

Q4 and FY 2019 Financial Results

Supplementary Slides

March 13, 2020



Important Notice

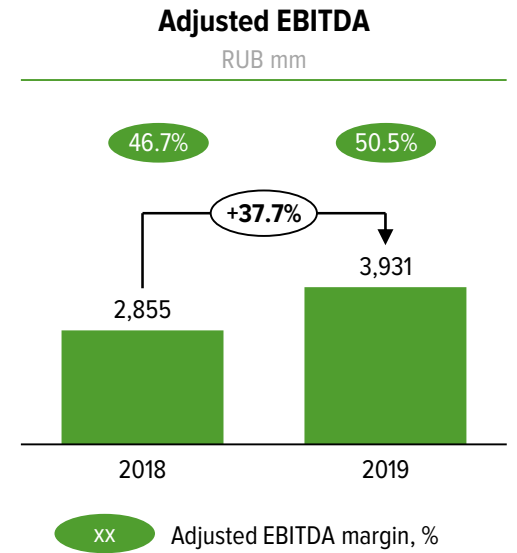
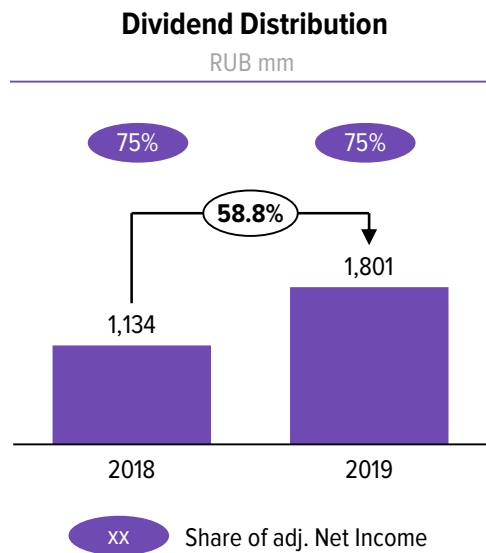
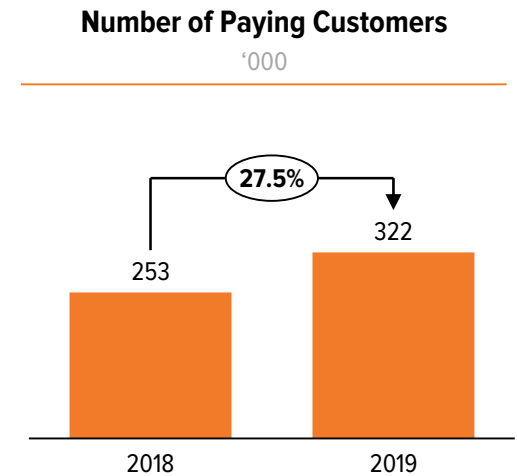
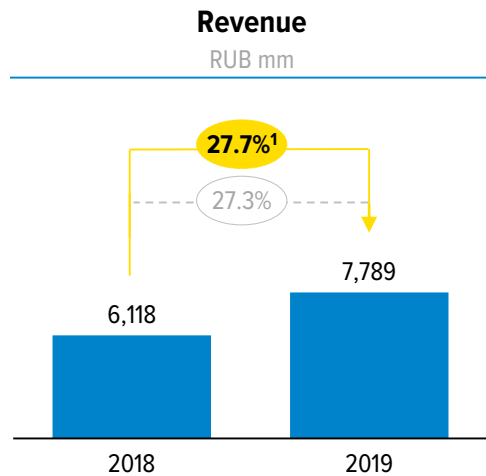
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This presentation includes certain financial measures not presented in accordance with the International Financial Reporting Standards (“IFRS”) including but not limited to, Adjusted EBITDA, Adjusted EBITDA Margin, ARPC, Net Working Capital, Capex, 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.



FY 2019 Results in Line With Strategic Goals and Market Guidance

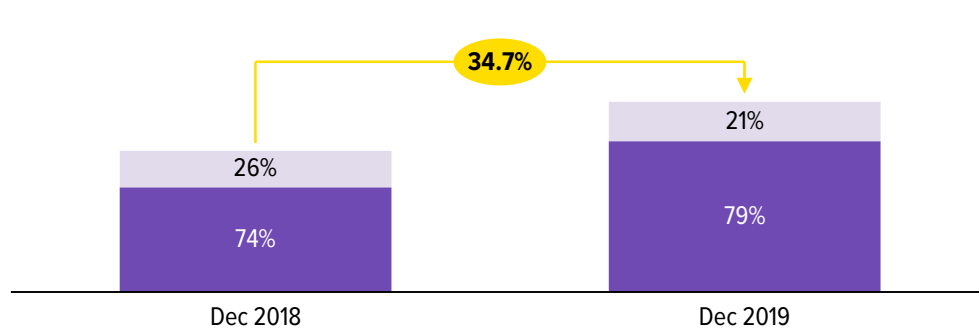


1) Growth rate excluding HeadHunter LLC (Ukraine), which was disposed in Apr-18. HeadHunter LLC (Ukraine) Revenue for 2018 – RUB16 MM

