operating metrics recovery

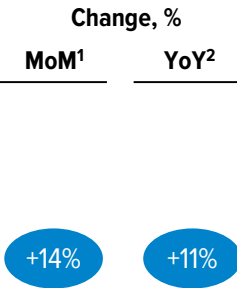
Candidate Activity

New CVs Inflow

Monthly average



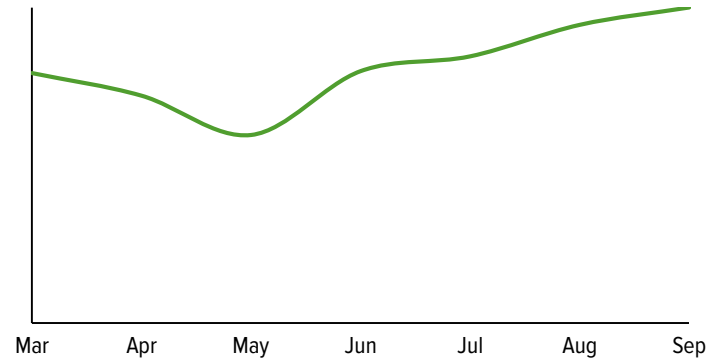
Source: Company data



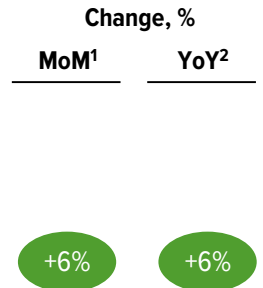
Employer Activity

Job Postings on the Platform

Monthly average

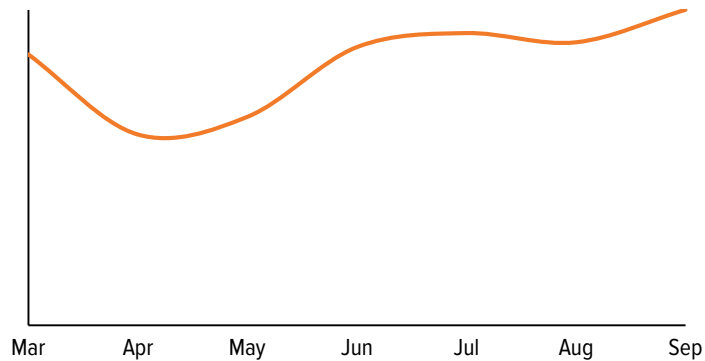


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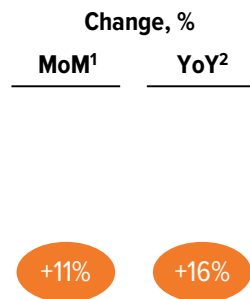


Job Postings Applications

Monthly average

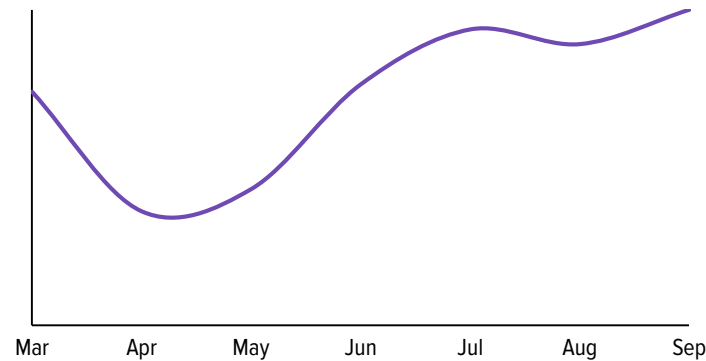


Source: Company data

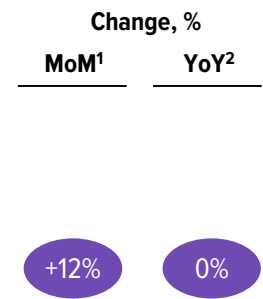


Interview Invitations

Monthly average



Source: Company data



1) September 2020 vs August 2020
2) September 2020 vs September 2019

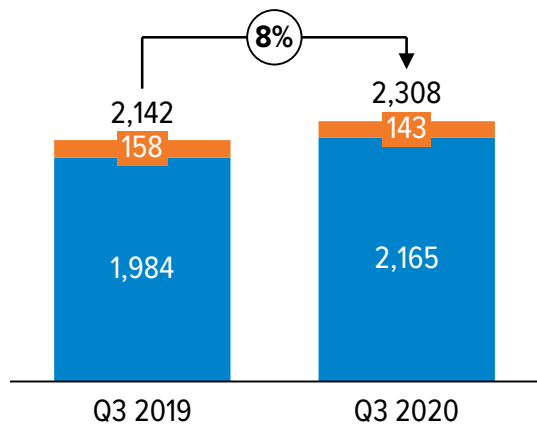
Key Financial Highlights in Q3 and 9M 2020

