

Q2 2020 Financial Results

Supplementary Slides

August 27, 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, expectations surrounding the CV database timeline, 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.



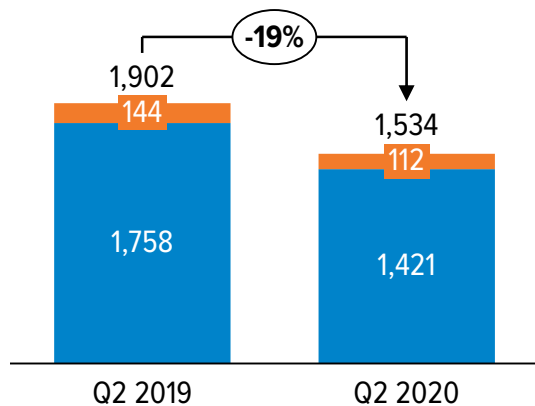
Key Financial Highlights in Q2 and H1 2020

Q2 2020

H1 2020

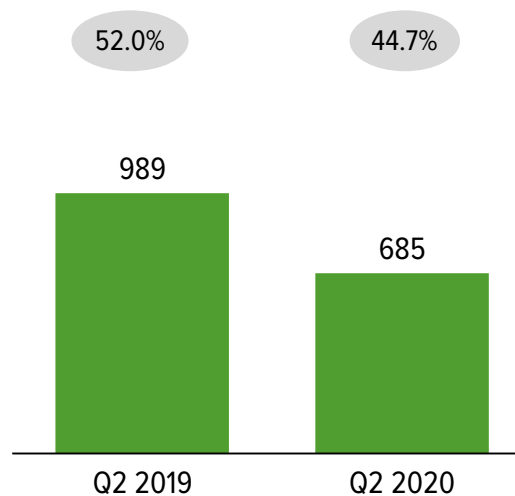
Revenue

RUB mm



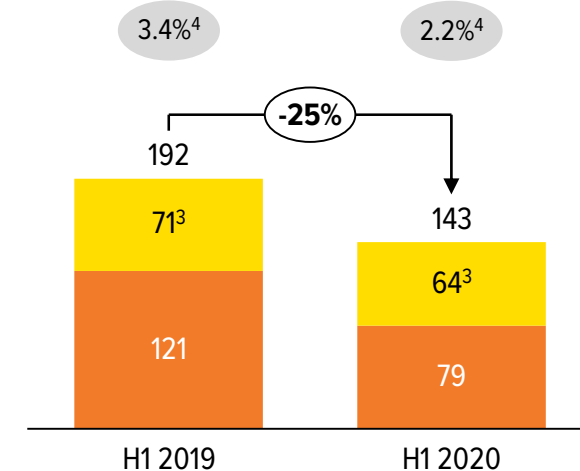
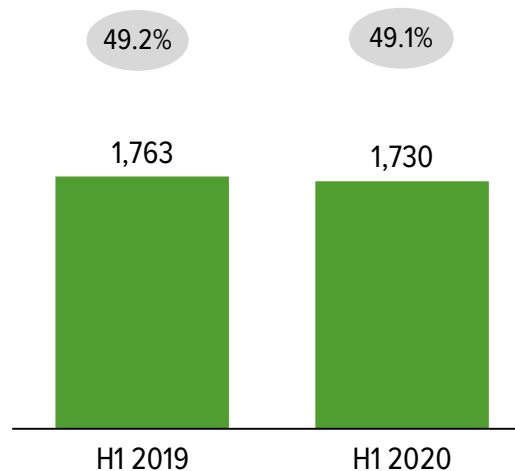
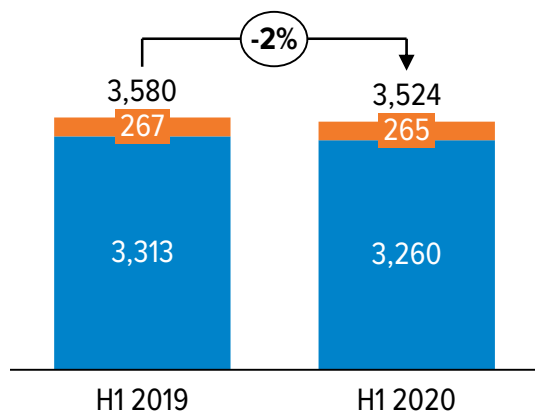
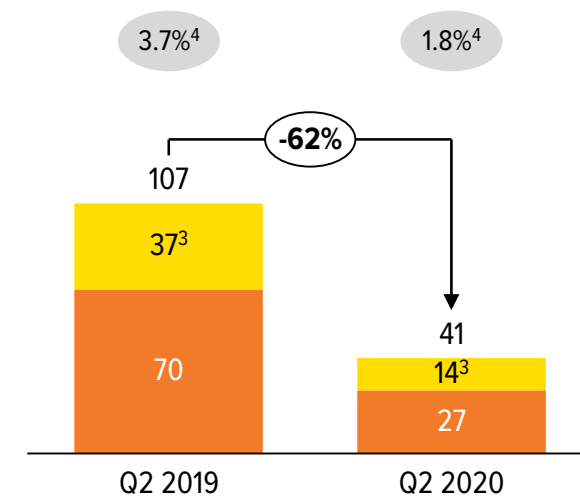
Adjusted EBITDA¹

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

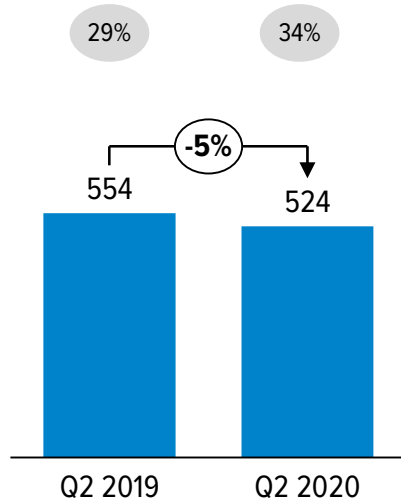
4) Capex as % of revenue excluding one-off effects in 2019 and 2020