Strong Performance Across all Key Operating Metrics

Total Number of Sessions

MM

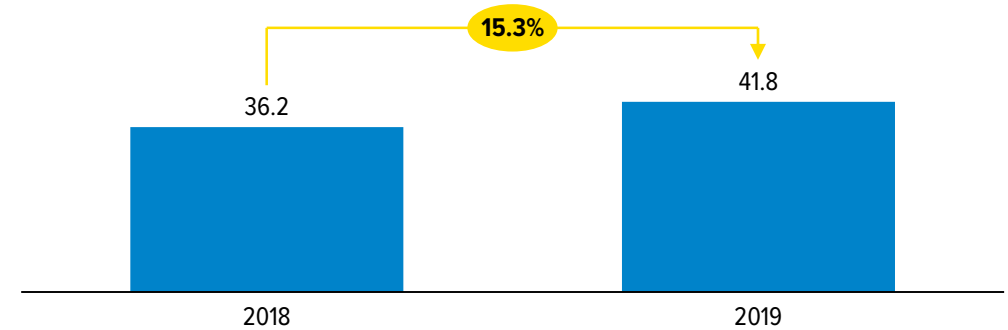


Source: Google Analytics

Desktop Mobile

Total CV Database

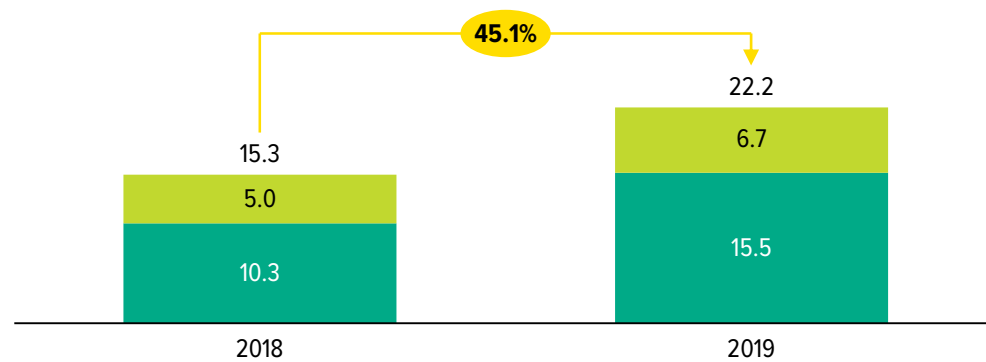
MM CVs



Source: Company data

Cumulative Number of Mobile App Downloads Since Launch

MM Downloads

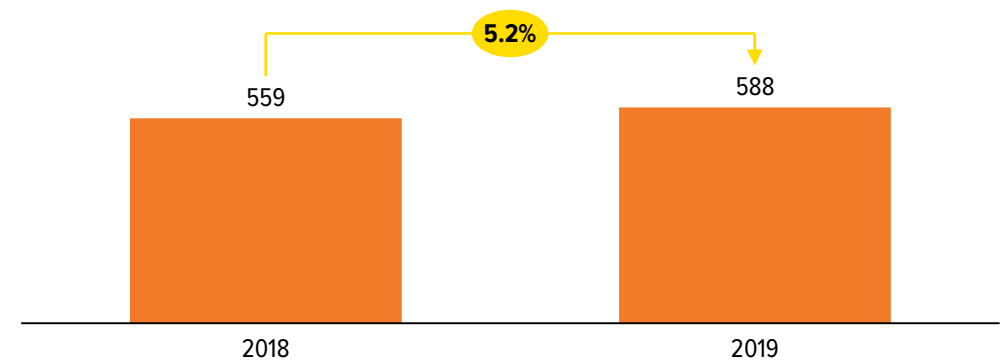


Source: AppAnnie

Android iOS

Daily Average Number of Job Postings

'000 Job Postings

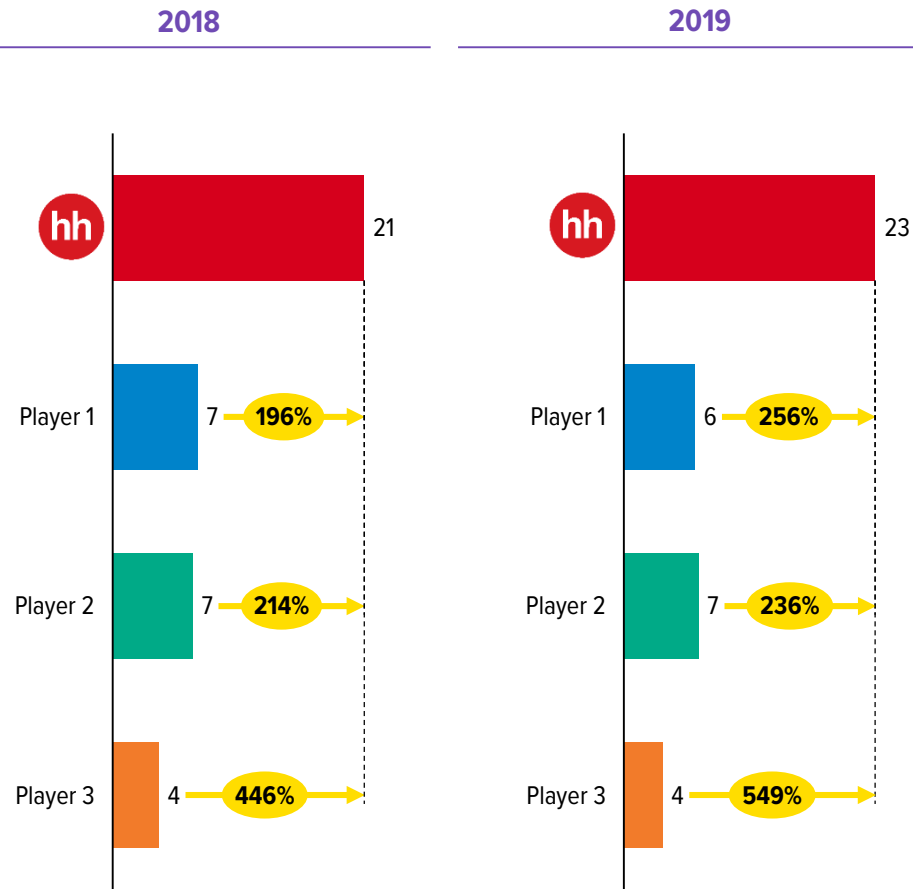


Source: Company data

Increased Liquidity Lead Over Key Competitors

Average Monthly Number of UMVs

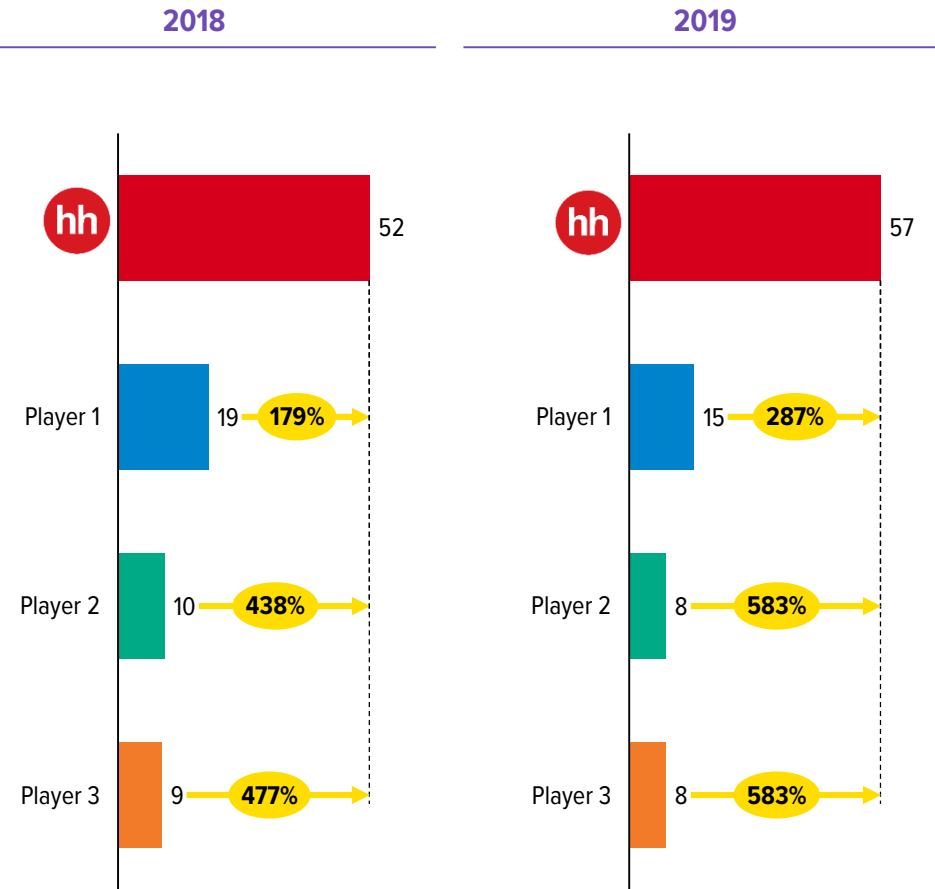
MM



Source: Liveinternet

Average Monthly Number of Sessions

MM



Source: SimilarWeb



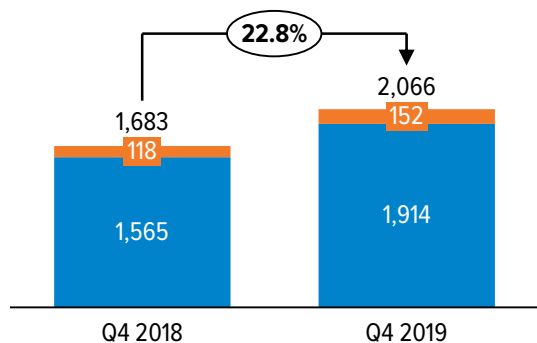
Key Financial Highlights in Q4 and FY 2019

