

Q1 2020 Financial Results

Supplementary Slides

June 1, 2020



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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 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” Annual Report on Form 20-F for the year ended December 31, 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 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.

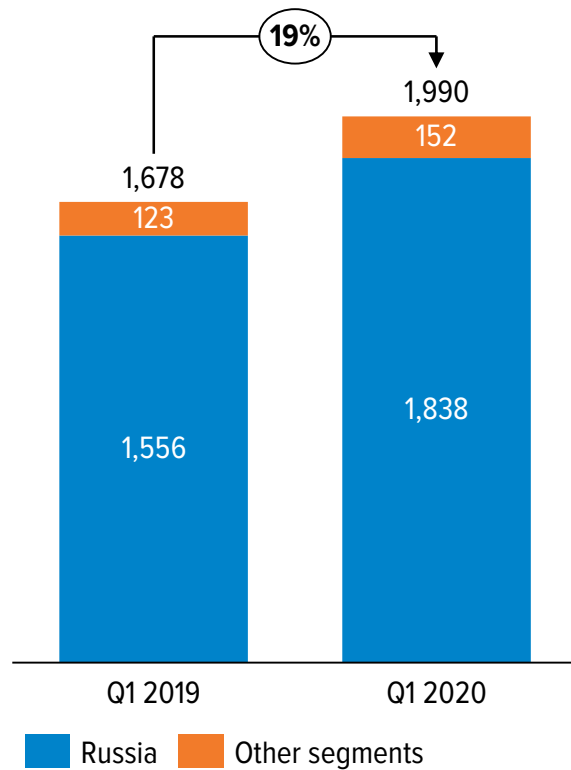
Certain figures in this presentation may not recalculate exactly due to rounding. This is because percentages and/or figures contained herein are calculated based on actual numbers and not the rounded numbers presented.



Key financial highlights

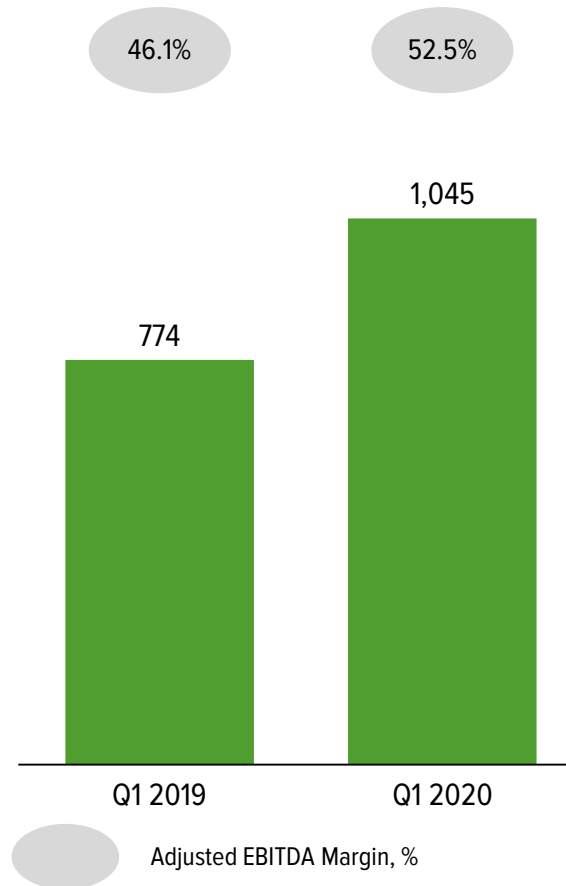
Revenue

RUB mm



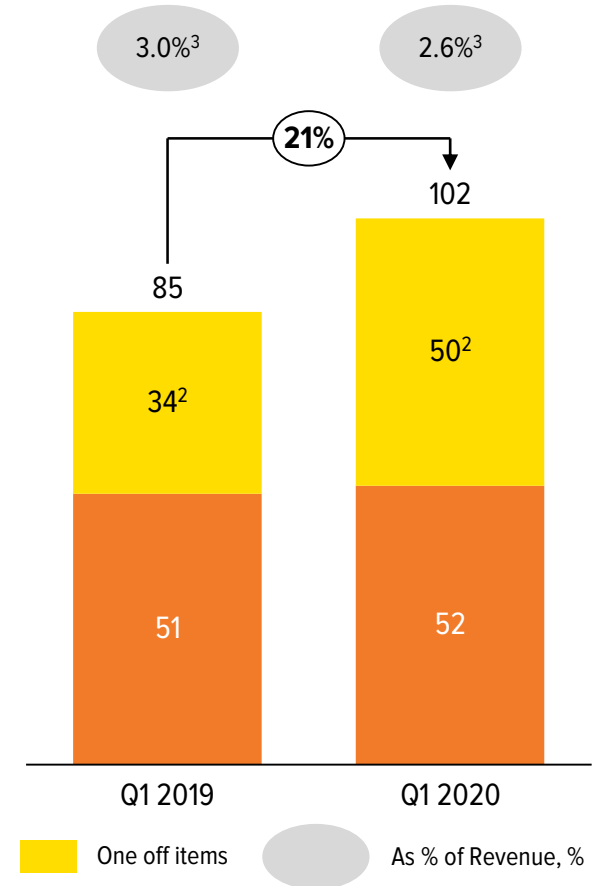
Adjusted EBITDA

RUB mm



CAPEX¹

RUB mm



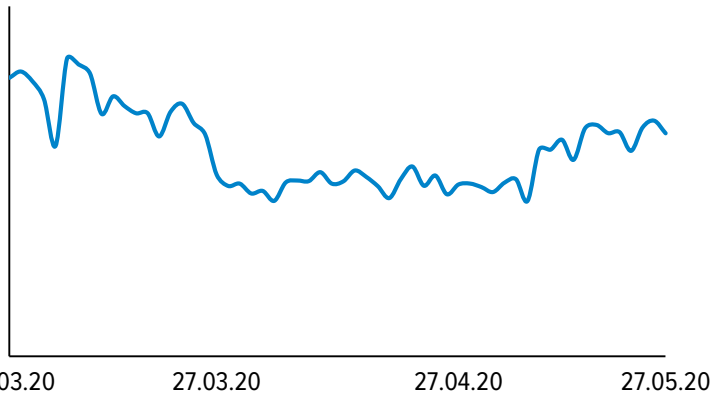
1) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets
 2) Redesign of offices in Moscow and Yaroslavl
 3) Capex as % of revenue excluding one-off effects in 2019 and 2020

