

Q1 2019 Financial Results

Supplementary Slides

June 4, 2019



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 second quarter of 2019 and fiscal year ending December 31, 2019, 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, 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 Form 424B filed with the SEC on May 9, 2019 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, ARPC, Net Working Capital, Capex, Adjusted Net Income and Net Debt / Adjusted EBITDA. 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.

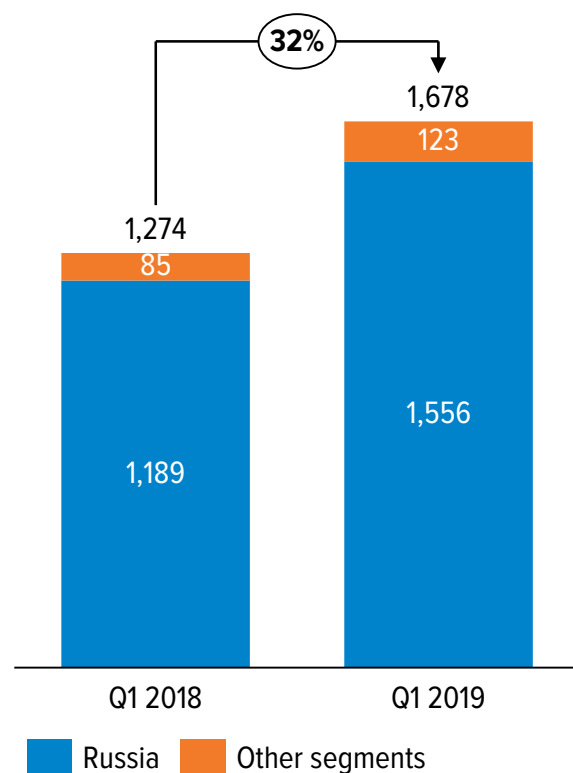
Certain figures in this presentation may not recalculate exactly due to rounding. This is because percentages and/or figures contained herein are calculated based on actual numbers and not the rounded numbers presented.



Key Financial Highlights in Q1 2019

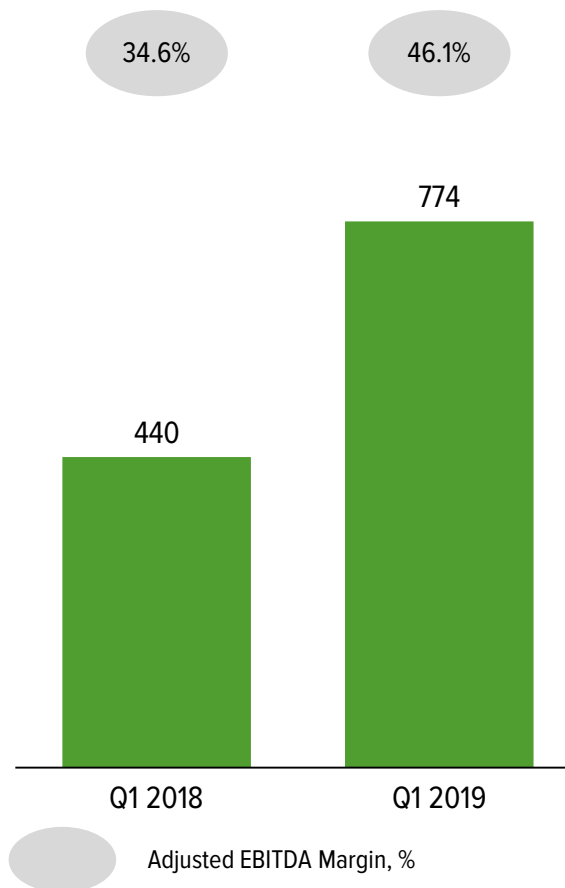
Revenue

RUB mm



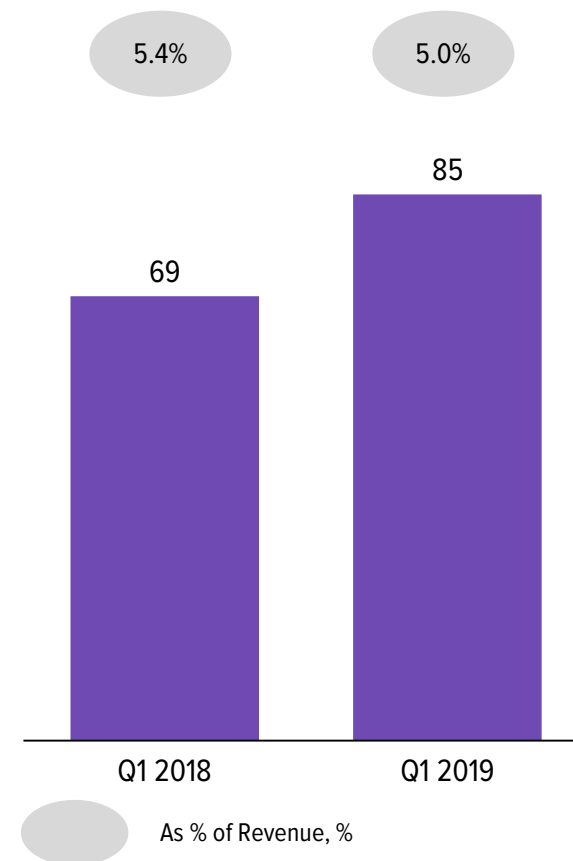
Adjusted EBITDA

RUB mm



CAPEX¹

RUB mm



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

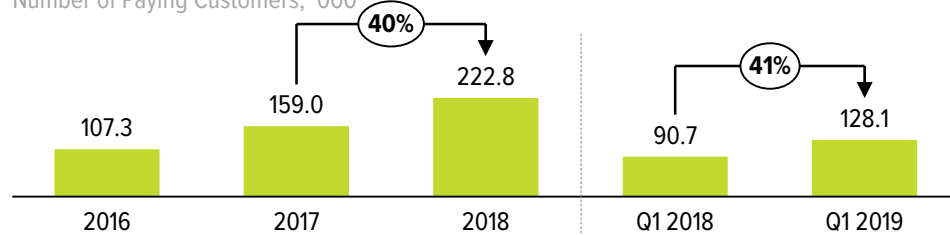
In Q1 2019, We Continued Delivering on Our Growth Strategy