Revenue by Product Type

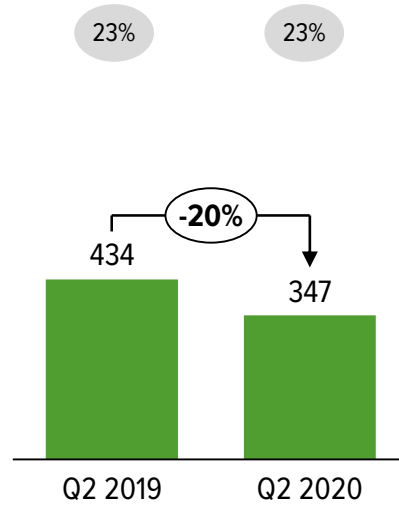
Bundled Subscriptions

RUB mm



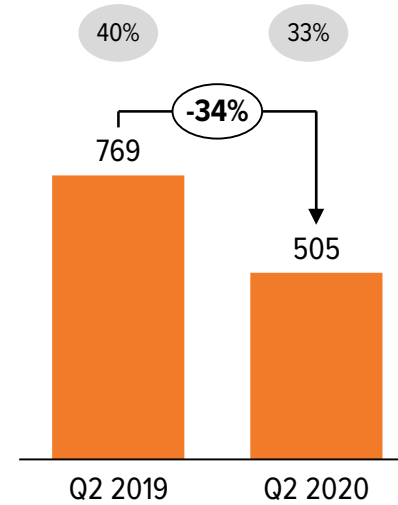
CV Database Access

RUB mm



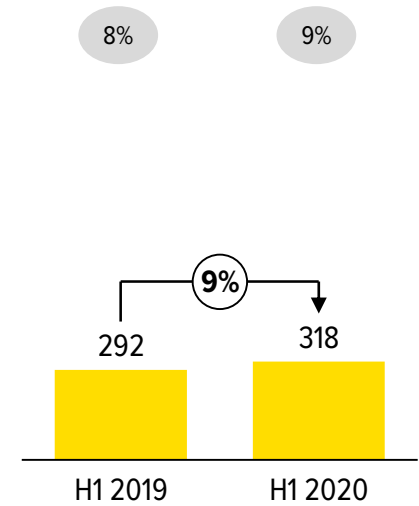
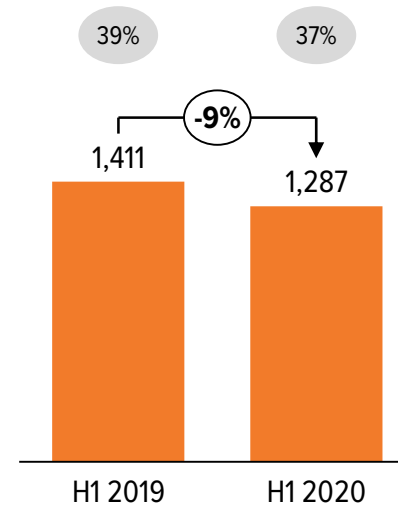
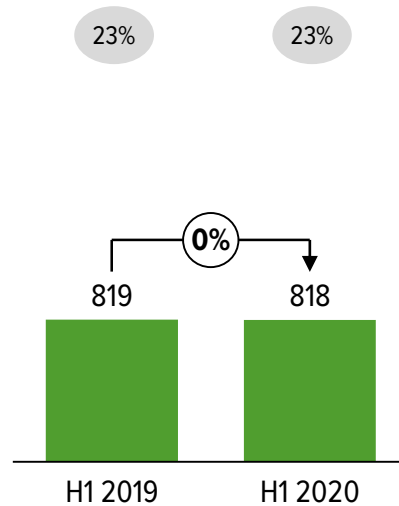
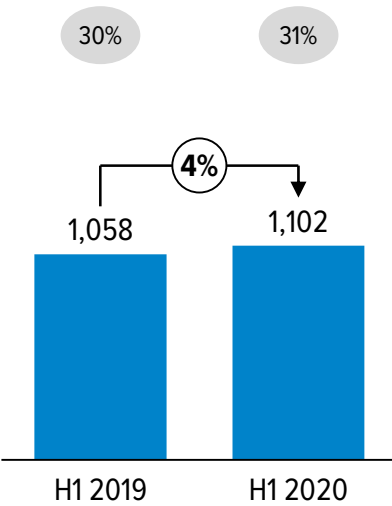
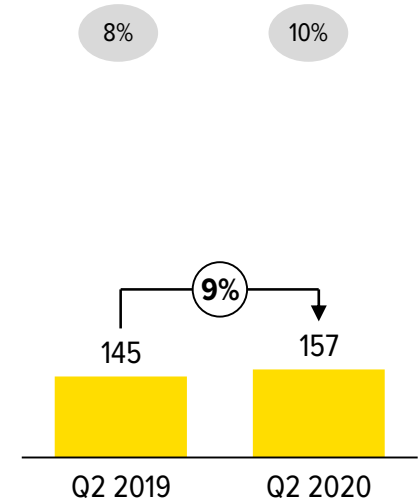
Job Postings