Operating metrics recovery

Web Traffic Dynamics¹

DAU

Change, %
MoM² YoY³

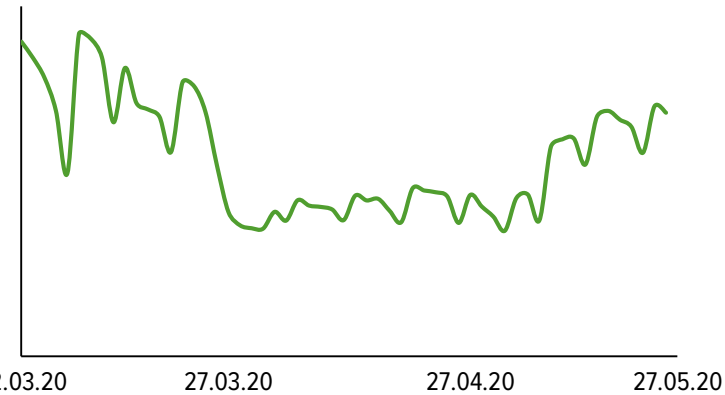


Source: LiveInternet

New CVs Inflow¹

Daily

Change, %
MoM² YoY³



Source: Company data

Number of Mobile App Downloads¹

Daily

74% 14%

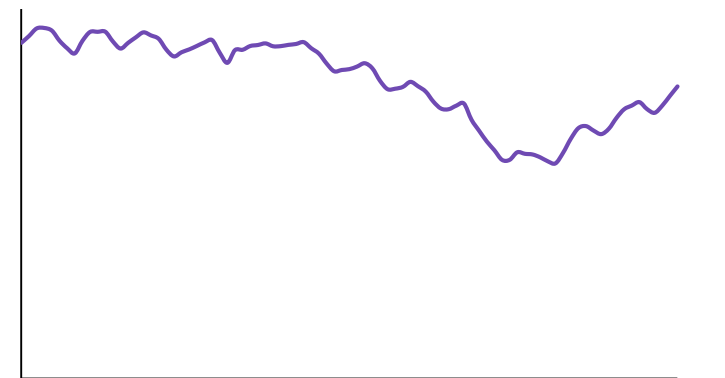


Source: AppAnnie

Average Number of Postings on the Platform

Daily

(9%) (15%)



Source: Company data



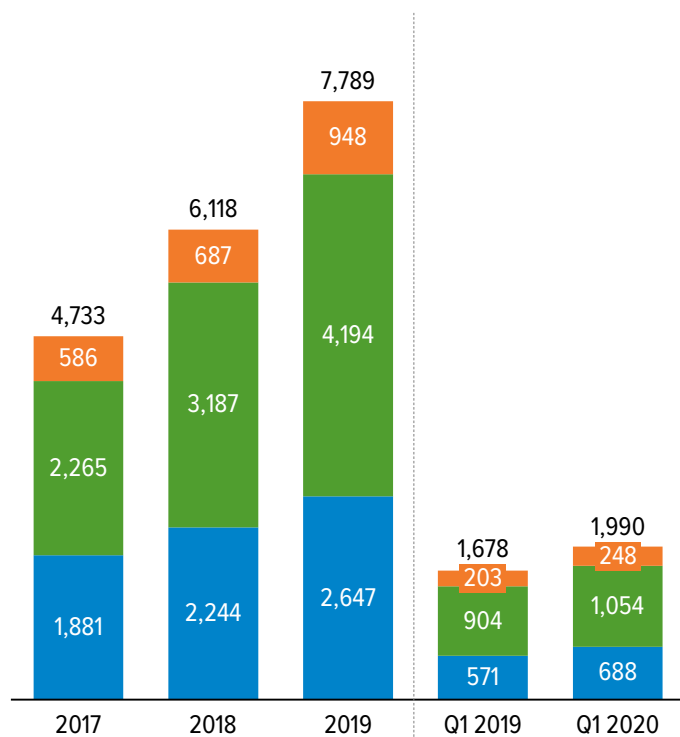
1) Metrics are demonstrated only for business days and exclude weekends and state holidays
 2) Week of May 18-22, 2020 vs week of April 20-24, 2020
 3) Week of May 18-22, 2020 vs week of May 20-24, 2019

