

Q3 2019 Financial Results

Supplementary Slides

December 6, 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 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 final prospectus in connection with our initial public offering pursuant to Rule 424(b) 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.



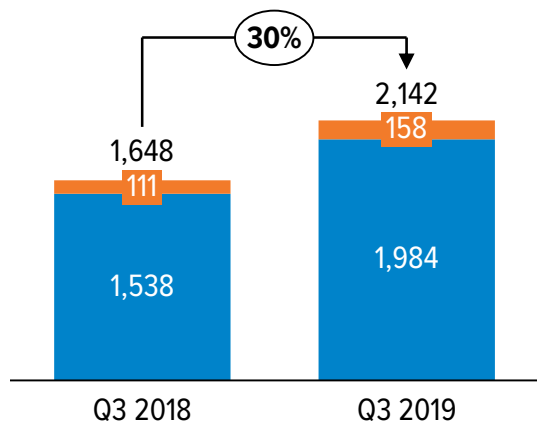
Key Financial Highlights in Q3 and 9M 2019

Q3 2019

9M 2019

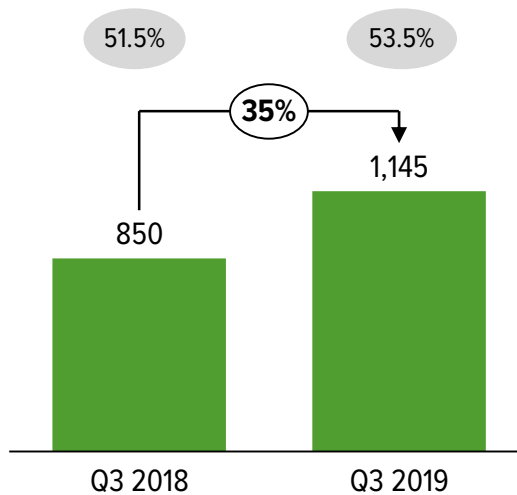
Revenue

RUB mm



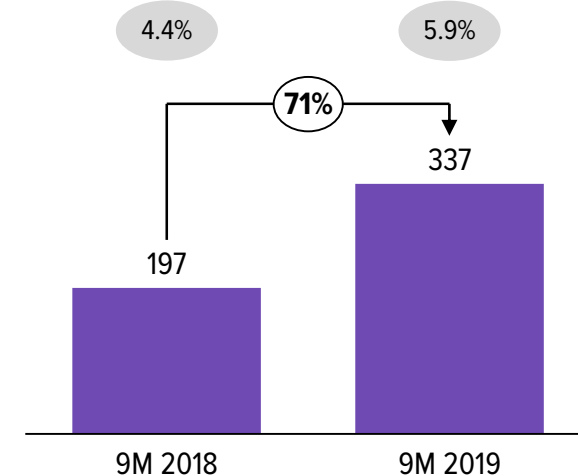
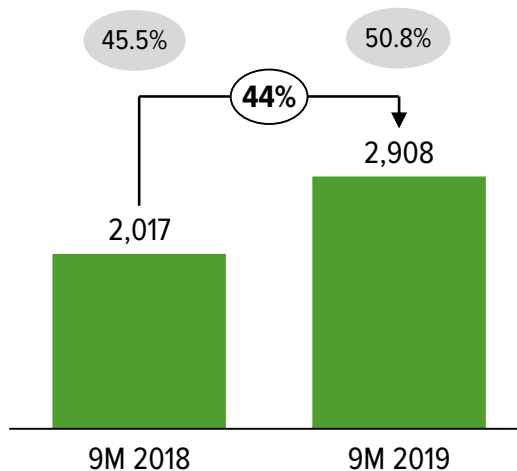
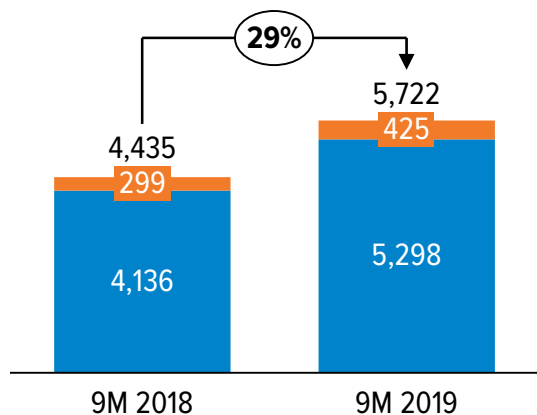
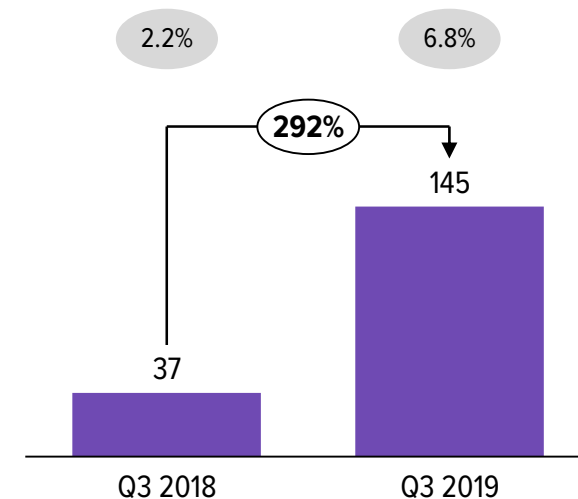
Adjusted EBITDA

RUB mm



CAPEX¹

RUB mm



Russia Other Segments

Adjusted EBITDA Margin, %

As % of Revenue, %



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

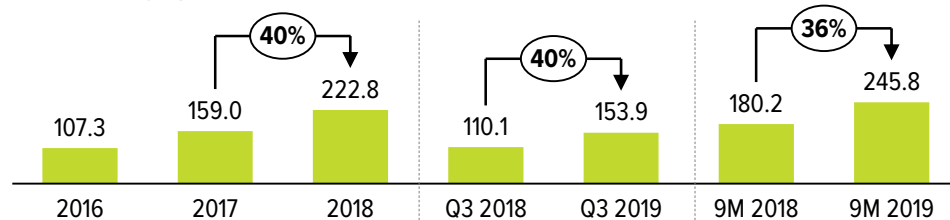
In Q3 2019, We Continued Delivering on Our Growth Strategy

Untapped Market Segments

Small and Medium Accounts

Small and Medium Accounts Paying Customers Dynamics

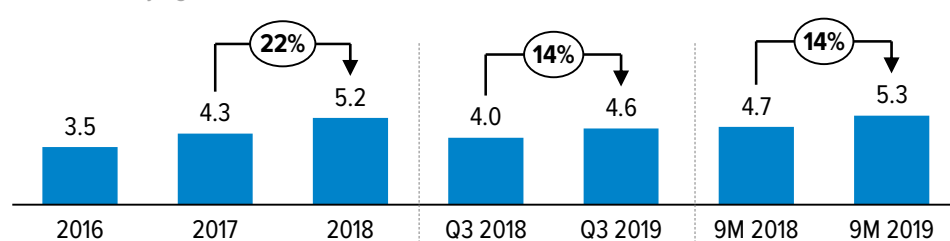
Number of Paying Customers, '000



Other Regions of Russia

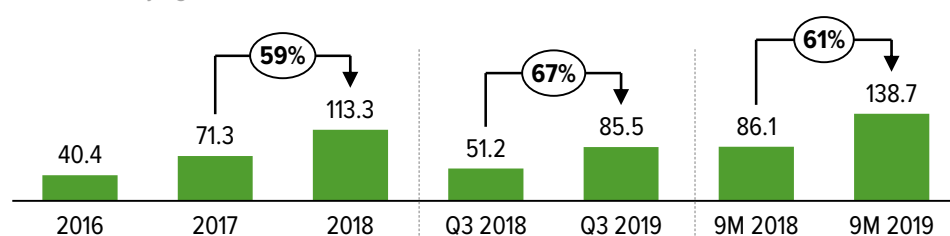
Key Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000