RUB mm



Other VAS

RUB mm



Q2 2020

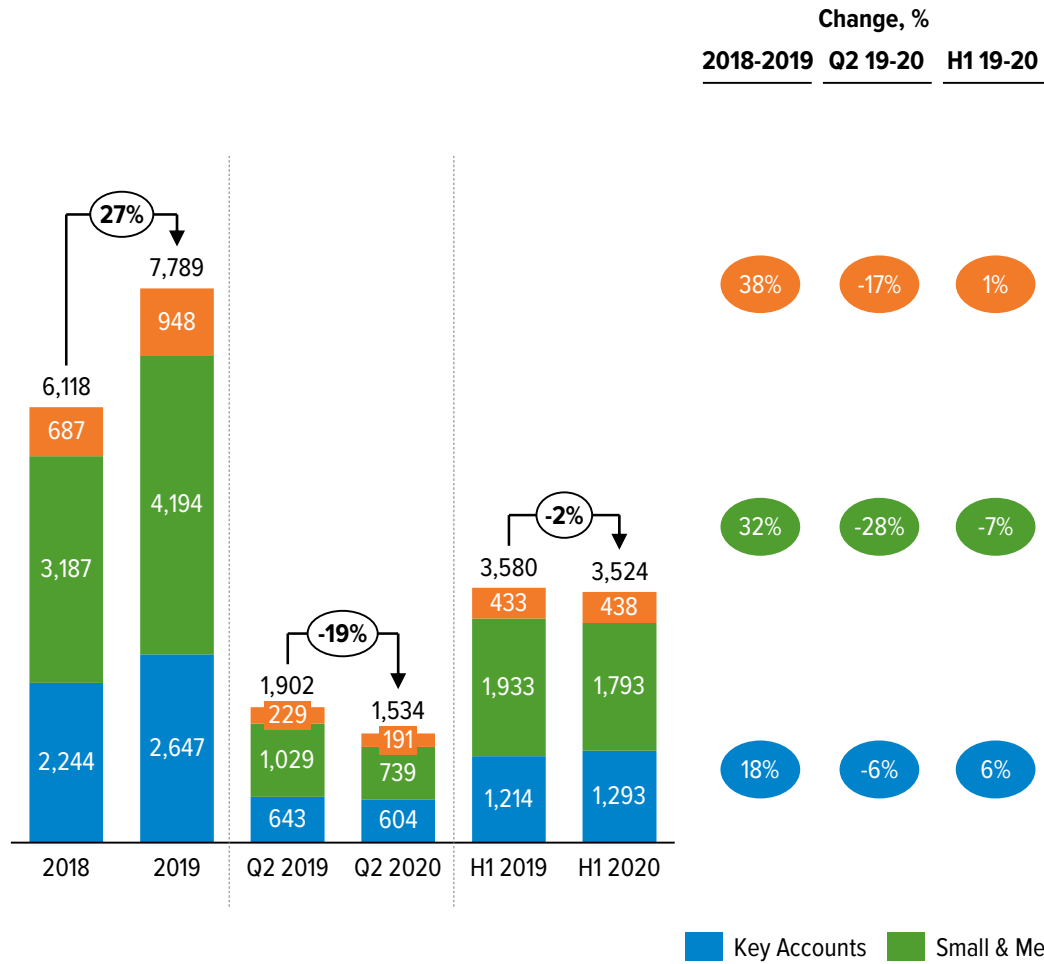
H1 2020

XX% Share in revenue, %

Customer Base Growth

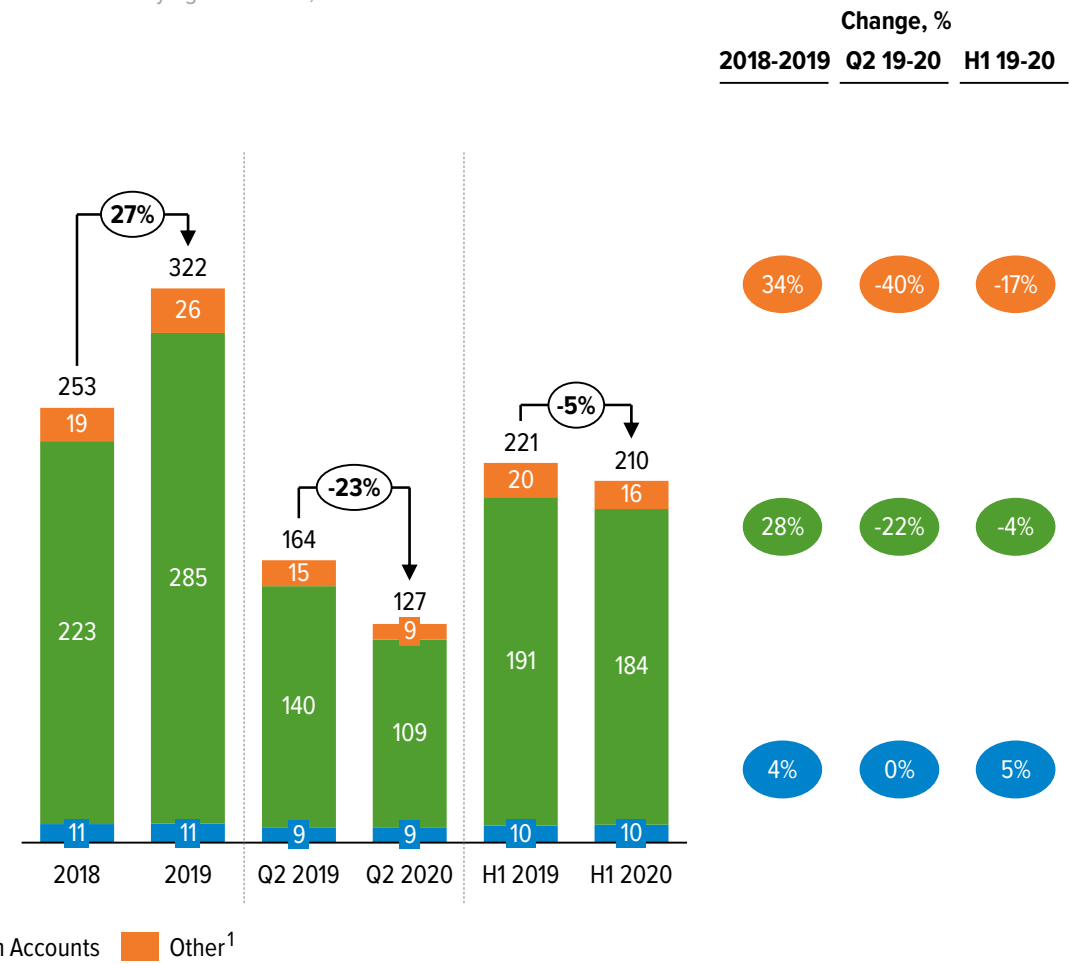
Revenue by Type of Customer

RUB mm



Customer Base by Type of Customer

Number of Paying Customers, '000

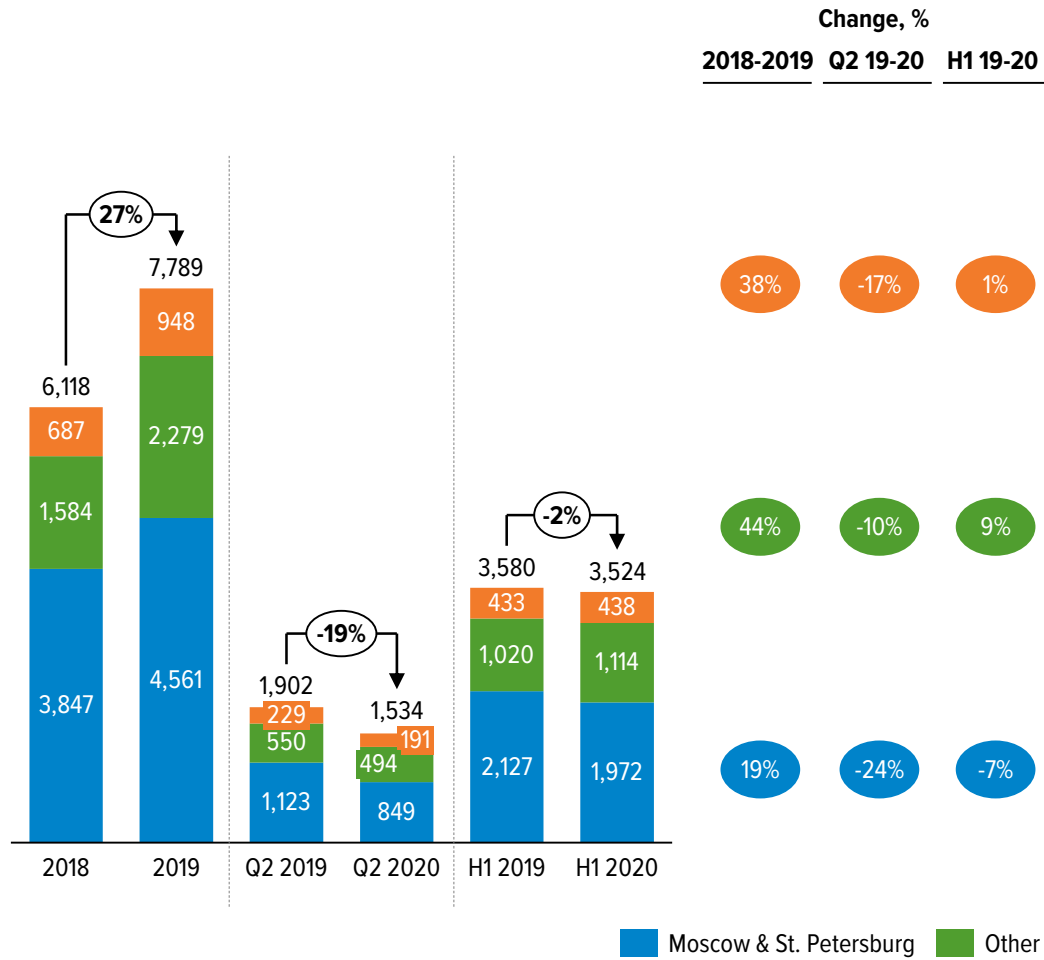


1) Other includes foreign customers in Russia, other customers and other segments

Customer Base Growth (cont'd)