Customer base growth

Revenue growth in both client categories

Revenue by Type of Customer

RUB mm

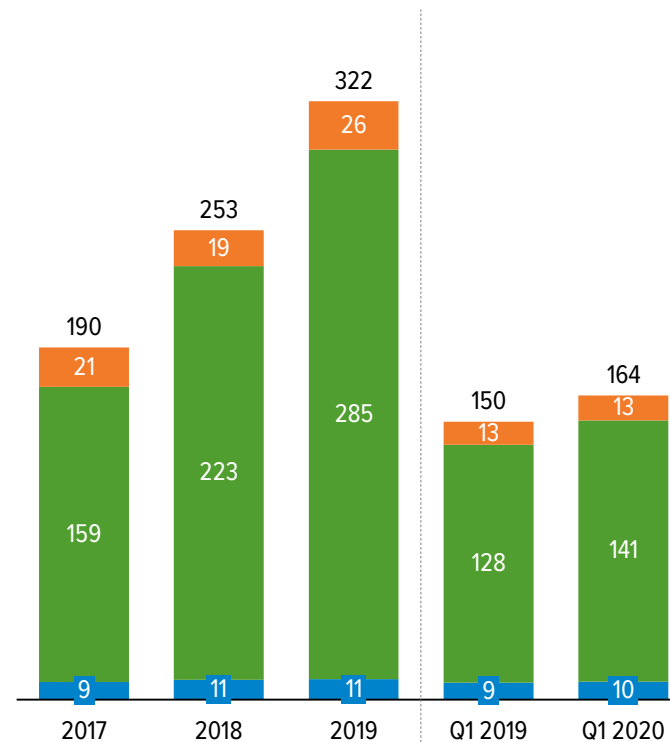


Change, %
2018-2019 Q1 '19-20



Customer Base by Type of Customer

Number of Paying Customers, '000



Change, %
2018-2019 Q1 '19-20



■ Key Accounts ■ Small & Medium Accounts ■ Other¹

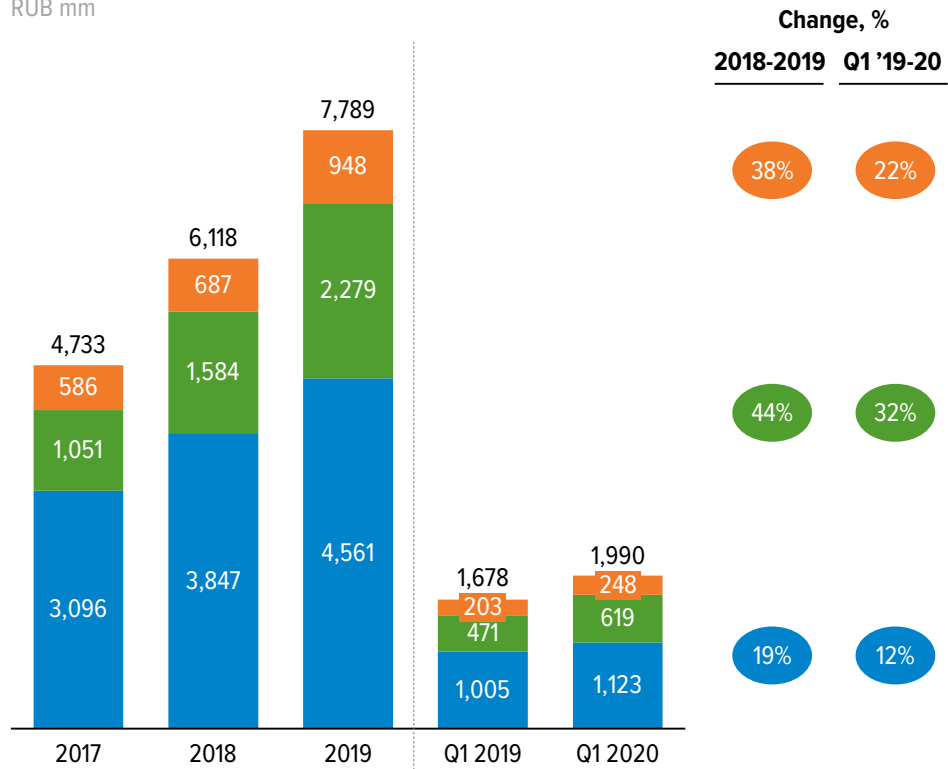
1) Other includes foreign customers in Russia, other customers and other segments

Customer base growth (cont'd)