Q4 2019

FY 2019

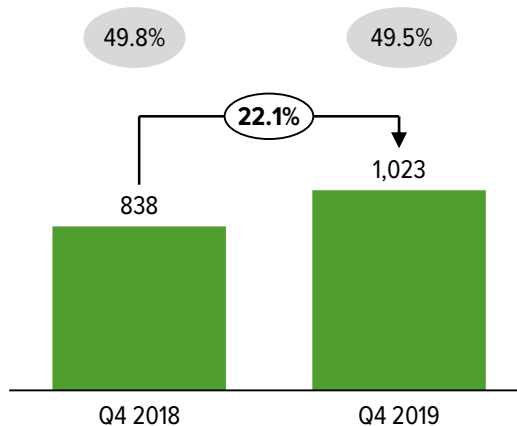
Revenue

RUB mm



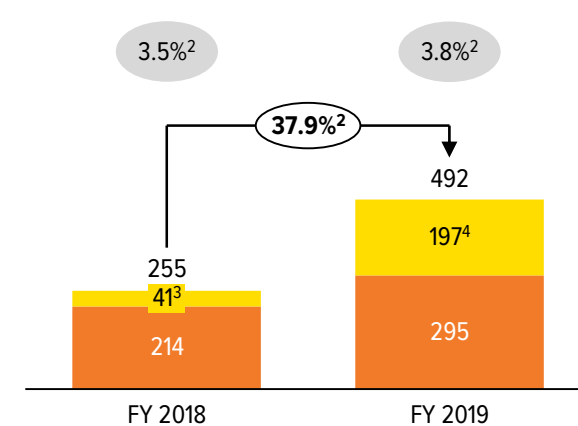
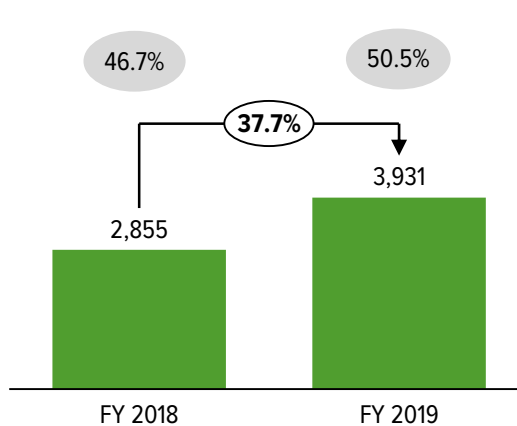
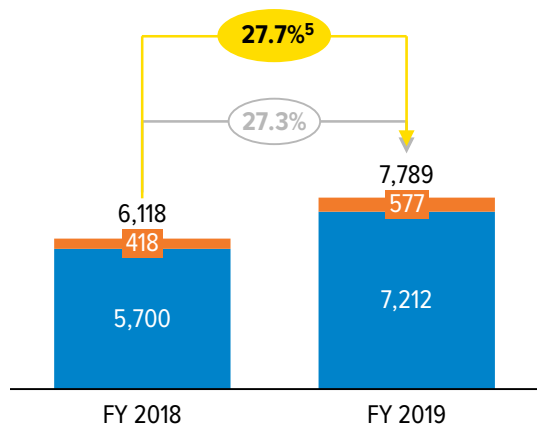
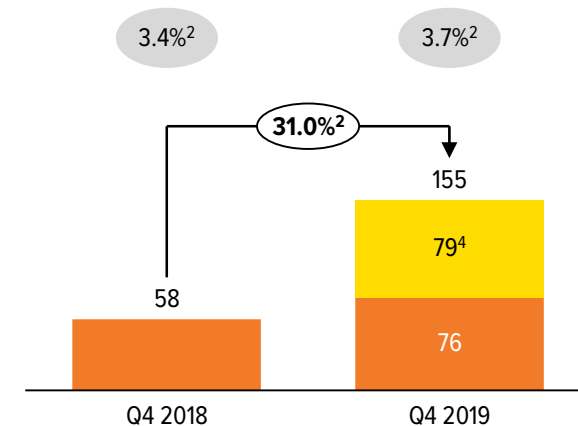
Adjusted EBITDA

RUB mm



CAPEX¹

RUB mm



Russia Other Segments

Adjusted EBITDA Margin, %

One-off items As % of Revenue², %

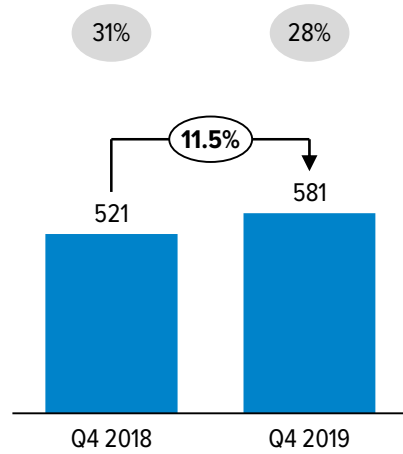
1) Capital expenditures ("CAPEX") consist of property and equipment additions, capitalized R&D and other additions of intangible assets.
 2) Excluding one-off effects in 2018 and 2019
 3) Acquisition of Job.ru assets
 4) Redesign of offices in Moscow and Yaroslavl
 5) Growth rate excluding HeadHunter LLC (Ukraine), which was disposed in Apr-18. HeadHunter LLC (Ukraine) Revenue for 2018 – RUB16 MM



Revenue by Product Type

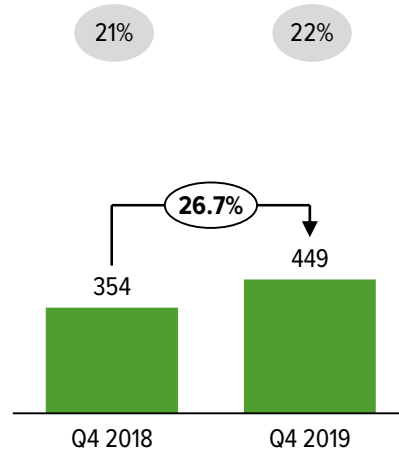
Bundled Subscriptions

RUB mm



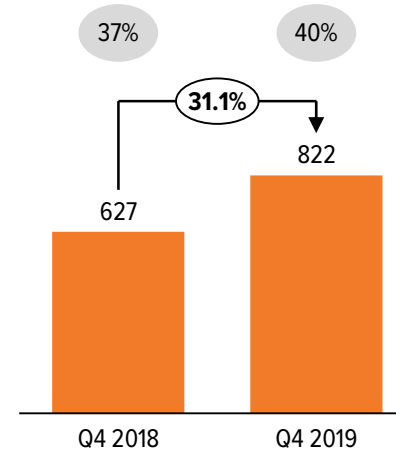
CV Database Access

RUB mm



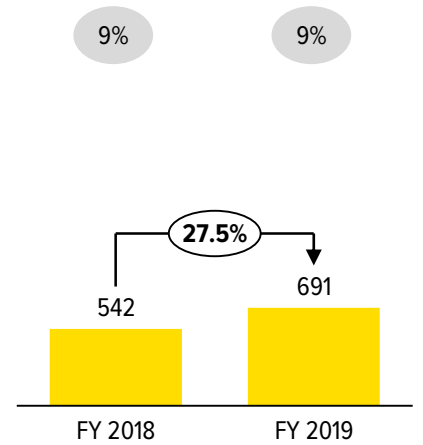
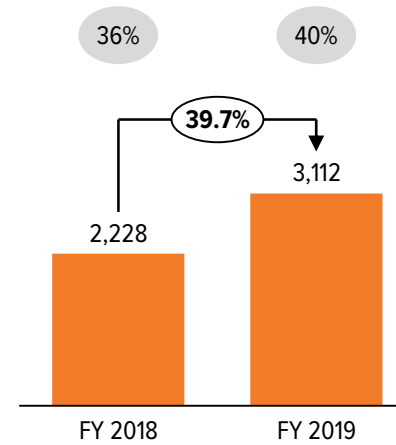
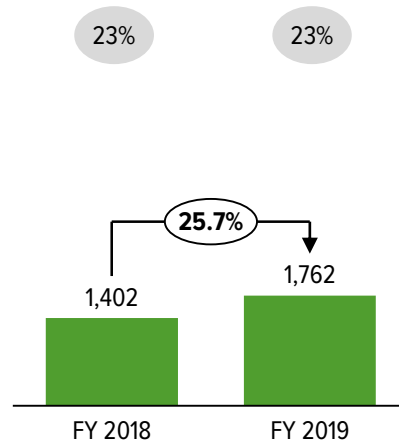
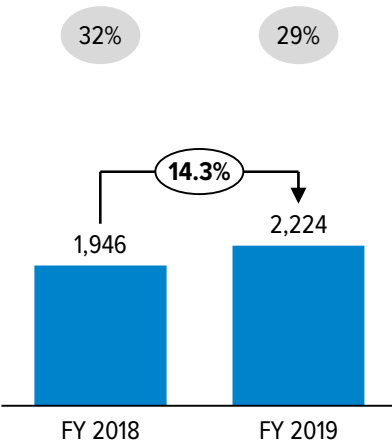
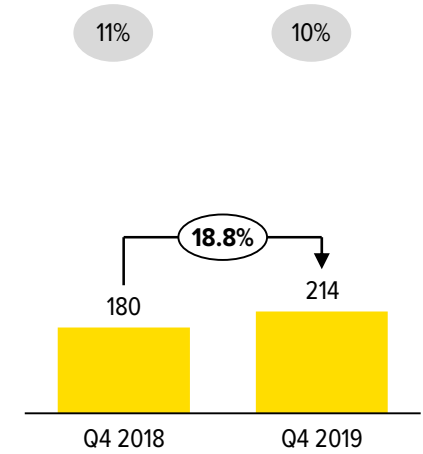
Job Postings