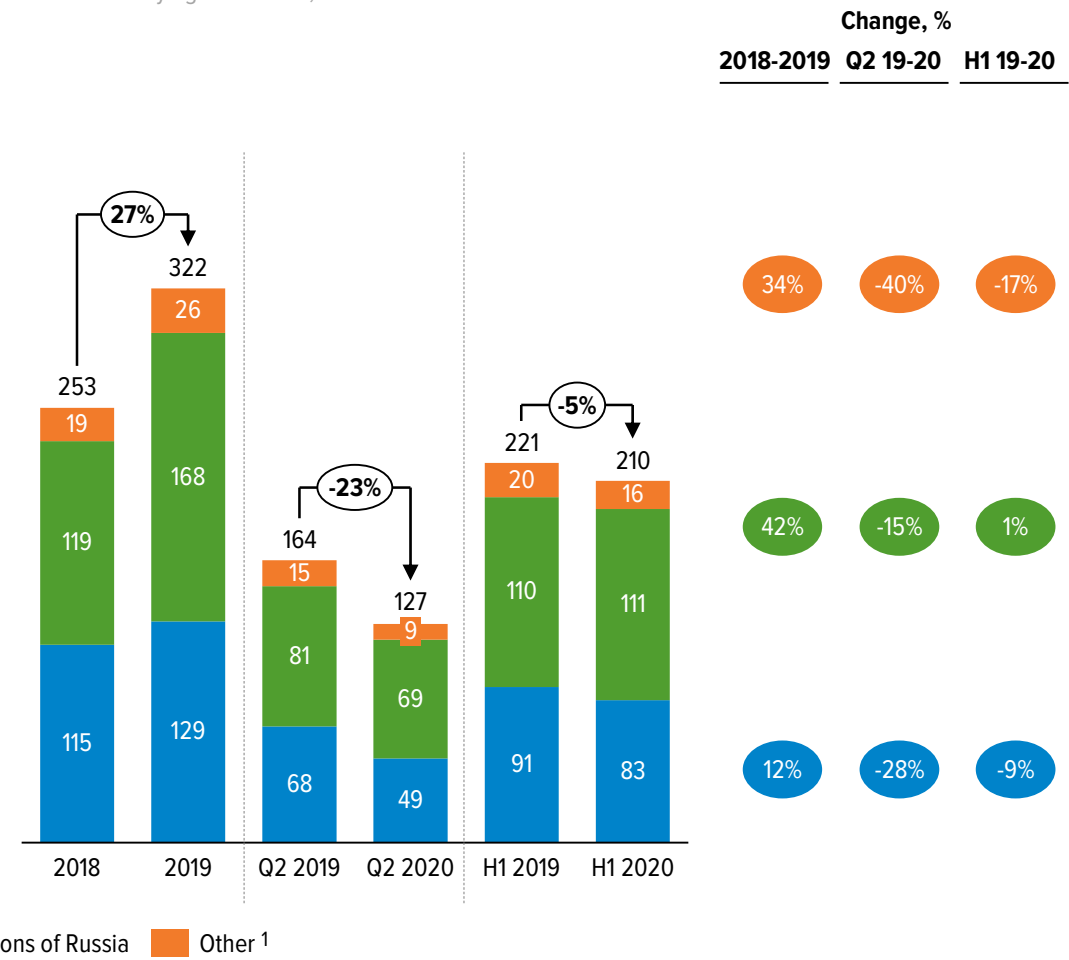
Revenue by Geography

RUB mm



Customer Base by Geography

Number of Paying Customers, '000

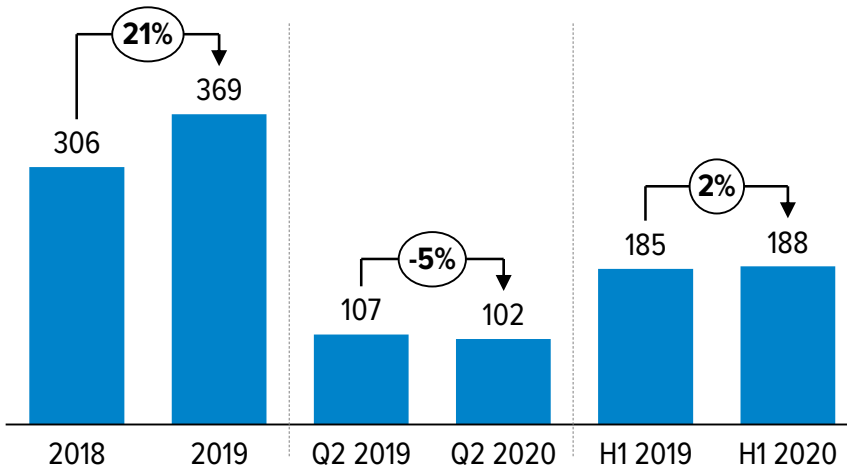


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ARPC Development

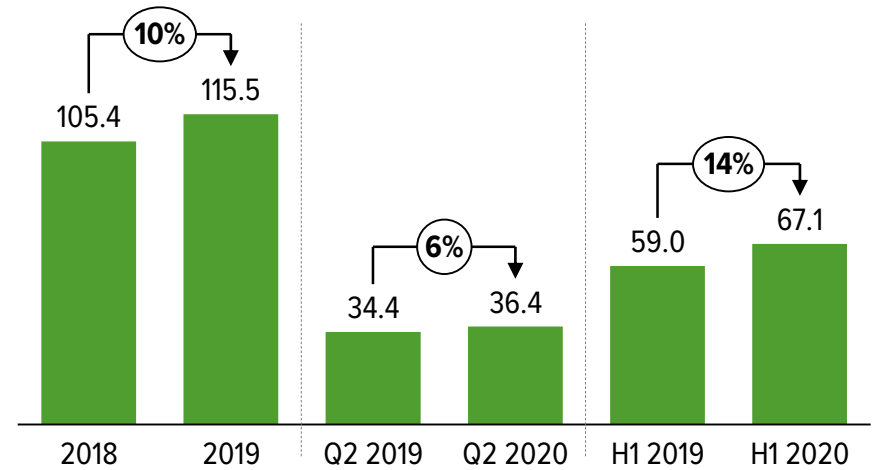
Moscow & St. Petersburg

RUB'000



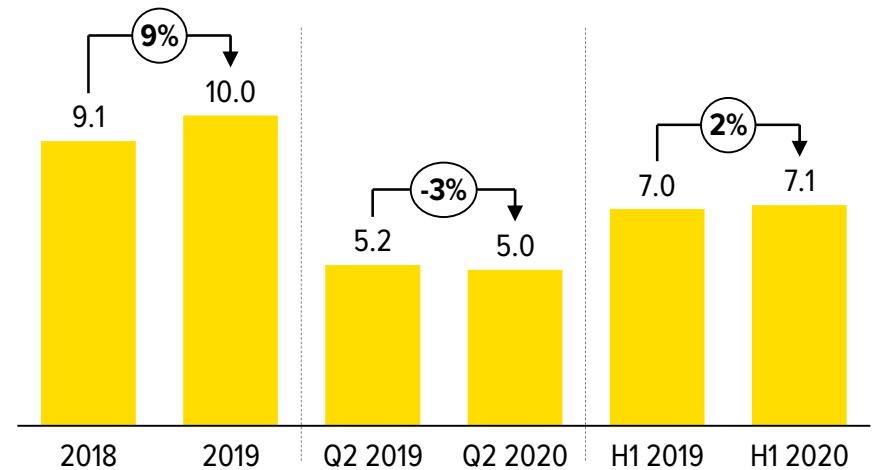
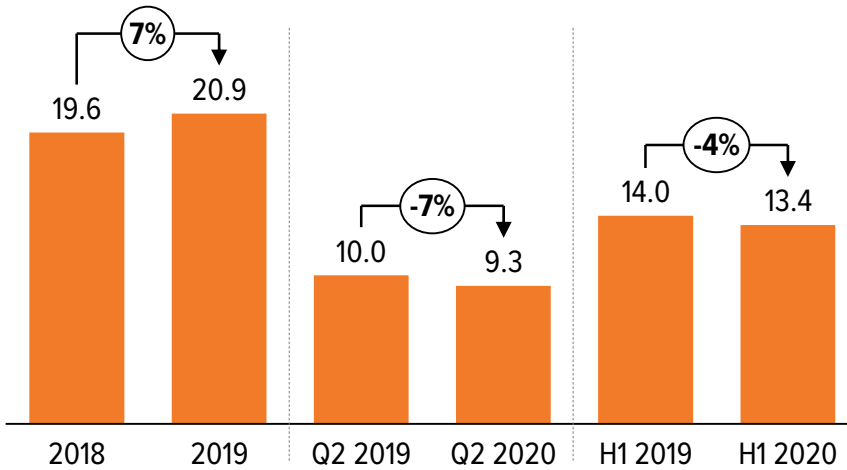
Russian regions