Revenue growth in both geographical divisions

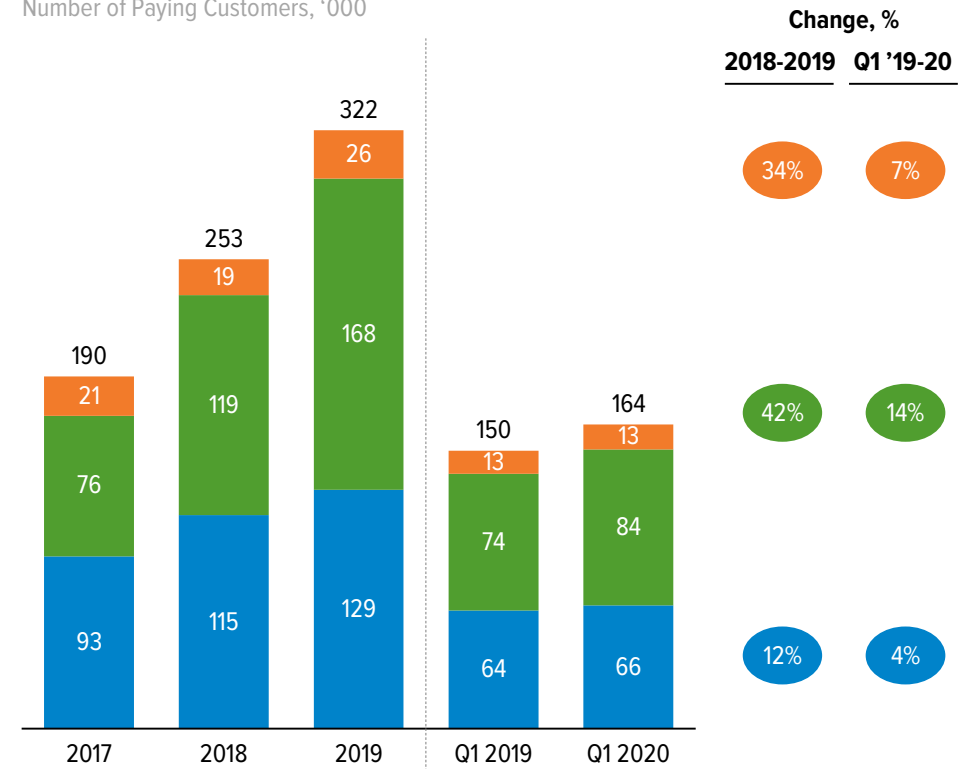
Revenue by Geography

RUB mm



Customer Base by Geography

Number of Paying Customers, '000



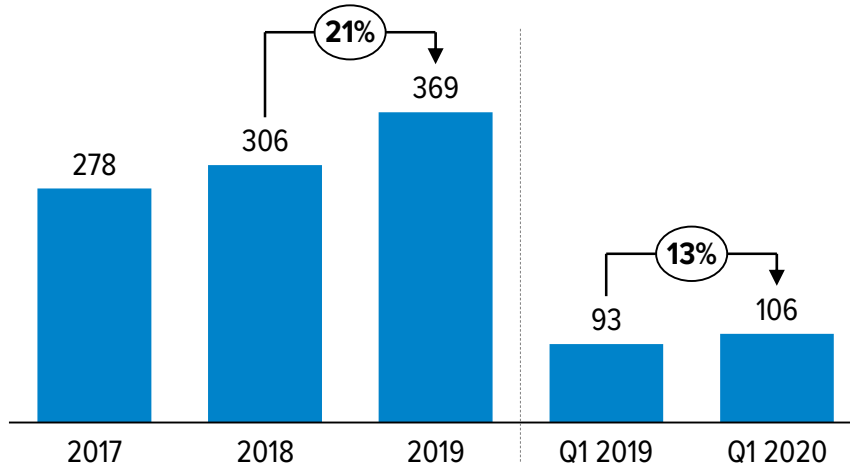
■ Moscow & St. Petersburg ■ Other Regions of Russia ■ Other¹

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

ARPC development

Moscow & St. Petersburg

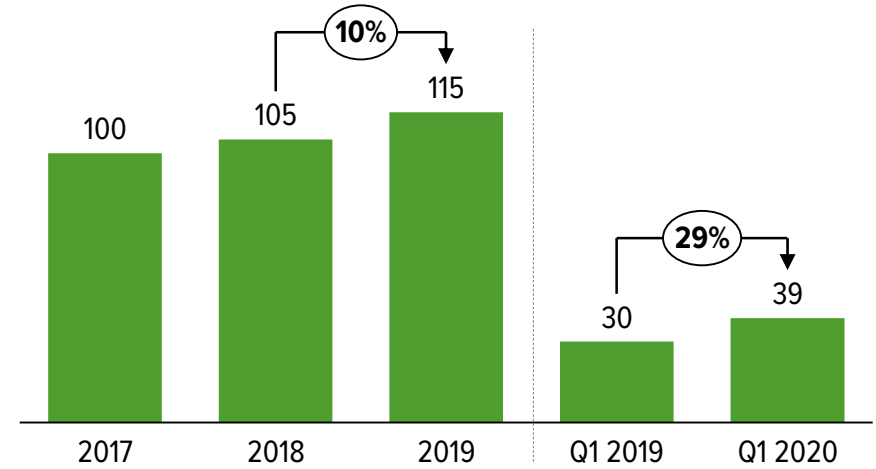
RUB'000



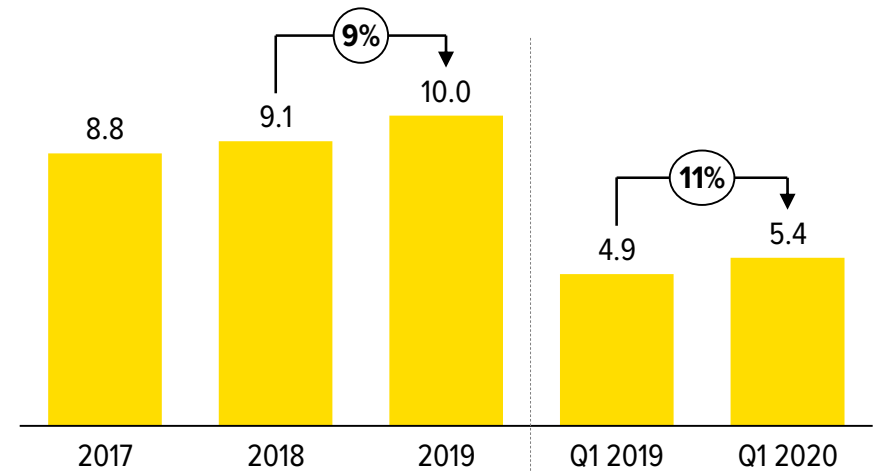
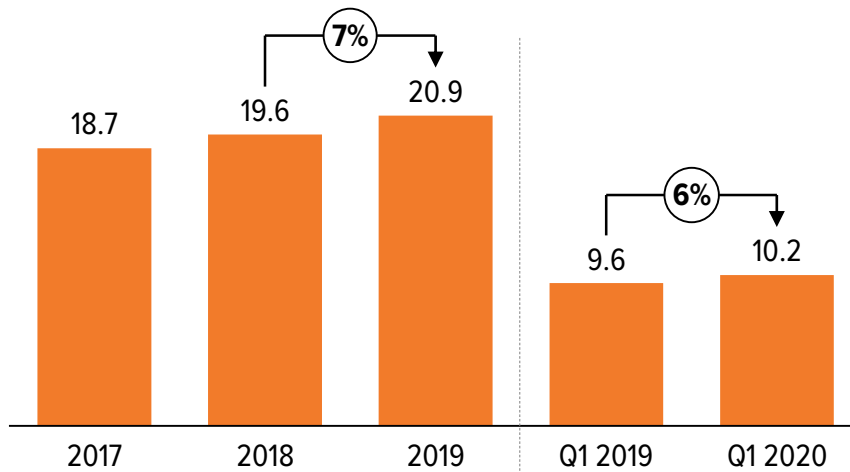
Key Accounts ARPC