Q3 2020

9M 2020

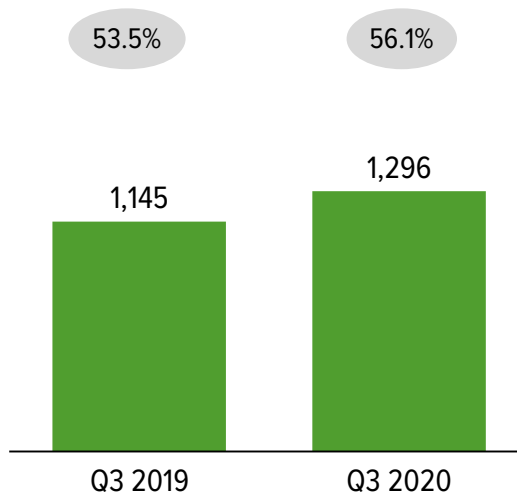
Revenue

RUB mm



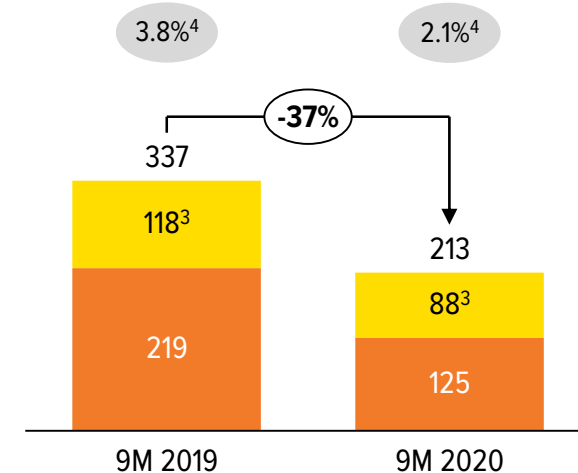
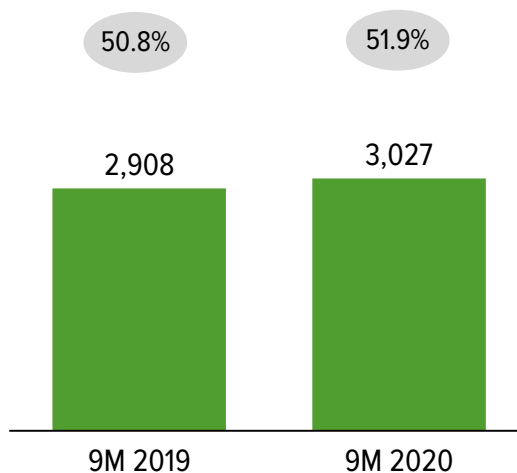
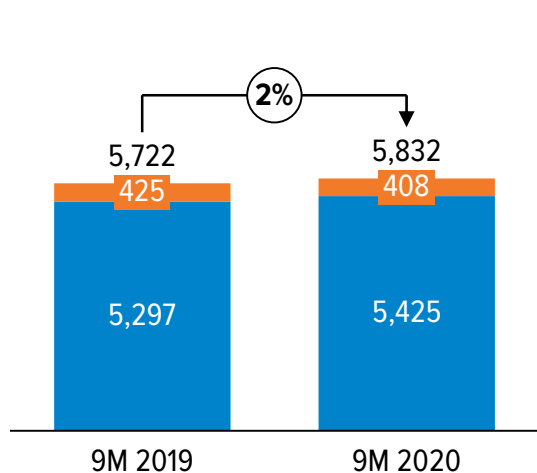
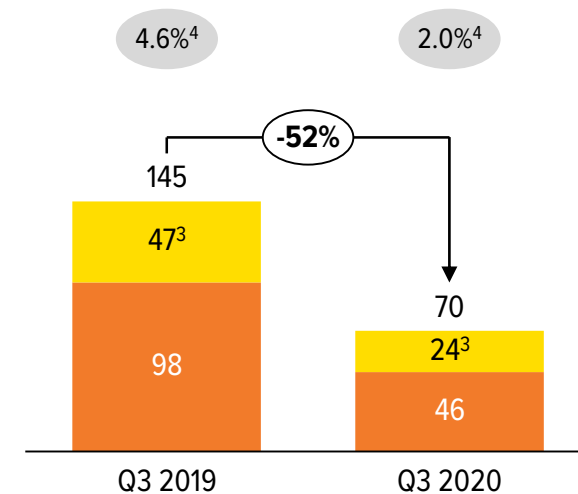
Adjusted EBITDA¹

RUB mm



CAPEX²

RUB mm



Russia Other segments

Adjusted EBITDA Margin, %

One off items As % of Revenue, %

1) Adjusted EBITDA is non-IFRS financial measure. See the appendix of this presentation for a reconciliation of this measure to the nearest IFRS measure..

2) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets

3) Redesign of Moscow and Yaroslavl offices

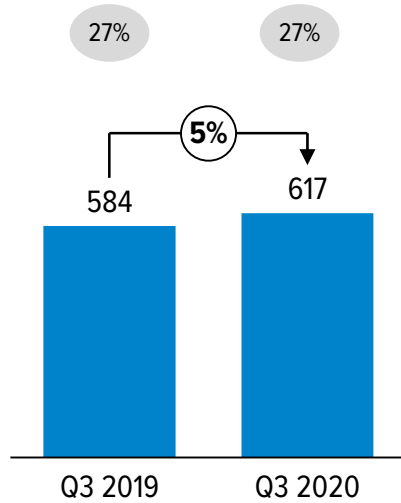
4) Capex as % of revenue excluding one-off effects in 2019 and 2020



Revenue by Product Type

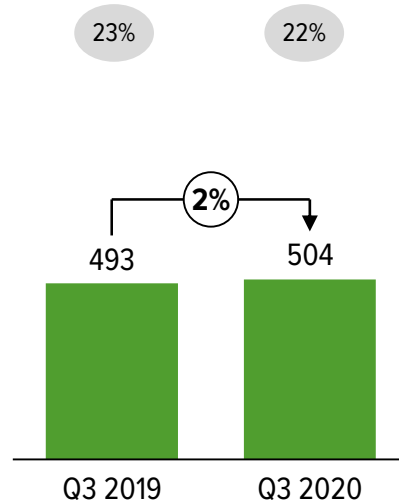
Bundled Subscriptions

RUB mm



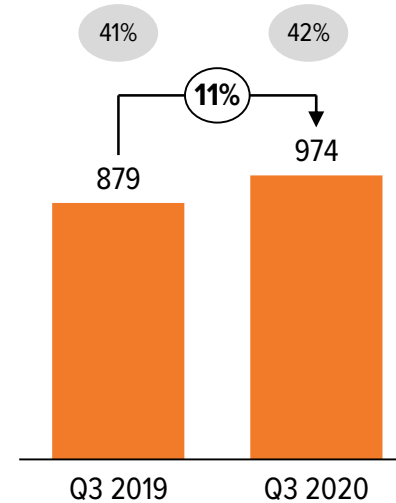
CV Database Access

RUB mm



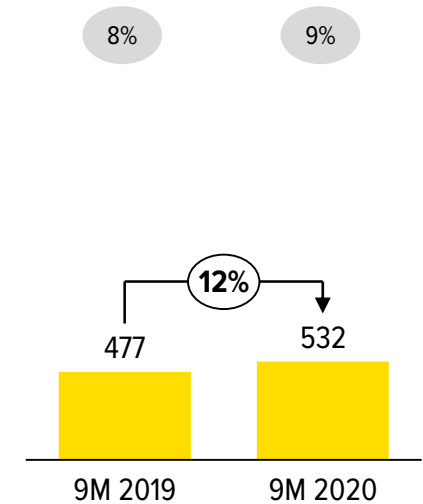
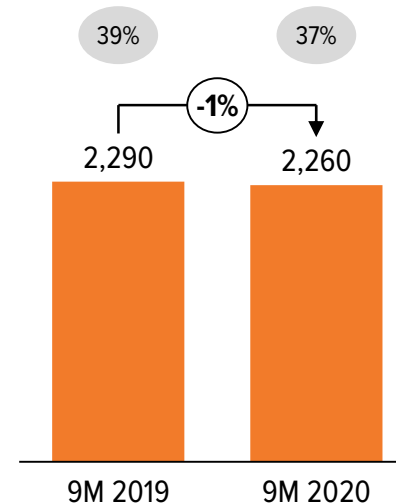
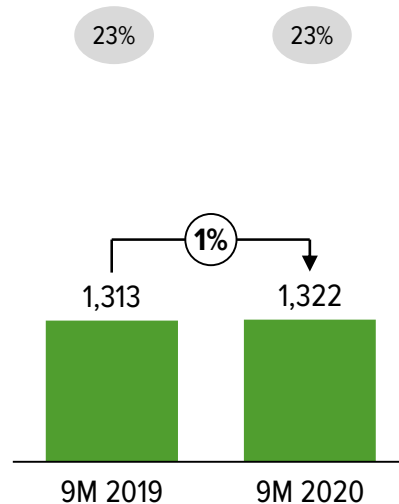
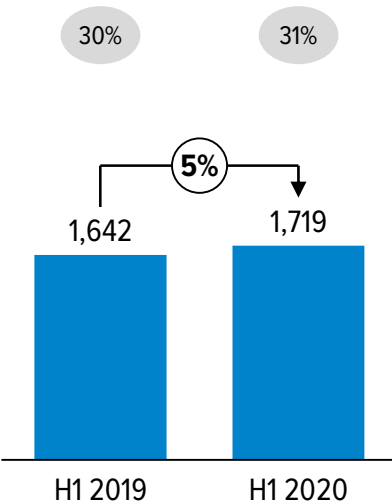
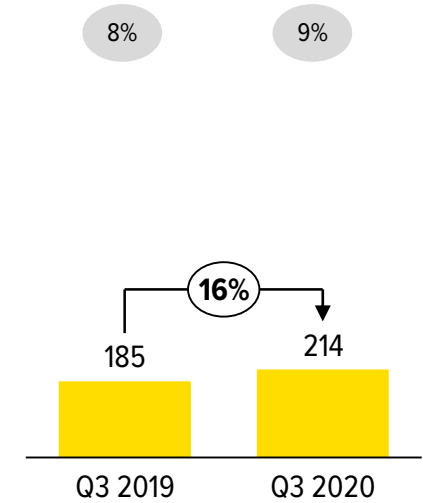
Job Postings