Untapped Market Segments

Small and Medium Accounts

Small and Medium Accounts Paying Customers Dynamics

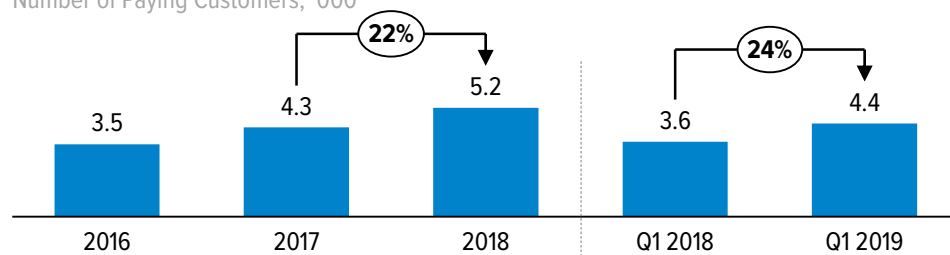
Number of Paying Customers, '000



Other Regions of Russia

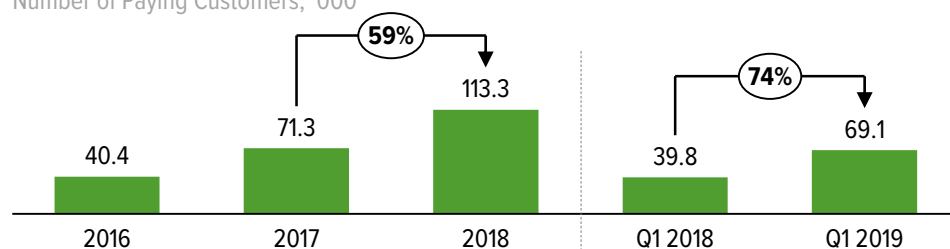
Key Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000



Small and Medium Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000

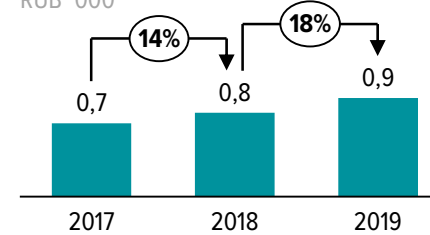


Enhancement of Monetization

Price Growth

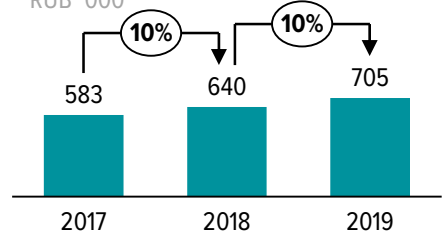
Single Standard Job Posting

RUB '000



All Russia Bundled Subscription

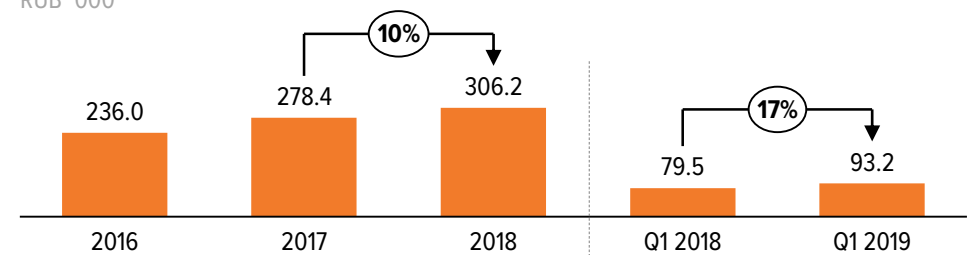
RUB '000



ARPC Dynamics

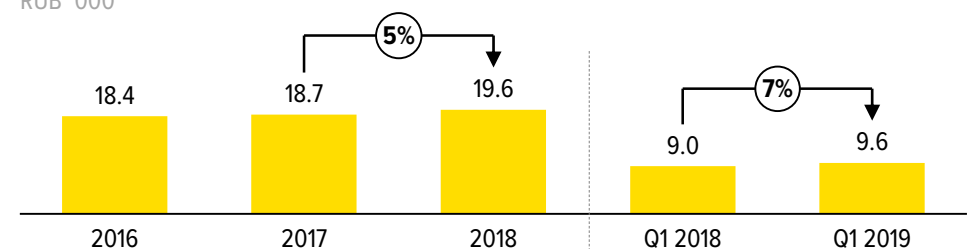
Key Accounts ARPC in Moscow and St. Petersburg

