

Q2 2019 Financial Results

Supplementary Slides

September 16, 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 third 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 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.



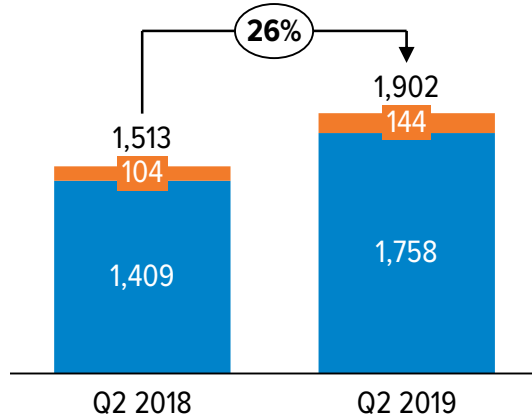
Key Financial Highlights in Q2 and H1 2019

Q2 2019

H1 2019

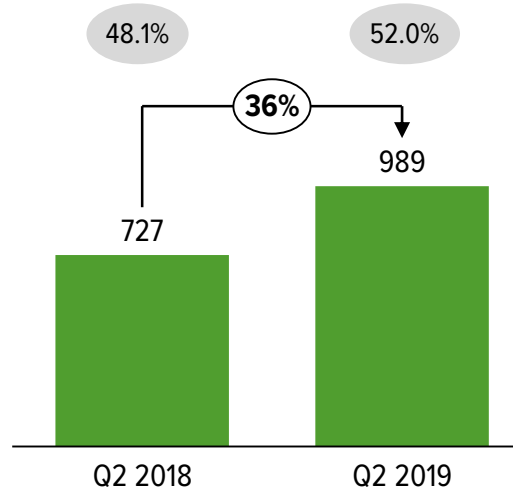
Revenue

RUB mm



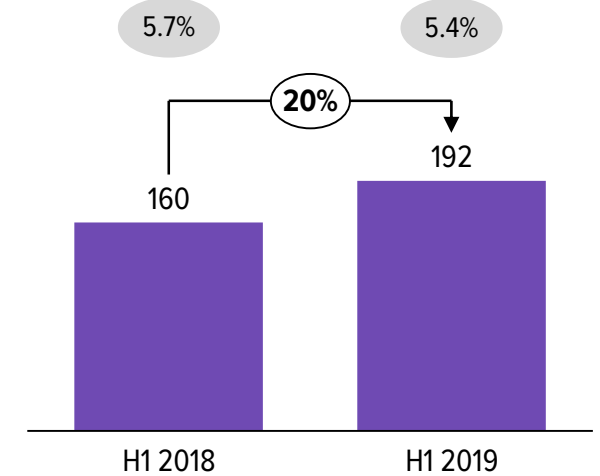
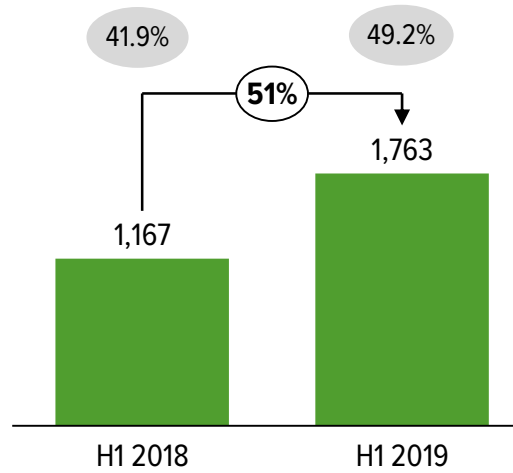
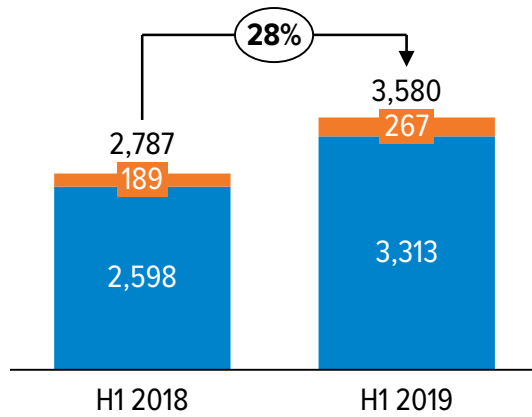
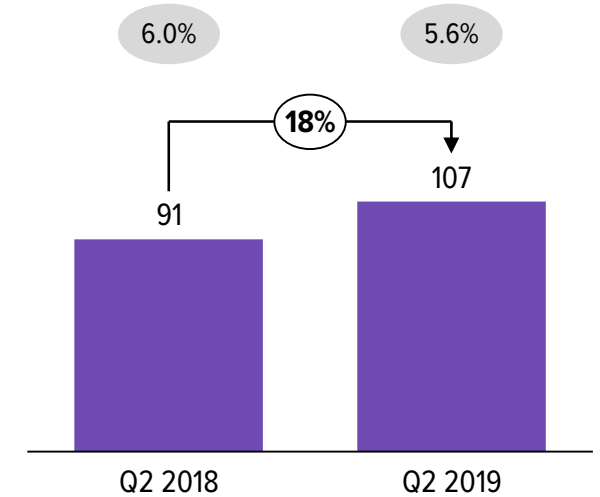
Adjusted EBITDA

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

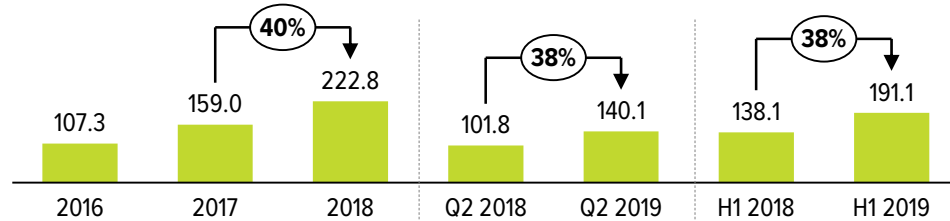
In Q2 2019, We Continued Delivering on Our Growth Strategy