Russian Regions

RUB'000



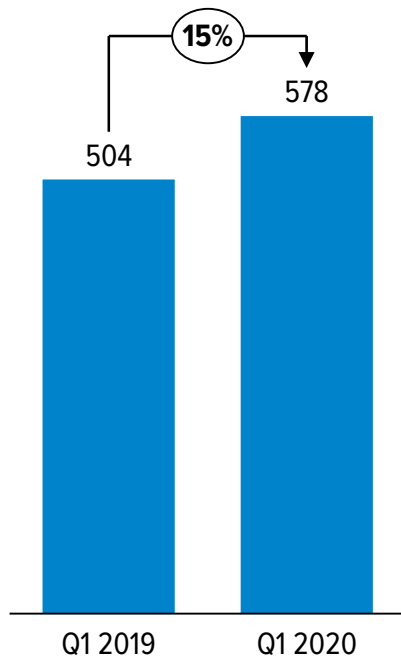
Small and Medium Accounts ARPC



Revenue by product type

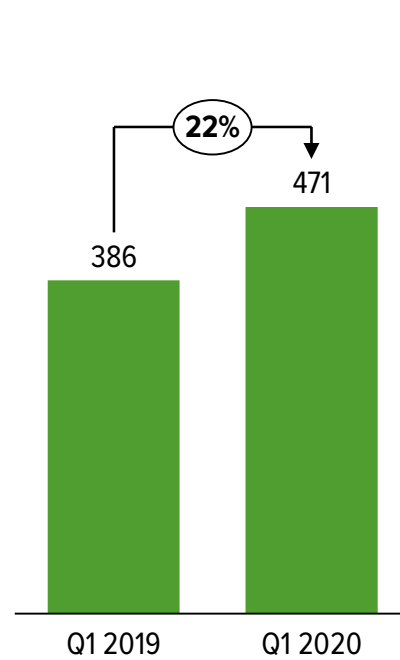
Bundled Subscriptions

RUB mm



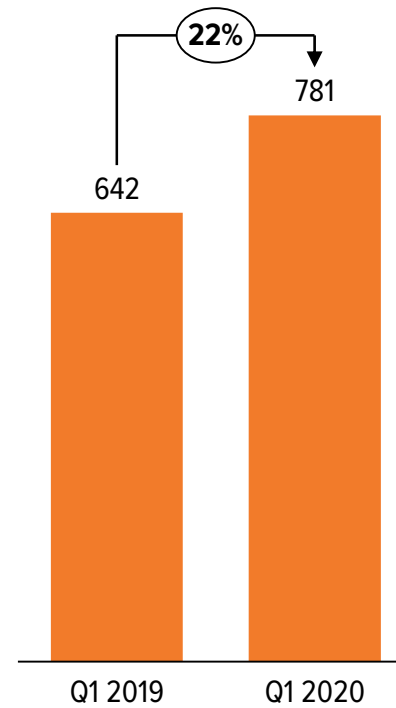
CV Database Access

RUB mm



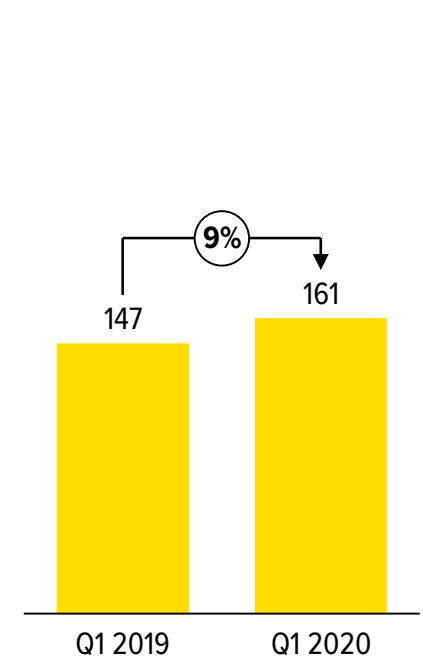
Job Postings

RUB mm



Other VAS

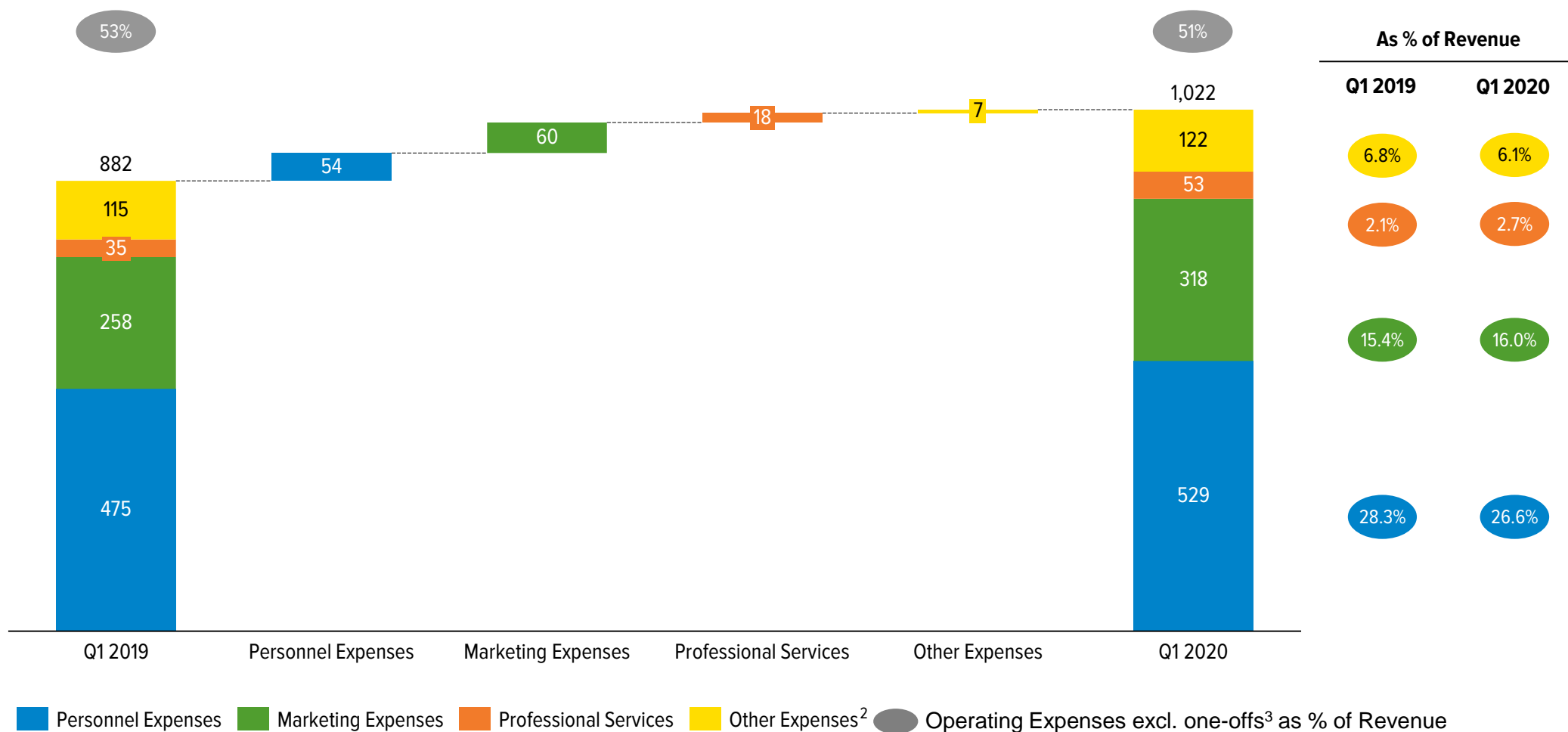
RUB mm



Operating costs

Operating Expenses Dynamics¹

RUB mm



