

# **Q4 and FY 2019 Financial Results**

Supplementary Slides

March 13, 2020



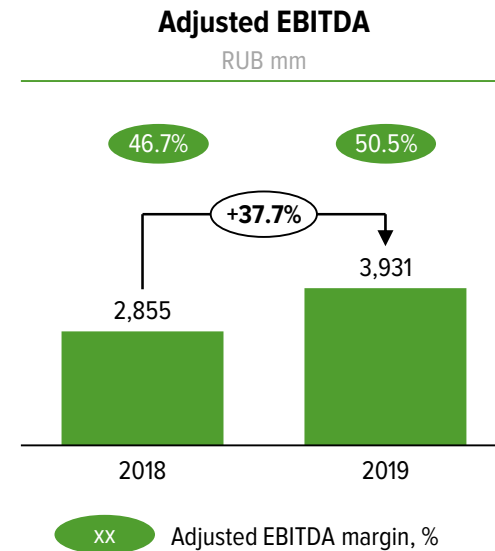
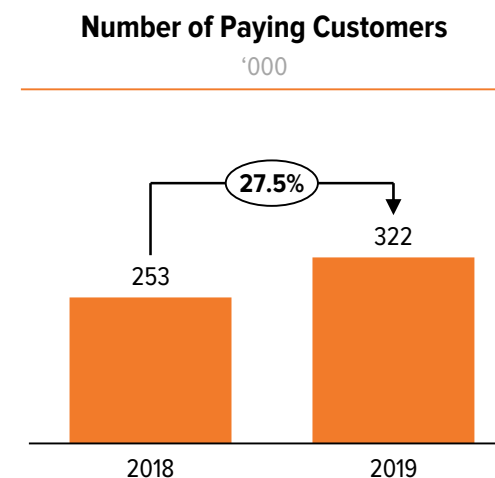
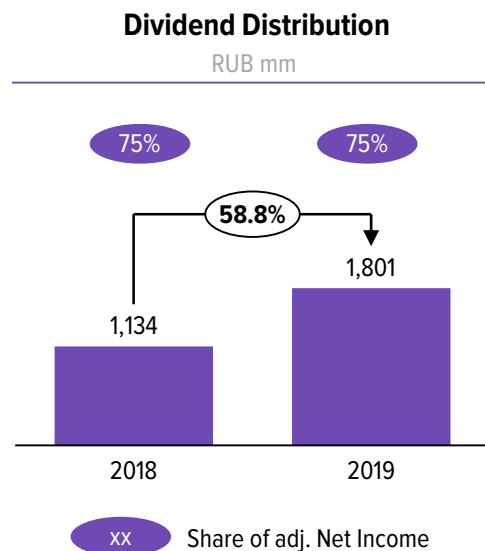
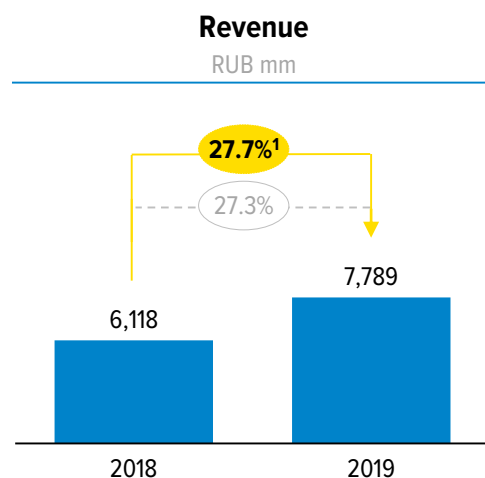
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This presentation, and the accompanying oral presentation, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation, and the accompanying oral presentation, 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 fiscal year ending December 31, 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 coronavirus 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 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](http://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.

# FY 2019 Results in Line With Strategic Goals and Market Guidance

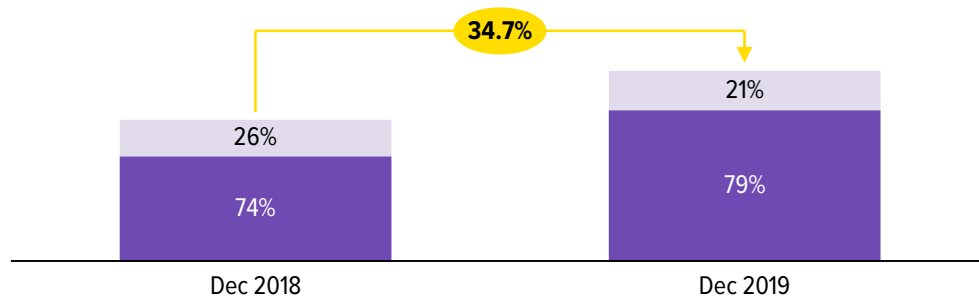


1) Growth rate excluding HeadHunter LLC (Ukraine), which was disposed in Apr-18. HeadHunter LLC (Ukraine) Revenue for 2018 – RUB16 MM