RUB '000



Small and Medium Accounts ARPC in Moscow and St. Petersburg

RUB '000

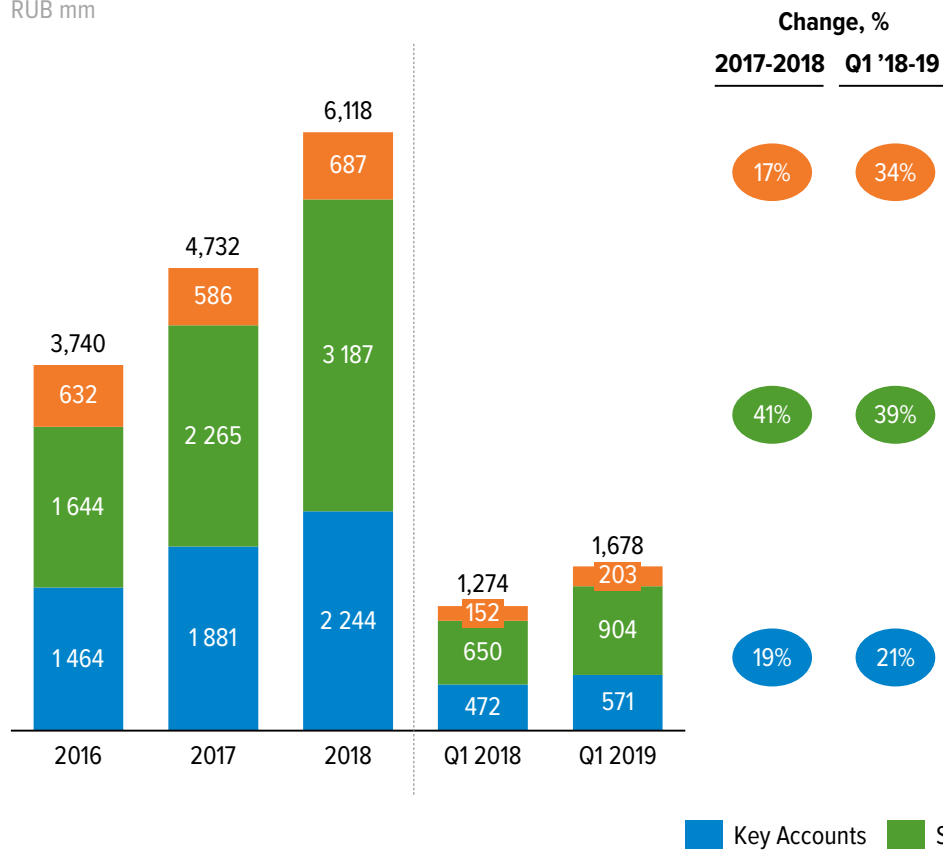


Customer Base Growth

Sustained revenue growth in both client categories

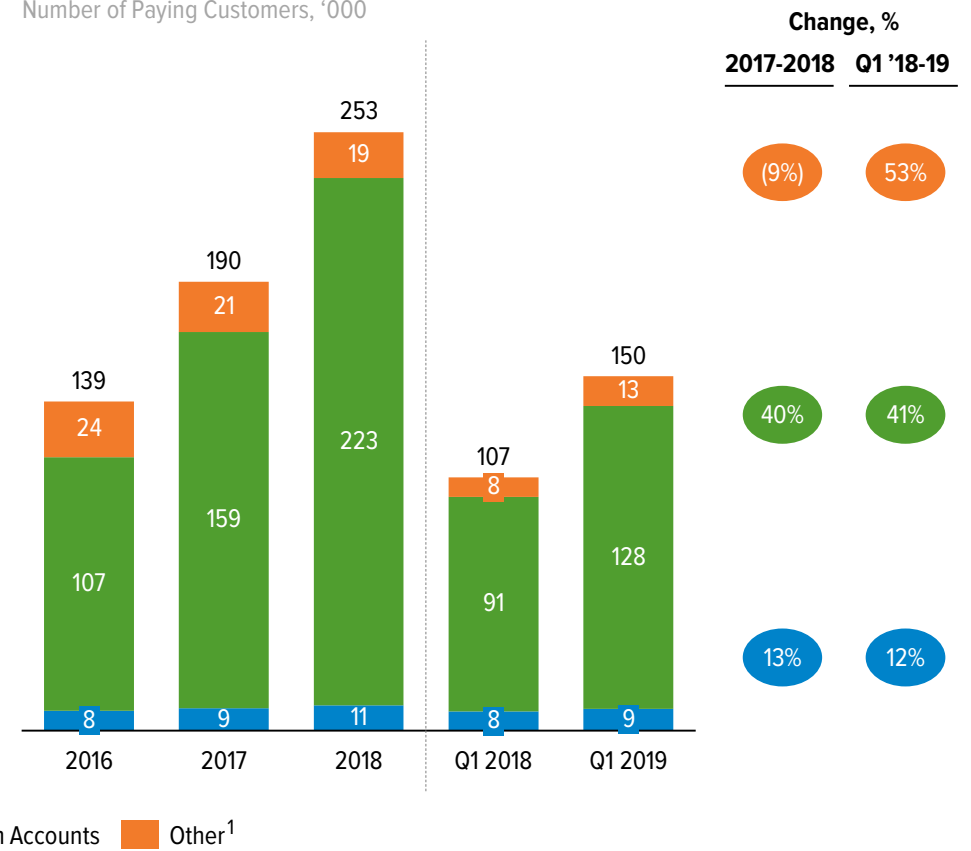
Revenue by Type of Customer

RUB mm



Customer Base by Type of Customer

Number of Paying Customers, '000



■ Key Accounts ■ Small & Medium Accounts ■ Other¹

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

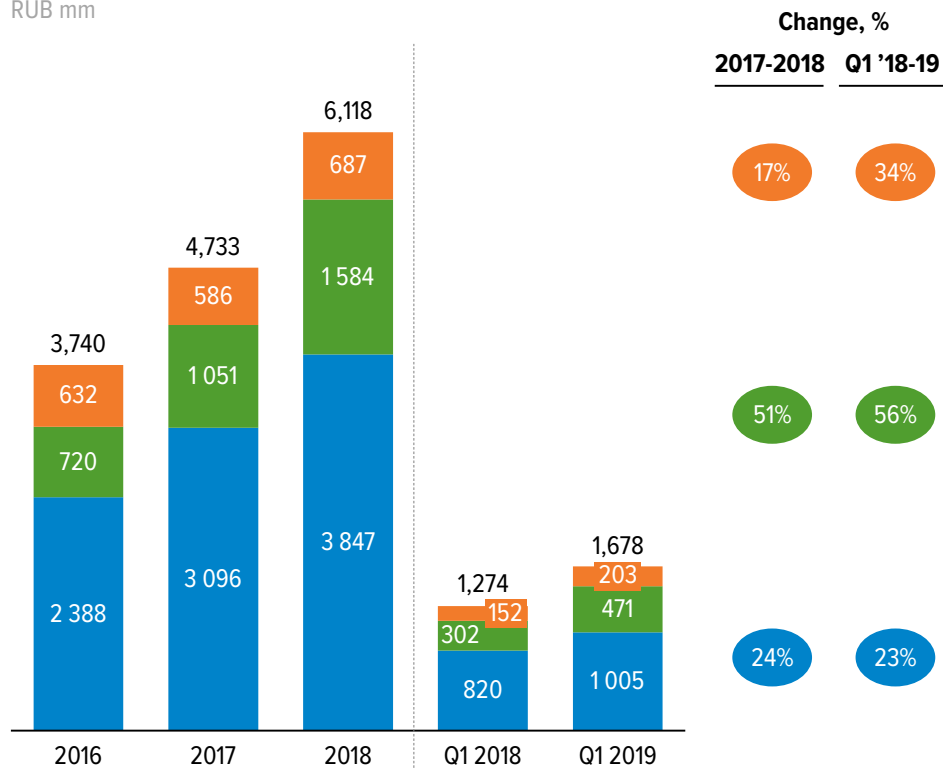


Customer Base Growth (cont'd)