Small and Medium Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000

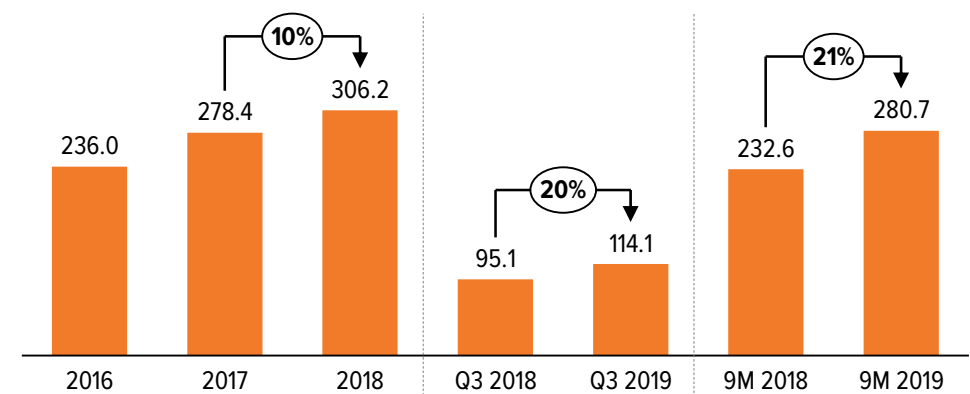


Enhancement of Monetization

ARPC Dynamics

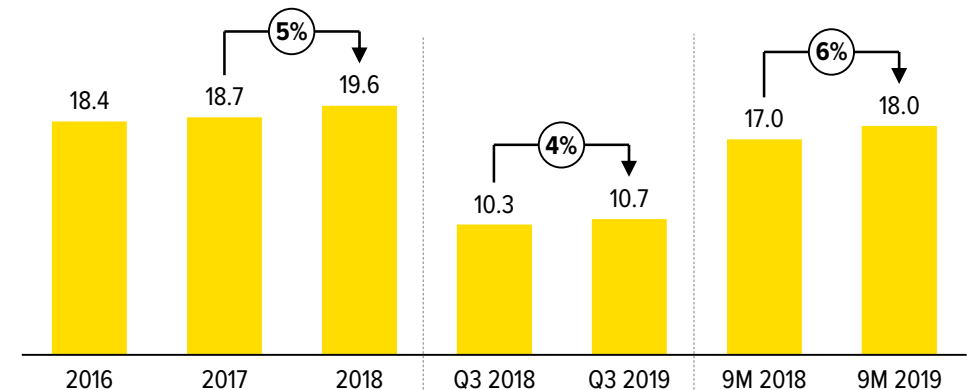
Key Accounts ARPC in Moscow and St. Petersburg

RUB '000



Small and Medium Accounts ARPC in Moscow and St. Petersburg

RUB '000

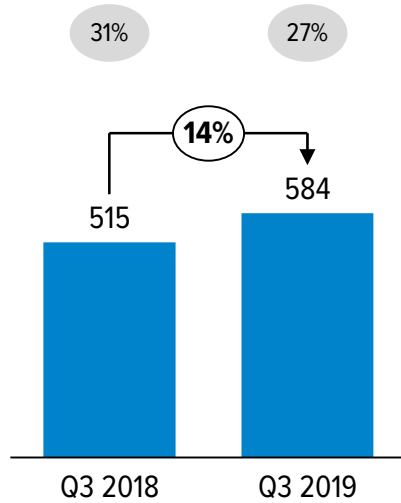


1) Subscription duration is 365 days

Revenue by Product Type

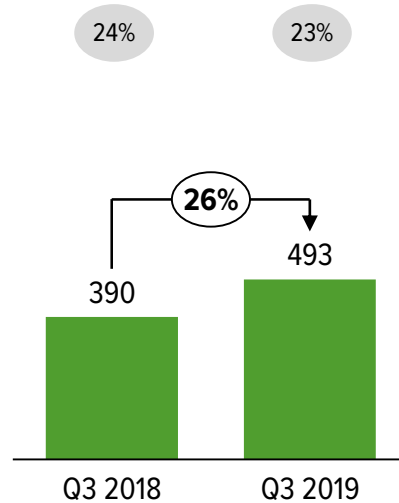
Bundled Subscriptions

RUB mm



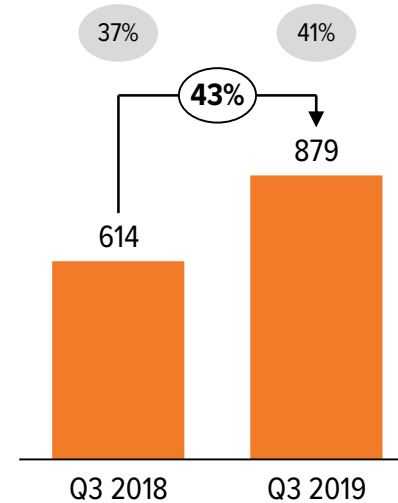
CV Database Access

RUB mm



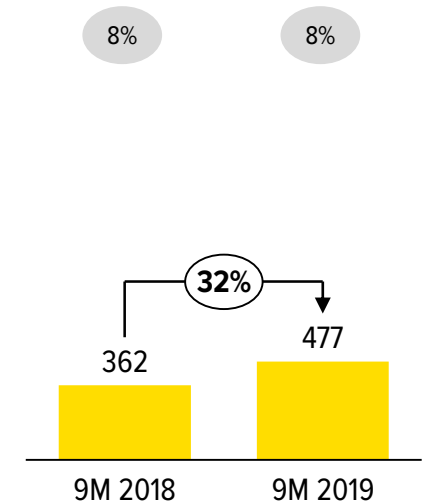
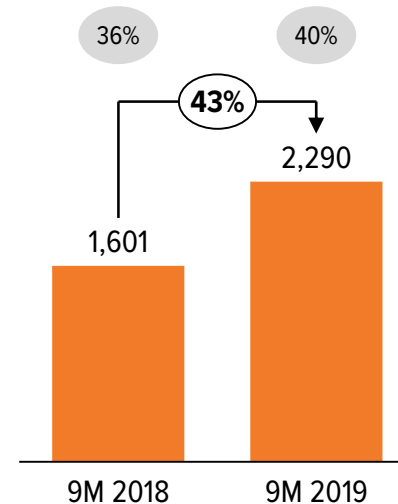
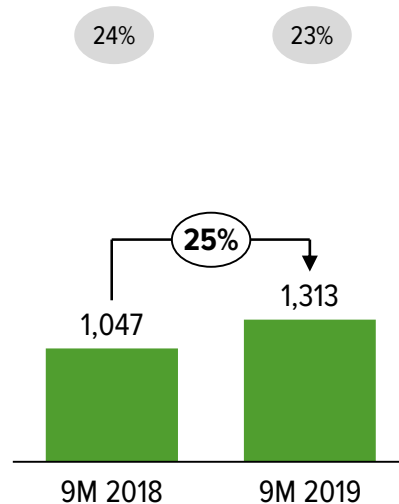
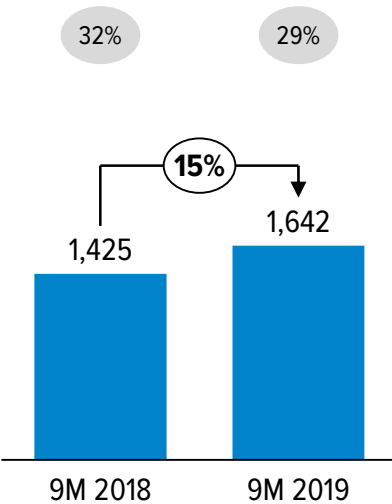
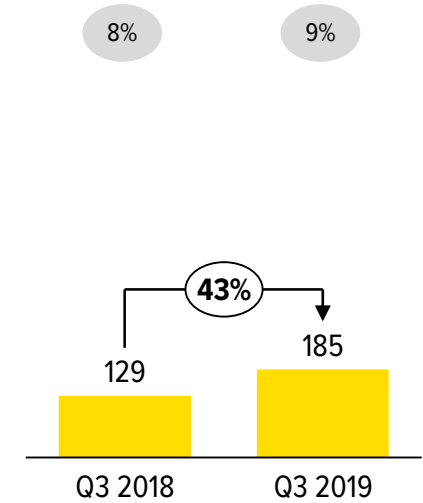
Job Postings