# Strong Performance Across all Key Operating Metrics

## Total Number of Sessions

MM

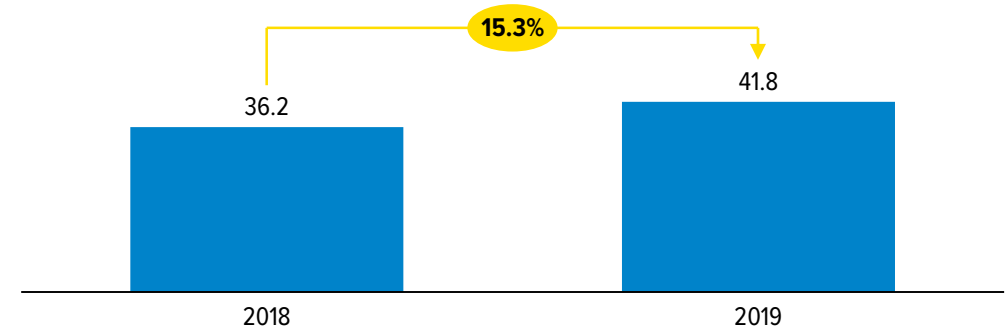


Source: Google Analytics

Desktop Mobile

## Total CV Database

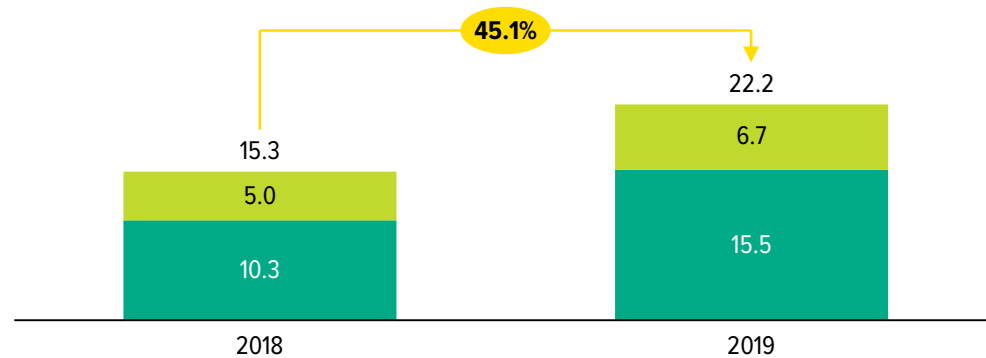
MM CVs



Source: Company data

## Cumulative Number of Mobile App Downloads Since Launch

MM Downloads

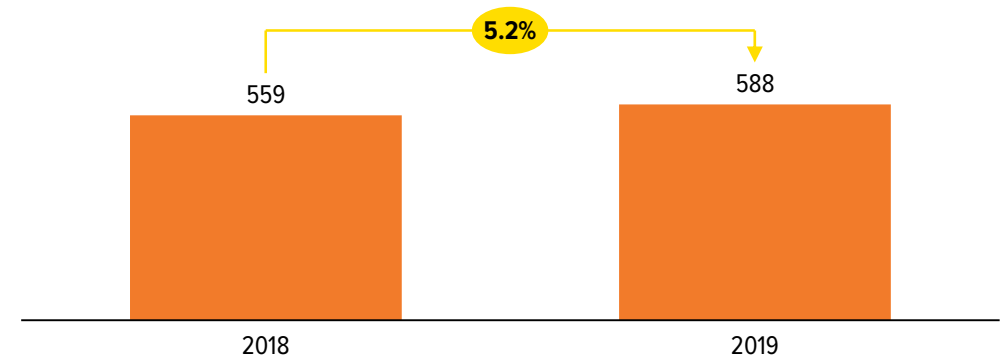


Source: AppAnnie

Android iOS

## Daily Average Number of Job Postings

'000 Job Postings

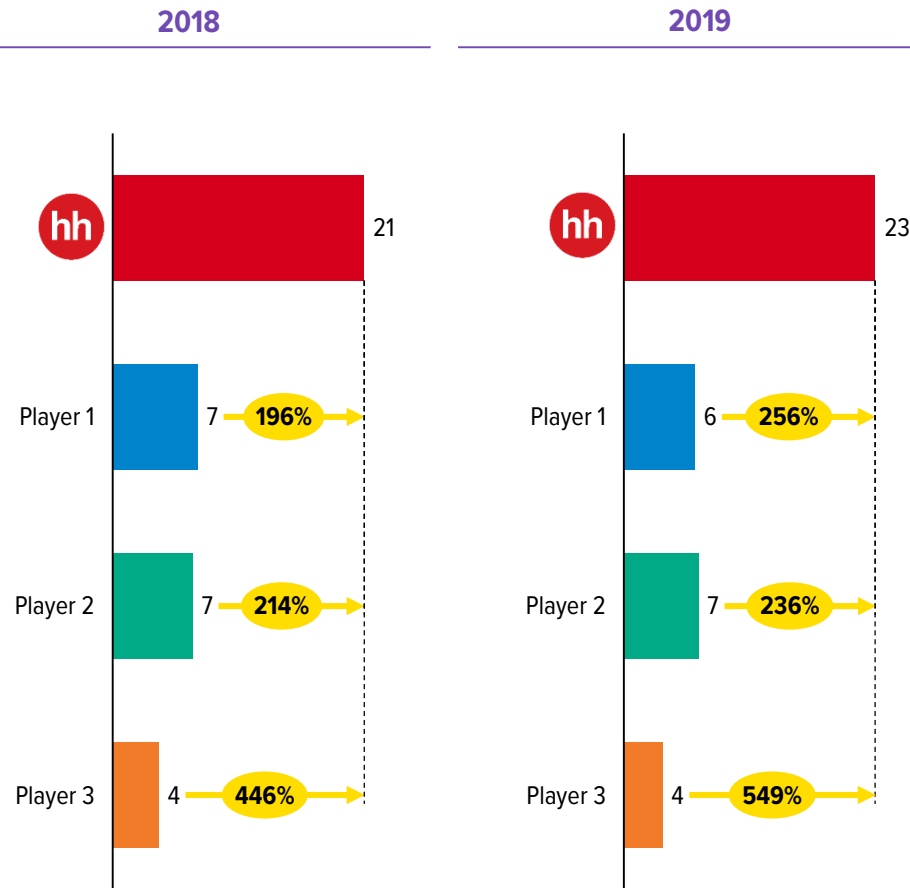


Source: Company data