Sustained revenue growth in both geographical divisions

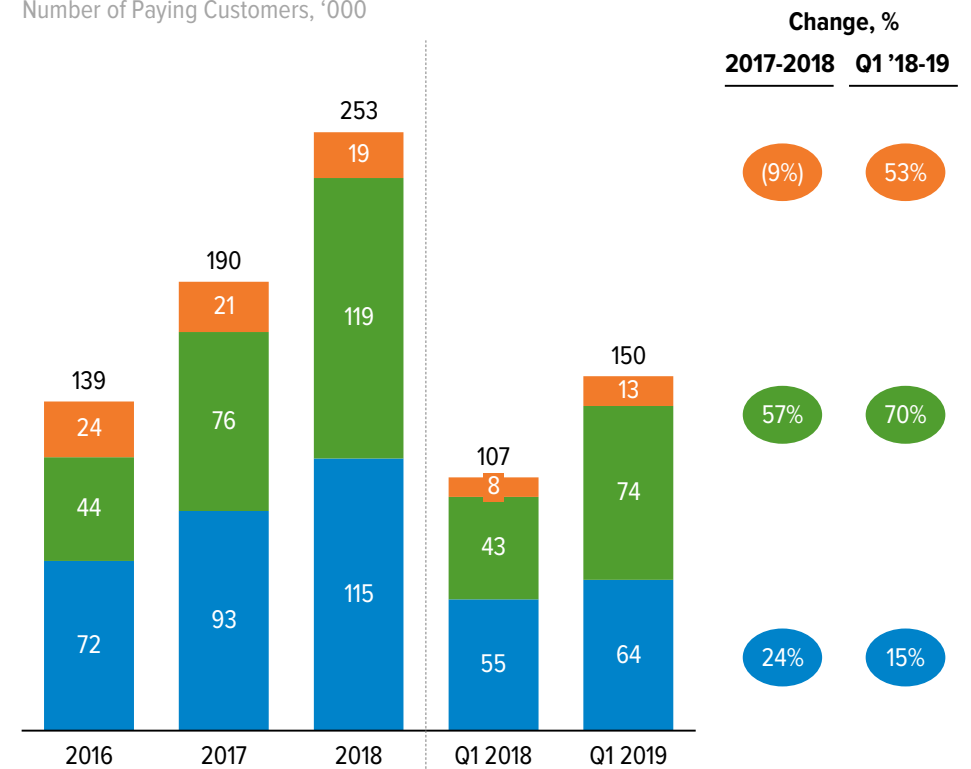
Revenue by Geography

RUB mm



Customer Base by Geography

Number of Paying Customers, '000



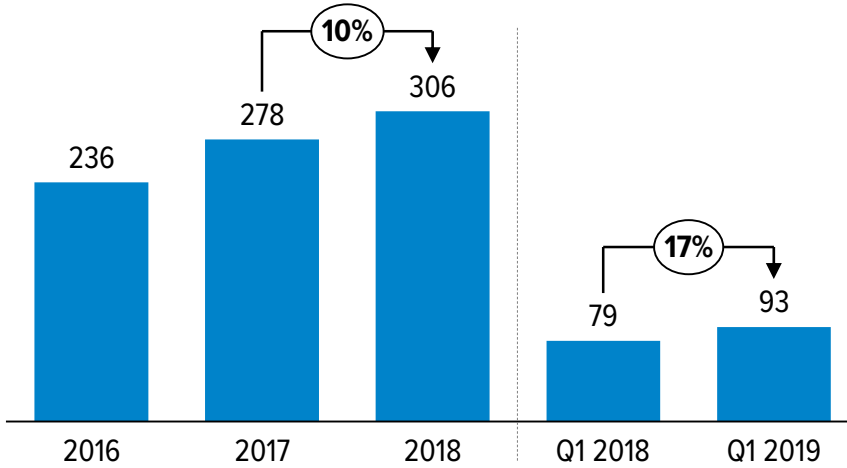
■ Moscow & St. Petersburg ■ Other Regions of Russia ■ Other¹

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

ARPC Development

Strong monetization dynamics in Moscow & St. Petersburg

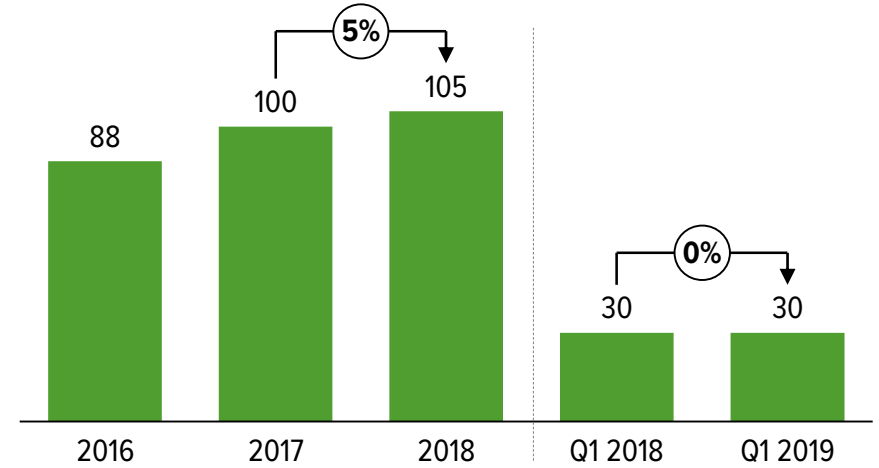
RUB'000



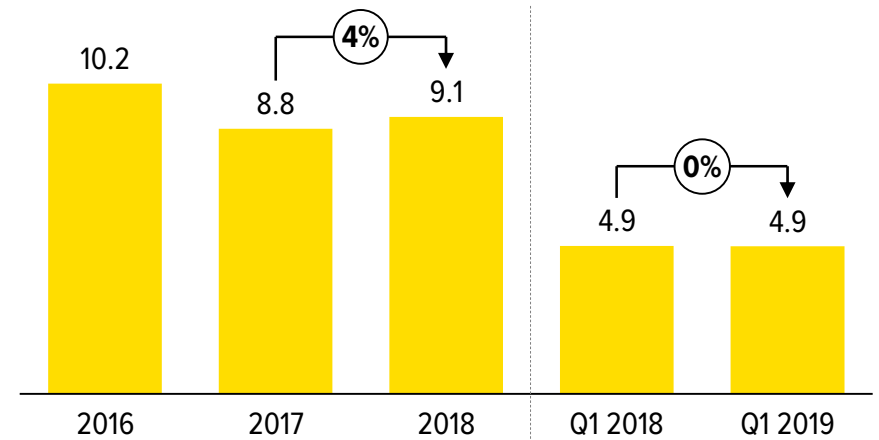
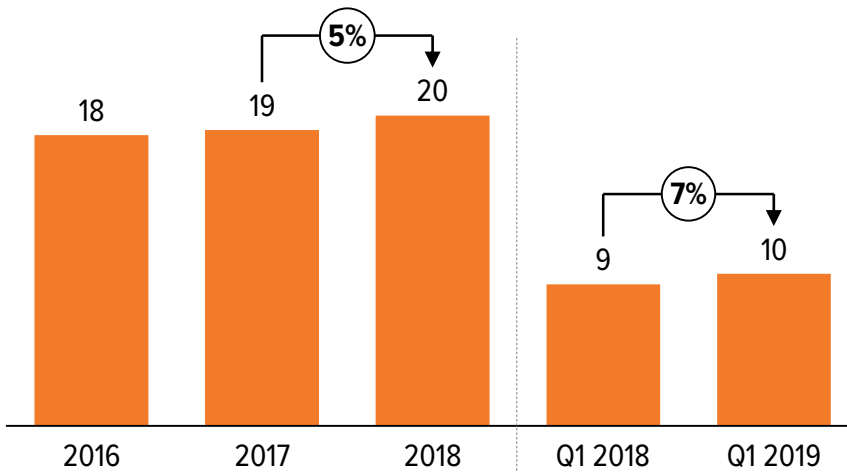
Key Accounts ARPC

Monetization effect in Russian regions attenuated by accelerated customer base expansion