RUB mm



Other VAS

RUB mm



XX%

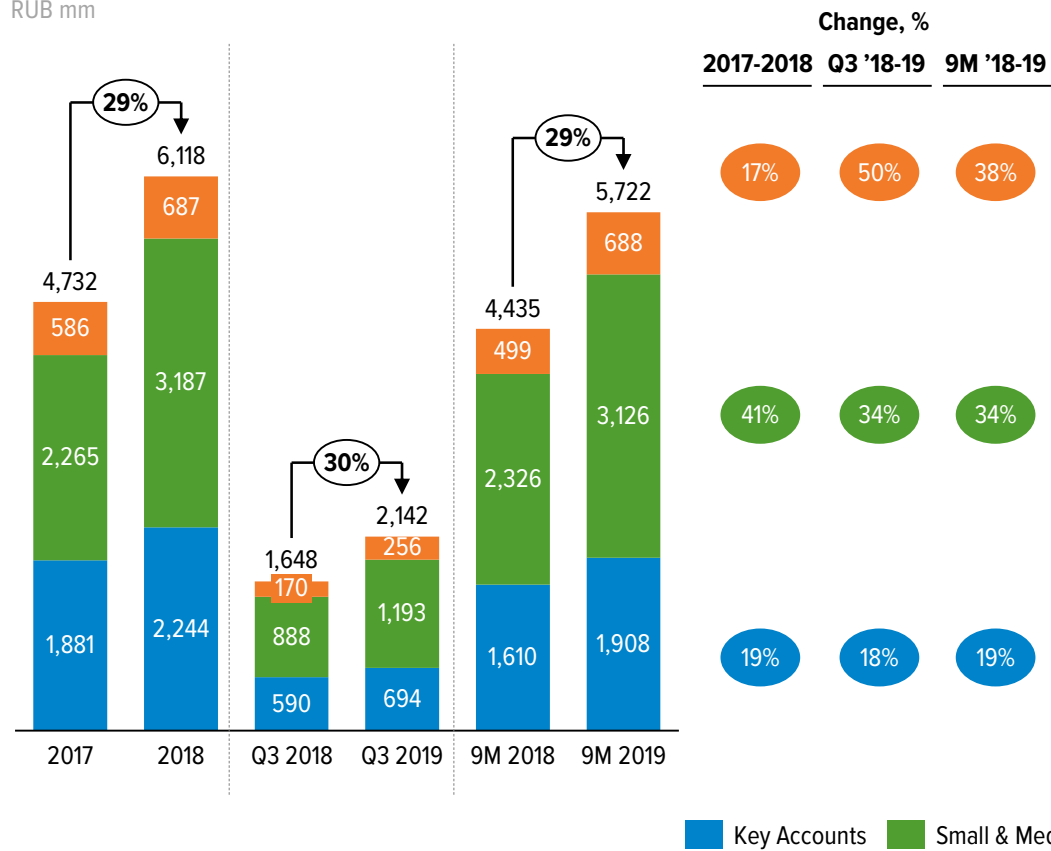
Share in revenue, %

Customer Base Growth

Sustained revenue growth in both client categories

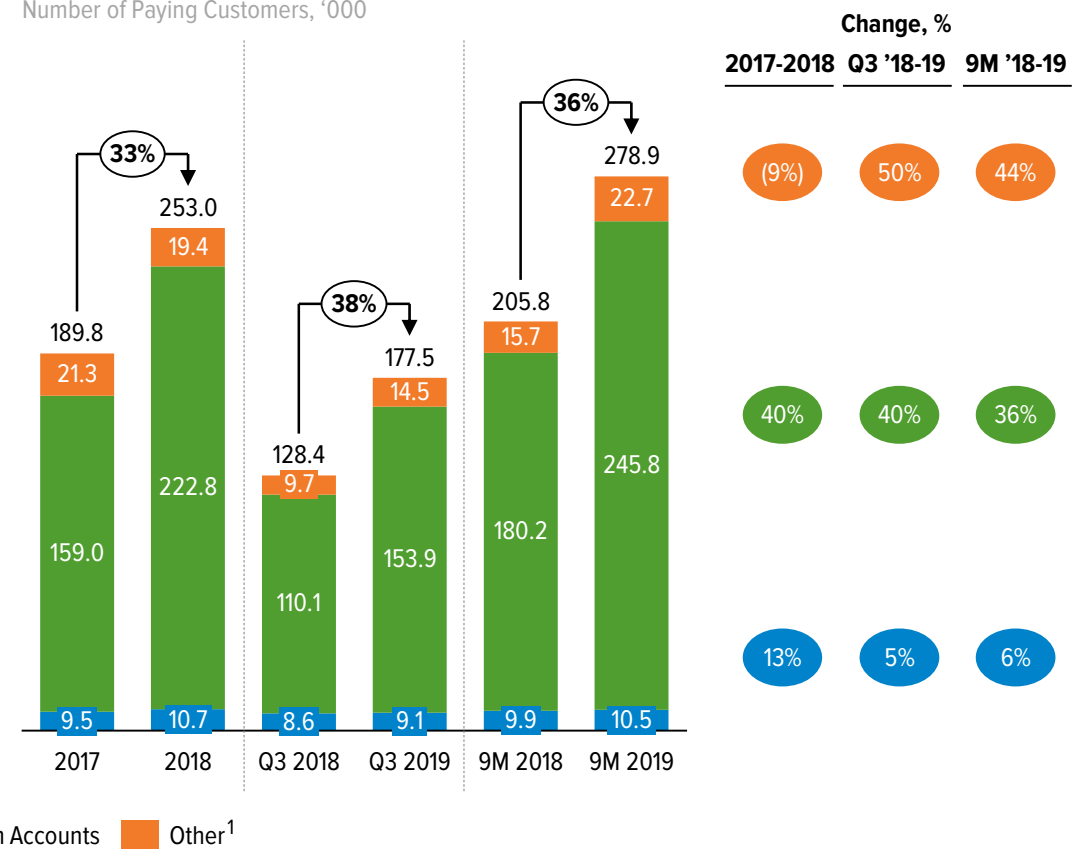
Revenue by Type of Customer

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

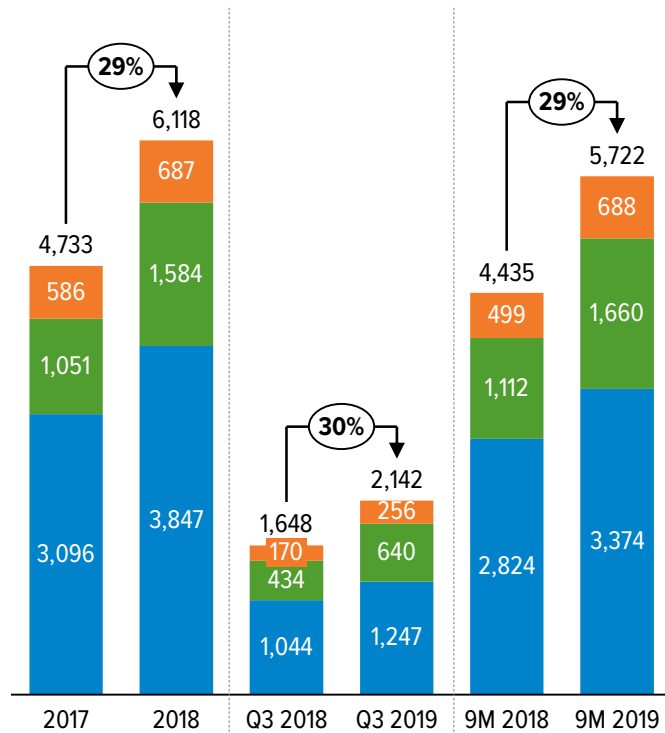


Customer Base Growth (cont'd)