Untapped Market Segments

Small and Medium Accounts

Small and Medium Accounts Paying Customers Dynamics

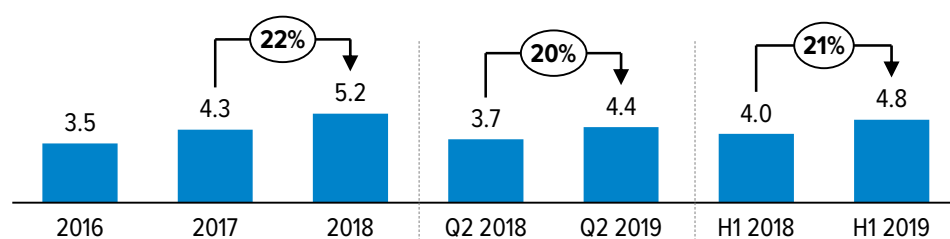
Number of Paying Customers, '000



Other Regions of Russia

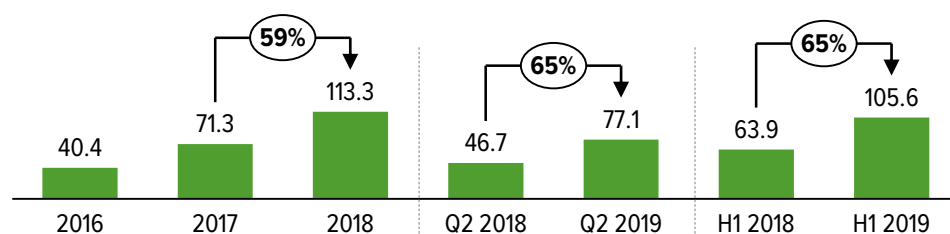
Key Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000



Small and Medium Accounts Growth in Other Regions of Russia

Number of Paying Customers, '000

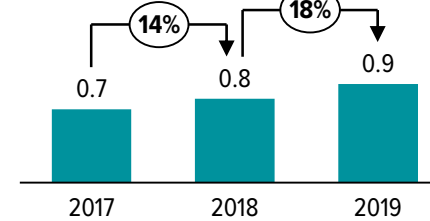


Enhancement of Monetization

Price Growth

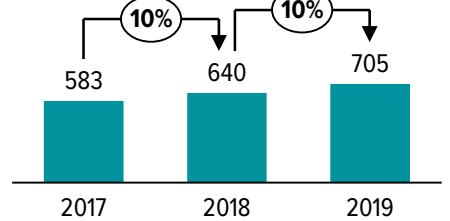
Single Standard Job Posting

RUB '000



All Russia Bundled Subscription

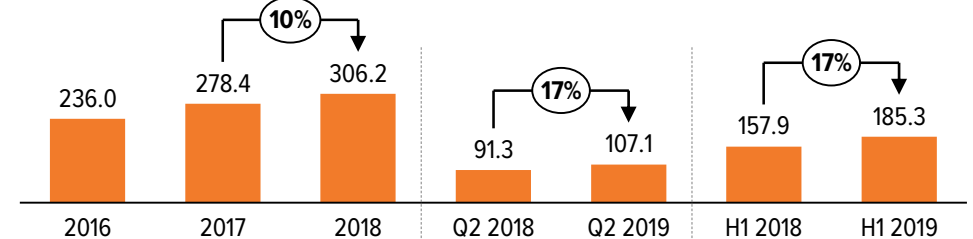
RUB '000



ARPC Dynamics

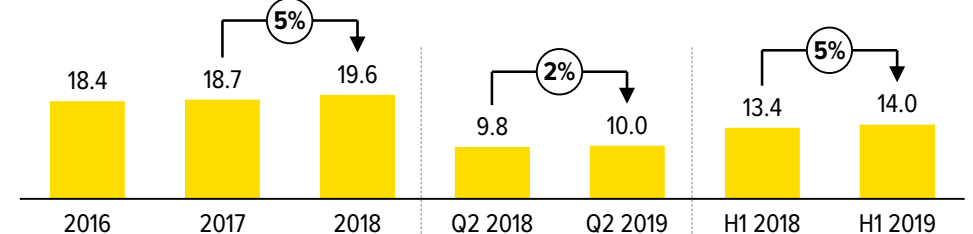
Key Accounts ARPC in Moscow and St. Petersburg

RUB '000



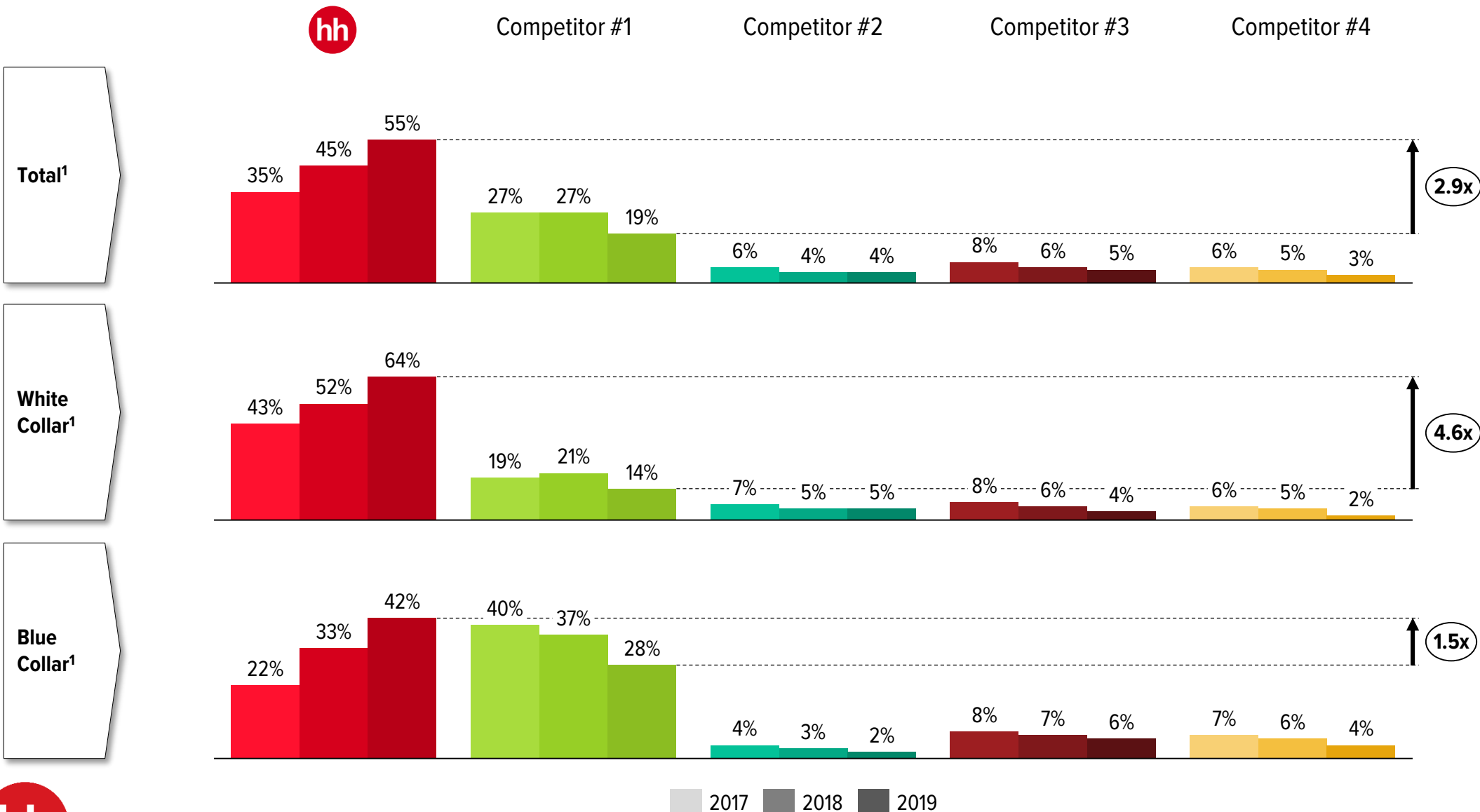
Small and Medium Accounts ARPC in Moscow and St. Petersburg