RUB'000



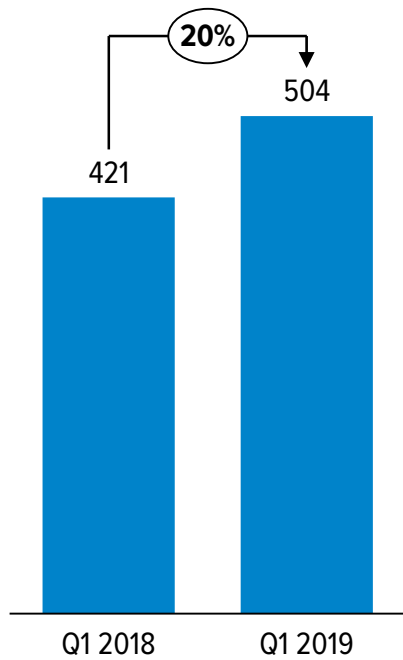
Small and Medium Accounts ARPC



Revenue by Product Type

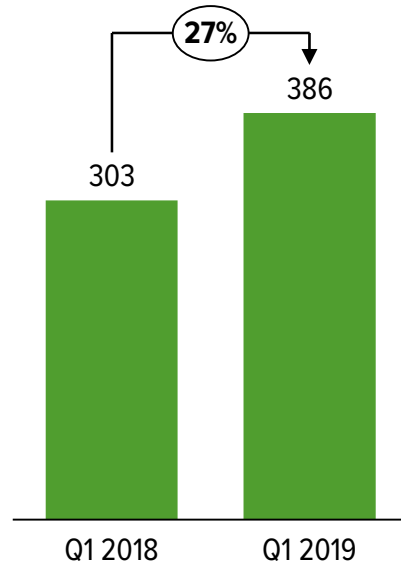
Bundled Subscriptions

RUB mm



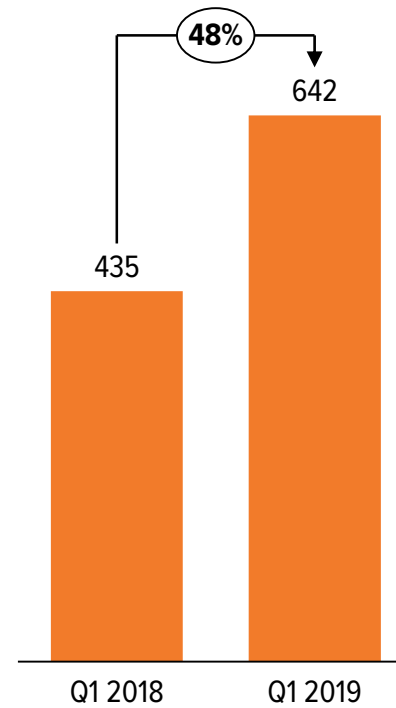
CV Database Access

RUB mm



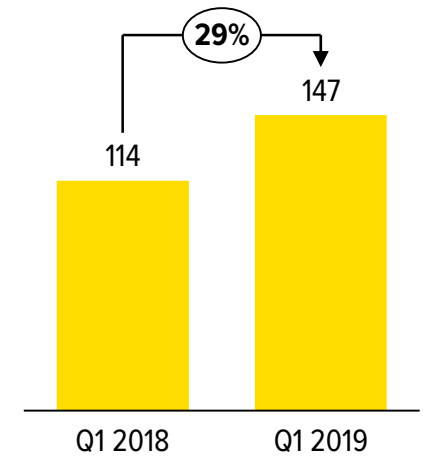
Job Postings

RUB mm



Other VAS

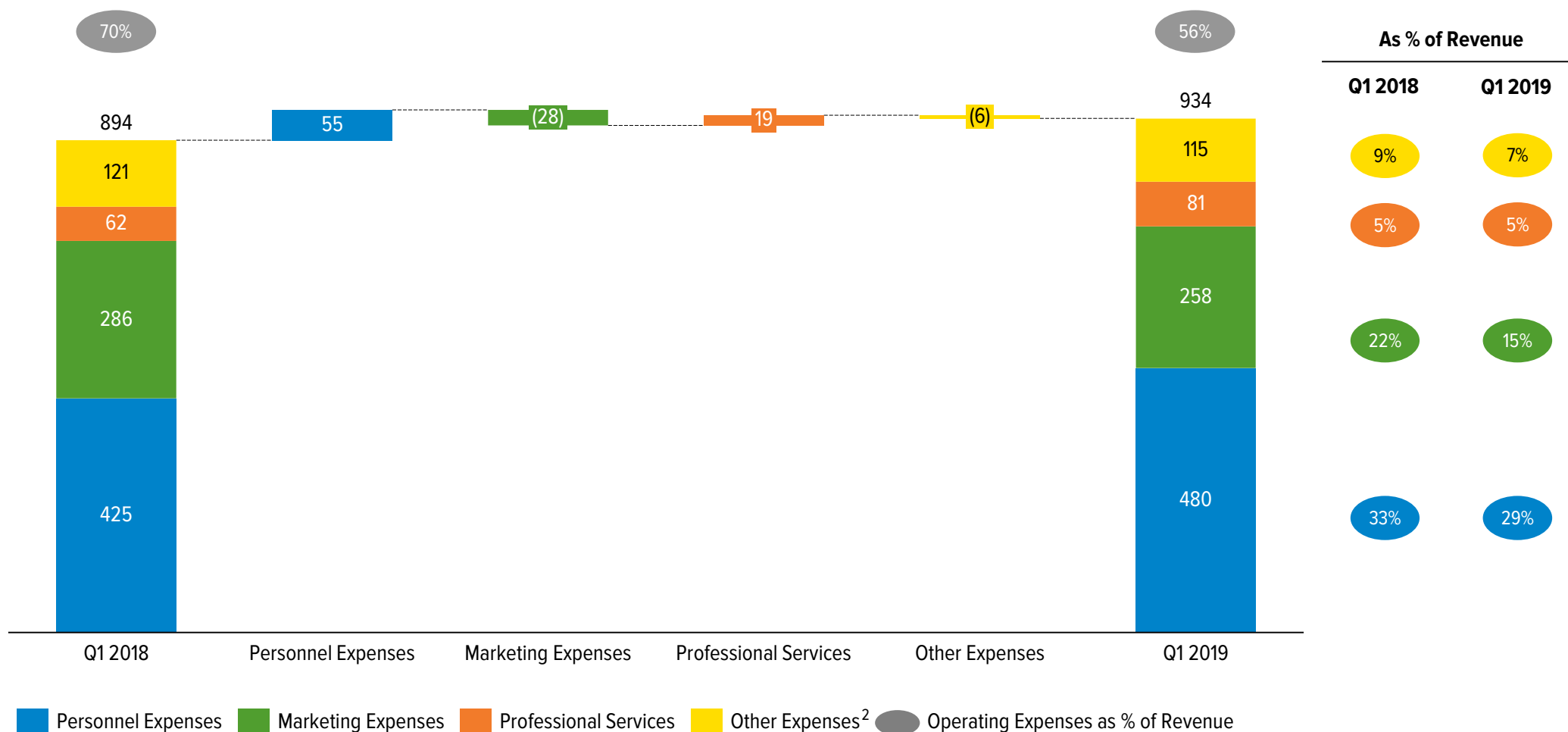
RUB mm



Operating Costs

Operating Expenses Dynamics¹

RUB mm



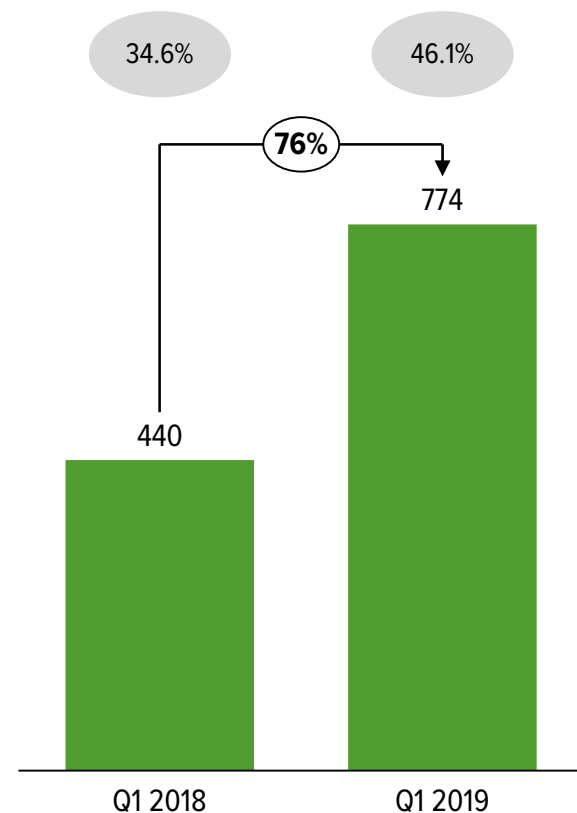
¹⁾ Exclusive of depreciation and amortization

²⁾ Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance and other operating expenses