1) Exclusive of depreciation and amortization, Equity-settled awards, including related social taxes, IPO-related costs, Insurance cover related to IPO and Other income/(loss) not related to underlying business activities

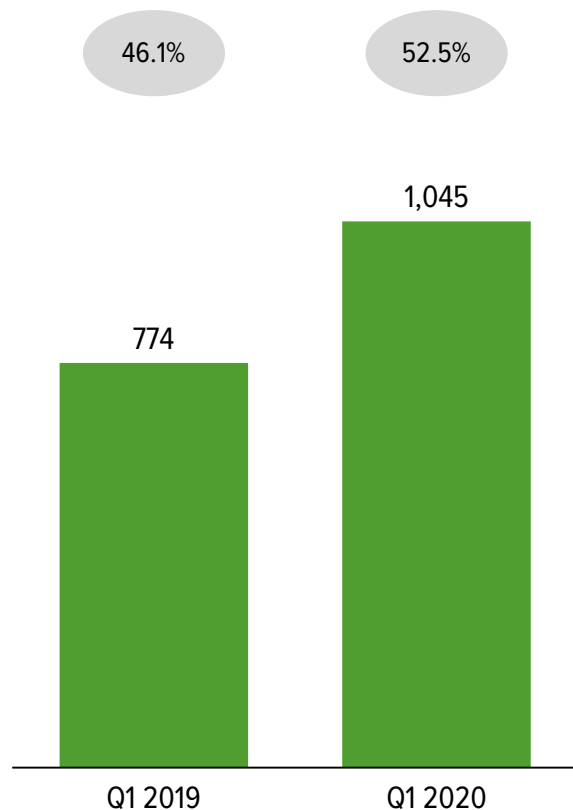
2) Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance and other operating expenses

3) One-off expenses include Equity-settled awards, including related social taxes, IPO-related costs, Insurance cover related to IPO and Other income/(loss) not related to underlying business activities