RUB '000



Brand Awareness Development

Becoming the most recognized online recruitment platform among all candidate categories



2017 2018 2019

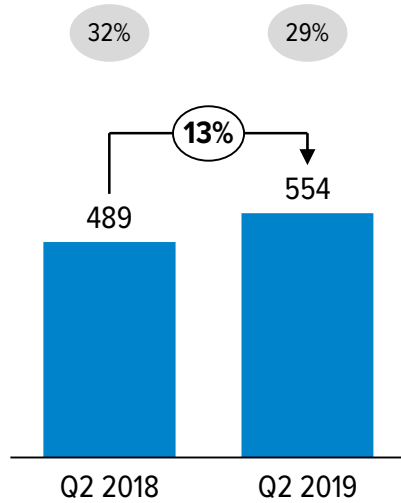
¹ Source: Socis MR Rus. Top-of-Mind Brand Awareness based on the database including 13,356 / 3,970 / 13,815 respondents in total, white collars (6674 / 6,984 / 6,812), blue collars (6682 / 6,986 / 7,003), one-to-one live interviews, all in Russia, 49 / 46 / 42 cities for 2019 / 2018 / 2017



Revenue by Product Type

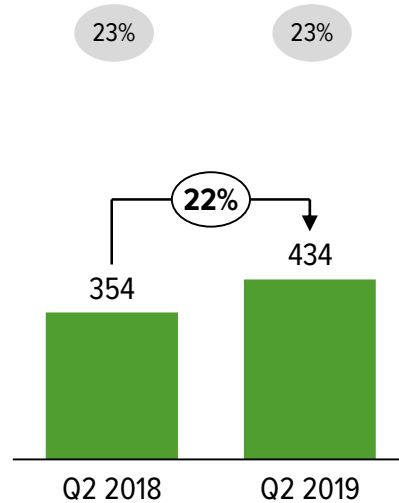
Bundled Subscriptions

RUB mm



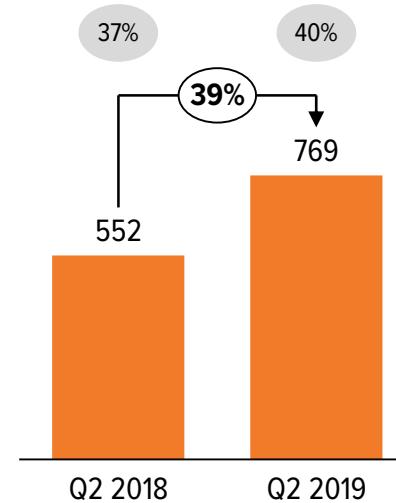
CV Database Access

RUB mm



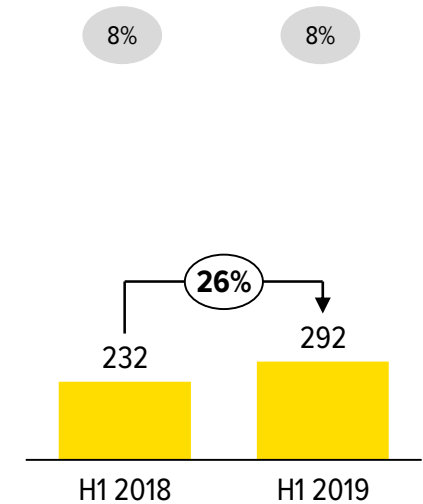
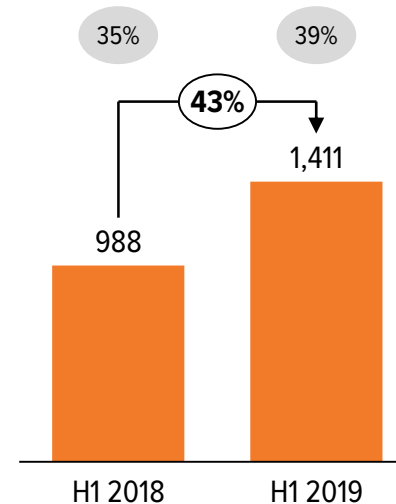
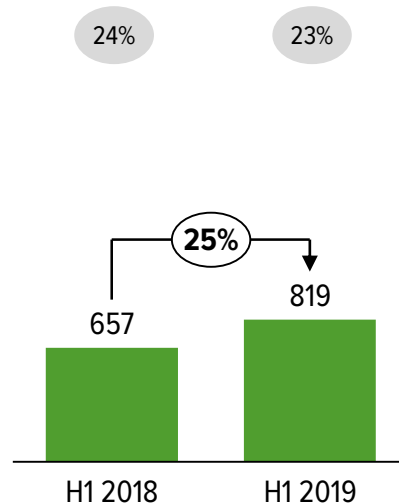
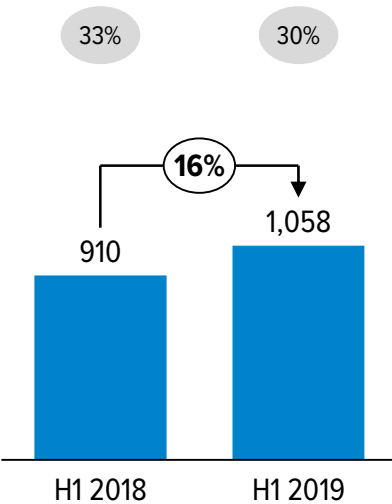
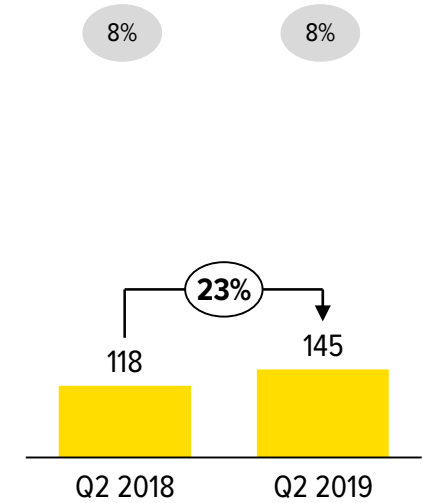
Job Postings