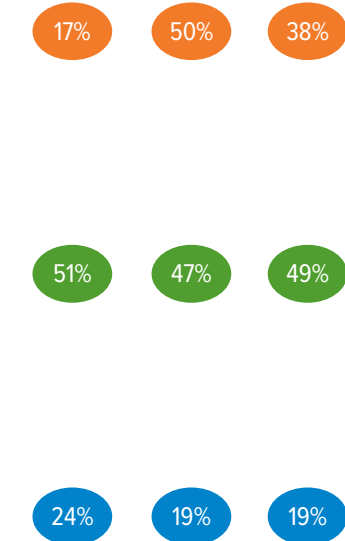
Sustained revenue growth in both geographical divisions

Revenue by Geography

RUB mm

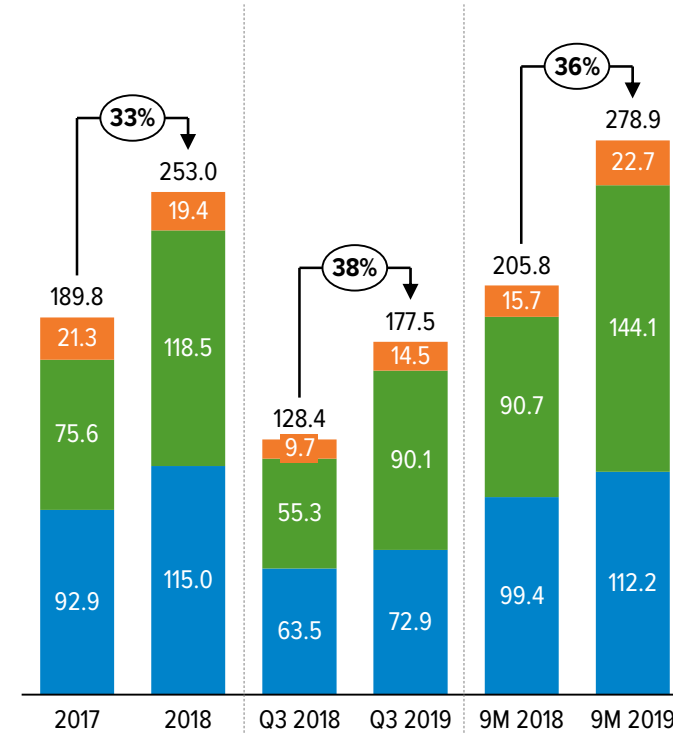


Change, %
2017-2018 Q3 '18-19 9M '18-19

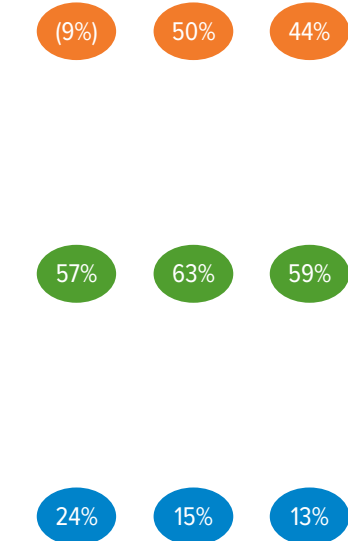


Customer Base by Geography

Number of Paying Customers, '000



Change, %
2017-2018 Q3 '18-19 9M '18-19



Moscow & St. Petersburg Other Regions of Russia Other¹

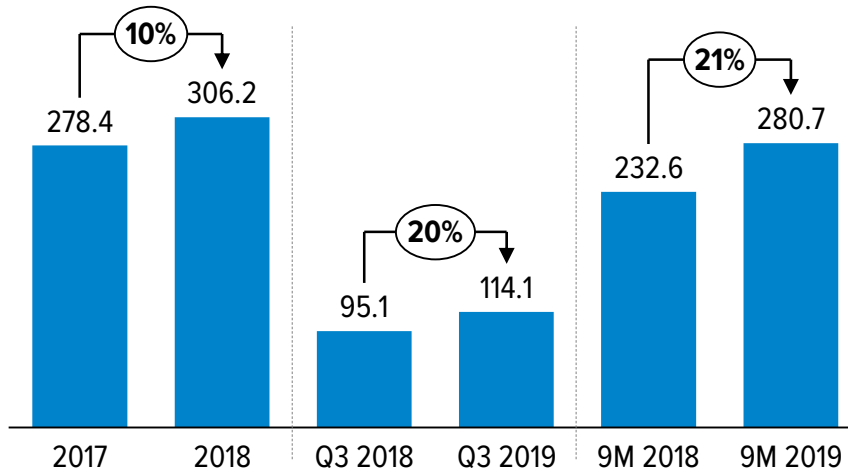
1) Other includes foreign customers in Russia, other customers and other segments



ARPC Development

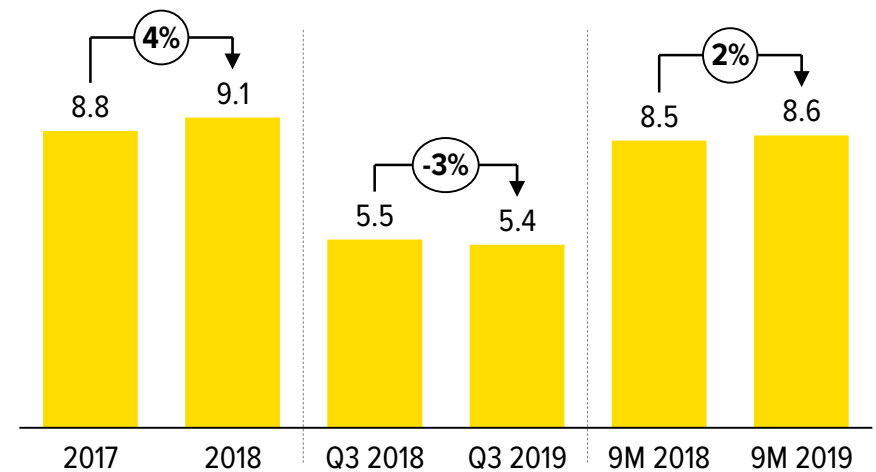
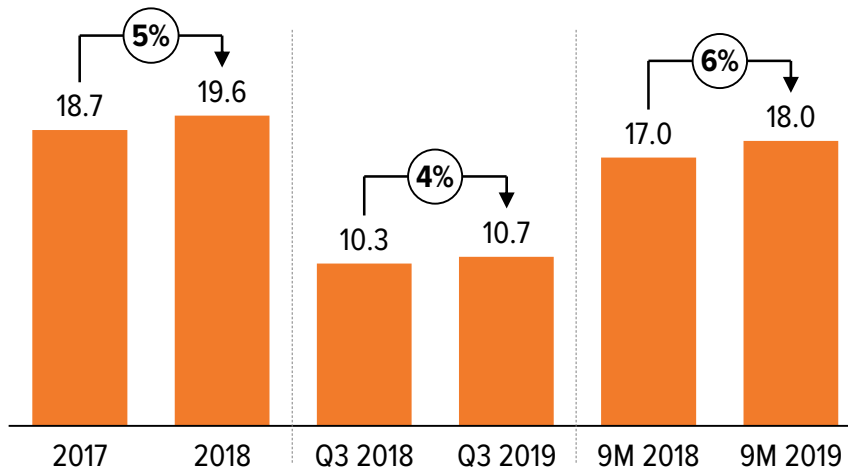
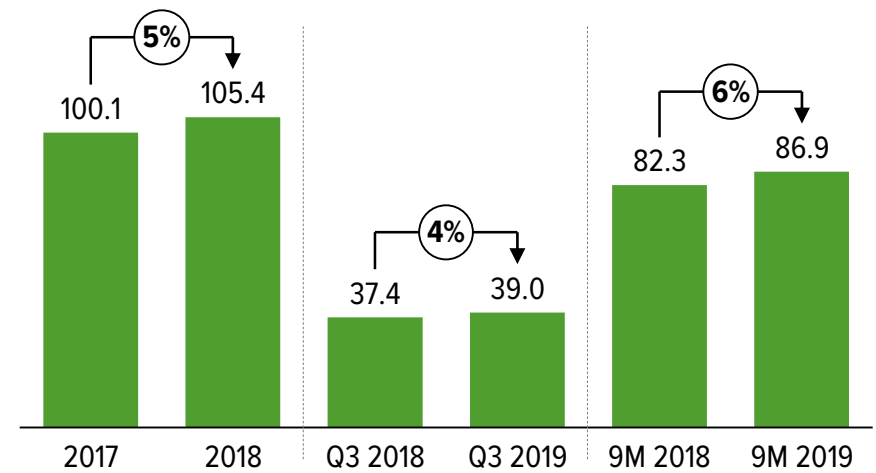
Moscow & St. Petersburg