Adjusted EBITDA and other cash flow items

Adjusted EBITDA

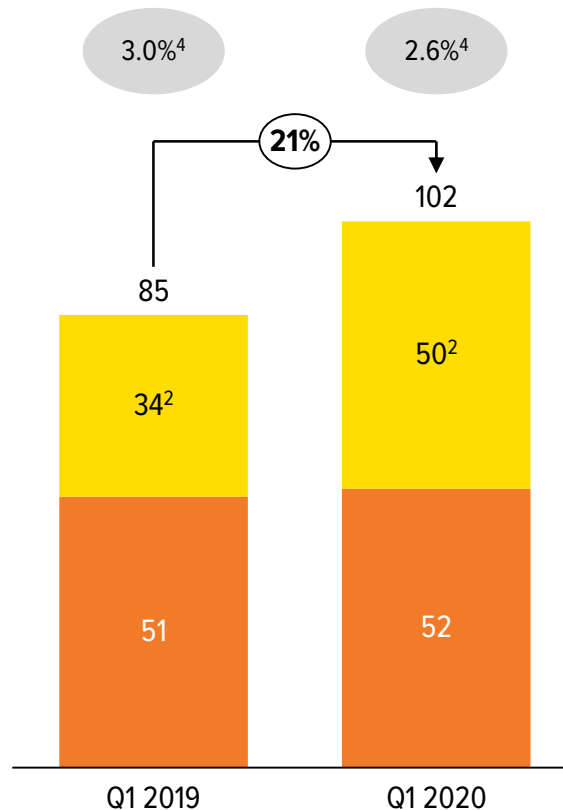
RUB mm



Adjusted EBITDA Margin, %

CAPEX¹

RUB mm

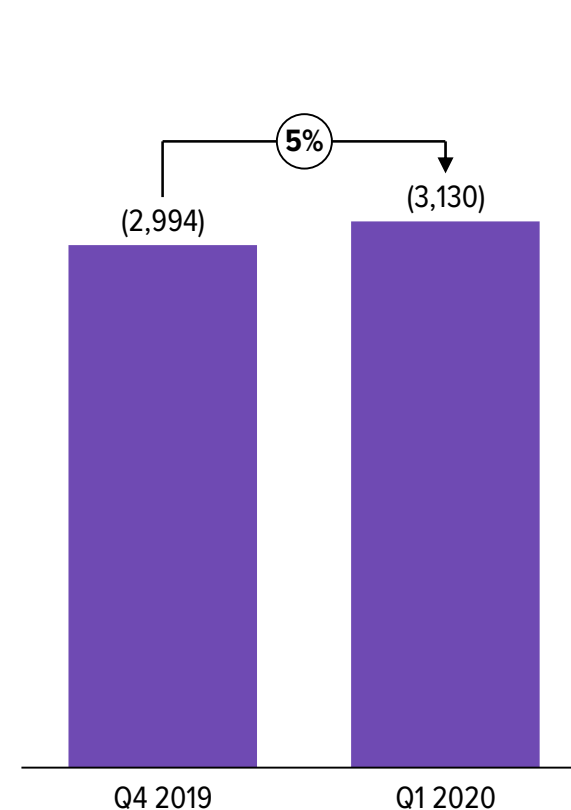


One off items

As % of Revenue, %

Net Working Capital³

RUB mm



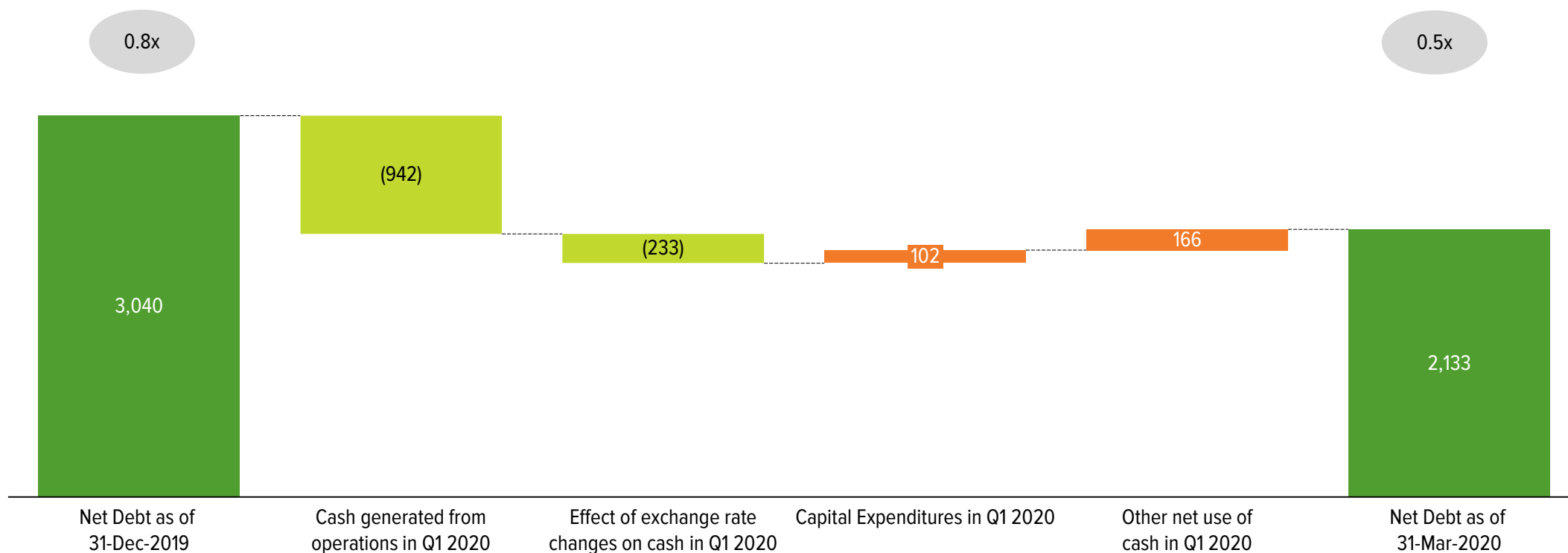
1) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets
 2) Redesign of offices in Moscow and Yaroslavl
 3) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables
 4) Capex as % of revenue excluding one-off effects in 2019 and 2020

Financial leverage

Net Debt to Adjusted EBITDA Ratio has declined from 0.8x as of 2019 YE to 0.5x in Q1 2020 mainly due to a decrease of Net Debt.