RUB mm



Other VAS

RUB mm



Share in revenue, %

Q4 2019

FY 2019

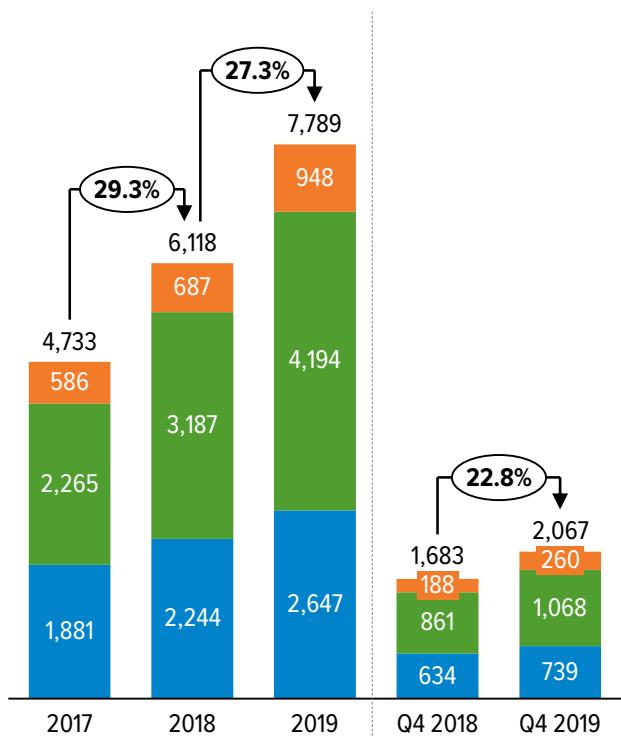


Customer Base Growth

Sustained revenue growth in both client categories

Revenue by Type of Customer

RUB mm



Change, %
Q4 '18-19 2018-2019

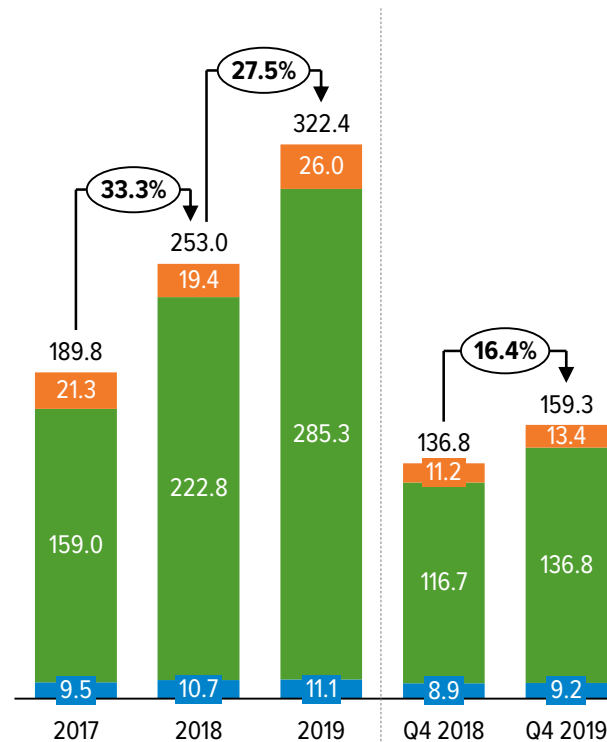
38% 38%

24% 32%

17% 18%

Customer Base by Type of Customer

Number of Paying Customers, '000



Change, %
Q4 '18-19 2018-2019

20% 34%

17% 28%

3% 4%

Key Accounts Small & Medium Accounts Other¹

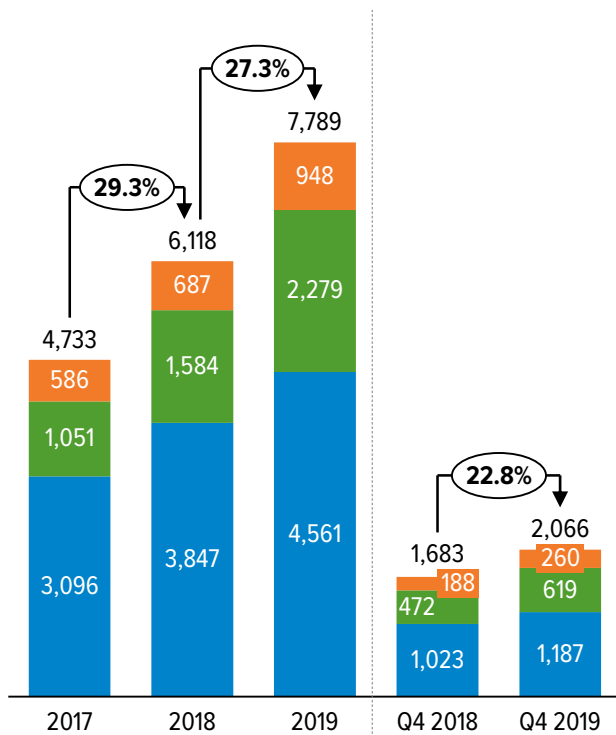
1) Other includes foreign customers in Russia, other customers and other segments

Customer Base Growth (cont'd)

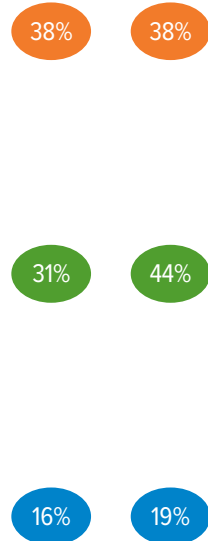
Sustained revenue growth in both geographical divisions