Adjusted EBITDA and Other Cash Flow Items

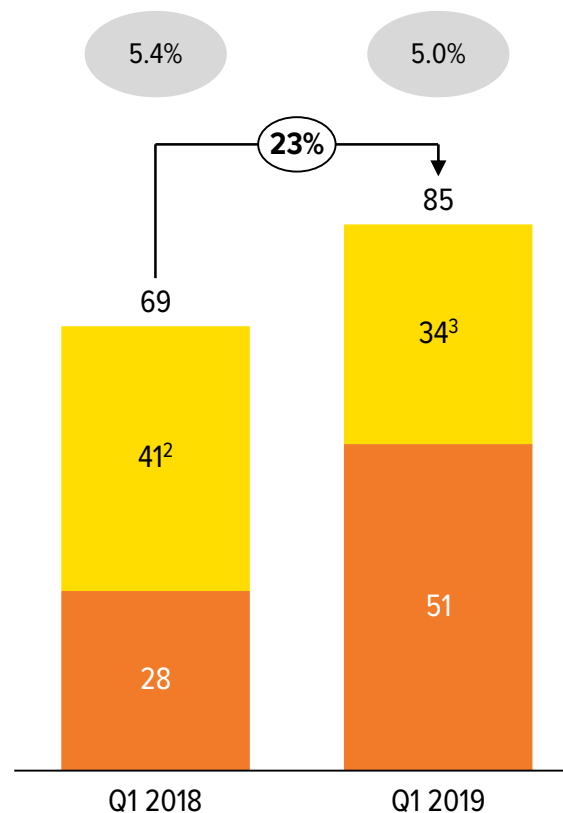
Adjusted EBITDA

RUB mm



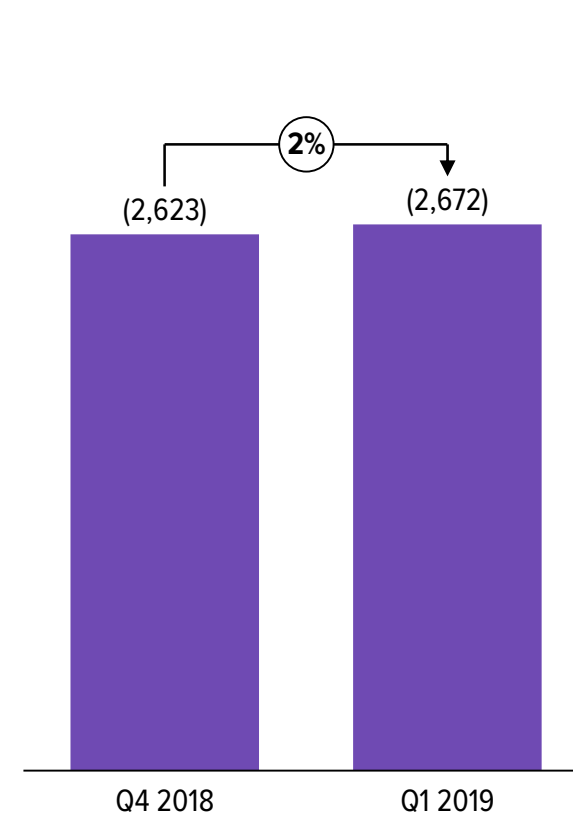
CAPEX¹

RUB mm



Net Working Capital⁴

RUB mm



Adjusted EBITDA Margin, %

One off items

As % of Revenue, %



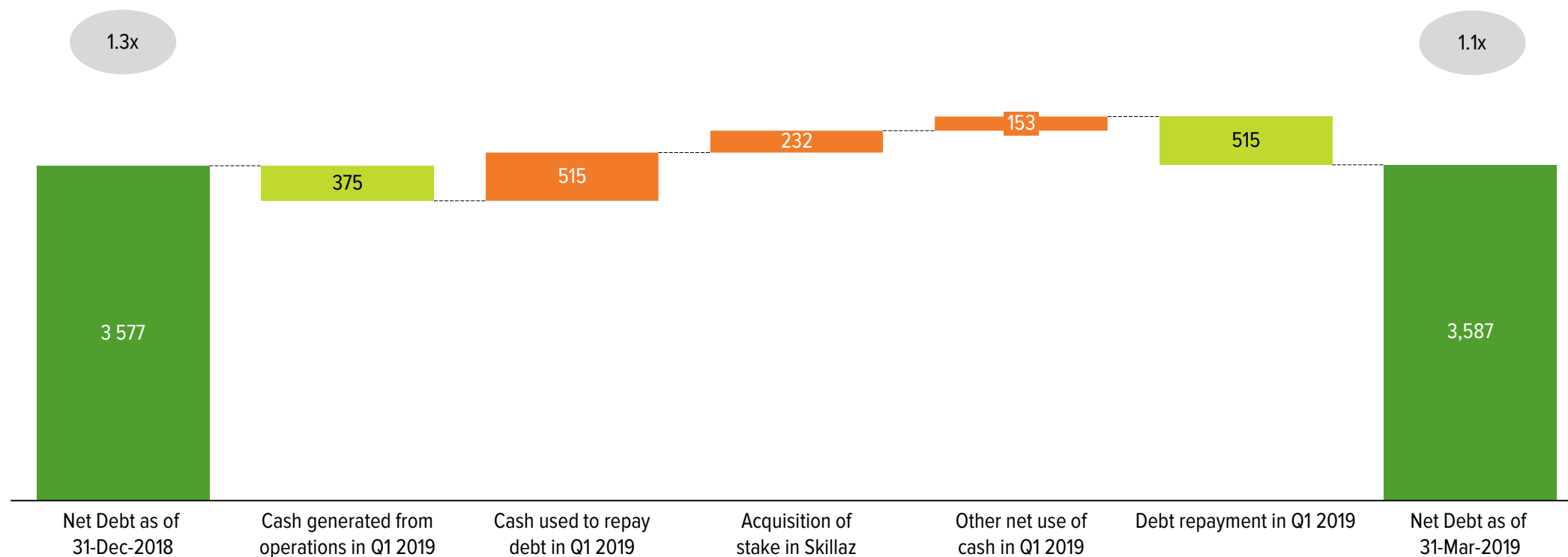
1) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets
 2) Acquisition of Job.ru assets
 3) Redesign of offices in Moscow and Yaroslavl (total office redesign budget is estimated at ca RUB 220-250 mm for 2019)
 4) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables

Financial Leverage