Leverage Dynamics

RUB mm



Net Debt to LTM Adjusted EBITDA, x

Appendix

Income Statement

in thousands of RUB

	Q1 2019	Q1 2020
Revenue	1,678,437	1,990,409
Operating costs and expenses (exclusive of depreciation and amortization)	(933,540)	(1,138,619)
Depreciation and amortization	(165,104)	(184,406)
Operating income	579,793	667,384
Financial income	26,207	19,158
Financial costs	(167,830)	(118,833)
Other income	0	9,689
Net foreign exchange gain/(loss)	(22,641)	75,313
Share of loss of equity-accounted investees (net of income tax)	0	(9,544)
Profit before income tax	415,529	643,167
Income tax expense	(176,782)	(231,429)
Net income for the year	238,747	411,738
<i>Attributable to:</i>		
Owners of the Company	209,391	363,463
Non-controlling interest	29,356	48,275

Adjusted EBITDA and Adjusted Net Income

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

in thousands of RUB	Q1 2019	Q1 2020
Net income	238,747	411,738
<i>Add the effect of:</i>		
Income tax expense	176,782	231,429
Net interest costs	141,623	99,675
Depreciation and amortization	165,104	184,406
EBITDA	722,256	927,248
<i>Add the effect of:</i>		
Equity-settled awards, including related social taxes	5,243	52,060
Other income/(loss) not related to underlying business activities	46,027	26,039
Insurance cover related to IPO		38,832
Gain on disposal of subsidiary		(8,526)
Share of loss of equity-accounted investees		9,544
Adjusted EBITDA	773,526	1,045,197
Adjusted EBITDA margin	46.1%	52.5%

Reconciliation of Adjusted Net Income to Net Income

in thousands of RUB	Q1 2019	Q1 2020
Net income	238,747	411,738
<i>Add the effect of:</i>		
Equity-settled awards, including related social taxes	5,243	52,060
Other income/(loss) not related to underlying business activities	46,027	26,039
Insurance cover related to IPO		38,832
Share of loss of equity-accounted investees		9,544
Amortization of intangible assets recognized upon the Acquisition	103,947	103,947
(Gain) / loss related to remeasurement and expiration of tax indemnification asset		(8,526)
Tax effect on adjustments	(20,790)	(20,789)
Adjusted Net Income	373,174	612,844
Adjusted Net Income margin	22.2%	30.8%

Cash Flow Statement

in thousands of RUB

OPERATING ACTIVITIES:

	Q1 2019	Q1 2020
Net income	238,747	411,738
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	165,104	184,406
Net finance costs	141,623	99,675
Net foreign exchange (gain)/ loss	22,641	(75,313)
Other non-cash items	224	(724)
Management incentive agreement, including social taxes	8,975	53,506
Share-based payments to Board of directors		5,319
Share of loss of equity-accounted investees, net of income tax		9,544
Income tax expense	176,782	231,429
Change in trade receivables and other operating assets	(64,415)	(7,029)
Change in contract liabilities	40,090	210,117
Change in trade and other payables	63,714	(63,828)
Change in other liabilities		(8,526)
Income tax paid	(253,881)	(100,762)
Interest paid	(164,839)	(7,190)
Net cash generated from operating activities	374,765	942,363
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investee	(232,000)	
Acquisition of intangible assets	(31,848)	(27,083)
Acquisition of property and equipment	(52,708)	(81,695)
Interest received	26,081	7,554
Net cash used in investing activities	(290,475)	(101,224)
FINANCING ACTIVITIES:		
Bank and other loans repaid	(515,000)	
Payment for lease liabilities	(11,391)	(10,445)
Dividends paid to non-controlling interest	(47,550)	(48,447)
Net cash used in financing activities	(573,941)	(58,892)
Net increase/(decrease) in cash	(489,651)	782,246
Cash and cash equivalents, beginning of period	2,861,110	2,089,215
Effect of exchange rate changes on cash	(32,447)	232,877
Cash and cash equivalents, end of period	2,339,012	3,104,338

Balance Sheet

in thousands of RUB

ASSETS

Non-current assets

Goodwill	6,954,183	6,971,262
Intangible assets	2,733,417	2,623,600
Property and equipment	429,744	476,267
Equity-accounted investees	178,847	169,303
Right-of-use assets	279,249	261,721
Deferred tax assets	149,835	157,485
Other financial assets	25,341	25,341
Other non-current assets	22,134	22,811
Total non-current assets	10,772,750	10,707,790

Current assets

Trade and other receivables	57,908	67,007
Prepaid expenses and other current assets	119,249	130,671
Cash and cash equivalents	2,089,215	3,104,338
Total current assets	2,266,372	3,302,016
Total assets	13,039,122	14,009,806

EQUITY AND LIABILITIES

Equity

Share capital	8,547	8,547
Share premium	1,863,877	1,896,875
Foreign currency translation reserve	(105,191)	(82,642)
Retained earnings	1,587,697	150,640
Total equity attributable to owners of the Company	3,354,930	1,973,420
Non-controlling interest	33,263	17,590
Total equity	3,388,193	1,991,010

Non-current liabilities

Loans and borrowings	4,064,501	3,798,227
Lease liabilities	230,802	213,387
Deferred tax liabilities	512,804	492,015
Trade and other payables	4,239	3,900
Provision	19,498	33,972
Other non-current liabilities	126,828	120,445
Total non-current liabilities	4,958,672	4,661,946

Current liabilities

Contract liabilities	2,367,416	2,584,278
Trade and other payables	780,219	718,265
Loans and borrowings (current portion)	1,064,554	1,439,064
Lease liabilities	59,816	68,105
Dividends payable	0	1,961,769
Income tax payable	369,974	526,065
Provision (current portion)	26,398	34,159
Other current liabilities	23,880	25,145
Total current liabilities	4,692,257	7,356,850
Total liabilities	9,650,929	12,018,796
Total equity and liabilities	13,039,122	14,009,806

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) Other income/(loss) not related to underlying business activities
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

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