Revenue by Geography

RUB mm

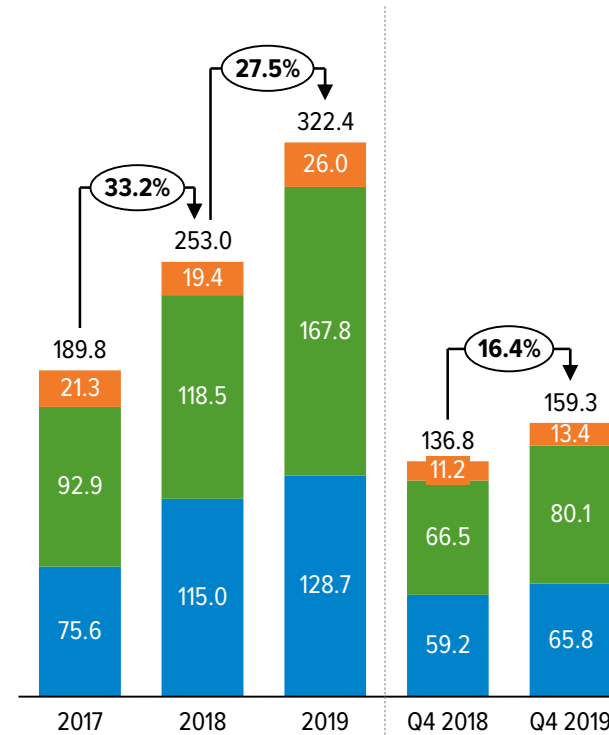


Change, %
Q4 '18-19 2018-2019



Customer Base by Geography

Number of Paying Customers, '000



Change, %
Q4 '18-19 2018-2019



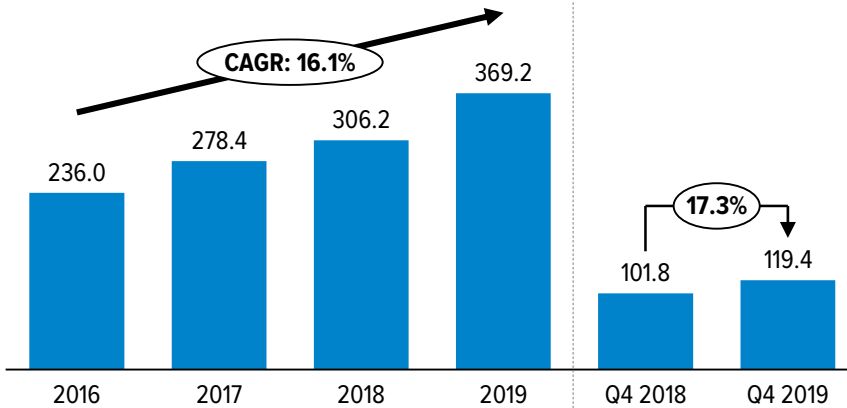
Moscow & St. Petersburg Other Regions of Russia Other¹

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

ARPC Development

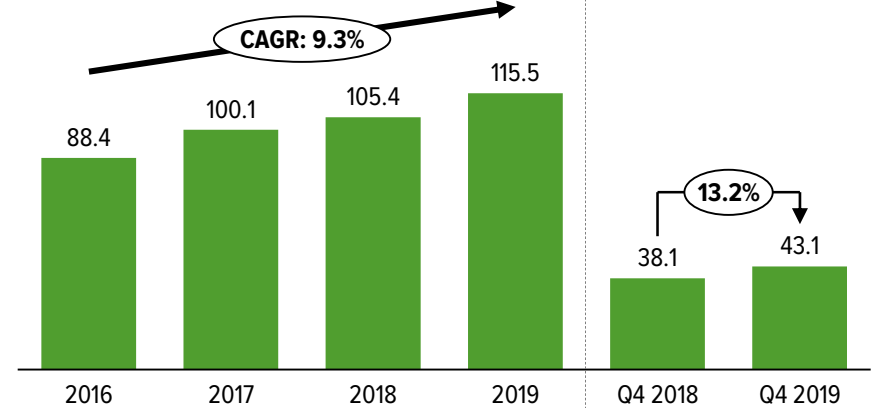
Moscow & St. Petersburg

RUB'000



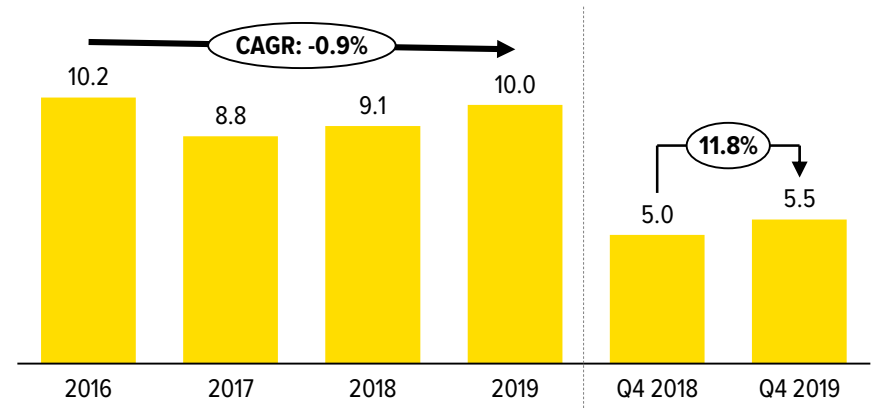
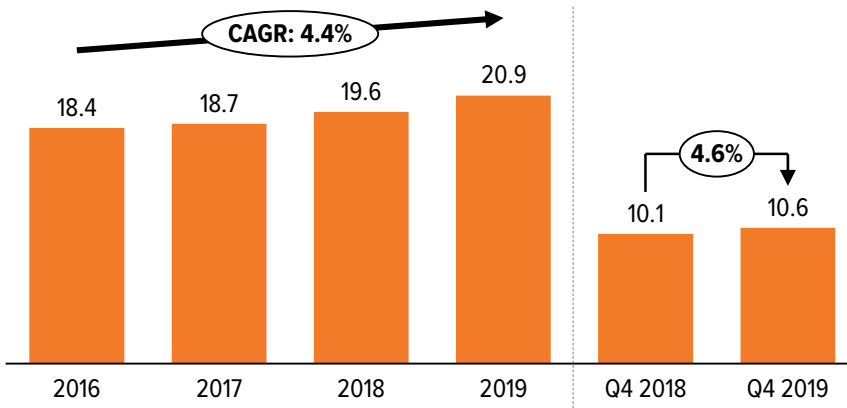
Russian Regions