# Increased Liquidity Lead Over Key Competitors

## Average Monthly Number of UMVs

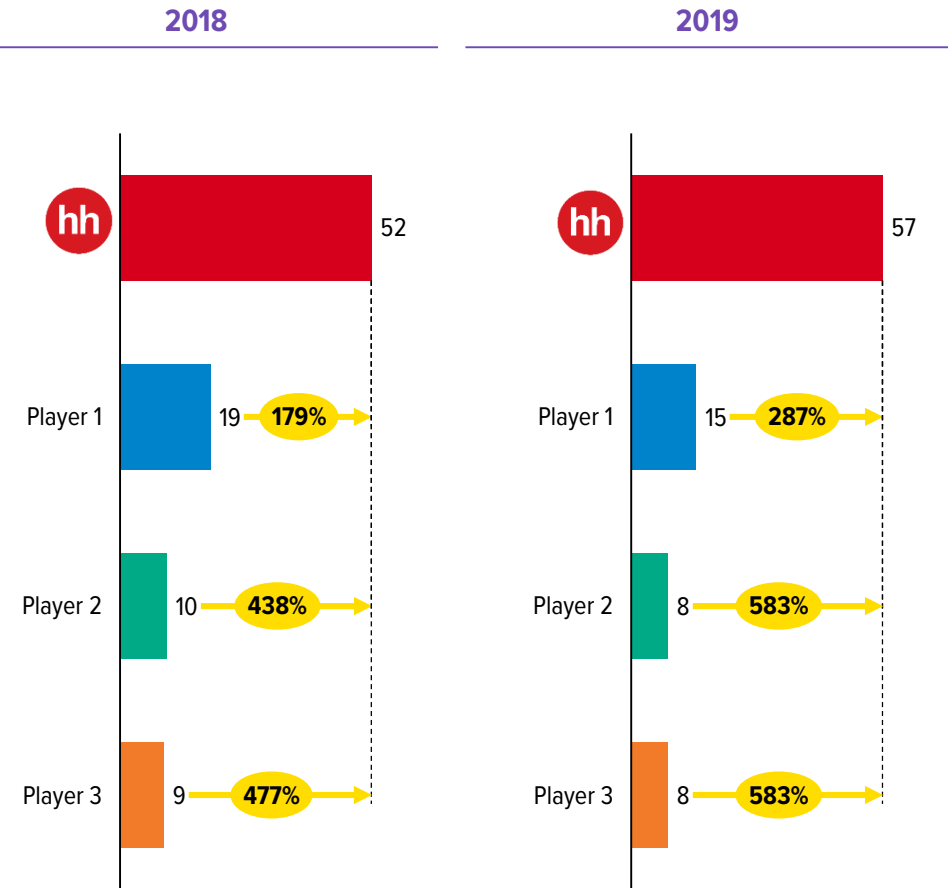
MM



Source: Liveinternet

## Average Monthly Number of Sessions

MM

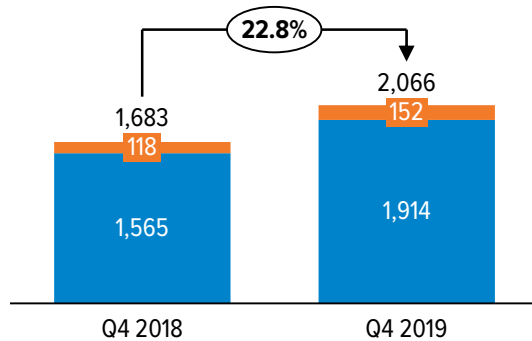


Source: SimilarWeb

# Key Financial Highlights in Q4 and FY 2019

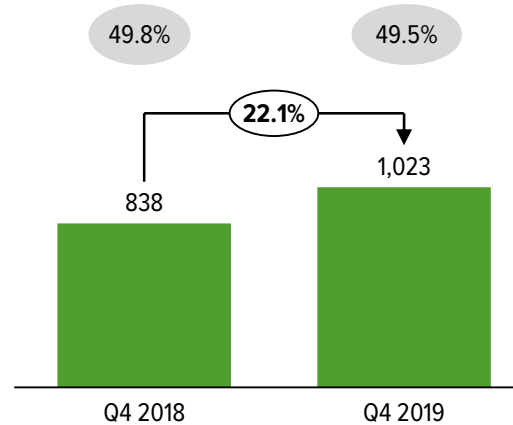
## Revenue

RUB mm



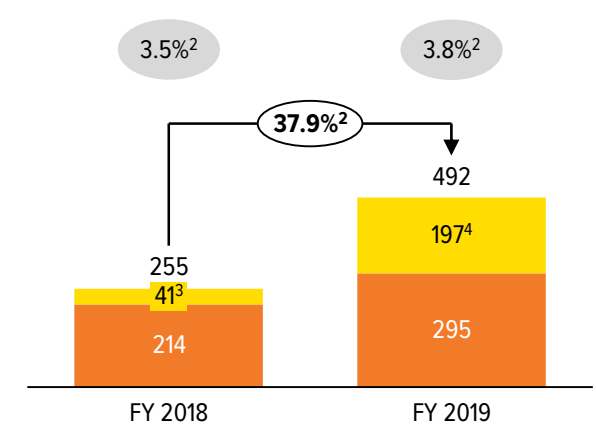
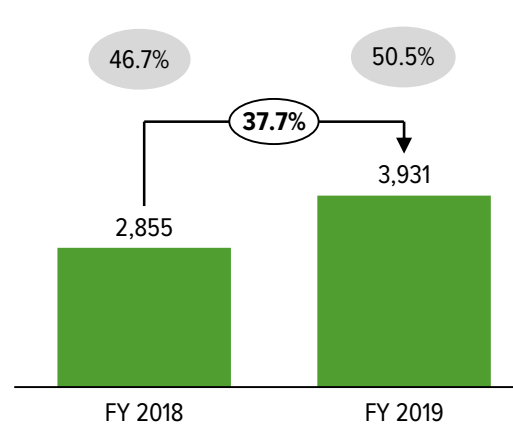
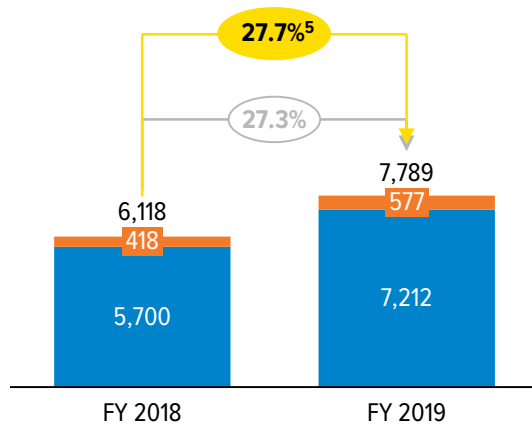
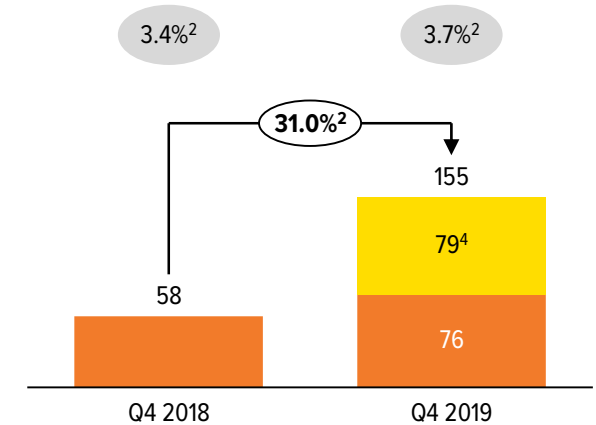
## Adjusted EBITDA