RUB mm



Other VAS

RUB mm



Q2 2019

H1 2019

XX%

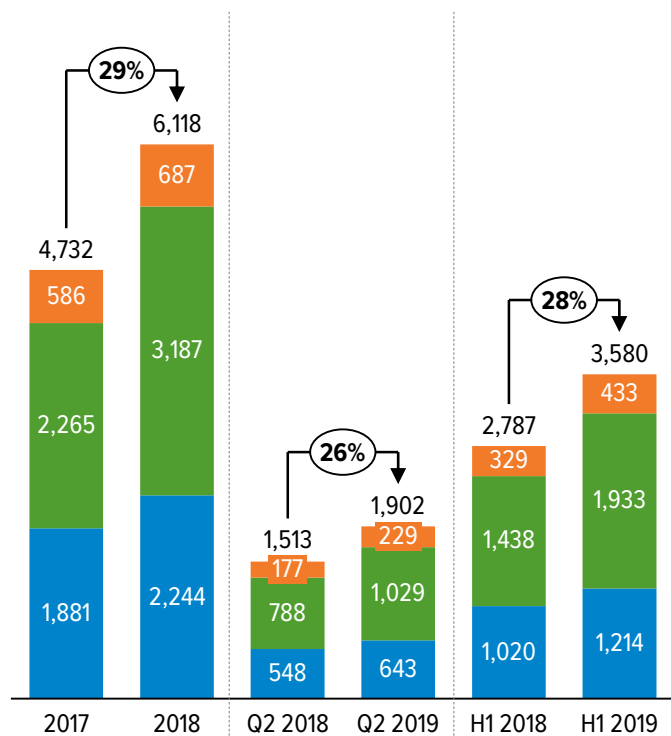
Share in revenue, %

Customer Base Growth

Sustained revenue growth in both client categories

Revenue by Type of Customer

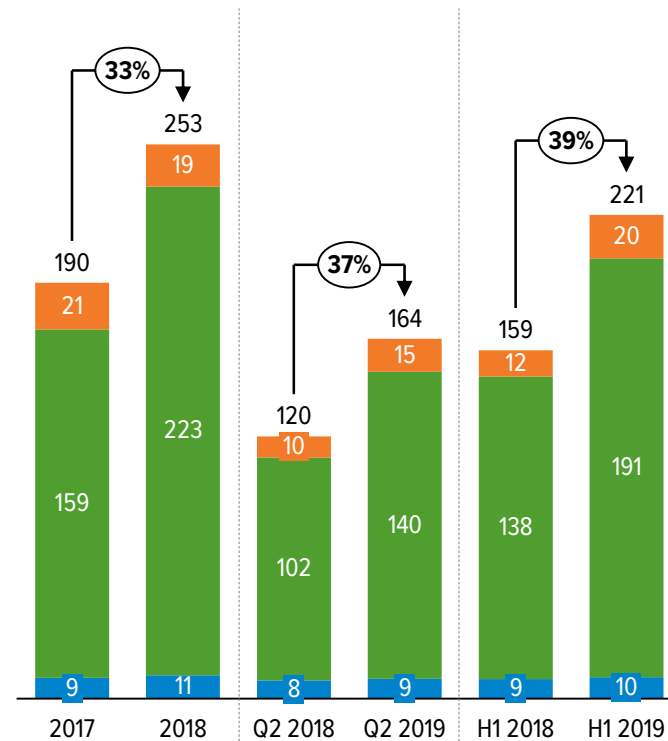
RUB mm



Customer Base by Type of Customer

Number of Paying Customers, '000

Change, %
2017-2018 Q2 '18-19 H1 '18-19



Change, %
2017-2018 Q2 '18-19 H1 '18-19

■ Key Accounts ■ Small & Medium Accounts ■ Other¹

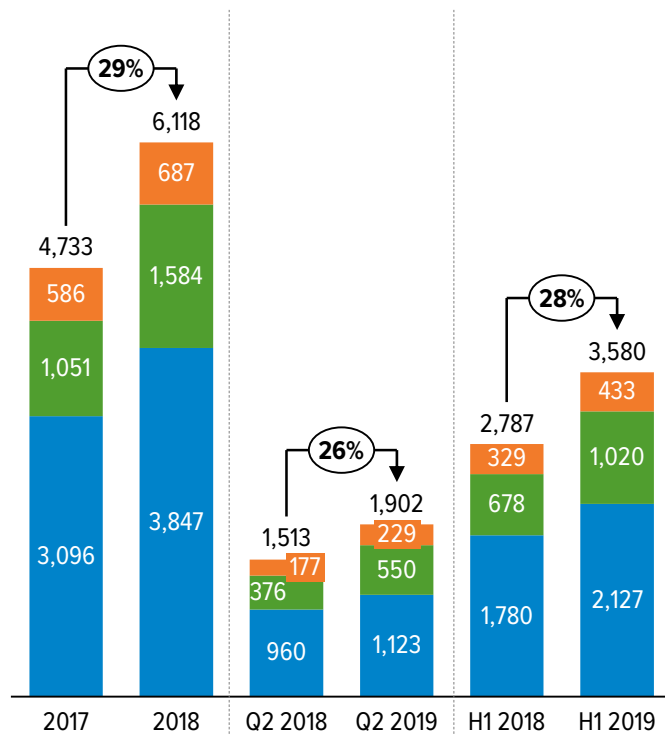
1) Other includes foreign customers in Russia, other customers and other segments

Customer Base Growth (cont'd)