RUB'000



Key Accounts ARPC

Small and Medium Accounts ARPC

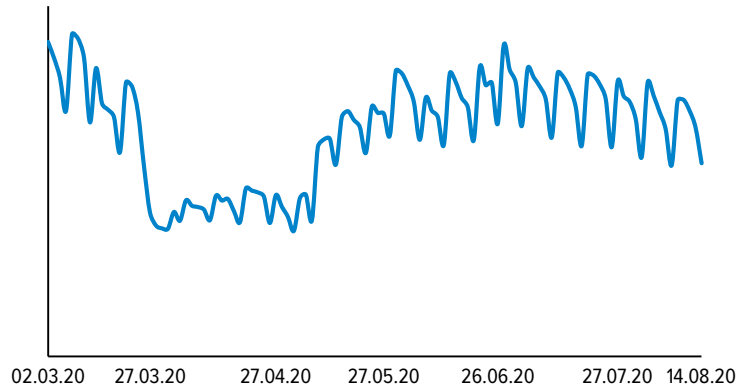


Operating metrics recovery

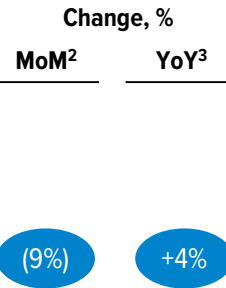
Candidate Activity

New CVs Inflow¹

Daily



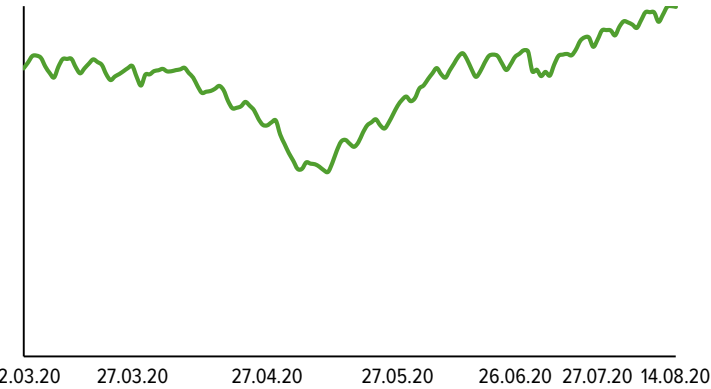
Source: Company data



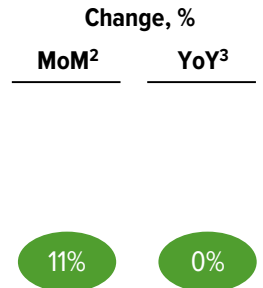
Employer Activity

Job Postings on the Platform

Daily

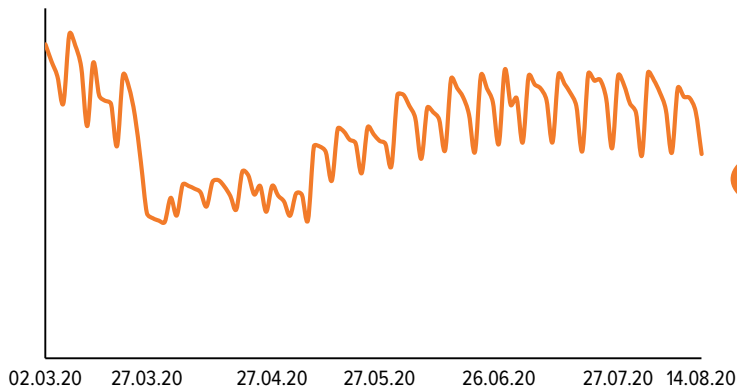


Source: Company data

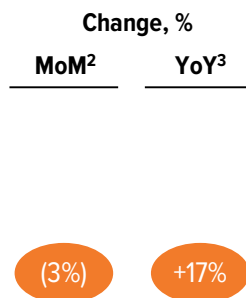


Job Postings Applications¹

Daily

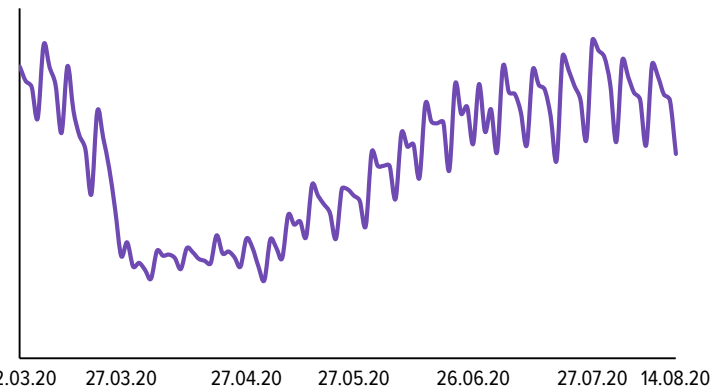


Source: Company data

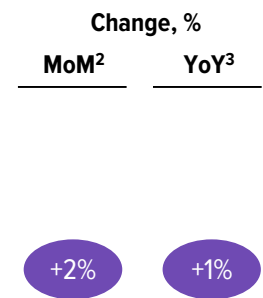


Interview Invitations¹

Daily



Source: Company data



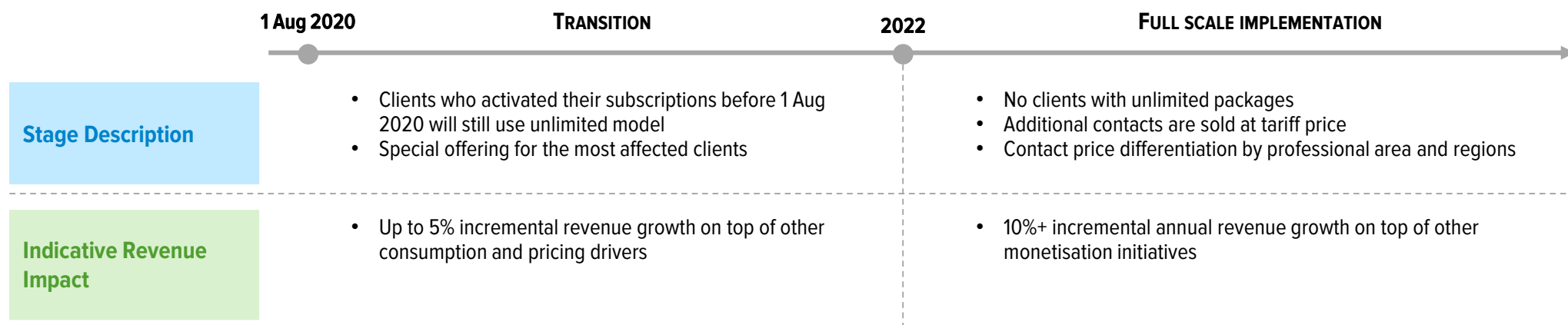
- 1) Metrics are demonstrated only for business days and exclude weekends and state holidays
- 2) Week of August 10-14, 2020 vs week of July 13-17, 2020; adjusted for number of business days
- 3) Week of August 10-14, 2020 vs week of August 12-16, 2019; adjusted for number of business days