RUB mm



Other VAS

RUB mm



Q3 2020

9M 2020

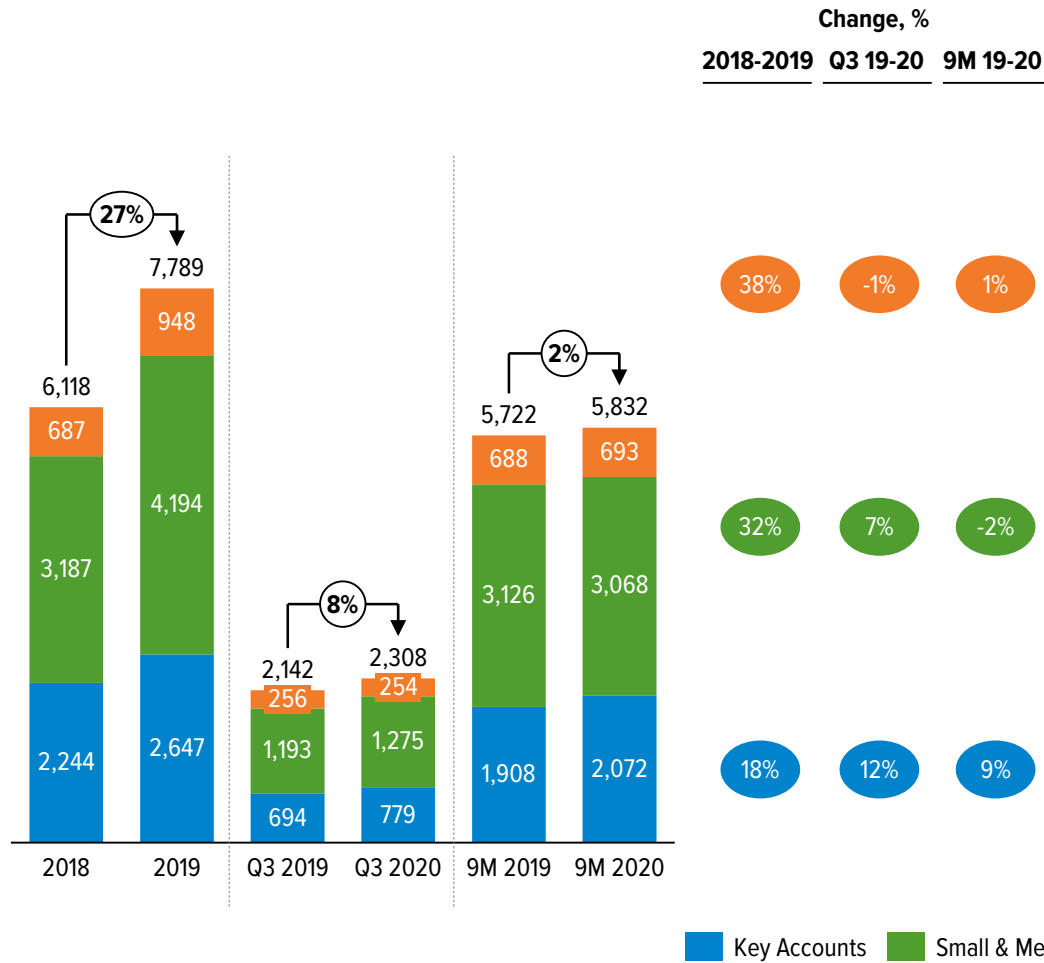
XX%

Share in revenue, %

Customer Base Growth

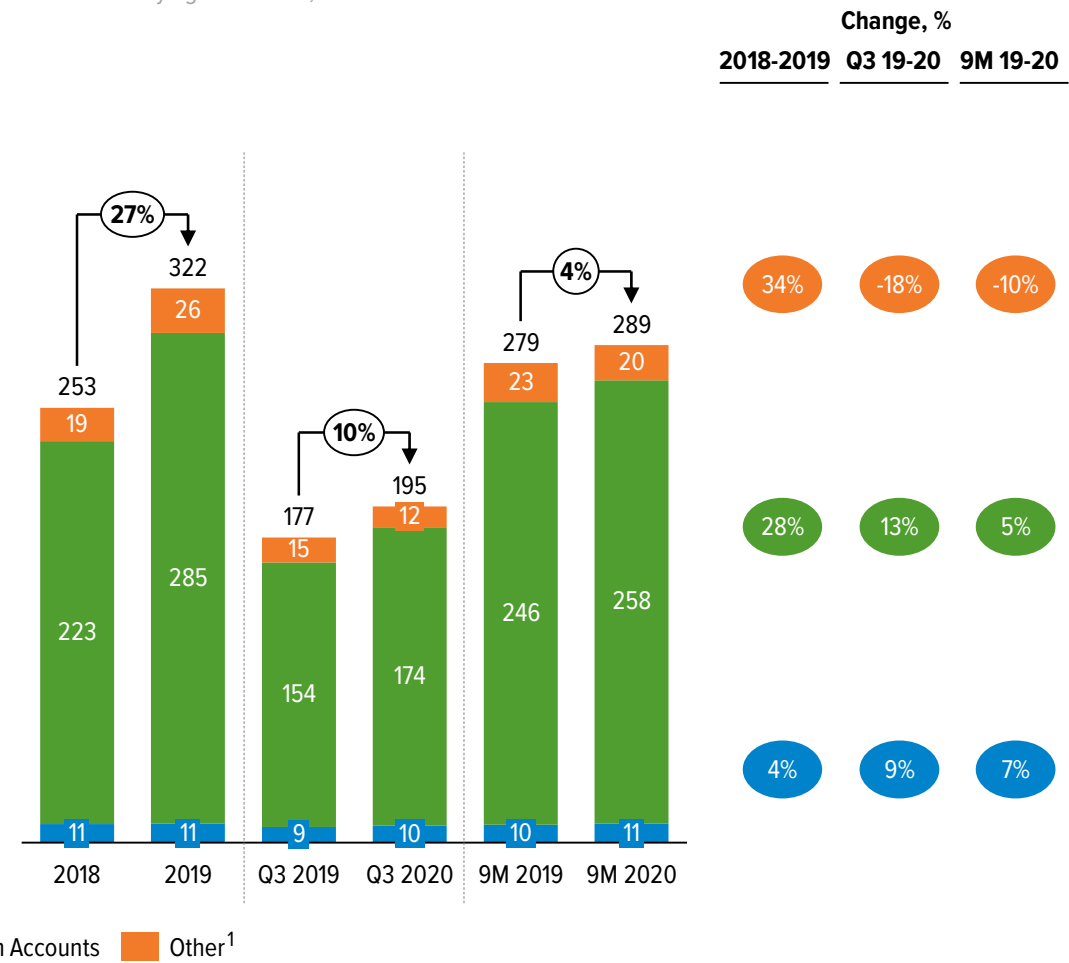
Revenue by Type of Customer

RUB mm



Customer Base by Type of Customer

Number of Paying Customers, '000

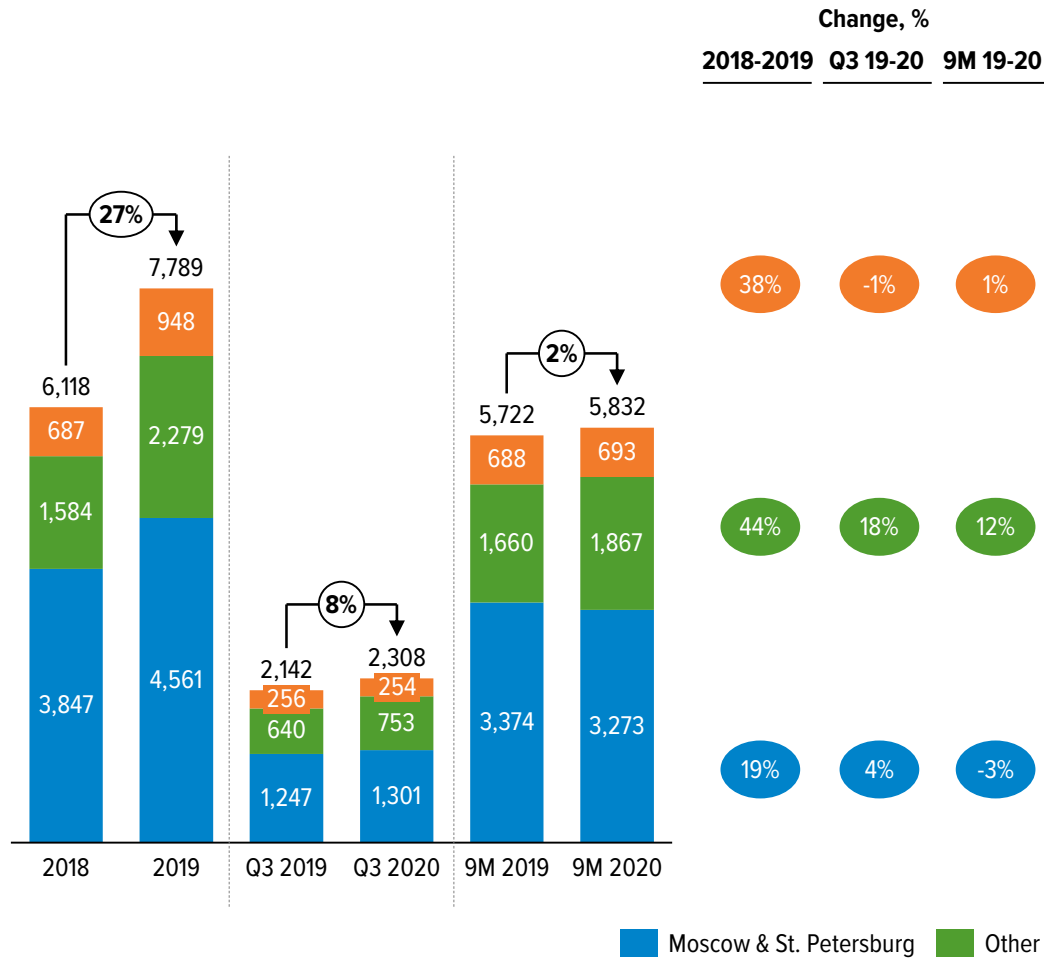


1) Other includes foreign customers in Russia, other customers and other segments

Customer Base Growth (cont'd)

