

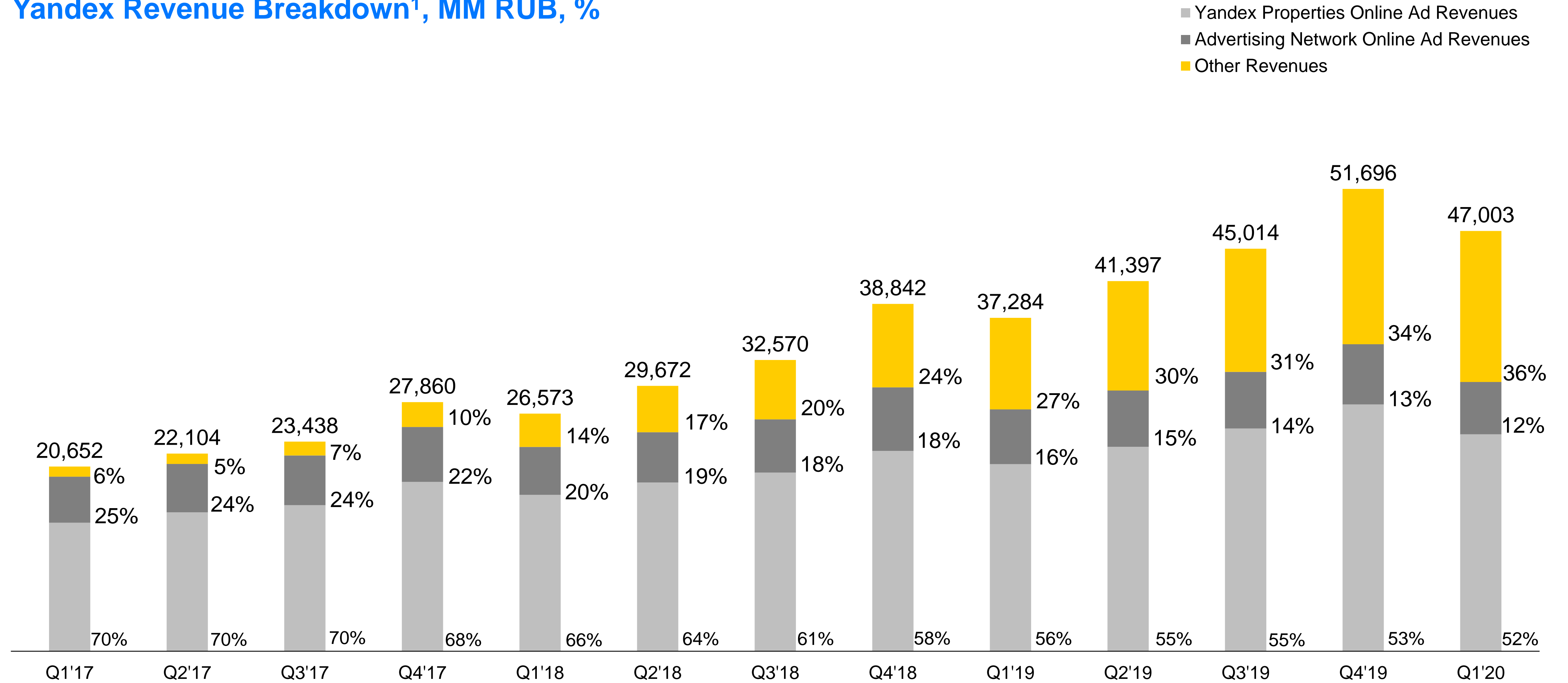
**Y**andex

# **Quarterly Supplementary Materials**

April 28<sup>th</sup>, 2020

# Revenue Structure

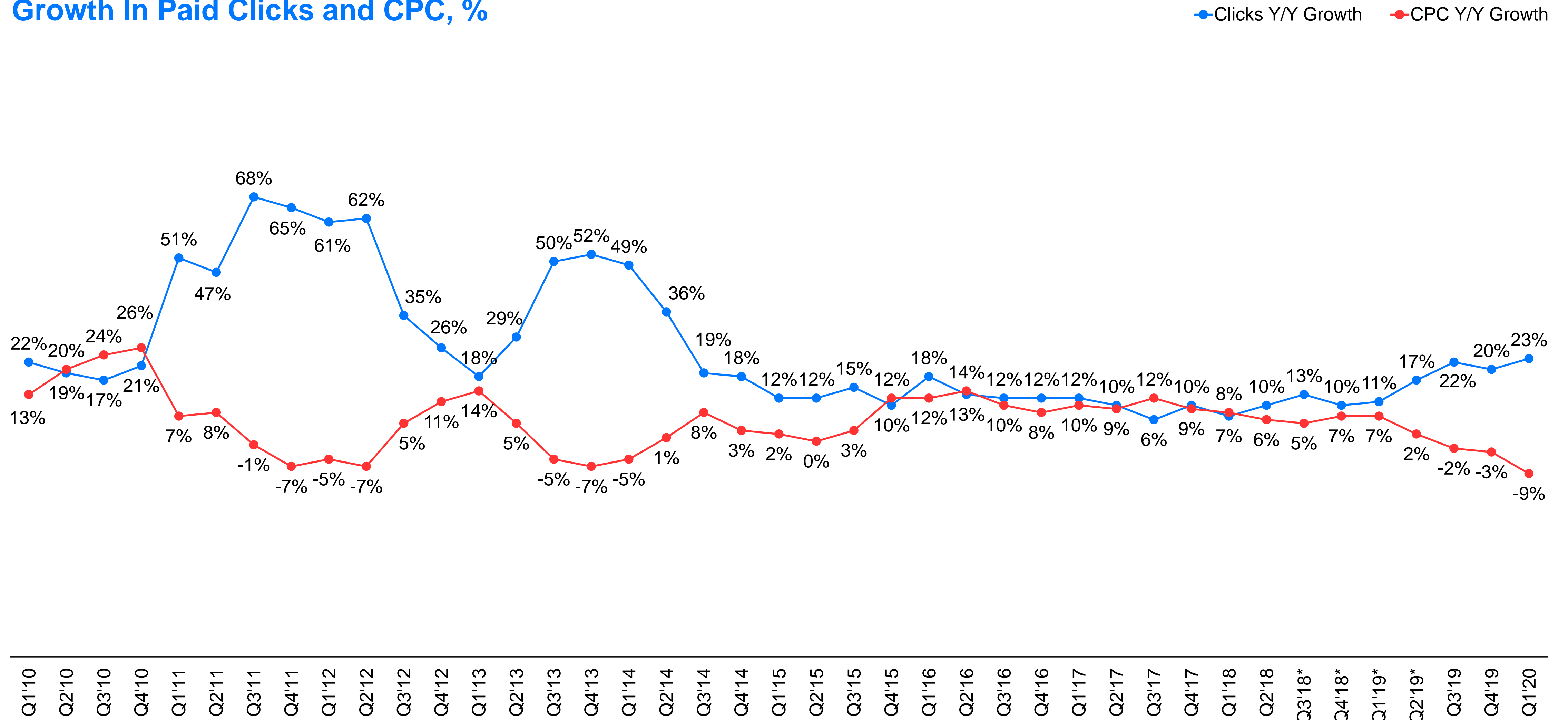
## Yandex Revenue Breakdown<sup>1</sup>, MM RUB, %



<sup>1</sup> As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network. Items may not total 100% due to rounding