Sustained revenue growth in both geographical divisions

Revenue by Geography

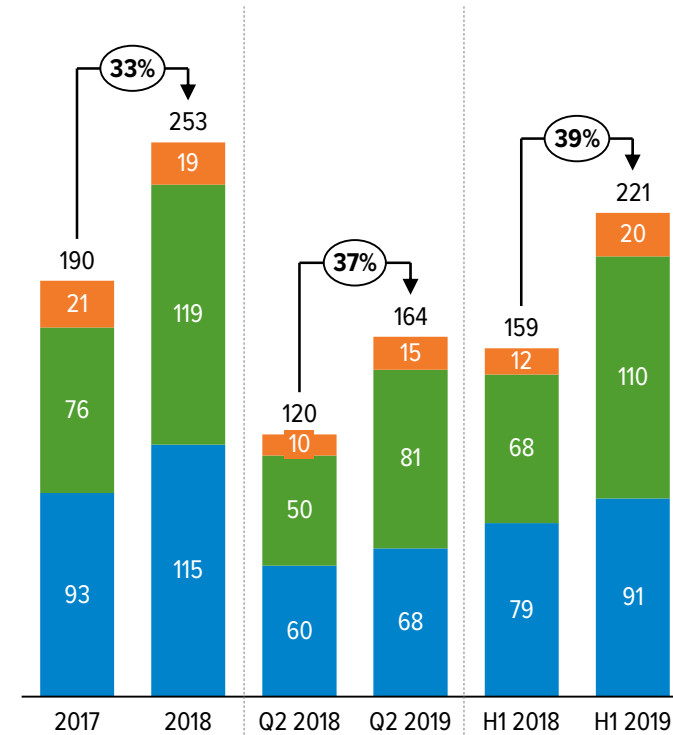
RUB mm



Customer Base by Geography

Number of Paying Customers, '000

Change, %
2017-2018 Q2 '18-19 H1 '18-19



Change, %
2017-2018 Q2 '18-19 H1 '18-19

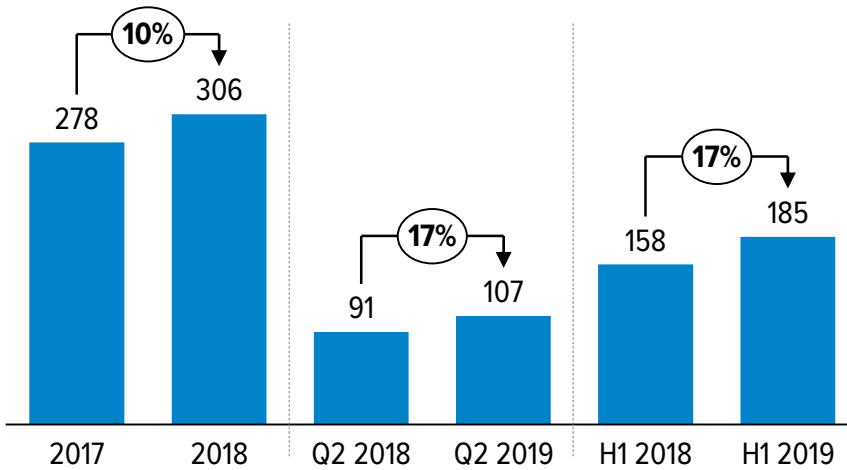
Moscow & St. Petersburg Other Regions of Russia Other¹

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

ARPC Development

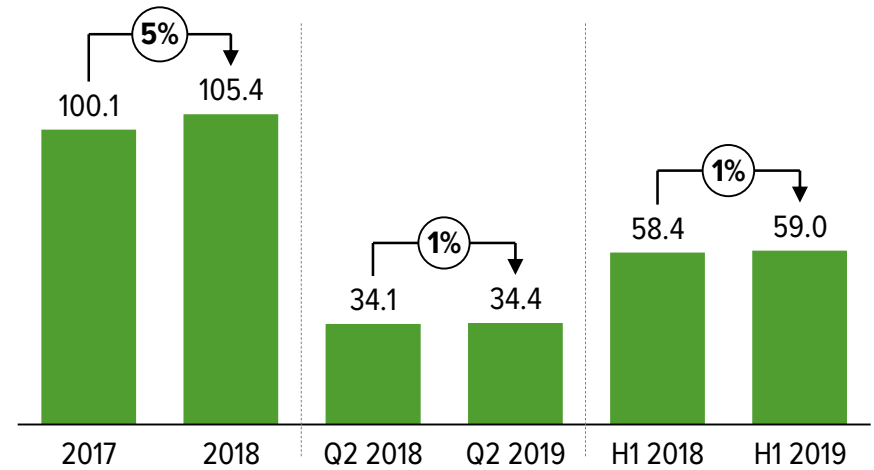
Moscow & St. Petersburg

RUB'000



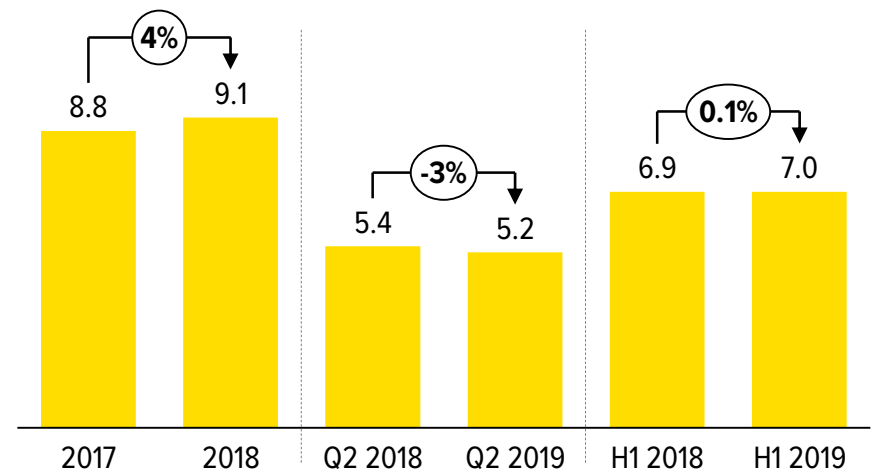
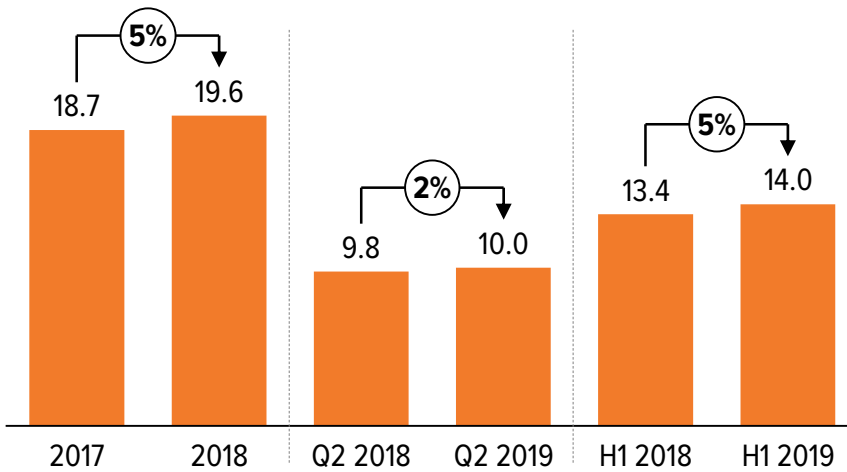
Russian regions