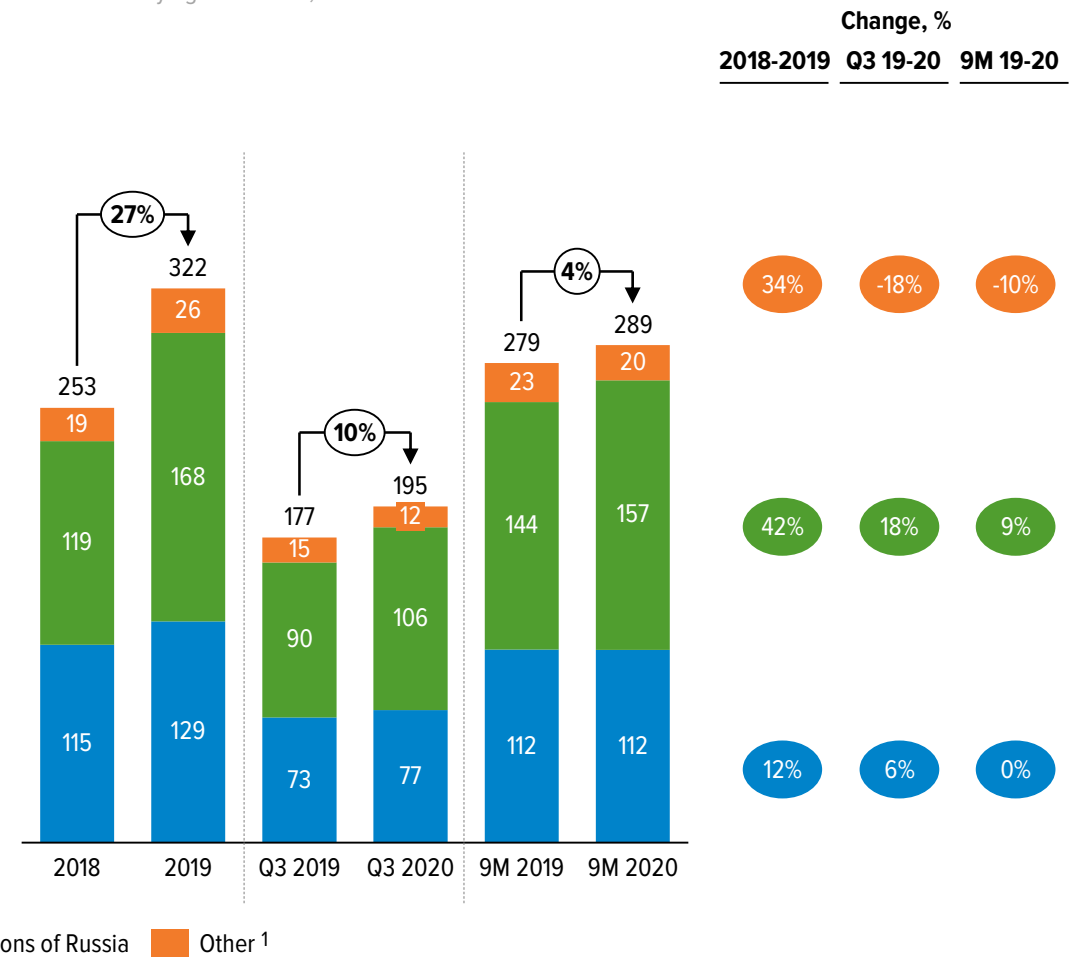
Revenue by Geography

RUB mm



Customer Base by Geography

Number of Paying Customers, '000

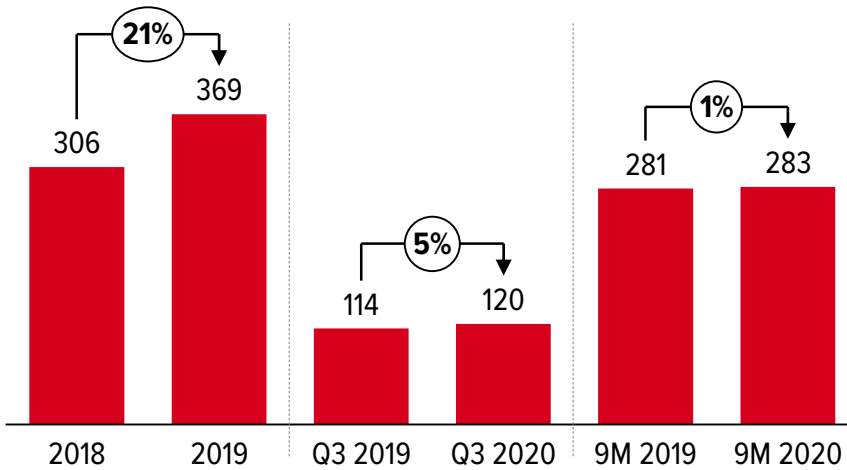


1) Other includes foreign customers in Russia, other customers and other segments

ARPC Development

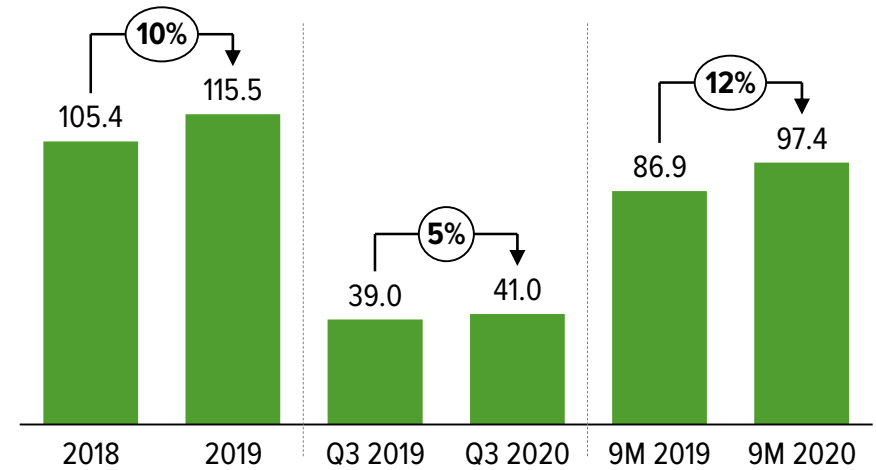
Moscow & St. Petersburg

RUB'000



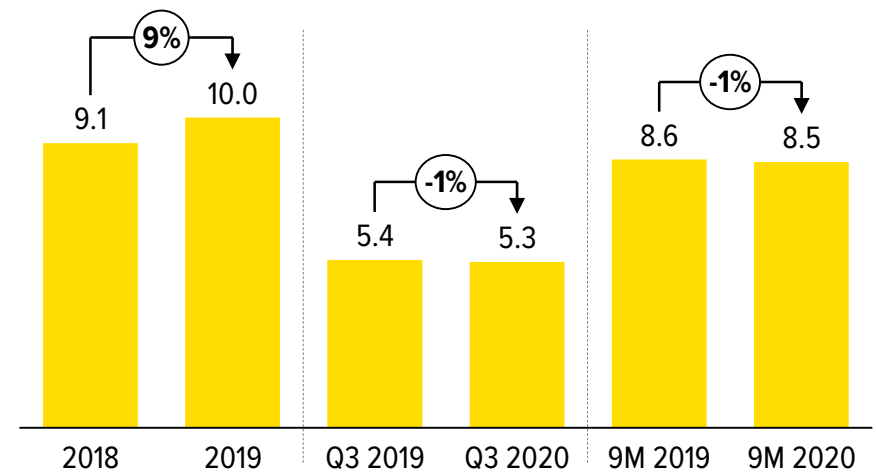
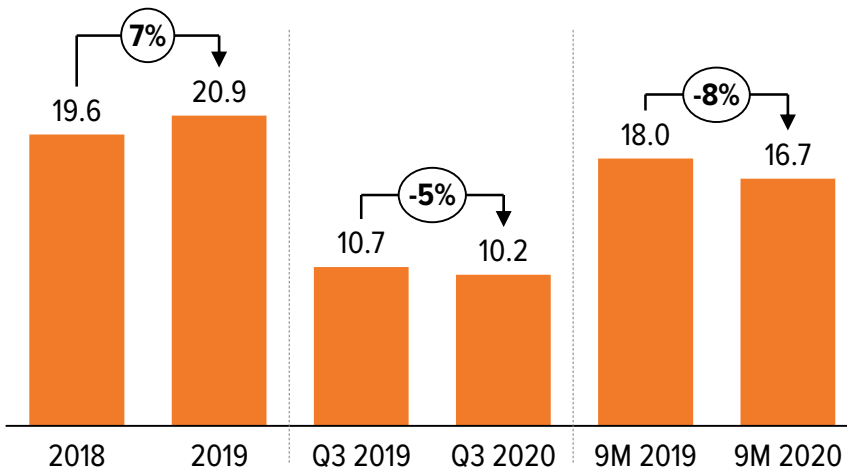
Russian Regions