RUB'000



Key Accounts ARPC

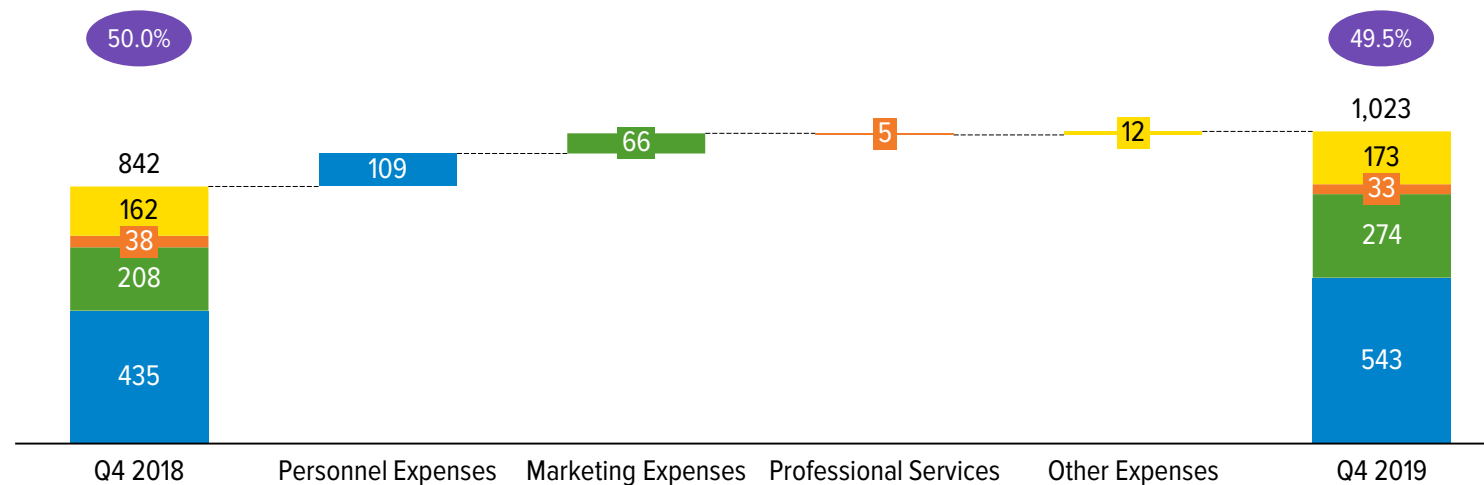
Small and Medium Accounts ARPC



Operating Costs

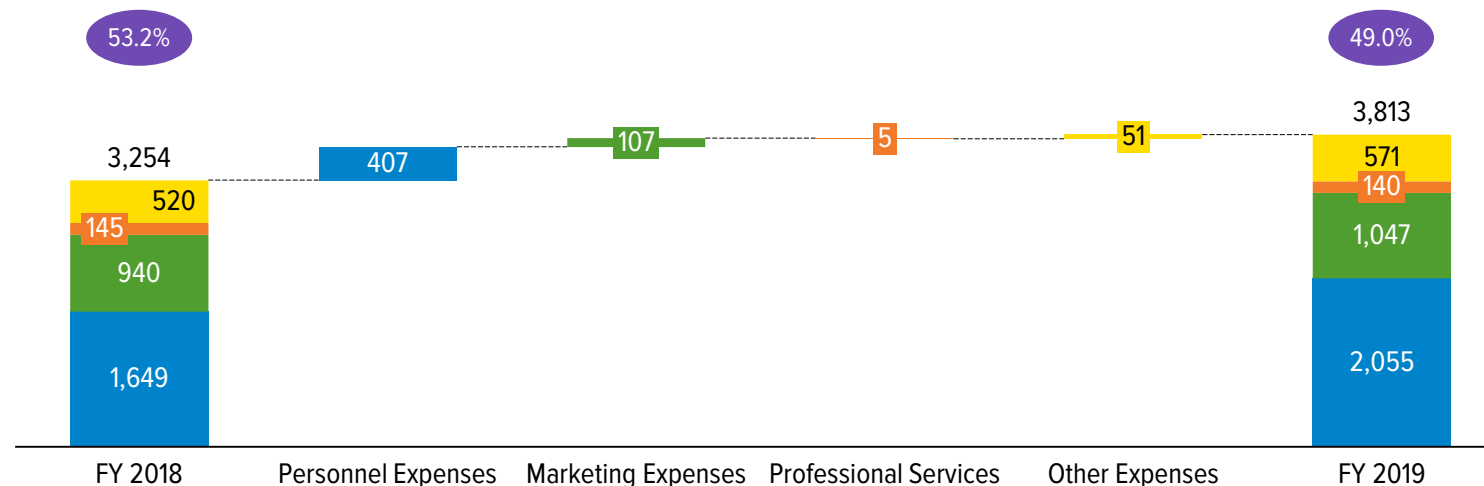
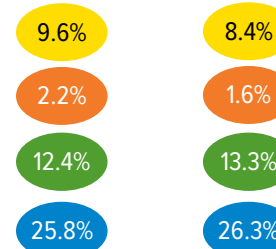
Operating Expenses Dynamics¹

RUB mm

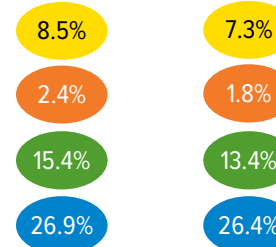


As % of Revenue

Q4 2018	Q4 2019
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FY 2018 **FY 2019**



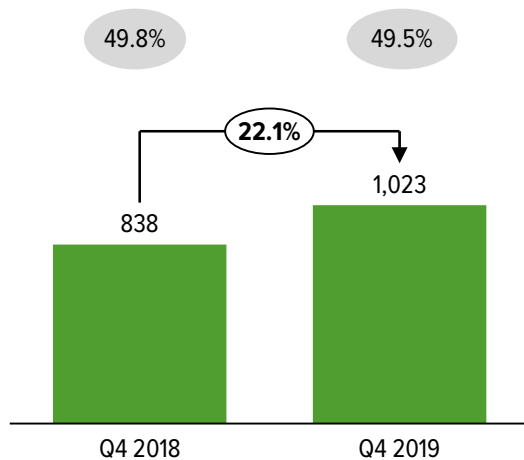
■ Personnel Expenses
 ■ Marketing Expenses
 ■ Professional Services
 ■ Other Expenses²
 ● Operating Expenses excl. one-offs³ as % of Revenue

1) Exclusive of depreciation and amortization, Equity-settled awards, including related social taxes, IPO-related costs, Insurance cover related to IPO and One-off litigation settlements and legal costs
 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
 3) 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

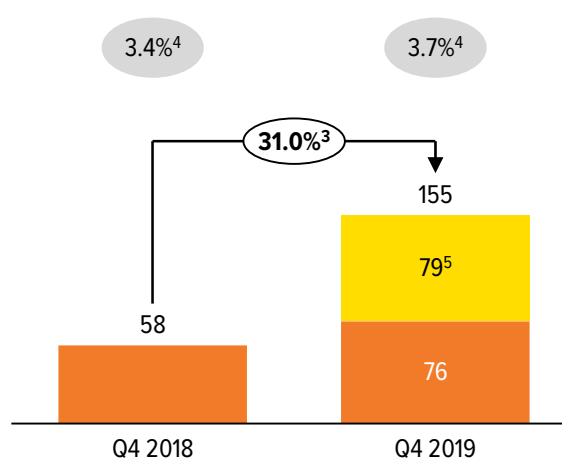
Adjusted EBITDA

RUB mm



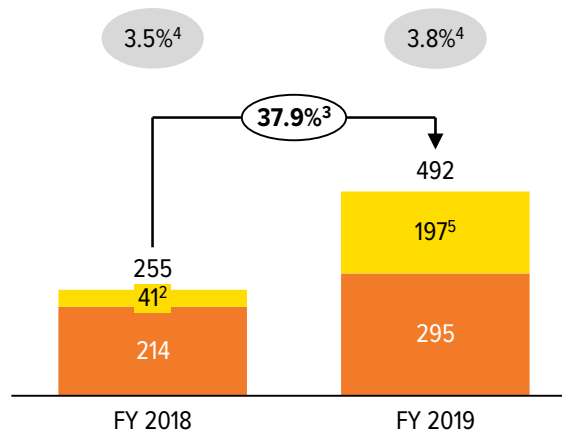
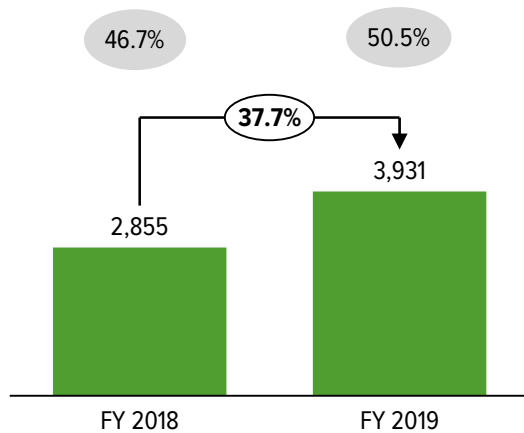
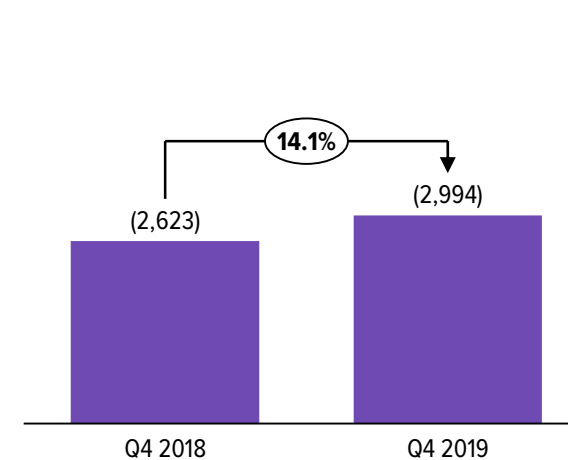
CAPEX¹

RUB mm



Net Working Capital⁵

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) Capex growth excluding one-off effects in 2018 and 2019