RUB mm



## CAPEX<sup>1</sup>

RUB mm



■ Russia ■ Other Segments

Adjusted EBITDA Margin, %

■ One-off items

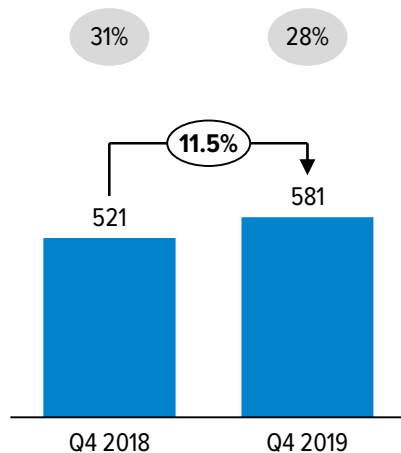
As % of Revenue<sup>2</sup>, %

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

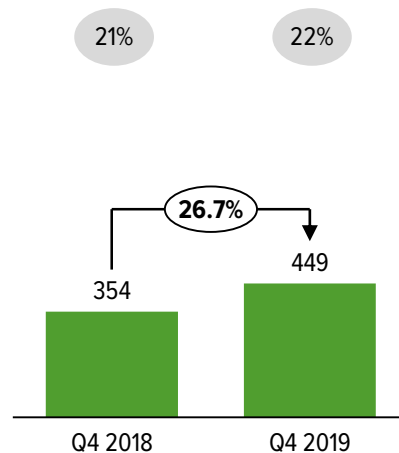
## Bundled Subscriptions

RUB mm



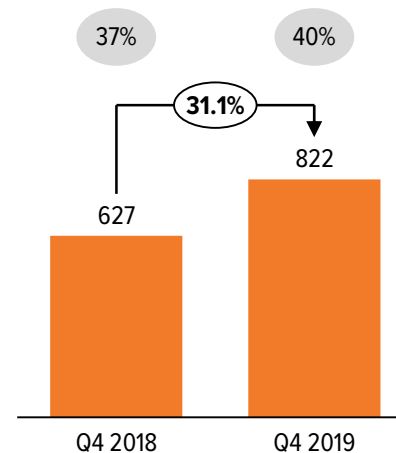
## CV Database Access

RUB mm



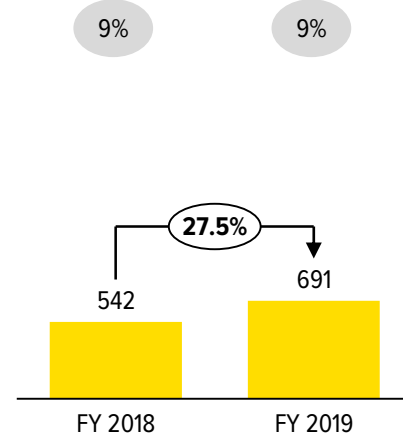
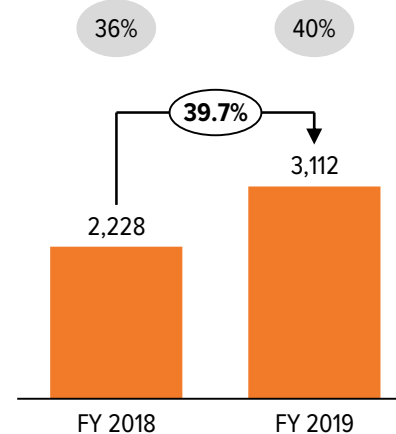
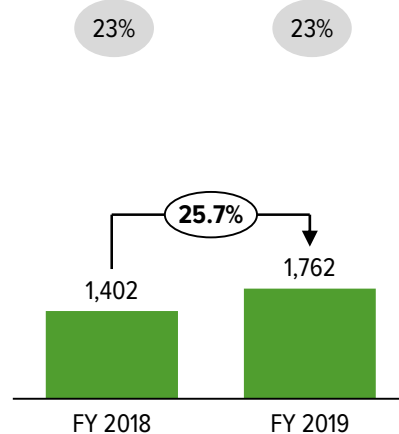
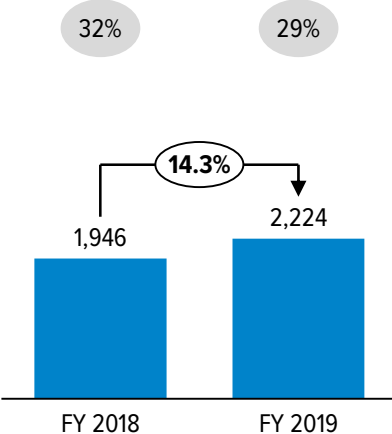
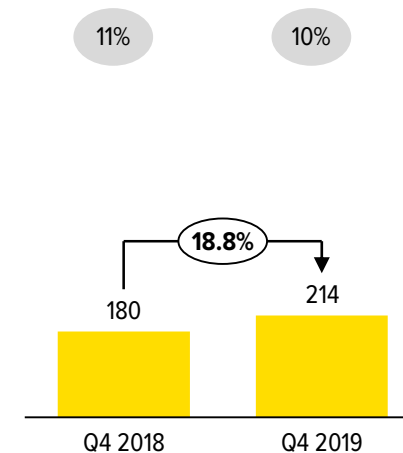
## Job Postings