RUB'000



Key Accounts ARPC

Small and Medium Accounts ARPC



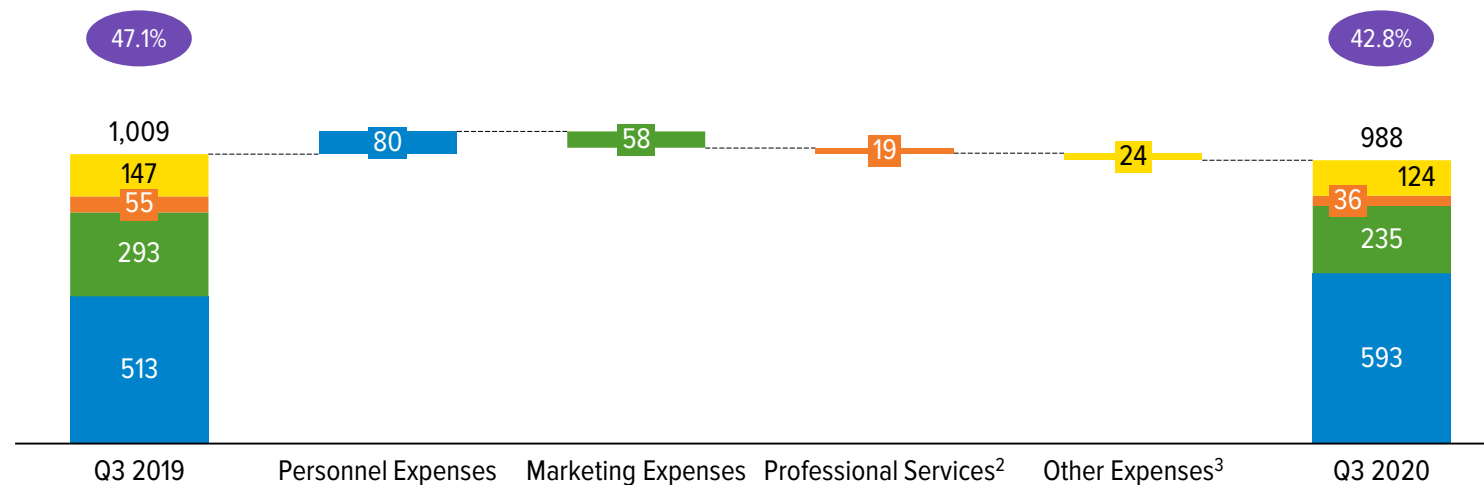
Operating Costs

Operating Expenses Dynamics¹

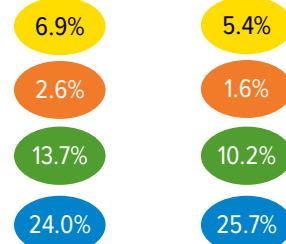
RUB mm

As % of Revenue

Q3 2020



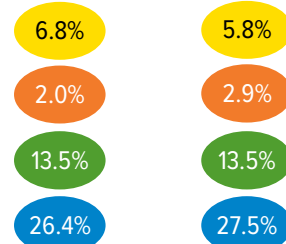
Q3 2019 Q3 2020



9M 2020



9M 2019 9M 2020



■ Personnel Expenses
 ■ Marketing Expenses
 ■ Professional Services²
 ■ Other Expenses³
 ● Operating Expenses excl. one-offs⁴ as % of Revenue



1) Exclusive of depreciation and amortization, Equity-settled awards, including related social taxes, IPO-related costs, Insurance cover related to IPO and Other financing and transactional costs

2) Including Professional services and Insurance costs

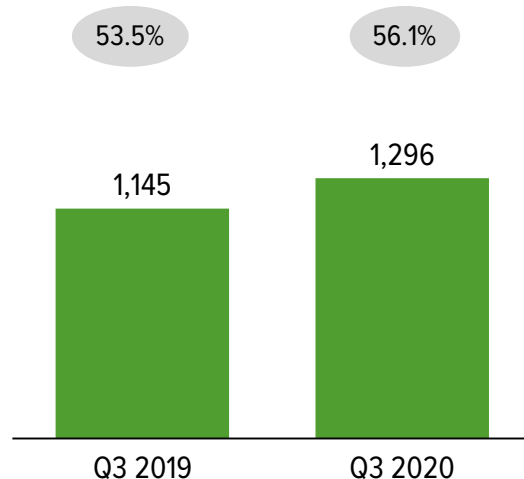
3) Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance and other operating expenses

4) One-off expenses include Equity-settled awards, including related social taxes, IPO-related costs, Insurance cover related to IPO and One-off litigation settlements and legal costs

Adjusted EBITDA and Other Cash Flow Items

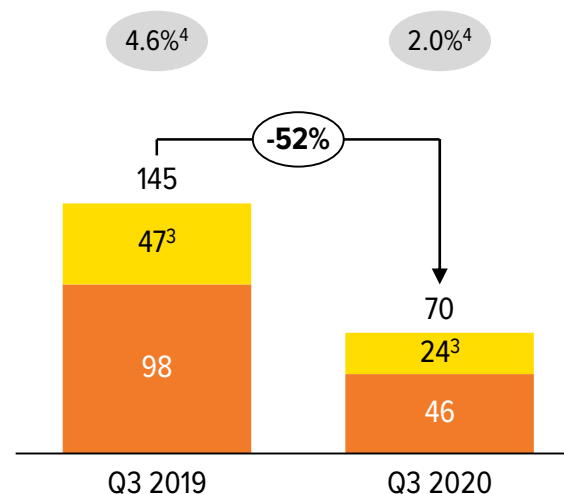
Adjusted EBITDA

RUB mm



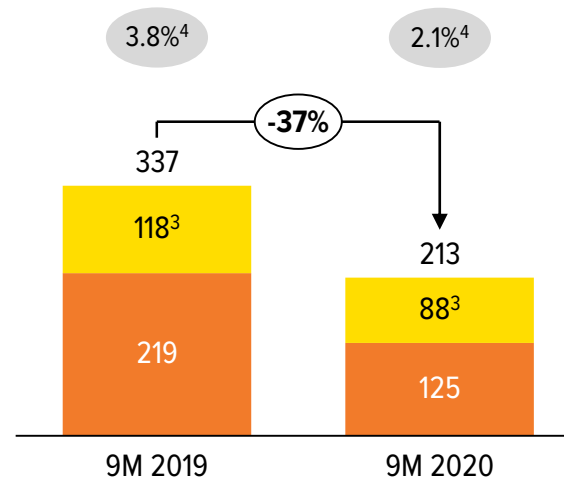
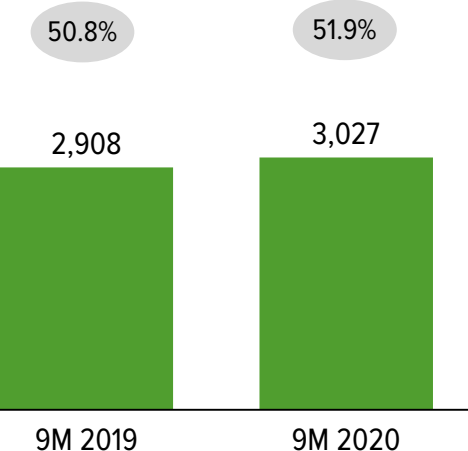
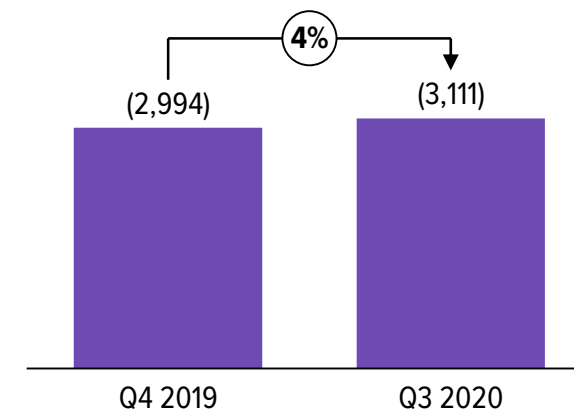
CAPEX²

RUB mm



Net Working Capital⁴

RUB mm



Adjusted EBITDA Margin, %

One off items

As % of Revenue, %

1) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets
 2) Capex as % of revenue excluding one-off effects in 2019 and 2020