4) Capex as % of revenue excluding one-off effects in 2018 and 2019

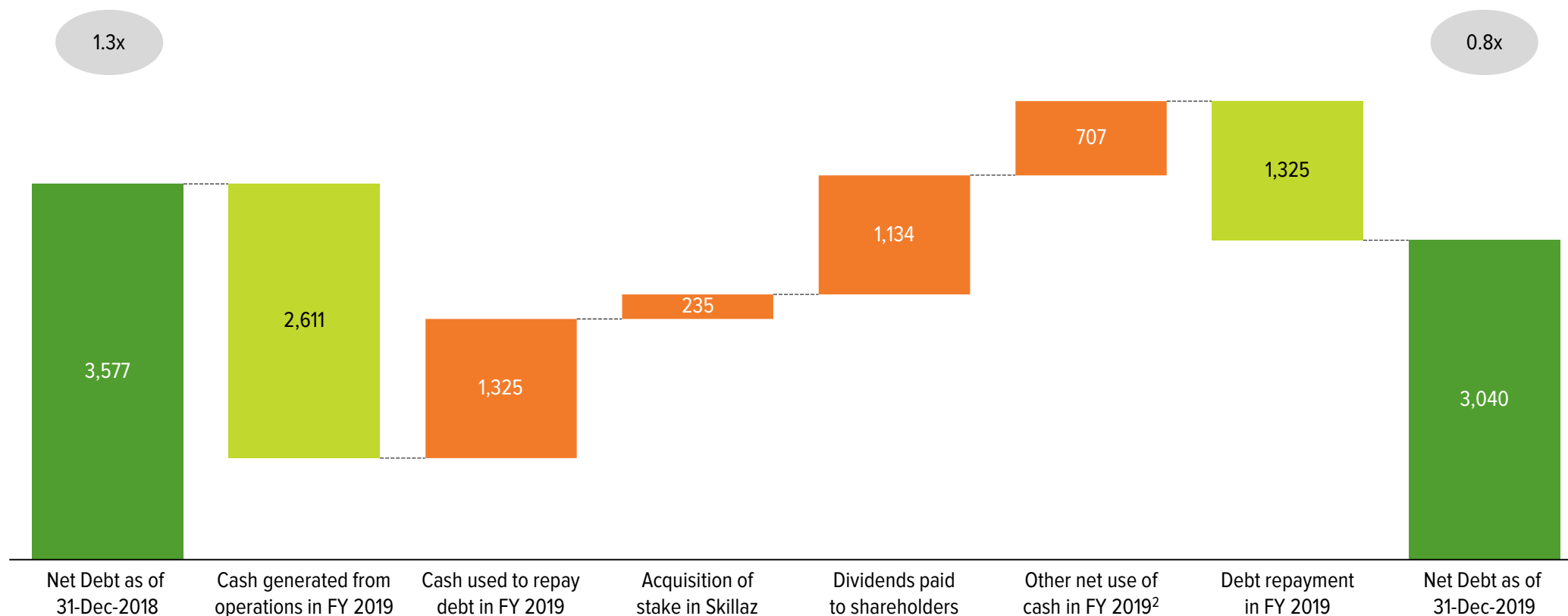
5) Net Working Capital calculated as trade and other receivables plus prepaid expenses less contract liabilities less trade and other payables. Net Working Capital is non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" elsewhere in this presentation for a description of these measure 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 0.8x as of 2019 YE 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

Proposal for Dividend of \$0.50 per Share (ca. 75% of adj. Net Income)

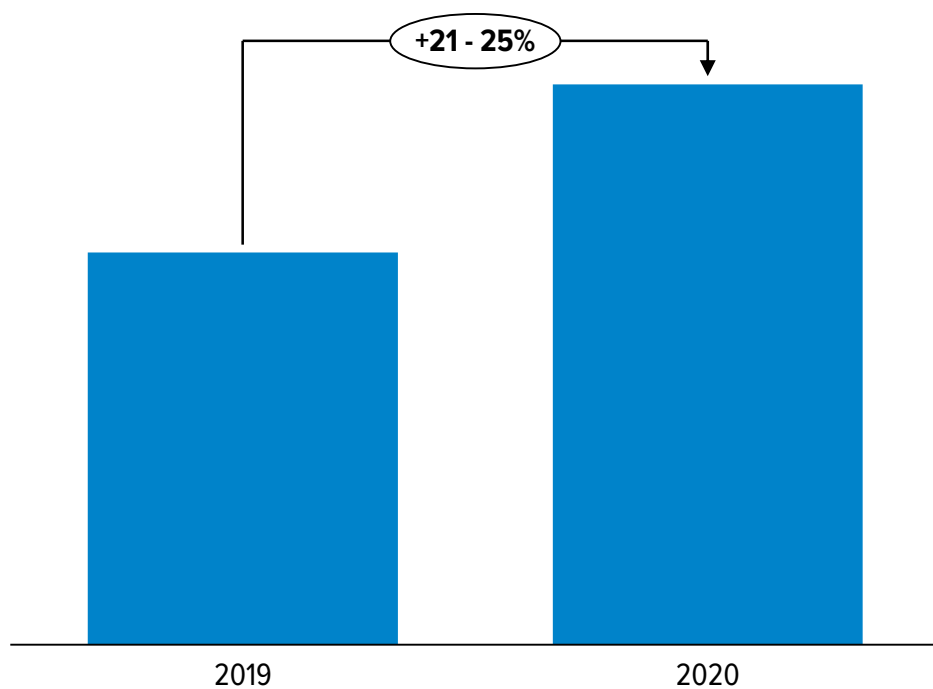
	<u>In RUB</u>	<u>In US\$¹</u>
Adjusted Net Income in 2019, mm	2,409	33.4
Proposed Dividend Payments as % of Adjusted Net Income	75%	75%
Total Dividend Payments, mm	1,801	25.0
Issued Capital, mm shares	50	50
Dividend per Share ²	36.0	0.50

1) Assuming \$RUB FX rate of 72.0208 as of March 11, 2019

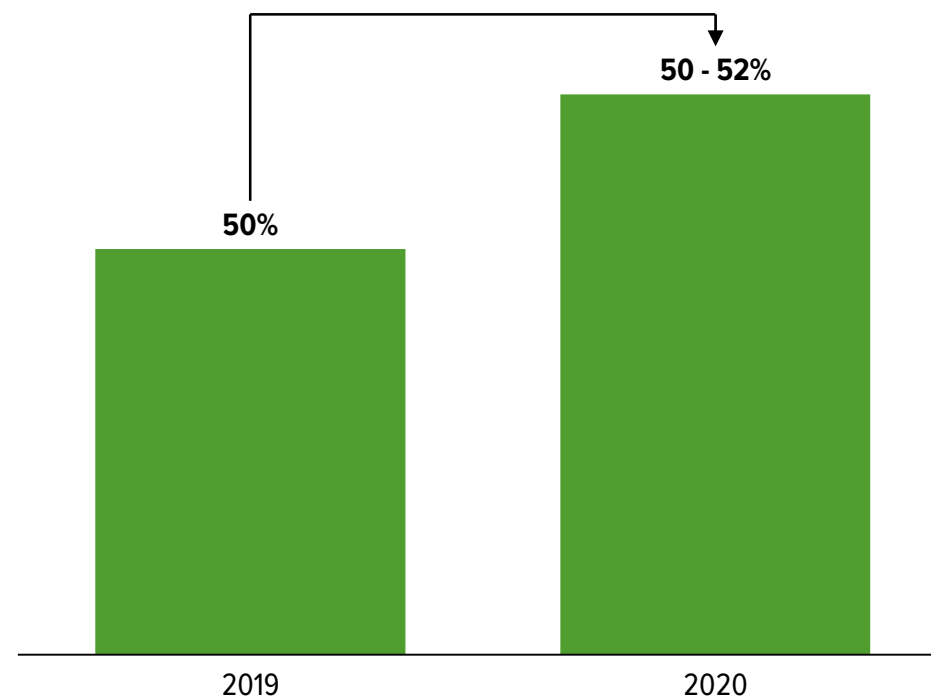
2) The dividend record date is 27-Mar-2020, and we intend to pay the dividend on or before 20-Apr-2020

Outlook for 2020

Revenue growth



Adjusted EBITDA Margin¹, %



Our guidance for FY 2020 assumes no material acquisitions or disposals and does not take into account any impact stemming from the Covid-19 virus and OPEC+ agreement breakdown as it is not possible to assess what, if any, impact these may have on our operations at this time.