RUB'000



Russian regions

RUB'000



Key Accounts ARPC

Small and Medium Accounts ARPC

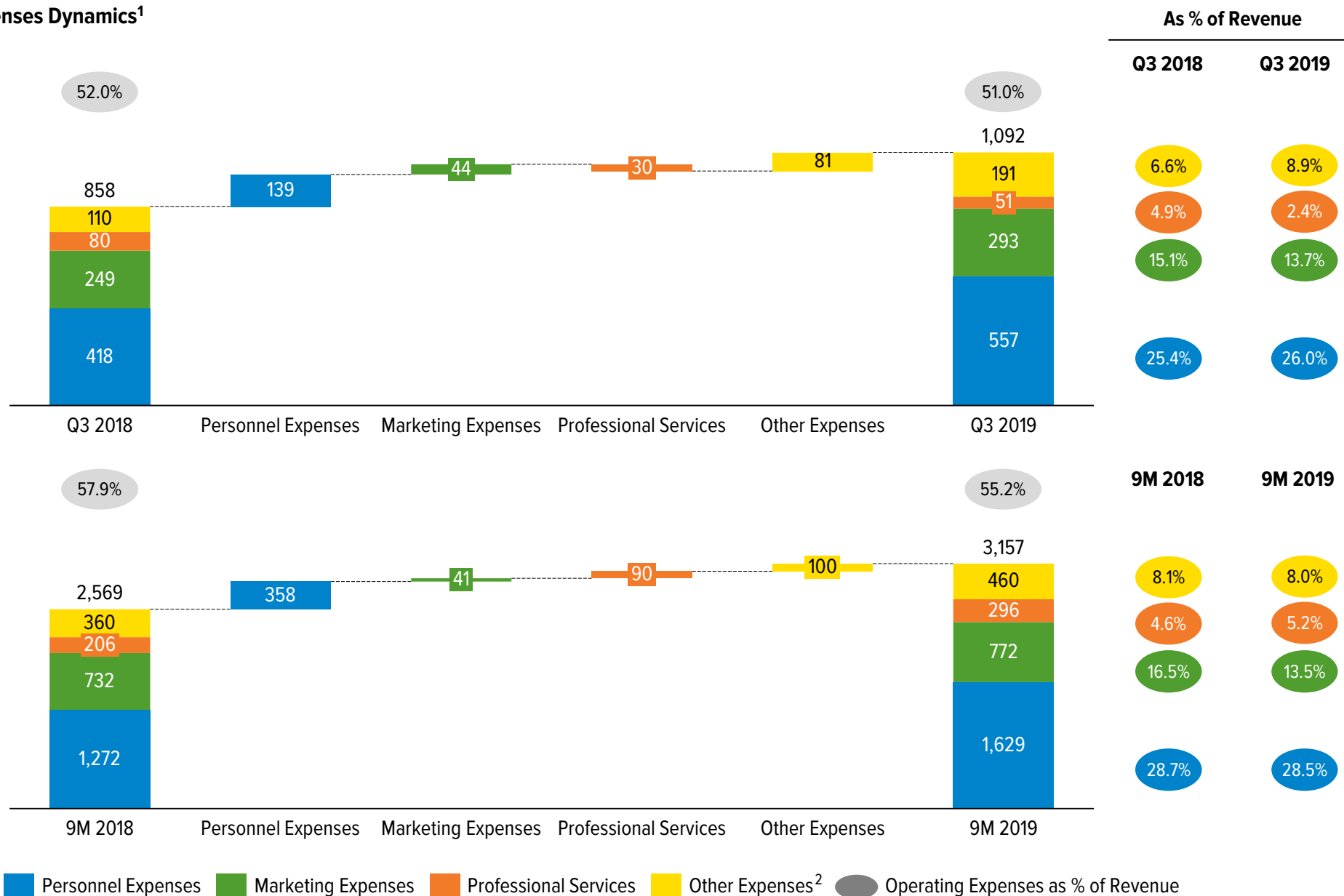
Operating Costs

Operating Expenses Dynamics¹

RUB mm

Q3 2019

9M 2019



1) Exclusive of depreciation and amortization

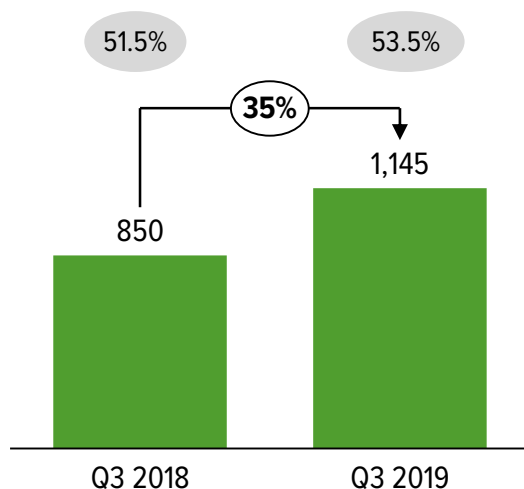
2) Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance, insurance services and other operating expenses



Adjusted EBITDA and Other Cash Flow Items

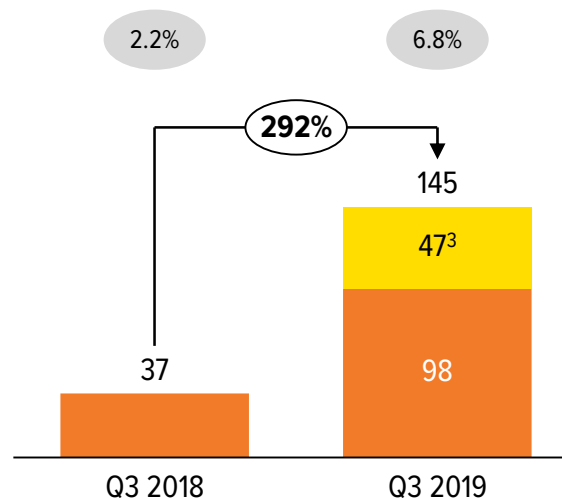
Adjusted EBITDA

RUB mm



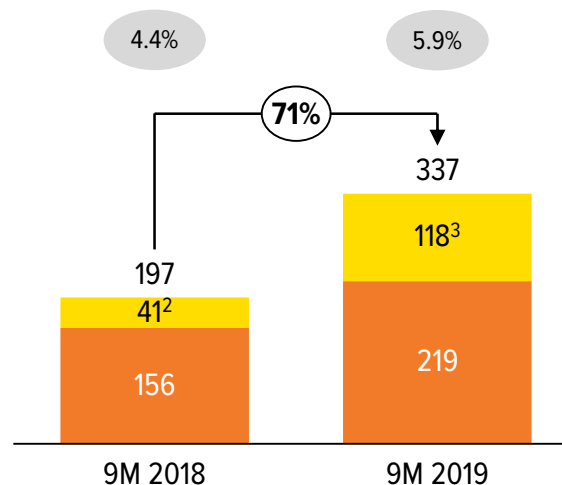
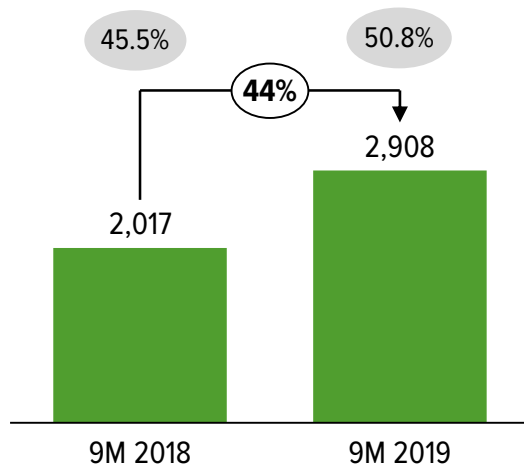
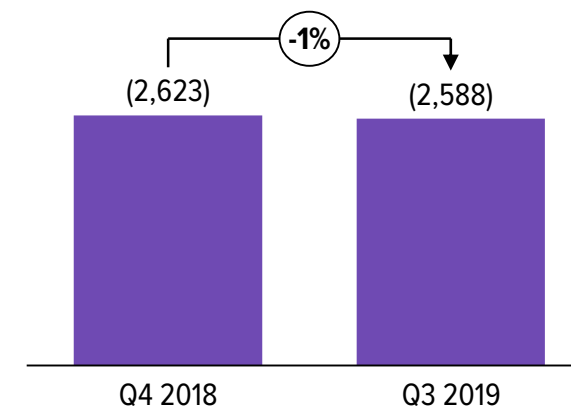
CAPEX¹