RUB'000



Key Accounts ARPC

Small and Medium Accounts ARPC



Operating Costs

Operating Expenses Dynamics¹

RUB mm

Q2 2019

H1 2019



1) Exclusive of depreciation and amortization

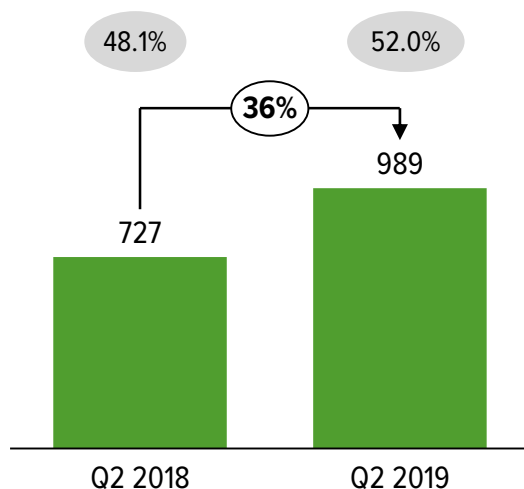
2) Including office rent and maintenance, subcontractor and other costs related to provision of services, hosting and other website maintenance and other operating expenses



Adjusted EBITDA and Other Cash Flow Items

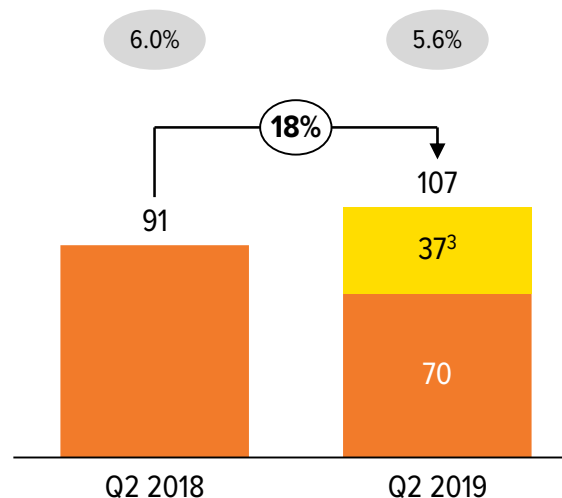
Adjusted EBITDA

RUB mm



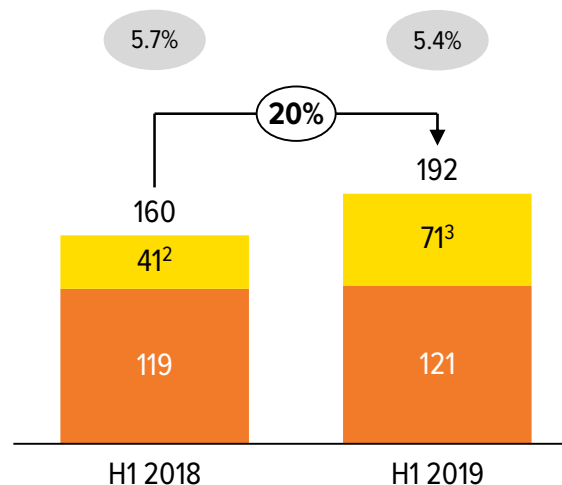
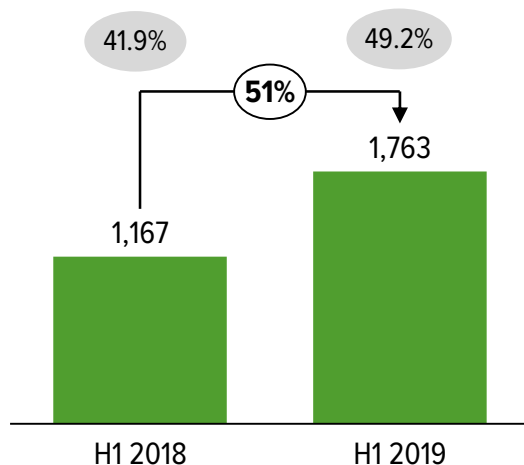
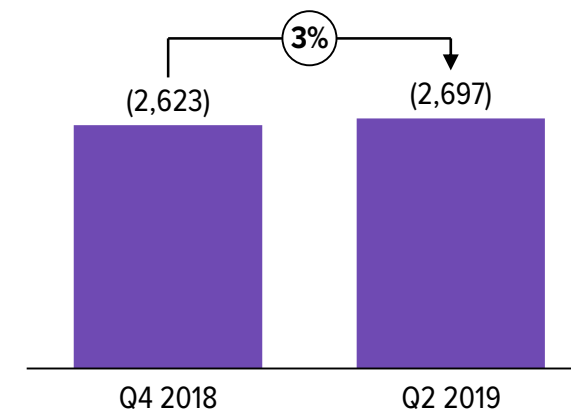
CAPEX¹

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

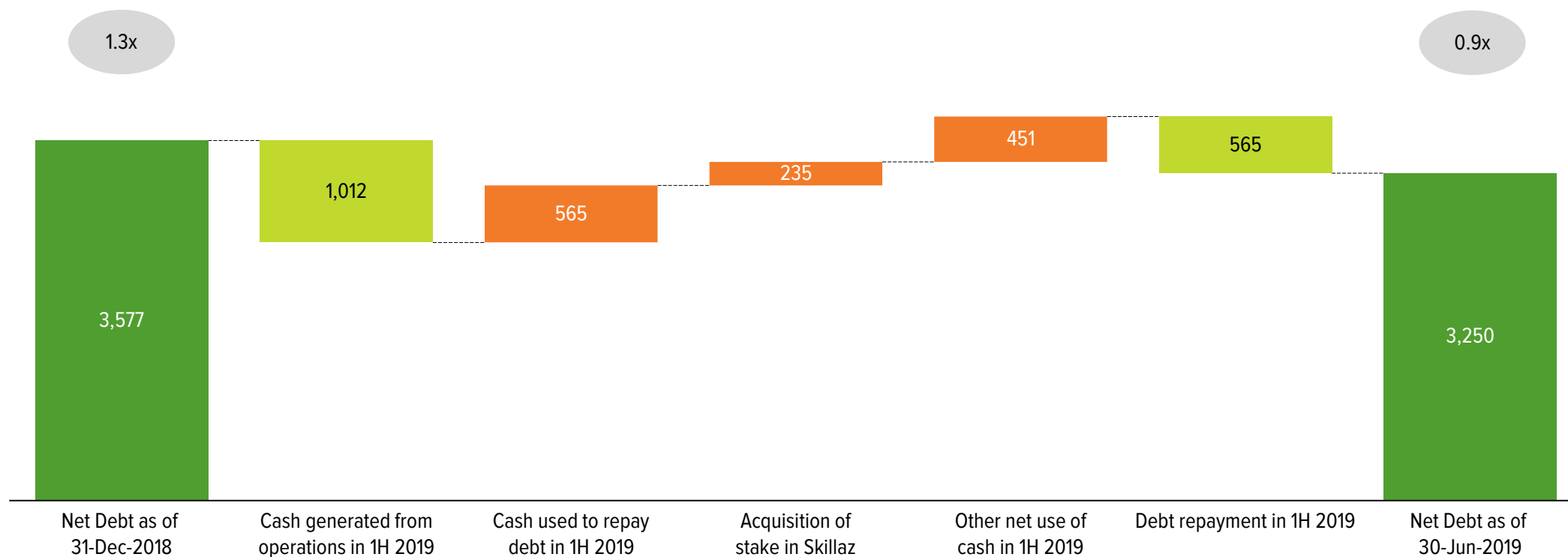
3) Redesign of offices in Moscow and Yaroslavl (total office redesign budget is estimated at ca RUB 220-250 mm for 2019)
 4) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables. Net Working Capital is non-IFRS financial 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 Q2 2019 on the back of growing LTM adj. EBITDA¹ and declining Net Debt¹