# Operational Metrics

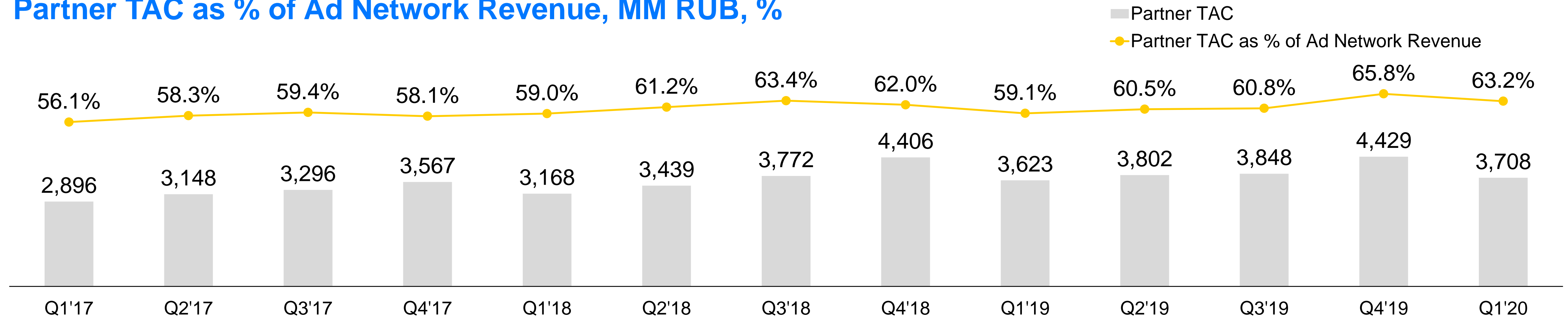
## Growth In Paid Clicks and CPC, %



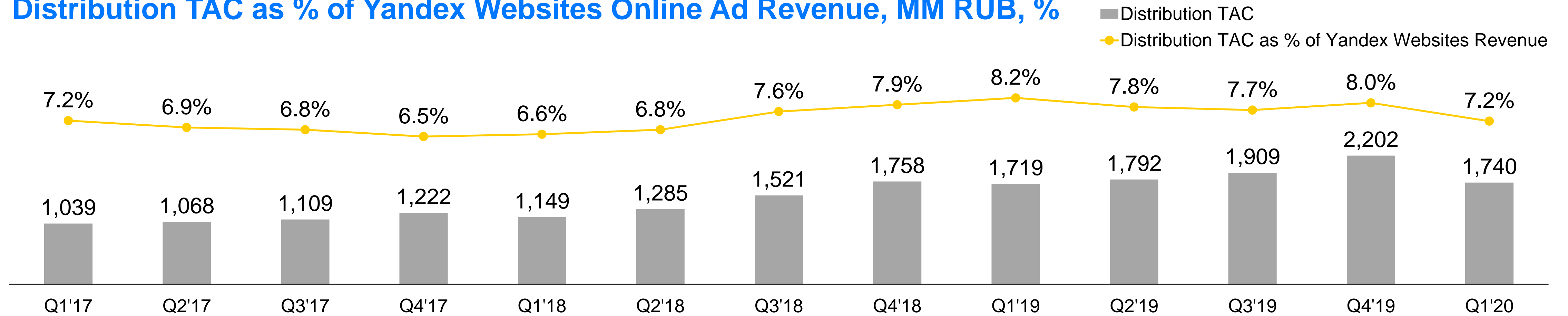
\* Paid clicks, excluding paid clicks on Yandex.Market, grew 22% in Q3'18, 20% in Q4'18, 20% in Q1'19, 20% in Q2'19 YoY; CPC, excluding clicks of Yandex.Market, grew 2% in Q3'18, 4% in Q4'18, 4% in Q1'19, 1% in Q2'19 YoY

# Traffic Acquisition Costs

## Partner TAC as % of Ad Network Revenue, MM RUB, %



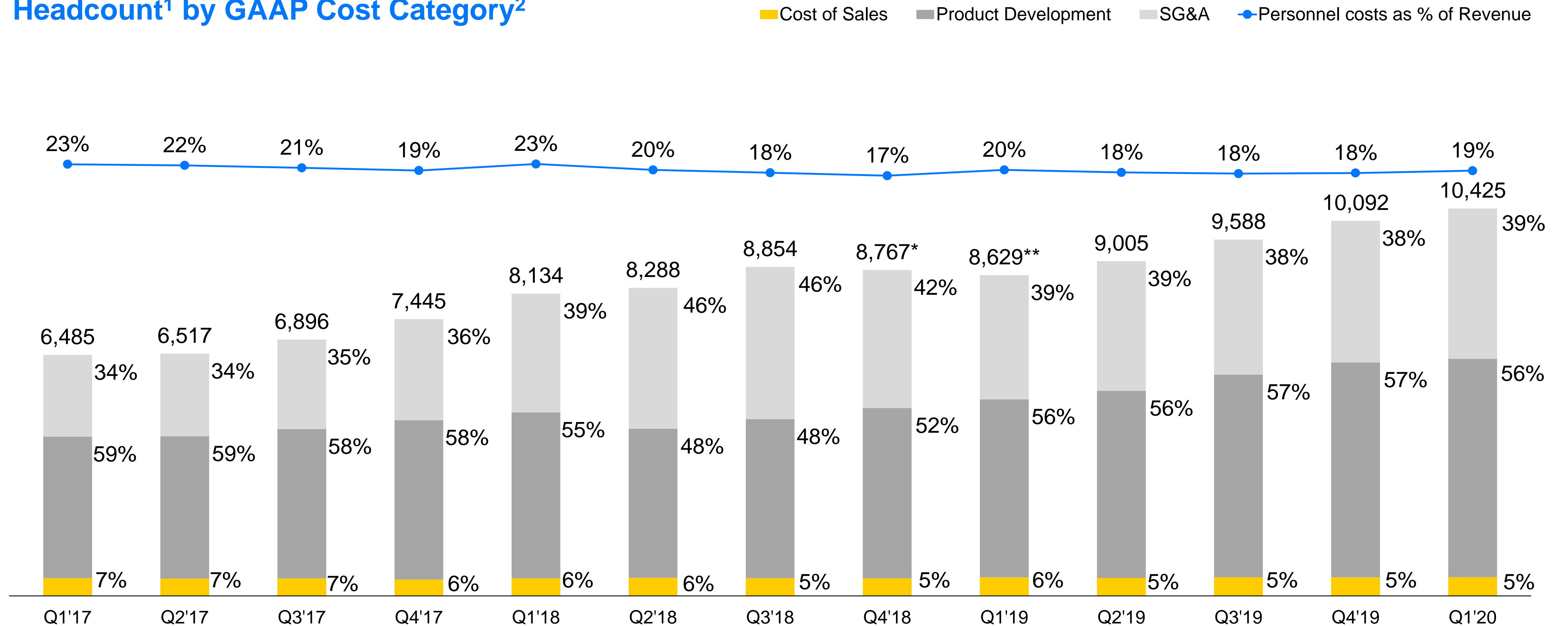
## Distribution TAC as % of Yandex Websites Online Ad Revenue, MM RUB, %