Introduction of CV Database Limits

Pay-per-Contact Model Configuration

	Region	Professional Area	Number of Contacts by Product Duration			Top-Up Price, RUB per contact	Share of Affected Clients	Share of Exposed Revenue
			1 day	30 days	365 days			
1	All Russia	All	120	1280	9,000	60	ca. 25%	ca. 35%
2	Moscow	All	120	990	7,000	60	ca. 20%	ca. 20%
3	Large regions	All	120	700	5,000	60	ca. 15%	ca. 15%
	All Russia	Select areas						
	Moscow	Select areas						
4	Large regions	Select areas	120	410	2,900	60	ca. 10%	ca. 20%
	Other Regions	All						
	Other Regions	Select areas						

Indicative Timeline



Operating Costs

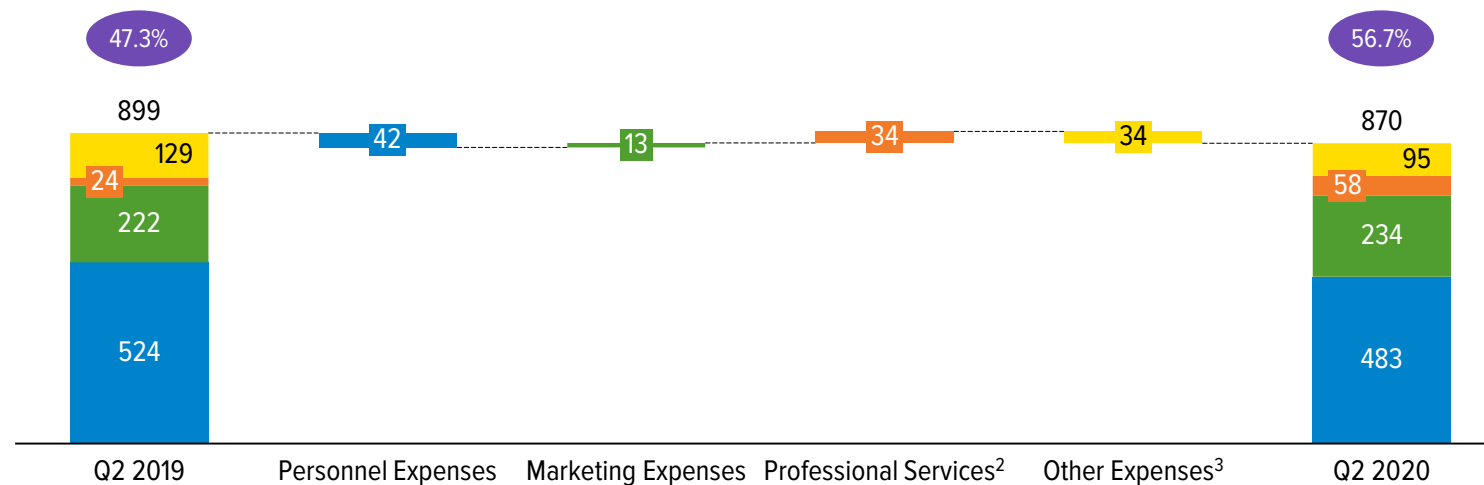
Operating Expenses Dynamics¹

RUB mm

As % of Revenue

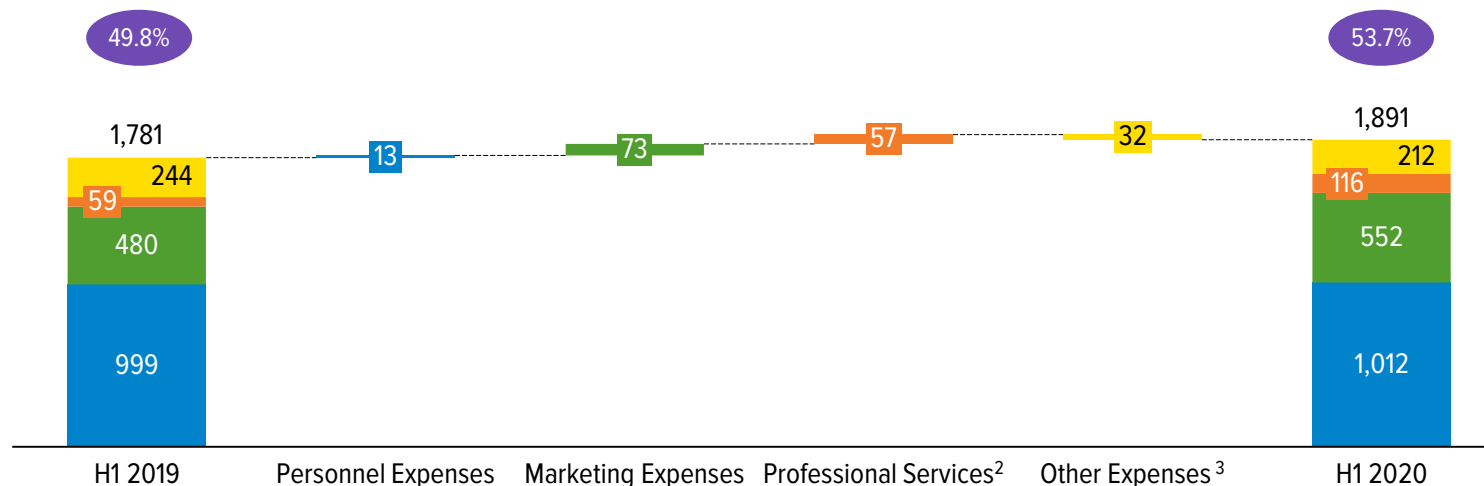
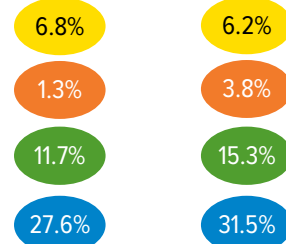
Q2 2020

H1 2020



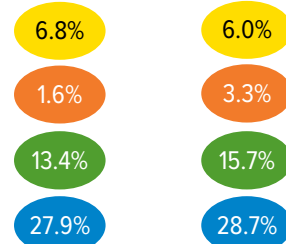
Q2 2019

Q2 2020



H1 2019

H1 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

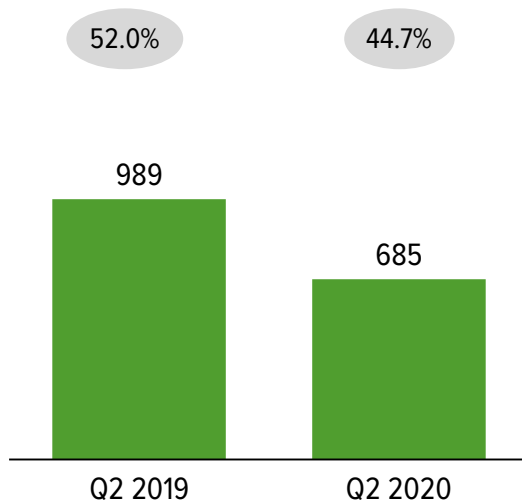
3) Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance and other operating expenses