RUB mm



## Other VAS

RUB mm



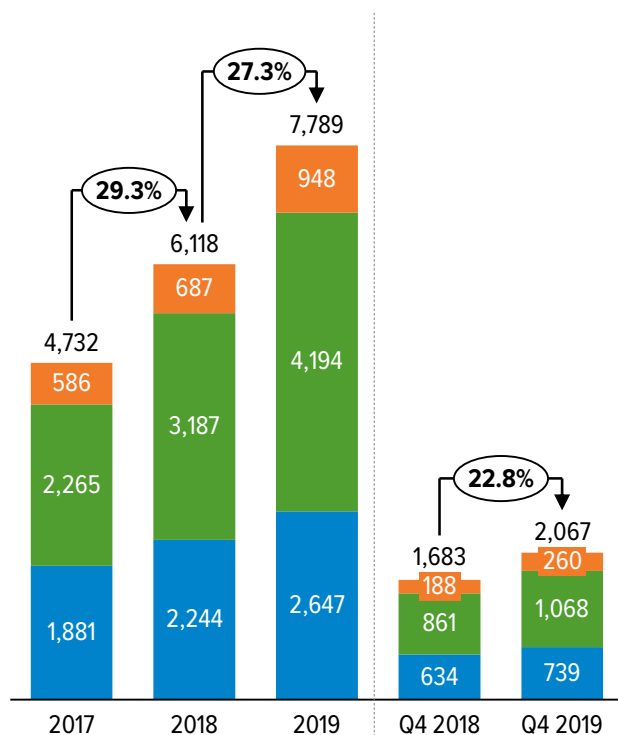
Share in revenue, %

# Customer Base Growth

Sustained revenue growth in both client categories

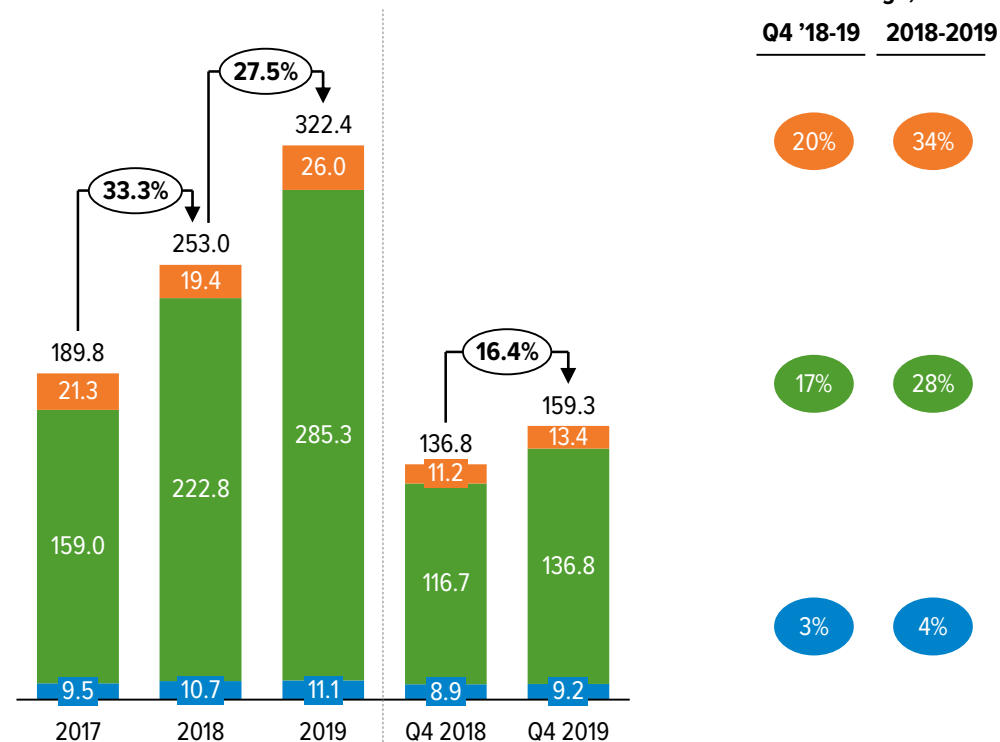
## Revenue by Type of Customer

RUB mm



## Customer Base by Type of Customer

Number of Paying Customers, '000



Key Accounts Small & Medium Accounts Other<sup>1</sup>

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

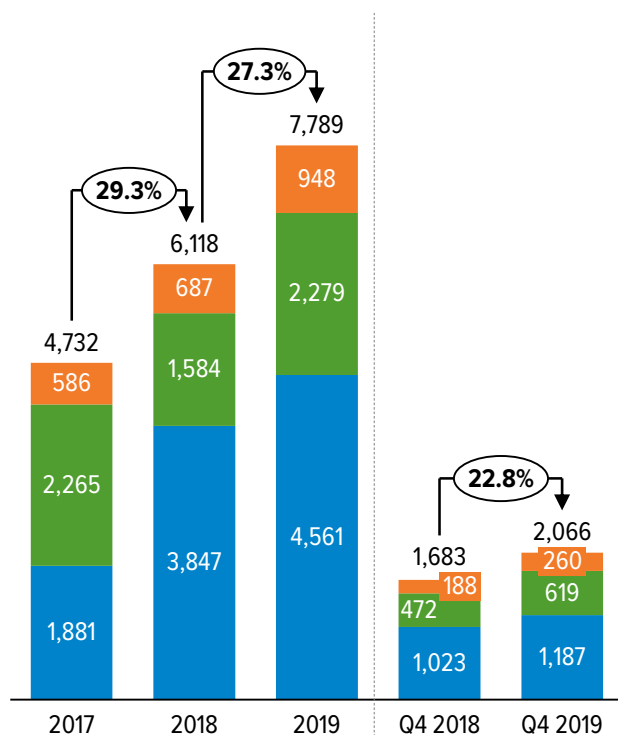


# Customer Base Growth (cont'd)

Sustained revenue growth in both geographical divisions

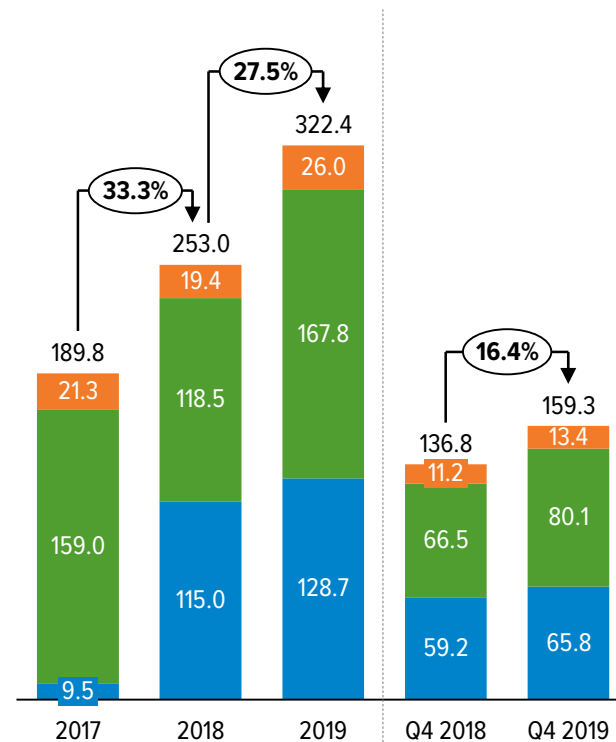
## Revenue by Geography

RUB mm



## Customer Base by Geography

Number of Paying Customers, '000



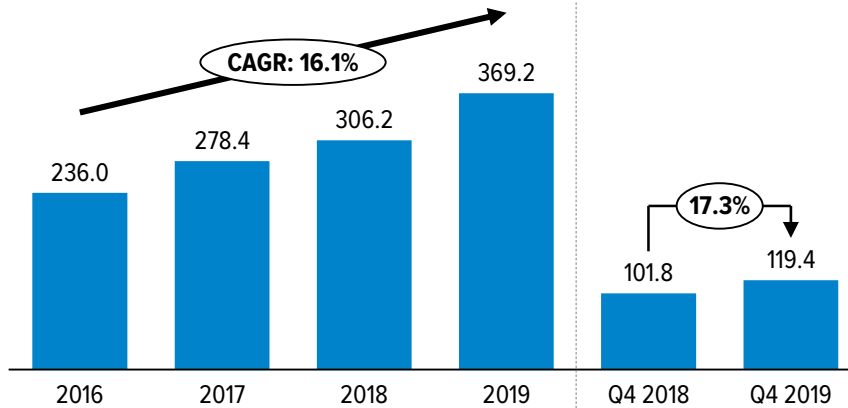
■ Moscow & St. Petersburg ■ Other Regions of Russia ■ Other<sup>1</sup>