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

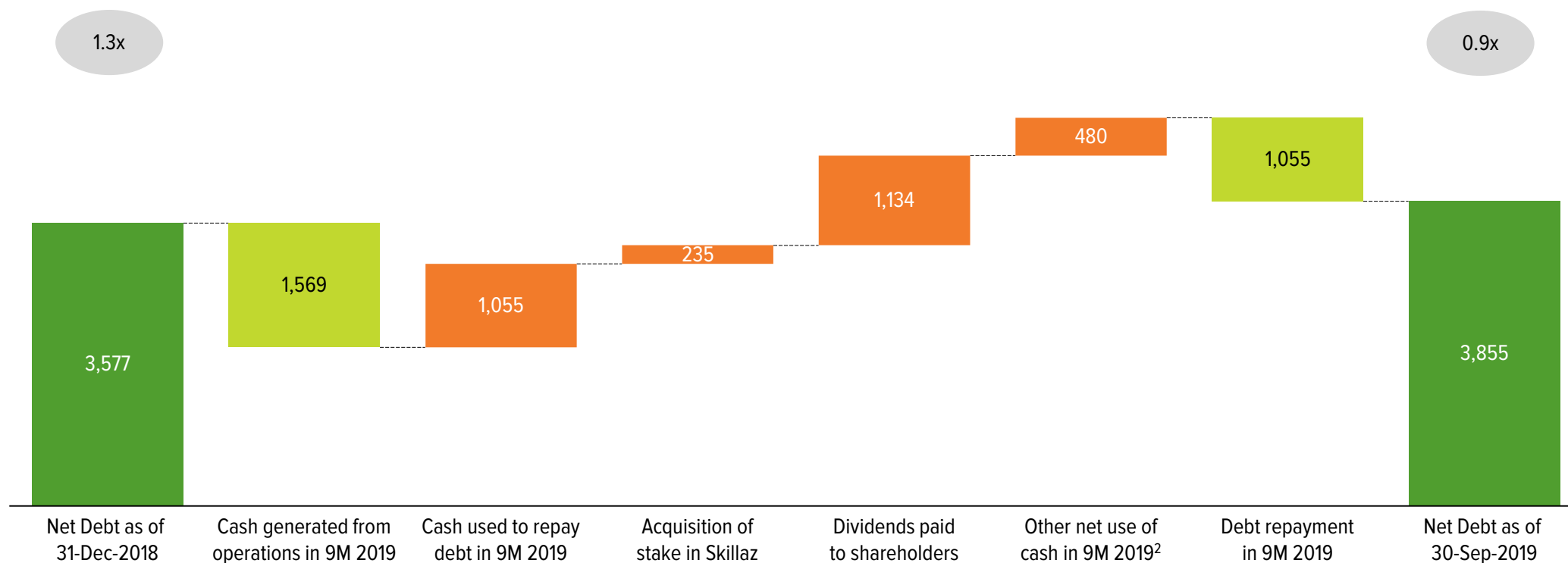
3) Redesign of offices in Moscow and Yaroslavl (total office redesign budget is estimated at ca RUB 180-210 mm for 2019)
 4) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables. Net Working Capital is non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" elsewhere in this presentation for a description of these measure and a reconciliation to the nearest IFRS measure.

Financial Leverage

Net Debt¹ to Adjusted EBITDA Ratio¹ has declined from 1.3x as of 2018 YE to 0.9x in Q3 2019 on the back of growing LTM adj. EBITDA¹ and declining Net Debt¹

Leverage Dynamics

RUB mm



Net Debt to LTM Adjusted EBITDA, x

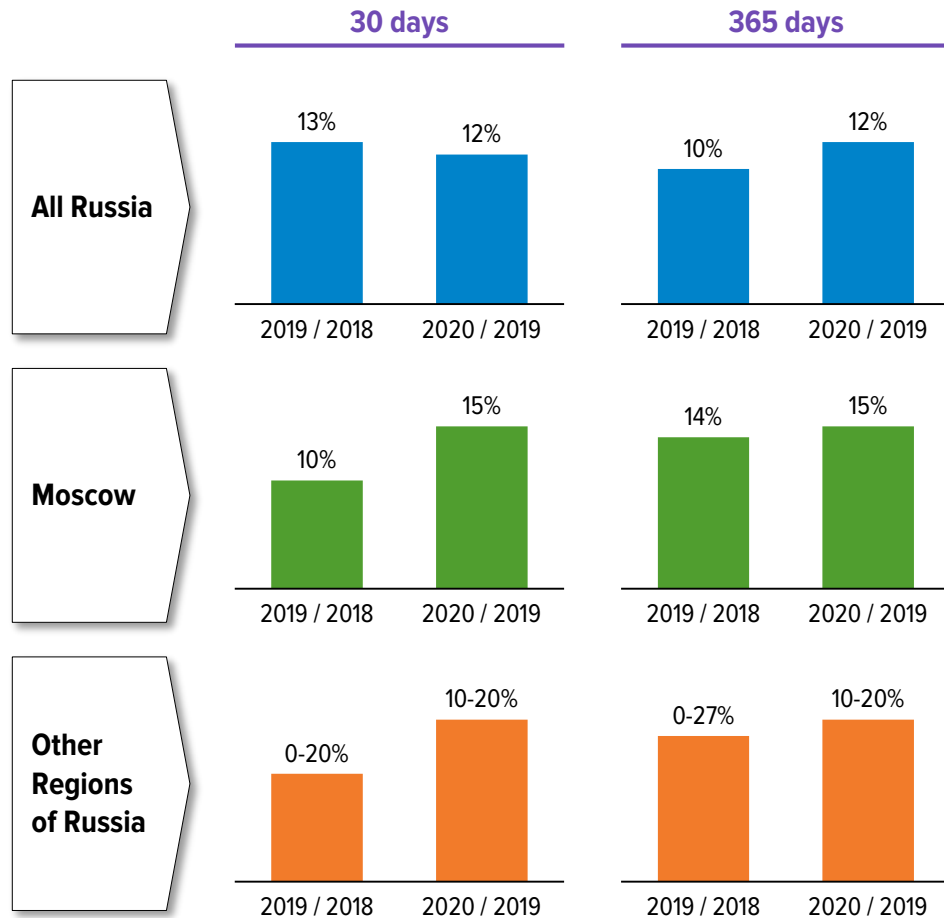
- 1) Net Debt and Net Debt to Adjusted EBITDA Ratio, adj. EBITDA on twelve months basis are non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" elsewhere in this presentation for a description of these measures and a reconciliation to the nearest IFRS measure.
- 2) Including, inter alia, effect of forex on cash