<sup>1</sup> As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network. As a result, we show Partner TAC as % of our Ad Network revenue, which includes revenues from text-based ad network and our display ad network, and distribution TAC as % of our online advertising revenues from text-based and display advertising on our owned and operated websites

# Headcount

## Headcount<sup>1</sup> by GAAP Cost Category<sup>2</sup>



<sup>1</sup> As of the end of the period

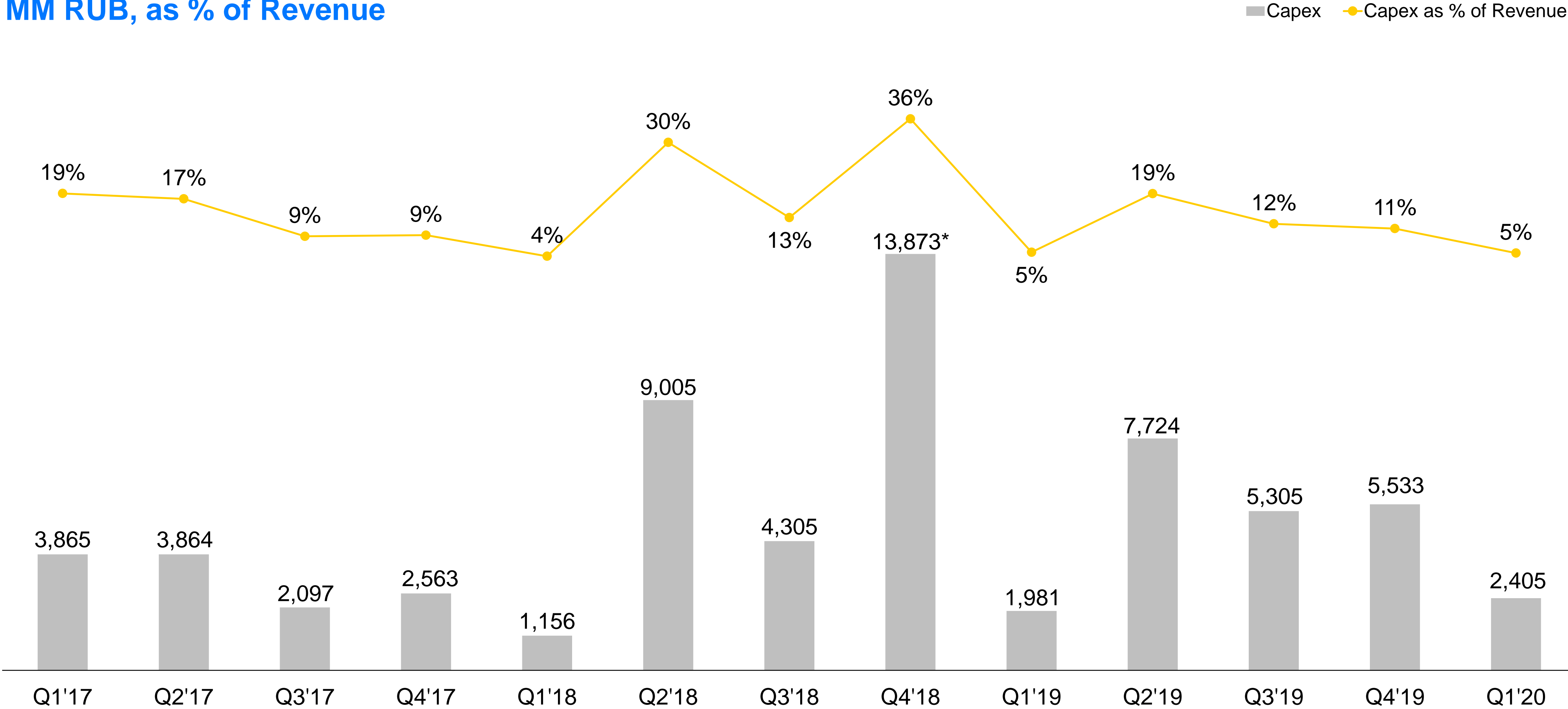
<sup>2</sup> Items may not total 100% due to rounding