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

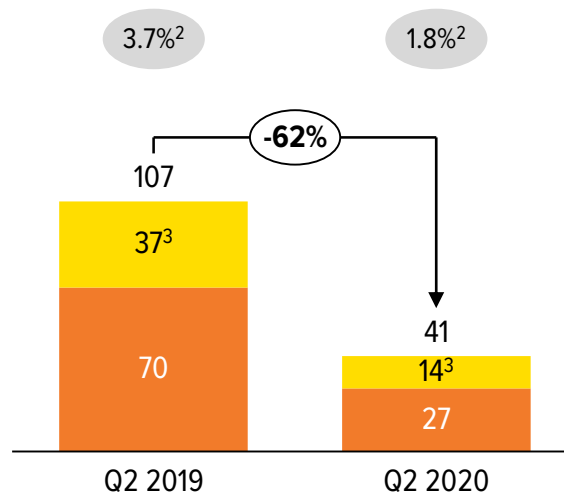
Adjusted EBITDA

RUB mm



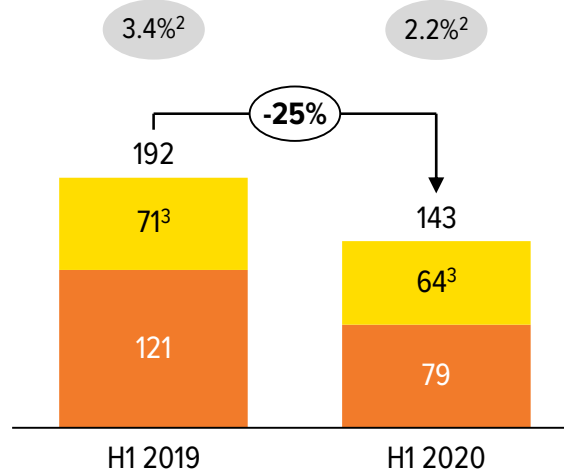
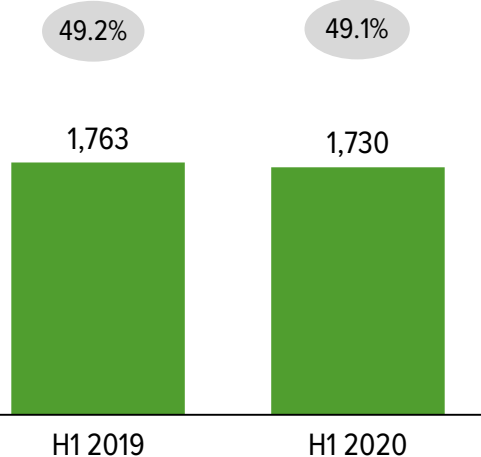
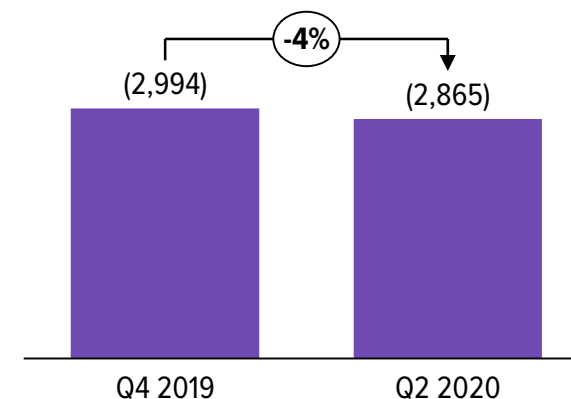
CAPEX¹

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

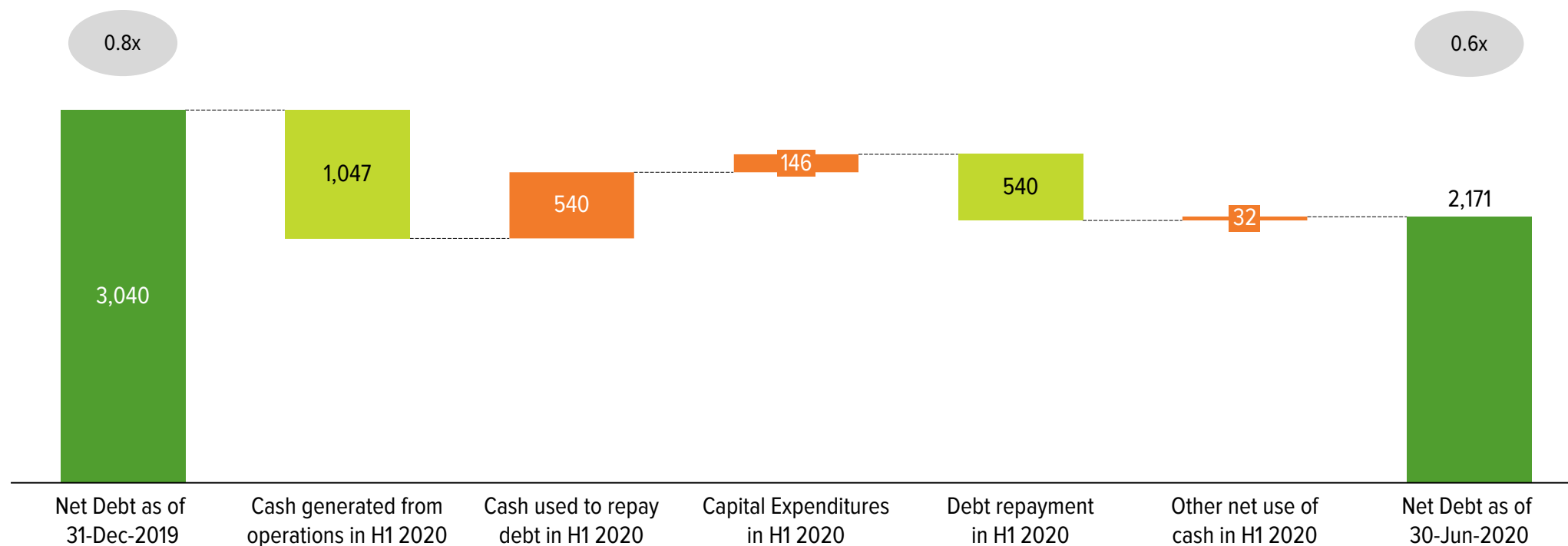
3) Redesign of Moscow and Yaroslavl offices
 4) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables. Net Working Capital is non-IFRS financial measure. See the appendix of this presentation for a reconciliation of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

Financial leverage

Net Debt to Adjusted EBITDA Ratio has declined from 0.8x as of 2019 YE to 0.6x in H1 2020 due to a decrease of Net Debt.

Leverage Dynamics

RUB mm



Net Debt to LTM Adjusted EBITDA, x

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

	Q2 2019	Q2 2020	H1 2019	H1 2020
Revenue	1,901,624	1,533,835	3,580,061	3,524,244
<i>growth, y-o-y</i>	25.7%	-19.3%	28.5%	-1.6%
Operating costs and expenses (exclusive of depreciation and amortization)	(1,131,968)	(951,065)	(2,065,508)	(2,089,684)
<i>as % of revenue</i>	-59.5%	-62.0%	-57.7%	-59.3%
Personnel Expenses	(592,095)	(540,508)	(1,072,256)	(1,121,745)
<i>as % of revenue</i>	-31.1%	-35.2%	-30.0%	-31.8%
Marketing Expenses	(221,858)	(234,394)	(479,603)	(552,260)
<i>as % of revenue</i>	-11.7%	-15.3%	-13.4%	-15.7%
Other Operating Expenses	(318,015)	(176,163)	(513,649)	(415,679)
<i>as % of revenue</i>	-16.7%	-11.5%	-14.3%	-11.8%
Depreciation and amortization	(168,723)	(183,904)	(333,827)	(368,310)
<i>as % of revenue</i>	-8.9%	-12.0%	-9.3%	-10.5%
Operating income	600,933	398,866	1,180,726	1,066,250
Finance income	19,485	8,612	45,692	27,770
Finance costs	(156,849)	(108,664)	(324,679)	(227,497)
Other income	4,931	10,907	4,931	20,596
Gain on disposal of subsidiary				
Net foreign exchange loss	(13,487)	19,455	(36,128)	94,768
Share of loss of equity-accounted investees (net of income tax)	(5,048)	(15,202)	(5,048)	(24,746)
Profit before income tax	449,965	313,974	865,494	957,141
Income tax expense	(174,701)	(75,030)	(351,483)	(306,459)
<i>Effective tax rate</i>	38.8%	23.9%	40.6%	32.0%
Net income for the period	275,264	238,944	514,011	650,682