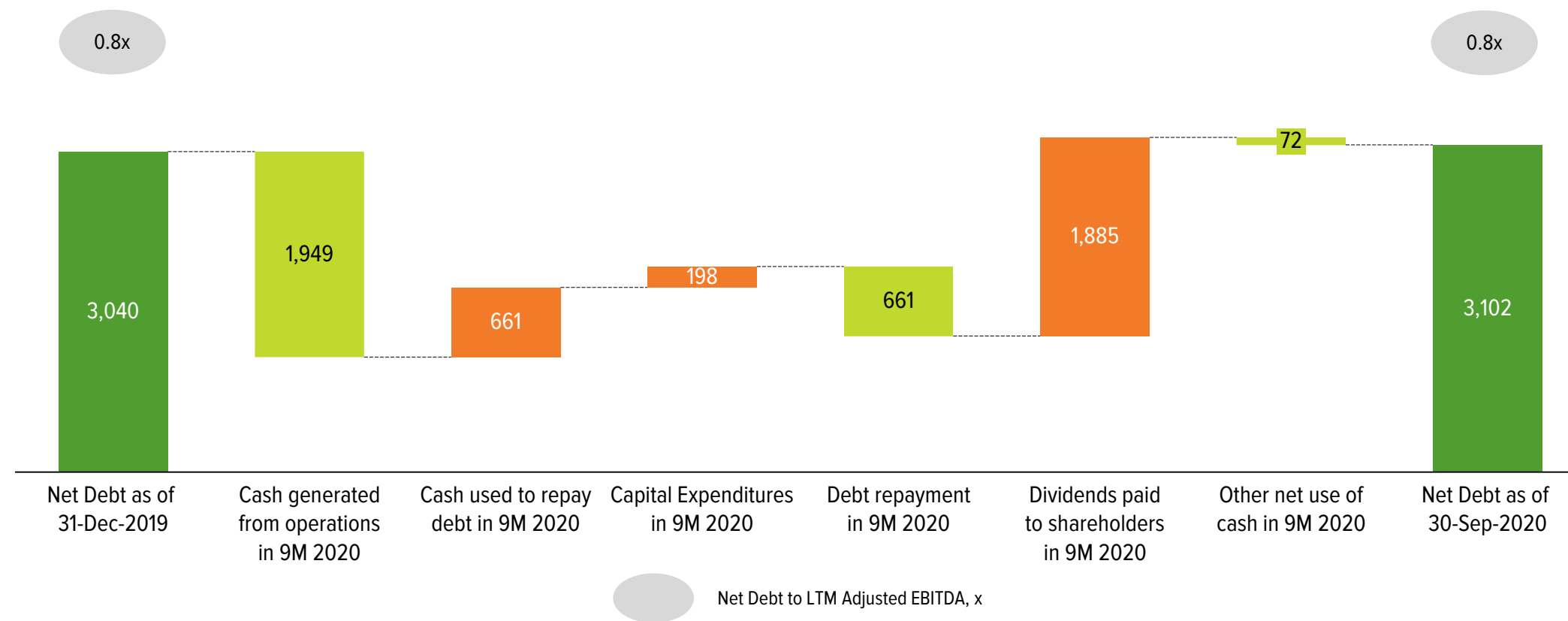
3) Redesign of Moscow and Yaroslavl offices
 4) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables. Net Working Capital is non-IFRS financial measure. See the appendix of this presentation for a reconciliation of this measure to the nearest IFRS measure..

Financial leverage

Net Debt to Adjusted EBITDA Ratio has remained flat at 0.8x vs 2019 YE

Leverage Dynamics

RUB mm



1) Net Debt is non-IFRS financial measure. See the appendix of this presentation for a reconciliation of this measure to the nearest IFRS measure..

Appendix

Income Statement

in thousands of RUB

	Q3 2019	Q3 2020	9M 2019	9M 2020
Revenue	2,142,322	2,308,201	5,722,383	5,832,445
<i>growth, y-o-y</i>	30.0%	7.7%	29.0%	1.9%
Operating costs and expenses (exclusive of depreciation and amortization)	(1,091,635)	(1,182,820)	(3,157,143)	(3,272,504)
<i>as % of revenue</i>	-51.0%	-51.2%	-55.2%	-56.1%
Personnel Expenses	(557,037)	(649,869)	(1,629,293)	(1,771,614)
<i>as % of revenue</i>	-26.0%	-28.2%	-28.5%	-30.4%
Marketing Expenses	(292,801)	(234,768)	(772,404)	(787,028)
<i>as % of revenue</i>	-13.7%	-10.2%	-13.5%	-13.5%
Other Operating Expenses ²	(241,797)	(298,183)	(755,446)	(713,862)
<i>as % of revenue</i>	-11.3%	-12.9%	-13.2%	-12.2%
Depreciation and amortization	(171,704)	(187,187)	(505,531)	(555,497)
<i>as % of revenue</i>	-8.0%	-8.1%	-8.8%	-9.5%
Operating income	878,983	938,194	2,059,709	2,004,444
Finance income	12,031	14,667	57,723	42,437
Finance costs	(145,481)	(92,569)	(470,160)	(320,066)
Other income	8,613	13,358	13,544	33,954
Net foreign exchange loss	11,398	(10,294)	(24,730)	84,474
Share of loss of equity-accounted investees (net of income tax)	(3,536)	(14,030)	(8,584)	(38,776)
Profit before income tax	762,008	849,326	1,627,502	1,806,467
Income tax expense	(191,435)	(263,987)	(542,918)	(570,446)
<i>Effective tax rate</i>	25.1%	31.1%	33.4%	31.6%
Net income for the period	570,573	585,339	1,084,584	1,236,021

Adjusted EBITDA and Adjusted Net Income

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

in thousands of RUB

Reconciliation of EBITDA and Adjusted EBITDA from net income

	Q3 2019	Q3 2020	9M 2019	9M 2020
Net income	570,573	585,339	1,084,584	1,236,021
<i>Add the effect of:</i>				
Income tax expense	191,435	263,987	542,918	570,446
Net interest costs	133,450	77,902	412,437	277,629
Depreciation and amortization	171,704	187,187	505,531	555,497
EBITDA	1,067,162	1,114,415	2,545,470	2,639,593
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	43,956	56,929	117,062	166,962
Other income/(loss) not related to underlying business activities	-	122,235	188,294	148,274
Insurance cover related to IPO	39,064	-	61,874	54,771
Income from depository	(8,613)	(11,637)	(13,544)	(20,615)
Gain on disposal of subsidiary	-	-	-	(8,526)
Share of loss of equity-accounted investees	3,536	14,030	8,584	38,776
One-off litigation settlements and legal costs	-	-	-	7,424
Adjusted EBITDA	1,145,105	1,295,973	2,907,740	3,026,661
Adjusted EBITDA margin	53.5%	56.1%	50.8%	51.9%

Reconciliation of Adjusted Net Income to Net Income

Reconciliation of Adjusted Net Income from net income

	Q3 2019	Q3 2020	9M 2019	9M 2020
Net income	570,573	585,339	1,084,584	1,236,021
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	43,956	56,929	117,062	166,962
Other income/(loss) not related to underlying business activities	-	122,235	188,294	148,274
Insurance cover related to IPO	39,064	-	61,874	54,771
Income from depository	(8,613)	(11,637)	(13,544)	(20,615)
Share of loss of equity-accounted investees	3,536	14,030	8,584	38,776
Amortization of intangible assets recognized upon the Acquisition	103,947	103,947	311,841	311,841
(Gain) / loss related to remeasurement and expiration of tax indemnification asset	-	-	-	(8,526)
Tax effect on adjustments	(20,789)	(20,789)	(62,368)	(62,367)
One-off litigation settlements and legal costs	-	-	-	7,424
Net (gain)/loss on financial assets measured at fair value through profit and loss	-	5,782	-	8,424
Adjusted Net Income	731,674	855,836	1,696,327	1,880,984
Adjusted Net Income margin	34.2%	37.1%	29.6%	32.3%