\* In Q4'18 our headcount was down 1% compared to September 30, 2018. This decrease was mainly due to headcount reclassification, which we implemented to ensure consistency in internal reporting

\*\* In Q1'19 our headcount was down 2% compared to December 31, 2018. This decrease was mainly due to headcount reclassification, which we continued to implement to ensure consistency in internal reporting

# Capex

MM RUB, as % of Revenue



\* In Q4 2018 capital expenditures were 13.9 billion RUB, which included one-time effect of the acquisition cost of the property site for our new Moscow headquarters, which amounted to 9.7 billion RUB (around \$145 million, based on the exchange rate as of transaction date) exclusive of 18% VAT

# Costs, MM RUB

Costs, MM RUB	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20
<b>Cost of Sales (COS)</b>													
TAC	3,935	4,216	4,405	4,789	4,317	4,724	5,293	6,164	5,342	5,594	5,757	6,631	5,448
COS ex-SBC, ex-TAC	1,375	1,472	1,607	1,975	2,359	3,493	3,724	5,639	6,175	6,919	8,132	10,945	10,711
SBC related to COS	42	64	36	36	36	43	47	54	68	64	72	89	76
<b>Total Cost of Sales</b>	<b>5,352</b>	<b>5,752</b>	<b>6,048</b>	<b>6,800</b>	<b>6,712</b>	<b>8,260</b>	<b>9,064</b>	<b>11,857</b>	<b>11,585</b>	<b>12,577</b>	<b>13,961</b>	<b>17,665</b>	<b>16,235</b>
<i>Total COS as % of Revenue</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>24%</i>	<i>25%</i>	<i>28%</i>	<i>28%</i>	<i>31%</i>	<i>31%</i>	<i>30%</i>	<i>31%</i>	<i>34%</i>	<i>35%</i>
<b>Product Development (PD)</b>													
PD ex-SBC	3,975	3,971	4,043	4,400	4,657	4,328	4,395	4,749	5,274	5,416	5,744	6,481	6,246
SBC related to PD	576	542	548	811	1,146	1,058	1,139	1,107	1,432	1,579	1,663	1,620	1,682
<b>Total PD</b>	<b>4,551</b>	<b>4,513</b>	<b>4,591</b>	<b>5,211</b>	<b>5,803</b>	<b>5,386</b>	<b>5,534</b>	<b>5,856</b>	<b>6,706</b>	<b>6,995</b>	<b>7,407</b>	<b>8,101</b>	<b>7,928</b>
<i>PD as % of Revenue</i>	<i>22%</i>	<i>20%</i>	<i>20%</i>	<i>19%</i>	<i>22%</i>	<i>18%</i>	<i>17%</i>	<i>15%</i>	<i>18%</i>	<i>17%</i>	<i>16%</i>	<i>16%</i>	<i>17%</i>
<b>SG&amp;A</b>													
SG&A expense ex-SBC	4,625	5,727	7,768	7,497	7,558	8,378	8,365	9,983	9,732	10,378	11,486	15,291	12,549
SBC related to SG&A	340	359	292	547	451	460	530	481	619	704	935	1,010	993
<b>Total SG&amp;A</b>	<b>4,965</b>	<b>6,086</b>	<b>8,060</b>	<b>8,044</b>	<b>8,009</b>	<b>8,838</b>	<b>8,895</b>	<b>10,464</b>	<b>10,351</b>	<b>11,082</b>	<b>12,421</b>	<b>16,301</b>	<b>13,542</b>
<i>SG&amp;A as % of Revenue</i>	<i>24%</i>	<i>28%</i>	<i>34%</i>	<i>29%</i>	<i>30%</i>	<i>30%</i>	<i>27%</i>	<i>27%</i>	<i>28%</i>	<i>27%</i>	<i>28%</i>	<i>32%</i>	<i>29%</i>
<b>Depreciation &amp; Amortization (D&amp;A)</b>													
<b>D&amp;A</b>	<b>2,463</b>	<b>2,823</b>	<b>2,930</b>	<b>3,023</b>	<b>2,890</b>	<b>2,926</b>	<b>3,118</b>	<b>3,203</b>	<b>3,257</b>	<b>3,756</b>	<b>3,788</b>	<b>3,976</b>	<b>4,010</b>
<i>D&amp;A as % of Revenue</i>	<i>12%</i>	<i>13%</i>	<i>13%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>	<i>10%</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>9%</i>
<b>Goodwill Impairment</b>													
	-	-	-	-	-	-	-	-	-	-	-	762	-
<b>Total Costs</b>	<b>17,331</b>	<b>19,174</b>	<b>21,629</b>	<b>23,078</b>	<b>23,414</b>	<b>25,410</b>	<b>26,611</b>	<b>31,380</b>	<b>31,899</b>	<b>34,410</b>	<b>37,577</b>	<b>46,805</b>	<b>41,715</b>
<i>Total Costs as % of Revenue</i>	<i>84%</i>	<i>87%</i>	<i>92%</i>	<i>83%</i>	<i>88%</i>	<i>86%</i>	<i>82%</i>	<i>81%</i>	<i>86%</i>	<i>83%</i>	<i>83%</i>	<i>91%</i>	<i>89%</i>