Differentiated Price Growth in 2020

Enhancing Monetization of Subscriptions

Price Increase¹ by Access Geography and Duration²

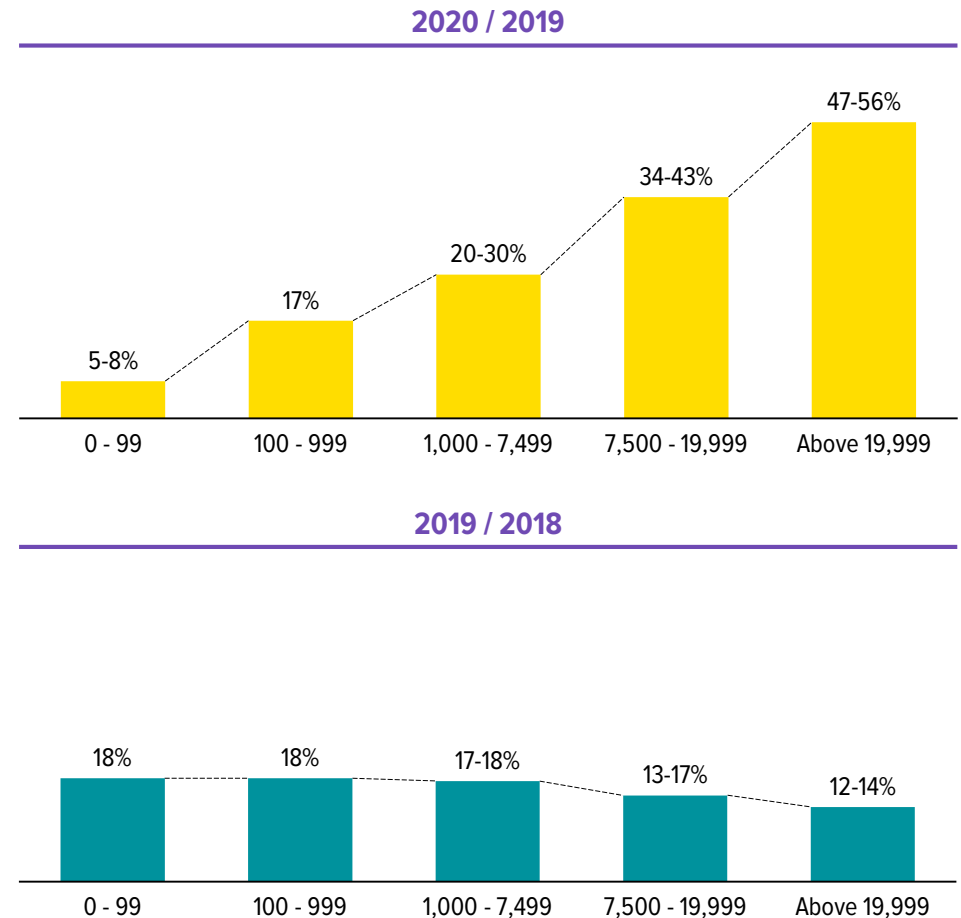
Change, %



Reduction of Volume Discounts in Job Postings

Price Increase^{1,3} by Posting Package Size⁴

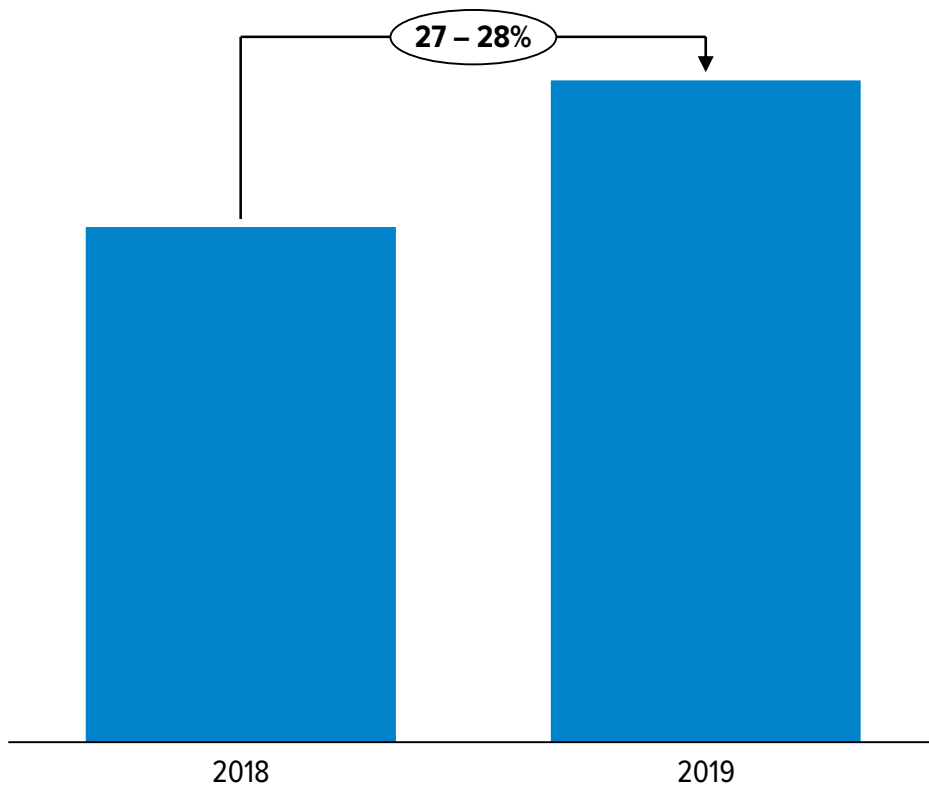
Change, %



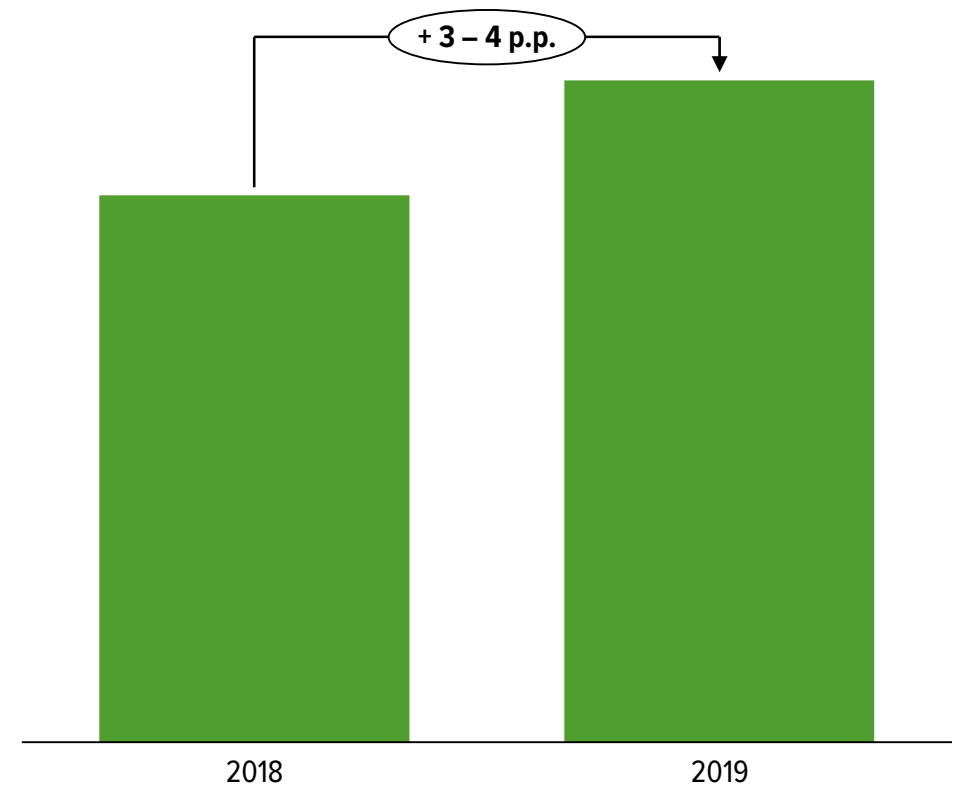
1) Excluding individual discounts that could be potentially provided to select customers on individual basis
 2) Bundled Subscriptions
 3) For Standard job posting
 4) Number of job postings in a package

Updated Outlook for 2019

Revenue, RUB mm



Adjusted EBITDA Margin, %



Footnote: A reconciliation of our Adjusted EBITDA Margin guidance to the most directly comparable IFRS financial measure cannot be provided without unreasonable efforts and is not provided herein because of the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including depreciation and amortization, expenses related to equity-settled awards and the other adjustments reflected in our reconciliation of historical non-IFRS financial measures, the amounts of which, could be material.