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

# ARPC Development

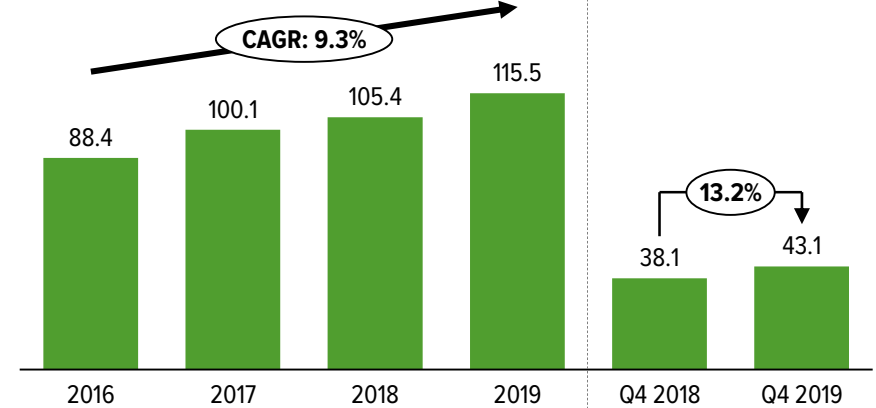
## Moscow & St. Petersburg

RUB'000



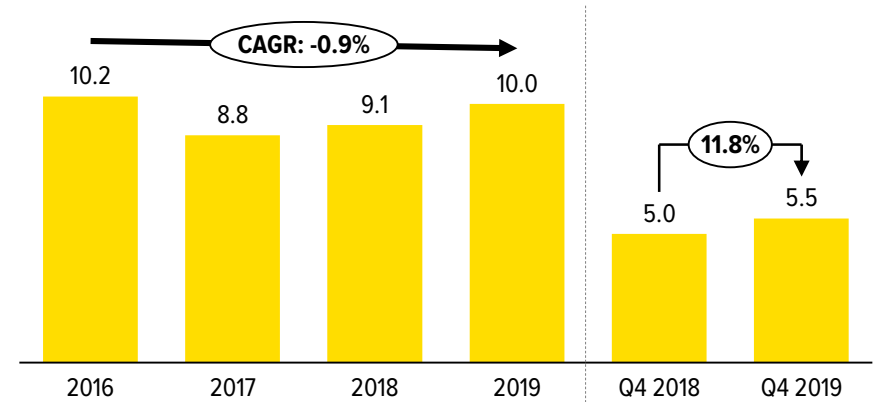
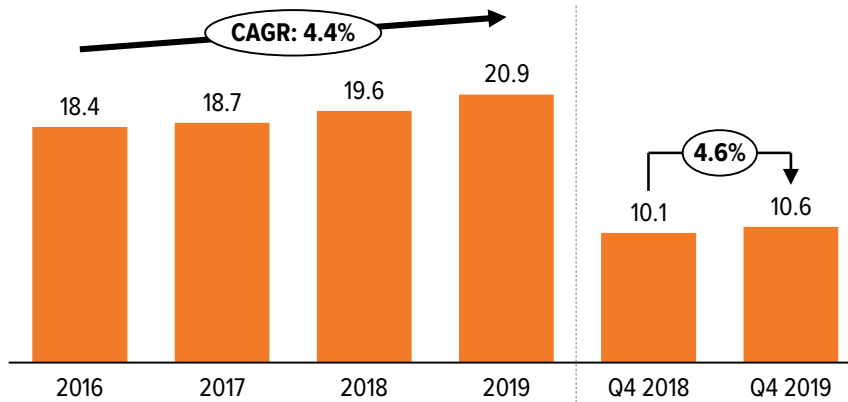
## Russian Regions

RUB'000



Key  
Accounts  
ARPC

Small  
and  
Medium  
Accounts  
ARPC



# Operating Costs

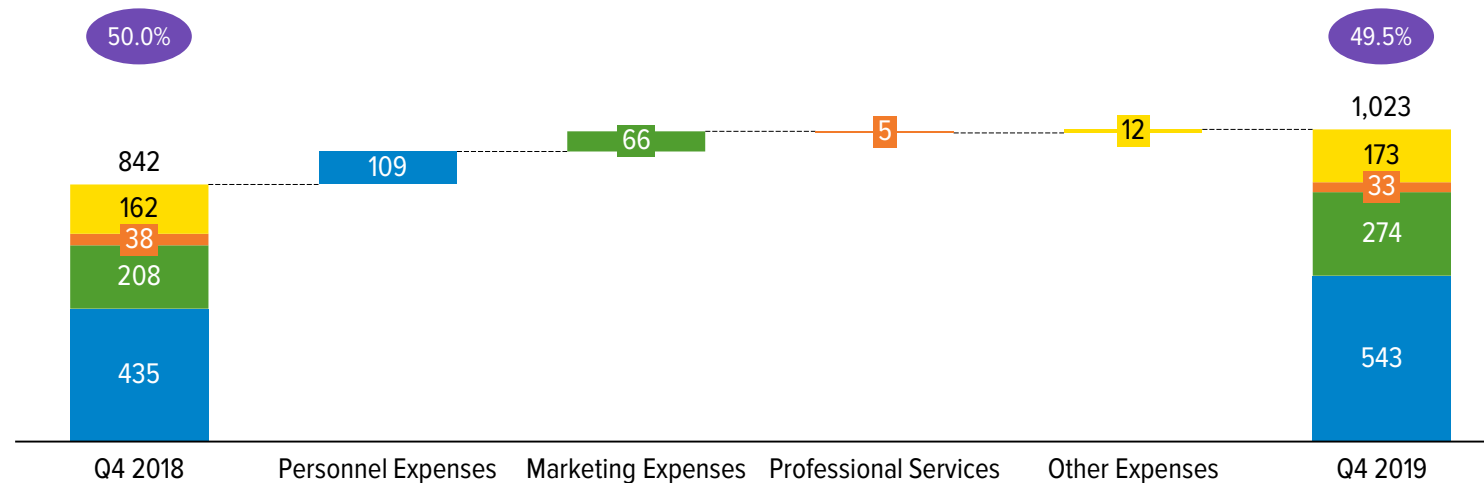
## Operating Expenses Dynamics<sup>1</sup>

RUB mm

As % of Revenue

Q4 2018

Q4 2019



9.6%

8.4%

2.2%

1.6%

12.4%

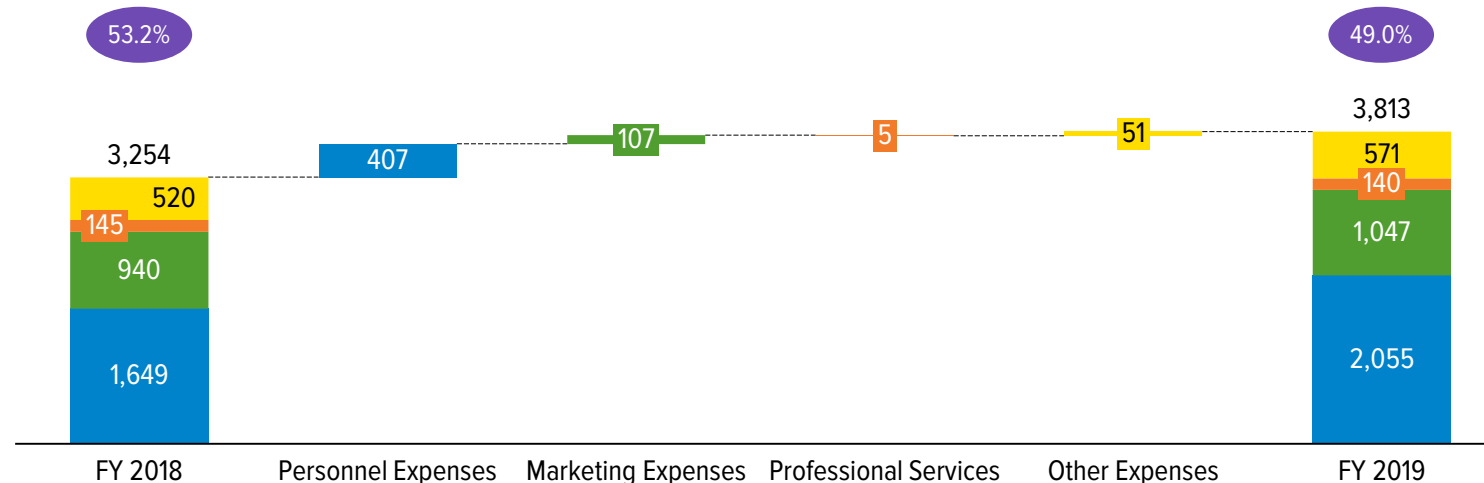
13.3%

25.8%

26.3%

FY 2018

FY 2019



8.5%

7.3%

2.4%

1.8%

15.4%

13.4%

26.9%

26.4%

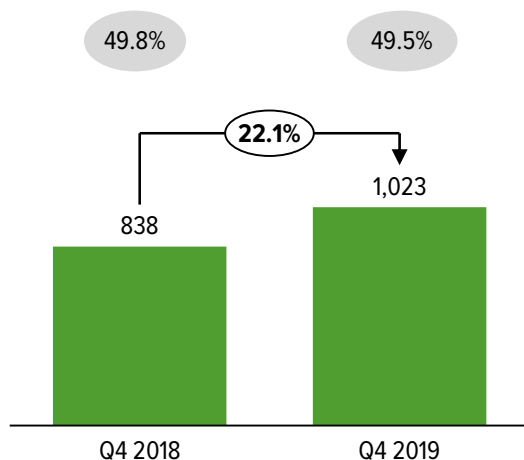
■ Personnel Expenses   
 ■ Marketing Expenses   
 ■ Professional Services   
 ■ Other Expenses<sup>2</sup>   
● Operating Expenses excl. one-offs<sup>3</sup> as % of Revenue