Leverage Dynamics

RUB mm

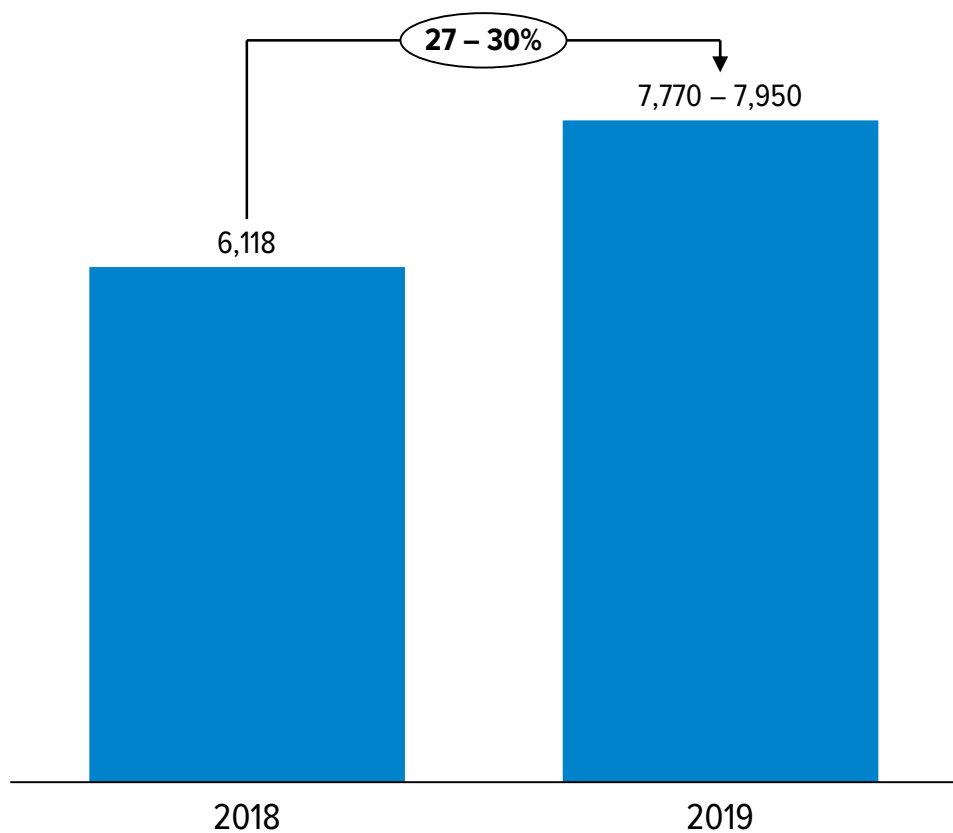


Net Debt to LTM Adjusted EBITDA, x

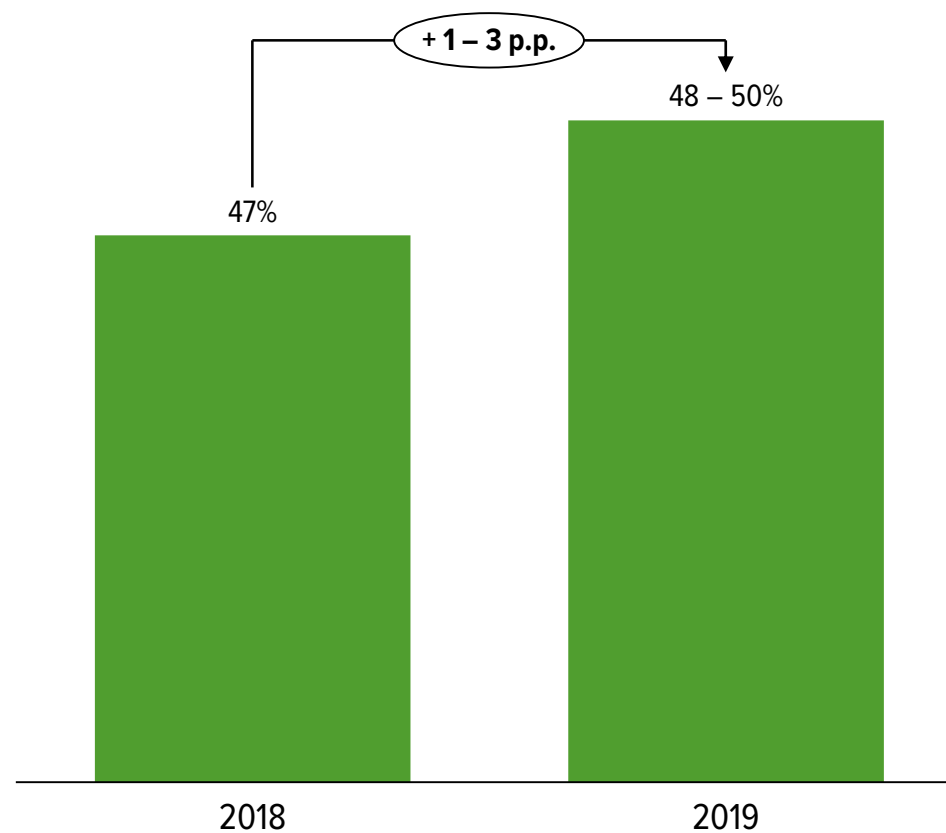
1) Net Debt and Net Debt to Adjusted EBITDA Ratio, adj. EBITDA on twelve months basis are non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" elsewhere in this presentation for a description of these measures and a reconciliation to the nearest IFRS measure.