Appendix

Income Statement

in thousands of RUB

	Q3 2018	Q3 2019	9M 2018	9M 2019
Revenue	1 648 262	2 142 322	4 435 145	5 722 383
<i>growth, y-o-y</i>		30.0%		29.0%
Operating costs and expenses (exclusive of depreciation and amortization)	(857 869)	(1 091 635)	(2 568 878)	(3 157 143)
<i>as % of revenue</i>	-52.0%	-51.0%	-57.9%	-55.2%
Depreciation and amortization	(148 207)	(171 704)	(439 432)	(505 531)
<i>as % of revenue</i>	-9.0%	-8.0%	-9.9%	-8.8%
Operating income	642 186	878 983	1 426 835	2 059 709
Finance income	25 144	12 031	64 691	57 723
Finance costs	(159 143)	(145 481)	(484 021)	(470 160)
Other income		8 613		13 544
Gain on disposal of subsidiary			6 131	
Net foreign exchange loss	1 136	11 398	(5 766)	(24 730)
Share of loss of equity-accounted investees (net of income tax)		(3 536)		(8 584)
Profit before income tax	509 323	762 008	1 007 870	1 627 502
Income tax expense	(173 358)	(191 435)	(363 876)	(542 918)
<i>Effective tax rate</i>	34.0%	25.1%	36.1%	33.4%
Net income for the period	335 965	570 573	643 994	1 084 584

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

Adjusted EBITDA and Adjusted Net Income

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

in thousands of RUB

	Q3 2018	Q3 2019	9M 2018	9M 2019
Net income	335 965	570 573	643 994	1 084 584
<i>Add the effect of:</i>				
Income tax expense	173 358	191 435	363 876	542 918
Net interest costs	133 999	133 450	419 330	412 437
Depreciation and amortization	148 207	171 704	439 432	505 531
EBITDA	791 529	1 067 162	1 866 632	2 545 470
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	18 377	43 956	55 761	117 062
IPO-related costs	39 772		100 875	188 294
Insurance cover related to IPO		39 064		61 874
Income from depository		(8 613)		(13 544)
Gain on disposal of subsidiary			(6 131)	
Share of loss of equity-accounted investees		3 536		8 584
Adjusted EBITDA	849 678	1 145 105	2 017 137	2 907 740
Adjusted EBITDA margin	51.5%	53.5%	45.5%	50.8%

Reconciliation of Adjusted Net Income to Net Income

in thousands of RUB

	Q3 2018	Q3 2019	9M2018	9M 2019
Net income	335 965	570 573	643 994	1 084 584
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	18 377	43 956	55 761	117 062
IPO-related costs	39 772		100 875	188 294
Directors and officers insurance against IPO-risk		39 064		61 874
Income from depository		(8 613)		(13 544)
Gain on disposal of subsidiary			(6 131)	
Share of loss of equity-accounted investees		3 536		8 584
Amortization of intangible assets recognized upon the Acquisition	103 947	103 947	311 841	311 841
Tax effect on adjustments	(20 789)	(20 789)	(62 368)	(62 368)
Adjusted Net Income	477 272	731 674	1 043 972	1 696 327
Adjusted Net Income margin	29.0%	34.2%	23.5%	29.6%

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

Calculation of Net Working Capital

in thousands of RUB

	September 30, 2019	December 31, 2018
Trade and other receivables	66,676	40,718
Prepaid expenses and other current assets	165,448	64,386
Contract liabilities	(1,971,341)	(2,072,640)
Trade and other payables	(826,565)	(655,877)
Other current liabilities	(22,618)	
Net Working Capital	(2,588,400)	(2,623,413)

Calculation of Net Debt

in thousands of RUB

	September 30, 2019	December 31, 2018
Loans and borrowings	4,330,755	5,203,692
Loans and borrowings (current portion)	1,063,911	1,233,924
Cash and cash equivalents	(1,539,407)	(2,861,110)
Net Debt	3,855,259	3,576,506

Calculation of Adjusted EBITDA on the last twelve months basis as of September 30, 2019

in thousands of RUB

	September 30, 2019
Adjusted EBITDA for the year ended December 31, 2018	2,854,990
Less Adjusted EBITDA for the six months ended September 30, 2018	(2,017,137)
Add Adjusted EBITDA for the six months ended September 30, 2019	2,907,740
Adjusted EBITDA on the last twelve months basis as of September 30, 2019	3,745,593

Cash Flow Statement

in thousands of RUB

OPERATING ACTIVITIES:

	9M 2018 ¹	9M 2019
Net income	643,994	1,084,584
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	439,432	505,531
Net finance costs	419,330	412,437
Net foreign exchange loss	5,766	24,730
Gain on disposal of subsidiary	(6,131)	
Other income		(13,544)
Other non-cash items	1,615	3,834
Management incentive agreement	64,543	147,243
Share grant to Board		7,524
Share of profit of equity-accounted investees, net of income tax		8,584
Income tax expense	363,876	542,918
Change in trade receivables and other operating assets	(116,746)	(146,335)
Change in contract liabilities	81,036	(94,972)
Change in trade and other payables	118,961	85,000
Depository income received		169,780
Income tax paid	(462,500)	(710,947)
Interest paid	(470,078)	(457,115)
Net cash generated from operating activities	1,083,098	1,569,252
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investee		(234,729)
Proceeds from disposal of subsidiary, net of cash disposed of	(10,847)	–
Acquisition of intangible assets	(97,851)	(71,251)
Acquisition of property and equipment	(98,441)	(245,500)
Interest received	63,709	57,656
Net cash used in investing activities	(143,430)	(493,824)
FINANCING ACTIVITIES:		
Bank and other loans repaid	(495,000)	(1,055,000)
Payment for lease liabilities	–	(38,632)
Dividends paid to shareholders	–	(1,133,501)
Dividends paid to non-controlling interest	(57,723)	(106,963)
Net cash generated used in financing activities	(552,723)	(2,334,096)
Net increase/(decrease) in cash	386,945	(1,258,668)
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	(3,627)	(63,035)
Cash and cash equivalents, end of period	1,810,127	1,539,407



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

ASSETS

Non-current assets

Goodwill	6,966,840	6,968,266
Intangible assets	2,946,208	2,843,922
Property and equipment	236,566	327,398
Equity-accounted investees	229,681	226,145
Right-of-use asset	313,619	295,015
Deferred tax assets	114,574	127,425
Other non-current assets	3,264	22,446
Total non-current assets	10,810,752	10,810,617

Current assets

Trade and other receivables	60,881	66,676
Prepaid expenses and other current assets	92,080	165,448
Cash and cash equivalents	2,773,513	1,539,407
Total current assets	2,926,474	1,771,531
Total assets	13,737,226	12,582,148

EQUITY AND LIABILITIES

Equity

Share capital	8,547	8,547
Share premium	1,796,857	1,830,267
Foreign currency translation reserve	(92,249)	(89,707)
Retained earnings	593,329	1,121,772
Total equity attributable to equity holders of the Company	2,306,484	2,870,879

Non-controlling interest

	19,652	28,224
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Total equity

	2,326,136	2,899,103
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Non-current liabilities

Loans and borrowings	4,596,847	4,330,755
Lease liabilities	262,170	245,700
Deferred tax liabilities	556,106	533,594
Trade and other payables	0	1,823
Other non-current liabilities		134,071
Total non-current liabilities	5,415,123	5,245,943

Current liabilities

Contract liabilities	2,040,769	1,971,341
Trade and other payables	808,788	826,565
Loans and borrowings (current portion)	1,426,595	1,063,911
Lease liabilities	62,174	64,766
Dividends payable	1,135,931	0
Income tax payable	521,710	487,901
Other current liabilities		22,618
Total current liabilities	5,995,967	4,437,102

Total liabilities

	11,411,090	9,683,045
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Total equity and liabilities	13,737,226	12,582,148
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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) Gain on disposal of subsidiary 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) Gain on disposal of subsidiary; (6) Share of loss of equity-accounted investees; (7) Amortization of intangible assets recognized upon the Acquisition and (8) Tax effect on adjustments
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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