- <sup>1)</sup> 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  
<sup>2)</sup> 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  
<sup>3)</sup> 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

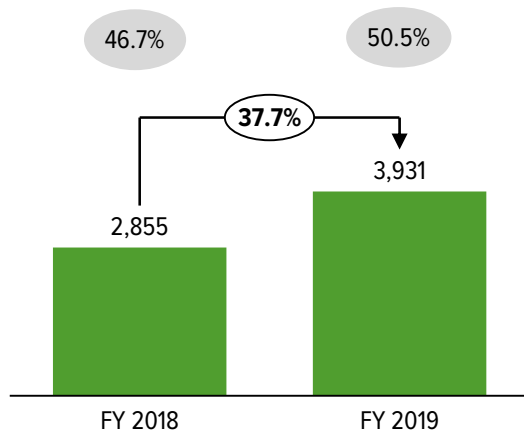
# Adjusted EBITDA and Other Cash Flow Items

## Adjusted EBITDA

RUB mm



Q4 2019

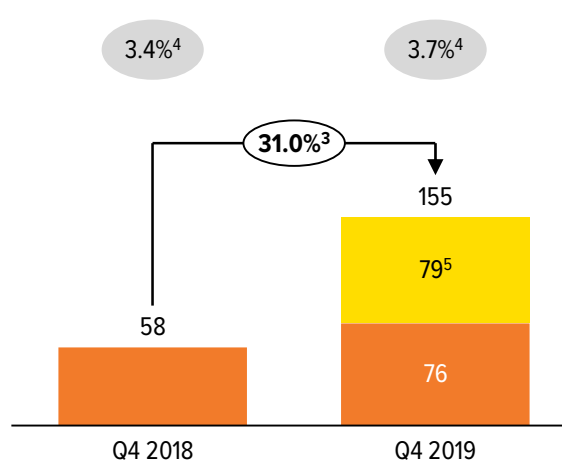


FY 2019

Adjusted EBITDA Margin, %

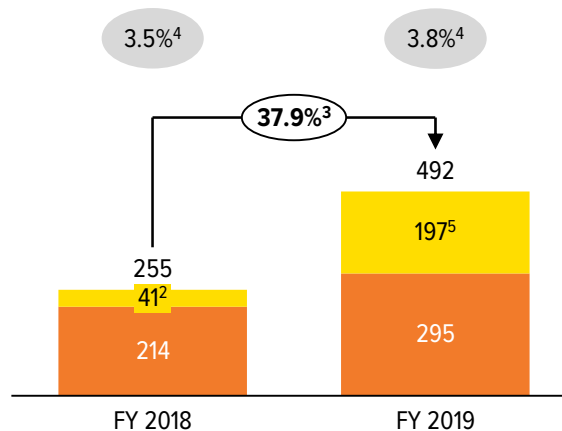
## CAPEX<sup>1</sup>

RUB mm



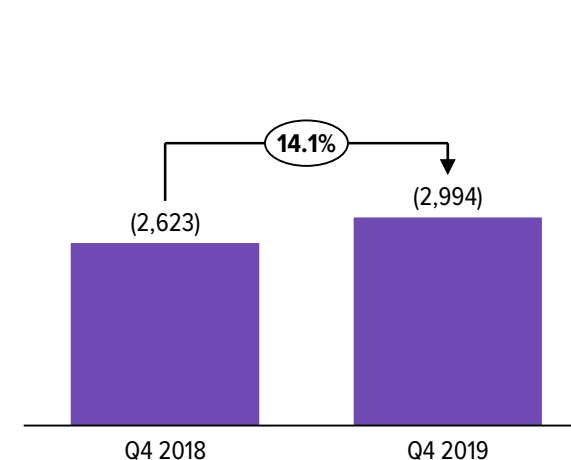
One off items

As % of Revenue, %



## Net Working Capital<sup>5</sup>

RUB mm



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 Debt<sup>1</sup> to Adjusted EBITDA Ratio<sup>1</sup> has declined from 1.3x as of 2018 YE to 0.8x as of 2019 YE on the back of growing LTM adj. EBITDA<sup>1</sup> and declining Net Debt<sup>1</sup>

## 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\$<sup>1</sup></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 <sup>2</sup>	36.0	0.50