1) 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

	FY 2018	FY 2019
Revenue	6,117,773	7,788,741
Operating costs and expenses (exclusive of depreciation and amortization)	(3,432,860)	(4,300,263)
Depreciation and amortization	(586,131)	(683,317)
Operating income	2,098,782	2,805,161
Financial income	90,602	76,764
Financial costs	(644,326)	(603,280)
Other income	0	23,853
Gain on disposal of subsidiary	6,131	0
Net foreign exchange gain/(loss)	(8,742)	(46,508)
Share of loss of equity-accounted investees (net of income tax)	0	(30,542)
Profit before income tax	1,542,447	2,225,448
Income tax expense	(509,602)	(644,422)
Net income for the year	1,032,845	1,581,026
<i>Attributable to:</i>		
Owners of the Company	949,307	1,448,018
Non-controlling interest	83,538	133,008

Adjusted EBITDA and Adjusted Net Income

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

in thousands of RUB

	FY 2018	FY 2019
Net income	1 032 845	1 581 026
<i>Add the effect of:</i>		
Income tax expense	509 602	644 422
Net interest costs	553 724	526 516
Depreciation and amortization	586 131	683 317
EBITDA	2 682 302	3 435 281
<i>Add the effect of:</i>		
Equity-settled awards, including related social taxes	68 776	178 953
IPO-related costs	110 043	190 284
Insurance cover related to IPO		100 048
Income from depository		(22 095)
Gain on disposal of subsidiary	(6 131)	
Share of loss of equity-accounted investees		30 542
One-off litigation settlements and legal costs		17 734
Adjusted EBITDA	2 854 990	3 930 747
Adjusted EBITDA margin	46.7%	50.5%

Reconciliation of Adjusted Net Income to Net Income

in thousands of RUB

	FY 2018	FY 2019
Net income	1 032 845	1 581 026
<i>Add the effect of:</i>		
Equity-settled awards, including related social taxes	68 776	178 953
IPO-related costs	110 043	190 284
Directors and officers insurance against IPO-risk		100 048
Income from depository		(22 095)
Gain on disposal of subsidiary	(6 131)	
Share of loss of equity-accounted investees		30 542
Amortization of intangible assets recognized upon the Acquisition	415 787	415 787
Tax effect on adjustments	(83 157)	(83 157)
One-off litigation settlements and legal costs		17 734
Adjusted Net Income	1 538 163	2 409 122
Adjusted Net Income margin	25.1%	30.9%

Net Working Capital and Net Debt

Calculation of Net Working Capital

in thousands of RUB

	December 31, 2018	December 31, 2019
Trade and other receivables	40,718	57,908
Prepaid expenses and other current assets	64,386	119,249
Contract liabilities	(2,072,640)	(2,367,416)
Trade and other payables	(655,877)	(780,219)
Other current liabilities		(23,880)
Net Working Capital	(2,623,413)	(2,994,358)

Calculation of Net Debt

in thousands of RUB

	December 31, 2018	December 31, 2019
Loans and borrowings	5,203,692	4,064,501
Loans and borrowings (current portion)	1,233,924	1,064,554
Cash and cash equivalents	(2,861,110)	(2,089,215)
Net Debt	3,576,506	3,039,840

Cash Flow Statement

	FY 2018	FY 2019
<i>in thousands of RUB</i>		
OPERATING ACTIVITIES:		
Net income	1,032,845	1,581,026
<i>Adjusted for non-cash items and items not affecting cash flow from operating activities:</i>		
Depreciation and amortization	586,131	683,317
Net finance costs	553,724	526,516
Net foreign exchange loss	8,742	46,508
Gain on disposal of subsidiary	(6,131)	
Other non-cash items	1,616	5,690
Management incentive agreement, including social taxes	78,648	196,993
Share-based payments to Board of directors		12,842
Share of profit or loss of equity-accounted investees, net of income tax		30,542
Income tax expense	509,602	644,421
Change in trade receivables and other operating assets	(8,029)	(90,218)
Change in contract liabilities	600,469	307,388
Change in trade and other payables	56,877	76,418
Change in other liabilities		147,685
Income tax paid	(693,803)	(975,656)
Interest paid	(624,003)	(582,420)
Net cash generated from operating activities	2,096,688	2,611,053
INVESTING ACTIVITIES:		
Acquisition of equity-accounted investee		(234,730)
Proceeds from disposal of subsidiary, net of cash disposed of	(10,847)	
Acquisition of intangible assets	(134,702)	(97,818)
Acquisition of property and equipment	(119,942)	(381,648)
Interest received	90,943	77,079
Net cash used in investing activities	(174,548)	(637,117)
FINANCING ACTIVITIES:		
Bank and other loans received	270,000	
Bank and other loans repaid	(690,000)	(1,325,000)
Payment for lease liabilities	–	(61,376)
Dividends paid to shareholders	–	(1,133,501)
Dividends paid to non-controlling interest	(77,629)	(131,456)
Acquisition of non-controlling interest	–	(2,107)
Net cash used in financing activities	(497,629)	(2,653,440)
Net (decrease)/increase in cash	1,424,511	(679,504)
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	9,790	(92,391)
Cash and cash equivalents, end of period	2,861,110	2,089,215

Balance Sheet

in thousands of RUB

ASSETS

Non-current assets

	December 31, 2018	December 31, 2019
Goodwill	6,989,255	6,954,183
Intangible assets	3,154,605	2,733,417
Property and equipment	133,810	429,744
Equity-accounted investees		178,847
Right-of-use assets	0	279,249
Deferred tax assets	92,094	149,835
Other financial assets		25,341
Other non-current assets	3,304	22,134
Total non-current assets	10,373,068	10,772,751

Current assets

Trade and other receivables	40,718	57,908
Prepaid expenses and other current assets	64,386	119,249
Cash and cash equivalents	2,861,110	2,089,215
Total current assets	2,966,214	2,266,372
Total assets	13,339,282	13,039,123

EQUITY AND LIABILITIES

Equity

Share capital	8,547	8,547
Share premium	1,729,400	1,863,877
Foreign currency translation reserve	(66,957)	(105,191)
Retained earnings	1,302,981	1,587,698
Total equity attributable to owners of the Company	2,973,971	3,354,931
Non-controlling interest	29,449	33,263
Total equity	3,003,420	3,388,194

Non-current liabilities

Loans and borrowings	5,203,692	4,064,501
Lease liabilities	0	230,802
Deferred tax liabilities	1,070,240	512,804
Trade and other payables	13,967	4,239
Provision	0	19,498
Other non-current liabilities	0	126,828
Total non-current liabilities	6,287,899	4,958,672

Current liabilities

Contract liabilities	2,072,640	2,367,416
Trade and other payables	655,877	780,219
Loans and borrowings (current portion)	1,233,924	1,064,554
Lease liabilities	0	59,816
Dividends payable	0	0
Income tax payable	85,522	369,974
Provision (current portion)	0	26,398
Other current liabilities	0	23,880
Total current liabilities	4,047,963	4,692,257

Total liabilities	10,335,862	9,650,929
Total equity and liabilities	13,339,282	13,039,123



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; (9) Share of loss of equity-accounted investees and (9) One-off litigation settlements and legal costs
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 (8) Tax effect on adjustments and (9) One-off litigation settlements and legal costs
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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