Net Working Capital, Net Debt, adj. EBITDA on the last twelve months basis

Calculation of Net Working Capital

in thousands of RUB

	December 31, 2019	September 30, 2020
Trade and other receivables	57,908	73,486
Prepaid expenses and other current assets	119,249	65,205
Contract liabilities	(2,367,416)	(2,323,073)
Trade and other payables	(780,219)	(900,958)
Other current liabilities	(23,880)	(25,686)
Net Working Capital	(2,994,358)	(3,111,026)

Calculation of Net Debt

in thousands of RUB

	December 31, 2019	September 30, 2020
Loans and borrowings	4,064,501	3,947,986
Loans and borrowings (current portion)	1,064,554	473,571
Cash and cash equivalents	(2,089,215)	(1,319,928)
Net Debt	3,039,840	3,101,629

Calculation of Adjusted EBITDA on the last twelve months basis as of September 30, 2020

in thousands of RUB

	June 30, 2020
Adjusted EBITDA for the year ended December 31, 2019	3,930,747
Less Adjusted EBITDA for the nine months ended September 30, 2019	(2,907,740)
Add Adjusted EBITDA for the nine months ended September 30, 2020	(3,026,660)
Adjusted EBITDA on the last twelve months basis	4,049,667

Cash Flow Statement

in thousands of RUB

	9M 2019	9M 2020
OPERATING ACTIVITIES:		
Net income for the period	1,084,584	1,236,021
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	505,531	555,497
Net finance costs	412,437	277,629
Net foreign exchange loss	24,730	(84,474)
Other non-cash items	3,834	(4,307)
Management incentive agreement	147,243	179,009
Share grant to Board	7,524	16,259
Share of profit of equity-accounted investees, net of income tax	8,584	38,776
Income tax expense	542,918	570,446
Change in trade receivables and other operating assets	(146,335)	40,568
Change in contract liabilities	(94,972)	(52,575)
Change in trade and other payables	85,000	65,716
Change in other liabilities	156,236	(29,141)
Income tax paid	(710,947)	(570,906)
Interest paid	(457,115)	(289,572)
Net cash generated from operating activities	1,569,252	1,948,946
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investment	(234,729)	-
Acquisition of intangible assets	(71,251)	(57,570)
Acquisition of property and equipment	(245,500)	(140,255)
Loans issues to equity-accounted investee	-	(19,235)
Interest received	57,656	36,536
Net cash used in investing activities	(493,824)	(180,524)
FINANCING ACTIVITIES:		
Loans received	-	4,615,000
Bank loan origination and restructuring fees	-	(52,762)
Bank and other loans repaid	(1,055,000)	(5,276,447)
Dividends paid to shareholders	(1,133,501)	(1,885,441)
Payment for lease liabilities	(38,632)	(41,710)
Dividends paid to non-controlling interest	(106,963)	(94,214)
Contribution from non-controlling interest	-	44
Net cash used in financing activities	(2,334,096)	(2,735,530)
Cash and cash equivalents, beginning of period	2,861,110	2,089,215
Net increase/(decrease) in cash and cash equivalents	(1,258,668)	(967,108)
Effect of exchange rate changes on cash	(63,035)	197,821
Cash and cash equivalents, end of period	1,539,407	1,319,928



1) The Group has initially applied IFRS 16 at January 1, 2019, using the modified retrospective approach. Under the approach, comparative information is not restated

Balance Sheet

in thousands of RUB

	December 31, 2019	September 30, 2020
ASSETS		
Non-current assets		
Goodwill	6,954,183	6,981,576
Intangible assets	2,733,417	2,408,527
Property and equipment	429,744	467,754
Equity-accounted investees	178,847	140,070
Right-of-use assets	279,249	223,757
Deferred tax assets	149,835	154,833
Loans issued to equity-accounted investees	-	14,426
Other non-current assets	22,134	21,817
Other financial assets	25,341	16,917
Total non-current assets	10,772,750	10,429,677
Current assets		
Trade and other receivables	57,908	73,486
Prepaid expenses and other current assets	119,249	65,205
Cash and cash equivalents	2,089,215	1,319,928
Loans issued to equity-accounted investees	-	4,809
Total current assets	2,266,372	1,463,428
Total assets	13,039,122	11,893,105
EQUITY AND LIABILITIES		
Equity		
Share capital	8,547	8,597
Share premium	1,863,877	1,958,087
Foreign currency translation reserve	(105,191)	(68,415)
Retained earnings	1,587,697	915,122
Total equity attributable to owners of the Company	3,354,930	2,813,391
Non-controlling interest	33,263	43,505
Total equity	3,388,193	2,856,896
Non-current liabilities		
Loans and borrowings	4,064,501	3,947,986
Lease liabilities	230,802	176,859
Deferred tax liabilities	512,804	450,436
Trade and other payables	4,239	6,722
Other non-current liabilities	126,828	105,622
Provision	19,498	48,537
Total non-current liabilities	4,958,672	4,736,162
Current liabilities		
Contract liabilities	2,367,416	2,323,073
Provisions	26,398	69,377
Trade and other payables	780,219	900,958
Loans and borrowings (current portion)	1,064,554	473,571
Lease liabilities (current portion)	59,816	72,877
Income tax payable	369,974	434,505
Other current liabilities	23,880	25,686
Total current liabilities	4,692,257	4,300,047
Total liabilities	9,650,929	9,036,209
Total equity and liabilities	13,039,122	11,893,105

Glossary

Terminology	Definition
Acquisition	Acquisition of all of the outstanding equity interests of Headhunter FSU Limited from Mail.Ru Group Limited by Elbrus Capital and GS ESSG
Adjusted EBITDA	For HH is defined as net income or net loss plus: (1) income tax expense; (2) net interest income or expense; (3) depreciation and amortization; (4) Equity-settled awards, including related social taxes; (5) IPO-related costs; (6) Insurance cover related to IPO; (7) Income from depository; (8) Other financing and transactional costs and (9) Share of loss of equity-accounted investees
Adjusted Net Income	For HH is defined as net income or net loss plus: (1) Equity-settled awards, including related social taxes; (2) IPO-related costs; (3) Insurance cover related to IPO; (4) Income from depository; (5) Other financing and transactional costs; (6) Share of loss of equity-accounted investees; (7) Amortization of intangible assets recognized upon the Acquisition (8) Tax effect on adjustments and (9) Net (gain)/loss on financial assets measured at fair value through profit and loss
ARPC	Average revenue per customer, defined as total revenue divided by the number of paying customers for the period
Capex	For HH consists of property and equipment additions, additions arising from internal development and other additions of intangible assets
EBITDA	For HH is defined as net income or net loss plus: (1) income tax expense; (2) net interest income or expense; and (3) depreciation and amortization
Key Accounts	Customers who, according to the Spark-Interfax database, have an annual revenue of RUB2 Bn or more or a headcount of 250 or more employees and have not marked themselves as recruiting agencies on their page on our website
Net Working Capital	Trade receivables plus prepaid expenses and other current assets minus contract liabilities minus trade and other payables
Russian Regions	For HH includes all regions in Russia except for Moscow and St. Petersburg
SMA	Small and Medium Accounts, customers who, according to the Spark-Interfax database, have both an annual revenue of less than RUB2 Bn and a headcount of less than 250 employees and have not marked themselves as recruiting agencies on their page on our website
UMV	Average unique monthly visitors, or the average of unique visitors during a calendar month
VAS	Value-added services

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