We Reiterate our 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

	Q2 2018 ¹	Q2 2019	H1 2018 ¹	H1 2019
Revenue	1,513,207	1,901,624	2,786,883	3,580,061
Operating costs and expenses (exclusive of depreciation and amortization)	(816,687)	(1,131,968)	(1,711,009)	(2,065,508)
Depreciation and amortization	(147,193)	(168,723)	(291,225)	(333,827)
Operating income	549,327	600,933	784,649	1,180,726
Finance income	20,079	19,485	39,547	45,692
Finance costs	(159,012)	(156,849)	(324,878)	(324,679)
Other income	–	4,931	–	4,931
Gain on disposal of subsidiary	6,131	–	6,131	–
Net foreign exchange loss	(6,228)	(13,487)	(6,902)	(36,128)
Share of loss of equity-accounted investees (net of income tax)	–	(5,048)	–	(5,048)
Profit before income tax	410,297	449,965	498,547	865,494
Income tax expense	(88,709)	(174,701)	(190,518)	(351,483)
Net income for the period	321,588	275,264	308,029	514,011
<i>Attributable to:</i>				
Owners of the Company	300,644	241,302	275,529	450,693
Non-controlling interest	20,944	33,962	32,500	63,318

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

<i>in thousands of RUB</i>	Q2 2018	Q2 2019	H1 2018	H1 2019
Net income	321,588	275,264	308,029	514,011
<i>Add the effect of:</i>				
Income tax expense	88,709	174,701	190,518	351,483
Net interest costs	138,933	137,364	285,331	278,987
Depreciation and amortization	147,193	168,723	291,225	333,827
EBITDA	696,423	756,052	1,075,103	1,478,308
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	18,377	67,863	37,384	73,106
IPO-related costs	18,630	142,267	61,103	188,294
Insurance cover related to IPO	–	22,810	–	22,810
Income from depository	–	(4,931)	–	(4,931)
Gain on disposal of subsidiary	(6,131)	–	(6,131)	–
Share of loss of equity-accounted investees	–	5,048	–	5,048
Adjusted EBITDA	727,299	989,109	1,167,459	1,762,635

Reconciliation of Adjusted Net Income to Net Income

<i>in thousands of RUB</i>	Q2 2018	Q2 2019	H1 2018	H1 2019
Net income	321,588	275,264	308,029	514,011
<i>Add the effect of:</i>				
Equity-settled awards, including related social taxes	18,377	67,863	37,384	73,106
IPO-related costs	18,630	142,267	61,103	188,294
Income from depository	–	22,810	–	22,810
Insurance cover related to IPO	–	(4,931)	–	(4,931)
Gain on disposal of subsidiary	(6,131)	–	(6,131)	–
Share of loss of equity-accounted investees	–	5,048	–	5,048
Amortization of intangible assets recognized upon the Acquisition	103,947	103,947	207,894	207,894
Tax effect on adjustments	(20,789)	(20,789)	(41,579)	(41,579)
Adjusted Net Income	435,622	591,479	566,700	964,653

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

Calculation of Net Working Capital

<i>in thousands of RUB</i>	June 30, 2019	December 31, 2018
Trade and other receivables	60,881	40,718
Prepaid expenses and other current assets	92,080	64,386
Contract liabilities	(2,040,769)	(2,072,640)
Trade and other payables	(808,788)	(655,877)
Net Working Capital	(2,696,596)	(2,623,413)

Calculation of Net Debt

<i>in thousands of RUB</i>	June 30, 2019	December 31, 2018
Loans and borrowings	4,596,847	5,203,692
Loans and borrowings (current portion)	1,426,595	1,233,924
Cash and cash equivalents	(2,773,513)	(2,861,110)
Net Debt	3,249,929	3,576,506

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

<i>in thousands of RUB</i>	June 30, 2019
Adjusted EBITDA for the year ended December 31, 2018	2,854,990
Less Adjusted EBITDA for the six months ended June 30, 2018	(1,167,459)
Add Adjusted EBITDA for the six months ended June 30, 2019	1,762,635
Adjusted EBITDA on the last twelve months basis as of June 30, 2019	3,450,166

Cash Flow Statement

in thousands of RUB

	H1 2018 ¹	H1 2019
OPERATING ACTIVITIES:		
Net income for the period	308,029	514,011
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	291,225	333,827
Net finance costs	285,331	278,987
Net foreign exchange loss	6,902	36,128
Gain on disposal of subsidiary	(6,131)	–
Other non-cash items	1,616	572
Management incentive agreement	45,623	97,364
Share grant to Board	–	3,145
Share of profit of equity-accounted investees, net of income tax	–	5,048
Income tax expense	190,518	351,483
Change in trade receivables and other operating assets	(10,053)	(46,546)
Change in contract liabilities	67,914	(25,127)
Change in trade and other payables	21,954	87,263
Income tax paid	(269,397)	(450,521)
Interest paid	(315,667)	(173,269)
Net cash generated from operating activities	617,864	1,012,365
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investment	–	(234,729)
Proceeds from disposal of subsidiary, net of cash disposed of	(10,847)	–
Acquisition of intangible assets	(72,684)	(52,070)
Acquisition of property and equipment	(84,274)	(118,031)
Interest received	35,370	44,108
Net cash used in investing activities	(132,435)	(360,722)
FINANCING ACTIVITIES:		
Bank and other loans repaid	(300,000)	(565,000)
Payment for lease liabilities	–	(24,740)
Dividends paid to non-controlling interest	(40,710)	(76,700)
Net cash used in financing activities	(340,710)	(666,440)
Net increase/(decrease) in cash and cash equivalents	144,719	(14,797)
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	7,411	(72,800)
Cash and cash equivalents, end of period	1,578,939	2,773,513

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, 2018	June 30, 2019
ASSETS		
Non-current assets		
Goodwill	6,989,255	6,966,840
Intangible assets	3,154,605	2,946,208
Property and equipment	133,810	236,566
Equity-accounted investees	–	229,681
Right-of-use assets	–	313,619
Deferred tax assets	92,094	114,574
Other non-current assets	3,304	3,264
Total non-current assets	10,373,068	10,810,752
Current assets		
Trade and other receivables	40,718	60,881
Prepaid expenses and other current assets	64,386	92,080
Cash and cash equivalents	2,861,110	2,773,513
Total current assets	2,966,214	2,926,474
Total assets	13,339,282	13,737,226
EQUITY AND LIABILITIES		
Equity		
Share capital	8,547	8,547
Share premium	1,729,400	1,796,857
Foreign currency translation reserve	(66,957)	(92,249)
Retained earnings	1,302,981	593,329
Total equity attributable to owners of the Company	2,973,971	2,306,484
Non-controlling interest	29,449	19,652
Total equity	3,003,420	2,326,136
Non-current liabilities		
Loans and borrowings	5,203,692	4,596,847
Lease liabilities	–	262,170
Deferred tax liabilities	1,070,240	556,106
Trade and other payables	13,967	–
Total non-current liabilities	6,287,899	5,415,123
Current liabilities		
Contract liabilities	2,072,640	2,040,769
Trade and other payables	655,877	808,788
Loans and borrowings (current portion)	1,233,924	1,426,595
Lease liabilities (current portion)	–	62,174
Dividends payable to shareholders	–	1,135,931
Income tax payable	85,522	521,710
Total current liabilities	4,047,963	5,995,967
Total liabilities	10,335,862	11,411,090
Total equity and liabilities	13,339,282	13,737,226

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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