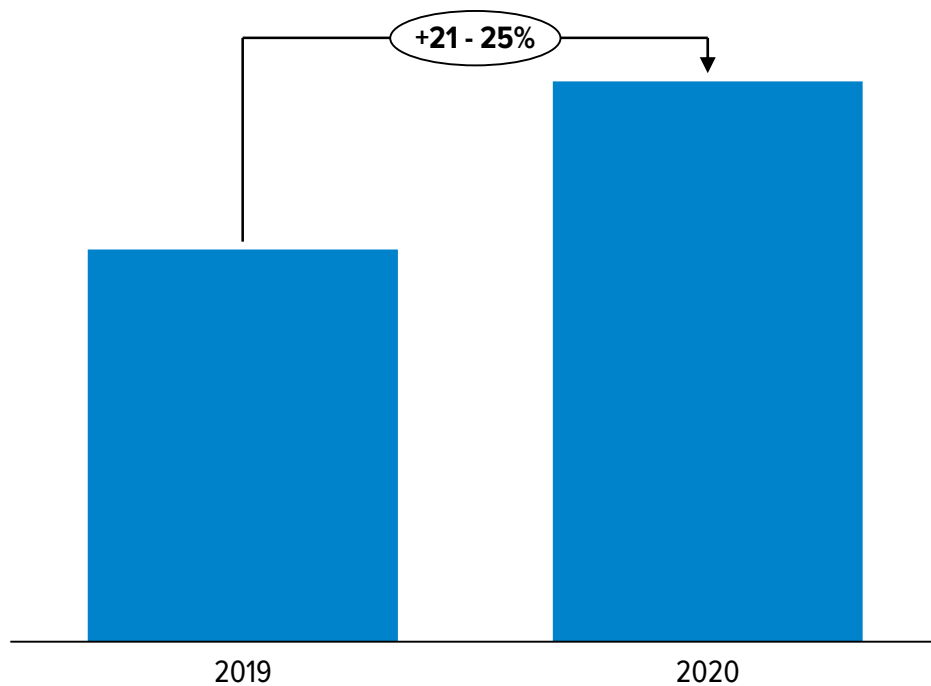


1) Assuming \$RUB FX rate of 72.0208 as of March 11, 2019

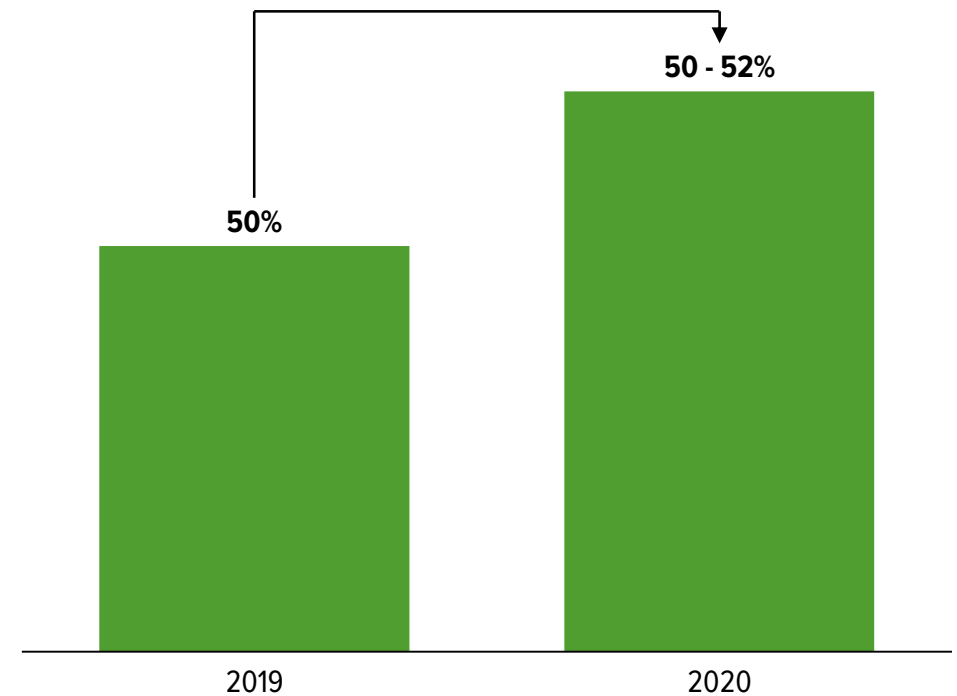
2) The dividend record date is 27-Mar-2020, and we intend to pay the dividend on or before 20-Apr-2020

# Outlook for 2020

## Revenue growth



## Adjusted EBITDA Margin<sup>1</sup>, %



**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 as it is not possible to assess what, if any, impact the virus 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
<b>Revenue</b>	<b>6,117,773</b>	<b>7,788,741</b>
Operating costs and expenses (exclusive of depreciation and amortization)	(3,432,860)	(4,300,263)
Depreciation and amortization	(586,131)	(683,317)
<b>Operating income</b>	<b>2,098,782</b>	<b>2,805,161</b>
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)
<b>Profit before income tax</b>	<b>1,542,447</b>	<b>2,225,448</b>
Income tax expense	(509,602)	(644,422)
<b>Net income for the year</b>	<b>1,032,845</b>	<b>1,581,026</b>
<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
<b>Net income</b>	<b>1 032 845</b>	<b>1 581 026</b>
<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
<b>EBITDA</b>	<b>2 682 302</b>	<b>3 435 281</b>
<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
<b>Adjusted EBITDA</b>	<b>2 854 990</b>	<b>3 930 747</b>
<b>Adjusted EBITDA margin</b>	<b>46.7%</b>	<b>50.5%</b>

## Reconciliation of Adjusted Net Income to Net Income

*in thousands of RUB*

	FY 2018	FY 2019
<b>Net income</b>	<b>1 032 845</b>	<b>1 581 026</b>
<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
<b>Adjusted Net Income</b>	<b>1 538 163</b>	<b>2 409 122</b>
<b>Adjusted Net Income margin</b>	<b>25.1%</b>	<b>30.9%</b>

# 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)
<b>Net Working Capital</b>	<b>(2,623,413)</b>	<b>(2,994,358)</b>

## 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)
<b>Net Debt</b>	<b>3,576,506</b>	<b>3,039,840</b>

# Cash Flow Statement

	FY 2018	FY 2019
<i>in thousands of RUB</i>		
<b>OPERATING ACTIVITIES:</b>		
<b>Net income</b>	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)
<b>Net cash generated from operating activities</b>	<b>2,096,688</b>	<b>2,611,053</b>
<b>INVESTING ACTIVITIES:</b>		
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
<b>Net cash used in investing activities</b>	<b>(174,548)</b>	<b>(637,117)</b>
<b>FINANCING ACTIVITIES:</b>		
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)
<b>Net cash used in financing activities</b>	<b>(497,629)</b>	<b>(2,653,440)</b>
<b>Net (decrease)/increase in cash</b>	<b>1,424,511</b>	<b>(679,504)</b>
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)
<b>Cash and cash equivalents, end of period</b>	<b>2,861,110</b>	<b>2,089,215</b>

# Balance Sheet

*in thousands of RUB*

## ASSETS

### Non-current assets

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
<b>Total non-current assets</b>	<b>10,373,068</b>	<b>10,772,751</b>

### 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
<b>Total current assets</b>	<b>2,966,214</b>	<b>2,266,372</b>
<b>Total assets</b>	<b>13,339,282</b>	<b>13,039,123</b>

## 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
<b>Total equity attributable to owners of the Company</b>	<b>2,973,971</b>	<b>3,354,931</b>
Non-controlling interest	29,449	33,263
<b>Total equity</b>	<b>3,003,420</b>	<b>3,388,194</b>

### 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
<b>Total non-current liabilities</b>	<b>6,287,899</b>	<b>4,958,672</b>

### 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
<b>Total current liabilities</b>	<b>4,047,963</b>	<b>4,692,257</b>

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



# Glossary

Terminology	Definition
<b>Acquisition</b>	Acquisition of all of the outstanding equity interests of Headhunter FSU Limited from Mail.Ru Group Limited by Elbrus Capital and GS ESSG
<b>Adjusted EBITDA</b>	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
<b>Adjusted Net Income</b>	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
<b>ARPC</b>	Average revenue per customer, defined as total revenue divided by the number of paying customers for the period
<b>Capex</b>	For HH consists of property and equipment additions, additions arising from internal development and other additions of intangible assets
<b>EBITDA</b>	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
<b>Key Accounts</b>	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
<b>Net Working Capital</b>	Trade receivables plus prepaid expenses and other current assets minus contract liabilities minus trade and other payables
<b>Russian Regions</b>	For HH includes all regions in Russia except for Moscow and St. Petersburg
<b>SMA</b>	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
<b>UMV</b>	Average unique monthly visitors, or the average of unique visitors during a calendar month
<b>VAS</b>	Value-added services

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