Net Debt to Adjusted EBITDA Ratio has declined from 1.3x as of 2018 YE to 1.1x in Q1 2019 on the back of growing LTM EBITDA

Leverage Dynamics

RUB mm



Net Debt to LTM Adjusted EBITDA, x



Proposal for Dividend of \$0.36 per Share

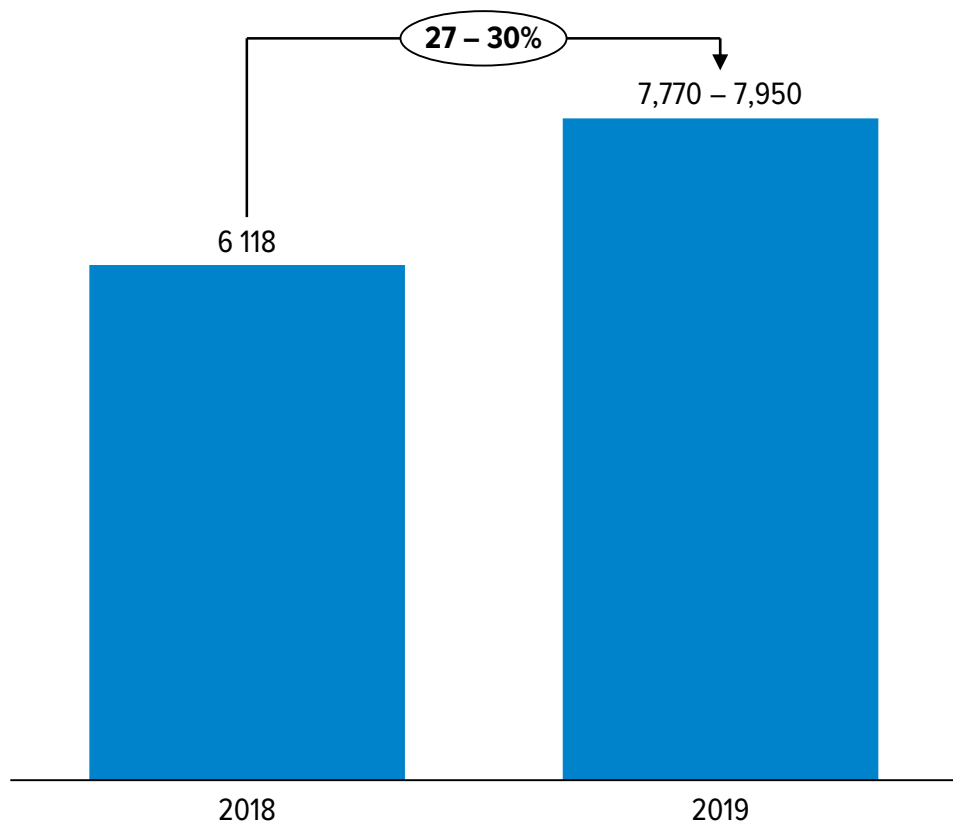
	<u>In RUB</u>	<u>In US\$¹</u>
Adjusted Net Income in 2018, mm	1,538	23.8
Proposed Dividend Payments as % of Adjusted Net Income	75%	75%
Total Dividend Payments, mm	1,154	17.8
Issued Capital, mm shares	50	50
Dividend per Share ²	23	0.36

1) Assuming \$RUB FX rate of 64.7347

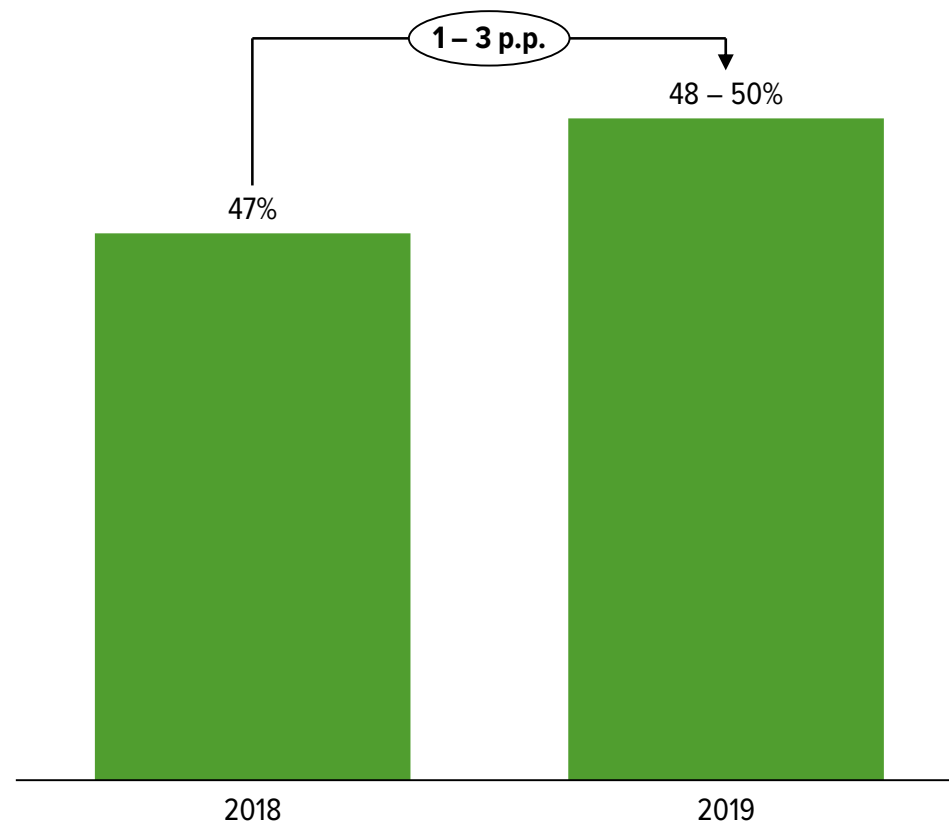
2) The dividend record date is June 14, 2019, and we intend to pay the dividend on or before July 19, 2019