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

	Q2 2019	Q2 2020	H1 2019	H1 2020
Net income	275,264	238,944	514,011	650,682
<i>Add the effect of:</i>				
Income tax expense	174,701	75,030	351,483	306,459
Net interest costs	137,364	100,052	278,987	199,727
Depreciation and amortization	168,723	183,904	333,827	368,310
EBITDA	756,052	597,930	1,478,308	1,525,178
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes ²	67,863	57,973	73,106	110,033
Other income/(loss) not related to underlying business activities ³	142,267		188,294	26,039
Insurance cover related to IPO ⁴	22,810	15,939	22,810	54,771
Income from depository ⁵	(4,931)	(8,978)	(4,931)	(8,978)
Gain on disposal of subsidiary ⁶				(8,526)
Share of loss of equity-accounted investees ⁹	5,048	15,202	5,048	24,746
One-off litigation settlements and legal costs ¹³		7,424		7,424
Adjusted EBITDA	989,109	685,491	1,762,635	1,730,688
Adjusted EBITDA margin	52.0%	44.7%	49.2%	49.1%

Reconciliation of Adjusted Net Income to Net Income

Reconciliation of Adjusted Net Income from net income

	Q2 2019	Q2 2020	H1 2019	H1 2020
Net income	275,264	238,944	514,011	650,682
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes ²	67,863	57,973	73,106	110,033
Other income/(loss) not related to underlying business activities ³	142,267		188,294	26,039
Insurance cover related to IPO ⁴	22,810	15,939	22,810	54,771
Income from depository ⁵	(4,931)	(8,978)	(4,931)	(8,978)
Share of loss of equity-accounted investees ⁹	5,048	15,202	5,048	24,746
Amortization of intangible assets recognized upon the Acquisition ¹⁰	103,947	103,947	207,894	207,894
(Gain) / loss related to remeasurement and expiration of tax indemnification asset ¹¹				(8,526)
Tax effect on adjustments ¹²	(20,789)	(20,789)	(41,579)	(41,578)
One-off litigation settlements and legal costs ¹³		7,424		7,424
Net (gain)/loss on financial assets measured at fair value through profit and loss ¹⁴		2,642		2,642
Adjusted Net Income	591,479	412,304	964,653	1,025,148
Adjusted Net Income margin	31.1%	26.9%	26.9%	29.1%

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	June 30, 2020
Trade and other receivables	57,908	62,192
Prepaid expenses and other current assets	119,249	83,099
Contract liabilities	(2,367,416)	(2,354,967)
Trade and other payables	(780,219)	(629,173)
Other current liabilities	(23,880)	(26,563)
Net Working Capital	(2,994,358)	(2,865,412)

Calculation of Net Debt

in thousands of RUB

	December 31, 2019	June 30, 2020
Loans and borrowings	4,064,501	1,270,275
Loans and borrowings (current portion)	1,064,554	3,327,102
Cash and cash equivalents	(2,089,215)	(2,425,922)
Net Debt	3,039,840	2,171,455

Calculation of Adjusted EBITDA on the last twelve months basis as of June 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 six months ended June 30, 2019	(1,762,635)
Add Adjusted EBITDA for the six months ended June 30, 2020	1,730,688
Adjusted EBITDA on the last twelve months basis	3,898,800

Cash Flow Statement

in thousands of RUB

	H1 2019	H1 2020
OPERATING ACTIVITIES:		
Net income for the period	514,011	650,682
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	333,827	368,310
Net finance costs	278,987	199,727
Net foreign exchange loss	36,128	(94,768)
Other non-cash items	572	(2,104)
Management incentive agreement	97,364	106,547
Share grant to Board	3,145	10,757
Share of profit of equity-accounted investees, net of income tax	5,048	24,746
Income tax expense	351,483	306,459
Change in trade receivables and other operating assets	(46,546)	31,707
Change in contract liabilities	(25,127)	(14,405)
Change in trade and other payables	87,263	(154,814)
Change in other liabilities		(17,504)
Income tax paid	(450,521)	(158,586)
Interest paid	(173,269)	(209,892)
Net cash generated from operating activities	1,012,365	1,046,862
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investment	(234,729)	
Acquisition of intangible assets	(52,070)	(42,223)
Acquisition of property and equipment	(118,031)	(103,946)
Loans issues to equity-accounted investee		(11,541)
Interest received	44,108	27,011
Net cash used in investing activities	(360,722)	(130,699)
FINANCING ACTIVITIES:		
Loans received		
Bank loan origination fees		
Bank and other loans repaid	(565,000)	(540,000)
Payment for lease liabilities	(24,740)	(24,394)
Dividends paid to non-controlling interest	(76,700)	(66,975)
Net cash used in financing activities	(666,440)	(631,369)
Cash and cash equivalents, beginning of period	2,861,110	2,089,215
Net increase/(decrease) in cash and cash equivalents	(14,797)	284,794
Effect of exchange rate changes on cash	(72,800)	51,913
Cash and cash equivalents, end of period	2,773,513	2,425,922

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	June 30, 2020
ASSETS		
Non-current assets		
Goodwill	6,954,183	6,963,190
Intangible assets	2,733,417	2,507,525
Property and equipment	429,744	467,706
Equity-accounted investees	178,847	154,101
Right-of-use assets	279,249	241,434
Deferred tax assets	149,835	152,830
Loans issued to equity-accounted investees		6,732
Other non-current assets	22,134	22,281
Other financial assets	25,341	22,699
Total non-current assets	10,772,750	10,538,498
Current assets		
Trade and other receivables	57,908	62,192
Prepaid expenses and other current assets	119,249	83,099
Cash and cash equivalents	2,089,215	2,425,922
Total current assets	2,266,372	2,576,088
Total assets	13,039,123	13,114,586
EQUITY AND LIABILITIES		
Equity		
Share capital	8,547	8,597
Share premium	1,863,877	1,928,109
Foreign currency translation reserve	(105,191)	(91,231)
Retained earnings	1,587,697	369,925
Total equity attributable to owners of the Company	3,354,930	2,215,400
Non-controlling interest	33,263	36,860
Total equity	3,388,193	2,252,260
Non-current liabilities		
Loans and borrowings	4,064,501	1,270,275
Lease liabilities	230,802	195,326
Deferred tax liabilities	512,804	471,226
Trade and other payables	4,239	5,269
Other non-current liabilities	126,828	113,282
Provision	19,498	32,883
Total non-current liabilities	4,958,672	2,088,261
Current liabilities		
Contract liabilities	2,367,416	2,354,967
Provisions	26,398	57,397
Non-current liabilities held for sale		
Trade and other payables	780,219	629,173
Loans and borrowings (current portion)	1,064,554	3,327,102
Lease liabilities (current portion)	59,816	70,659
Dividends payable to shareholders		1,748,783
Income tax payable	369,974	559,421
Other current liabilities	23,880	26,563
Total current liabilities	4,692,257	8,774,065
Total liabilities	9,650,929	10,862,326
Total equity and liabilities	13,039,122	13,114,586

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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