Outlook for 2019

Revenue, RUB mm



Adjusted EBITDA Margin, %



Appendix

Income Statement

in thousands of RUB

	Q1 2018	Q1 2019
Revenue	1,273,676	1,678,437
Operating costs and expenses (exclusive of depreciation and amortization)	(894,322)	(933,540)
Depreciation and amortization	(144,032)	(165,104)
Operating income	235,322	579,793
Financial income	19,468	26,207
Financial costs	(165,866)	(167,830)
Net foreign exchange gain/(loss)	(674)	(22,641)
Profit before income tax	88,250	415,529
Income tax expense	(101,809)	(176,782)
Net income for the year	(13,559)	238,747
<i>Attributable to:</i>		
Owners of the Company	(25,115)	209,391
Non-controlling interest	11,556	29,356

Adjusted EBITDA and Adjusted Net Income

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

in thousands of RUB

	Q1 2018	Q1 2019
Net (loss)/income	(13,559)	238,747
<i>Add the effect of:</i>		
Income tax expense	101,809	176,782
Net interest costs	146,398	141,623
Depreciation and amortization	144,032	165,104
EBITDA	378,680	722,256
<i>Add the effect of:</i>		
Equity-settled awards	19,007	5,243
IPO-related costs	42,473	46,027
Adjusted EBITDA	440,160	773,526

Reconciliation of Adjusted Net Income to Net Income

in thousands of RUB

	Q1 2018	Q1 2019
Net (loss)/income	(13,559)	238,747
<i>Add the effect of:</i>		
Equity-settled awards	19,007	5,243
IPO-related costs	42,473	46,027
Amortization on intangible assets recognized upon the Acquisition	103,947	103,947
Tax effect on adjustments	(20,789)	(20,789)
Adjusted Net Income	131,079	373,175

Cash Flow Statement

in thousands of RUB

	Q1 2018	Q1 2019
OPERATING ACTIVITIES:		
Net income	(13,559)	238,747
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	144,032	165,104
Net finance expense	146,398	141,623
Net foreign exchange loss	674	22,641
Other non-monetary items	(508)	224
Management incentive agreement	26,552	8,975
Income tax expense	101,809	176,782
Change in trade receivables and other operating assets	(86,155)	(64,415)
Change in contract liabilities	134,341	40,090
Change in trade and other payables	10,550	63,714
Income tax paid	(127,473)	(253,881)
Interest paid	(161,484)	(164,839)
Net cash generated from operating activities	175,177	374,765
INVESTING ACTIVITIES:		
Payment to acquire equity accounted investment	–	(232,000)
Acquisition of intangible assets	(57,283)	(31,848)
Acquisition of property and equipment	(11,518)	(52,708)
Interest received	16,518	26,081
Net cash used in investing activities	(52,283)	(290,475)
FINANCING ACTIVITIES:		
Bank loan repaid	(200,000)	(245,000)
3rd party loans repaid		(270,000)
Repayment of lease liabilities		(11,391)
Dividends paid to non-controlling interest	(28,525)	(47,550)
Net cash generated used in financing activities	(228,525)	(573,941)
Net increase in cash	(105,631)	(489,651)
Cash and cash equivalents, beginning of period	1,416,008	2,861,110
Cash and cash equivalents included in assets held for sale, beginning of period	10,801	–
Effect of exchange rate changes on cash	(1,558)	(32,447)
Cash and cash equivalents, end of period, including cash balance classified in assets held for sale	1,319,620	2,339,012
Cash classified in assets held for sale	(13,749)	–
Cash and cash equivalents, end of period	1,305,871	2,339,012

Balance Sheet

in thousands of RUB

	December 31, 2018	March 31, 2019
ASSETS		
Non-current assets		
Goodwill	6,989,255	6,968,858
Intangible assets	3,154,605	3,056,811
Right-of-use asset	0	332,140
Property, plant and equipment	133,810	168,969
Deferred tax assets	92,094	112,814
Other non-current assets	3,304	237,452
Total non-current assets	10,373,068	10,877,044
Current assets		
Trade and other receivables	40,718	53,337
Prepaid expenses and other current assets	64,386	116,118
Cash and cash equivalents	2,861,110	2,339,012
Total current assets	2,966,214	2,508,467
Total assets	13,339,282	13,385,511
EQUITY AND LIABILITIES		
Equity		
Share capital	8,547	8,547
Share premium	1,729,400	1,734,643
Foreign currency translation reserve	(66,957)	(89,578)
Retained earnings	1,302,981	1,512,372
Total equity attributable to equity holders of the Company	2,973,971	3,165,984
Non-controlling interest	29,449	9,138
Total equity	3,003,420	3,175,122
Non-current liabilities		
Loans and borrowings	5,203,692	4,937,807
Lease liabilities	0	279,360
Trade and other payables	13,967	7,487
Deferred tax liabilities	1,070,240	1,023,091
Total non-current liabilities	6,287,899	6,247,745
Current liabilities		
Contract liabilities	2,072,640	2,107,348
Trade and other payables	655,877	734,119
Loans and borrowings (current portion)	1,233,924	987,798
Income tax payable	0	58,242
Liabilities held for sale	85,522	75,137
Total current liabilities	4,047,963	3,962,644
Total liabilities	10,335,862	10,210,389
Total equity and liabilities	13,339,282	13,385,511

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) transaction costs related to business combinations; (5) gain on the disposal of subsidiary; (6) expenses related to equity-settled awards and (7) IPO-related costs
Adjusted Net Income	For HH is defined as net income or net loss plus: (1) transaction costs related to the Acquisition; (2) gain on the disposal of subsidiary; (3) transaction costs related to the disposal of subsidiary; (4) amortization of intangible assets recognized upon the Acquisition; (5) the tax effect of the adjustment described in (4) and (6) (gain) / loss related to the remeasurement and expiration of a tax indemnification asset
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