\* Items may not total 100% due to rounding

# Quarterly Financial Summary by Segment

Revenues, MM RUB	Q2'18	Q3'18	Q4'18	FY'18	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20
Search & Portal	23,965	25,816	29,671	101,021	27,109	29,090	31,172	34,463	121,834	30,126
<i>S&amp;P, excl. IoT</i>	<i>23,965</i>	<i>25,801</i>	<i>29,376</i>	<i>100,711</i>	<i>26,887</i>	<i>28,899</i>	<i>30,894</i>	<i>33,676</i>	<i>120,356</i>	<i>29,726</i>
E-commerce	442	-	-	1,697	-	-	-	-	-	-
Taxi	4,064	5,109	6,924	19,213	7,639	8,810	9,654	11,942	38,045	11,422
<i>Ride-hailing &amp; FoodTech</i>	<i>4,064</i>	<i>5,109</i>	<i>6,924</i>	<i>19,213</i>	<i>7,639</i>	<i>8,810</i>	<i>9,654</i>	<i>11,942</i>	<i>38,045</i>	<i>11,422</i>
<i>SDC</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Classifieds	915	988	1,108	3,717	1,106	1,302	1,371	1,611	5,390	1,488
Media Services	395	414	679	1,909	734	876	924	1,333	3,867	1,433
Other Bets and Experiments	1,130	1,480	2,236	5,625	2,478	3,420	4,088	5,096	15,082	4,911
Eliminations	(1,239)	(1,237)	(1,776)	(5,525)	(1,782)	(2,101)	(2,195)	(2,749)	(8,827)	(2,377)
<b>Total Revenues</b>	<b>29,672</b>	<b>32,570</b>	<b>38,842</b>	<b>127,657</b>	<b>37,284</b>	<b>41,397</b>	<b>45,014</b>	<b>51,696</b>	<b>175,391</b>	<b>47,003</b>

Revenue growth, %YoY	Q2'18	Q3'18	Q4'18	FY'18	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20
Search & Portal	21%	24%	26%	23%	26%	21%	21%	16%	21%	11%
<i>S&amp;P, excl. IoT</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>25%</i>	<i>21%</i>	<i>20%</i>	<i>15%</i>	<i>20%</i>	<i>11%</i>
E-commerce	-62%	-	-	-66%	-	-	-	-	-	-
Taxi	426%	344%	216%	293%	145%	117%	89%	72%	98%	50%
<i>Ride-hailing &amp; FoodTech</i>	<i>426%</i>	<i>344%</i>	<i>216%</i>	<i>293%</i>	<i>145%</i>	<i>117%</i>	<i>89%</i>	<i>72%</i>	<i>98%</i>	<i>50%</i>
<i>SDC</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Classifieds	101%	80%	61%	81%	57%	42%	39%	45%	45%	35%
Media Services	57%	43%	69%	61%	74%	122%	123%	96%	103%	95%
Other Bets and Experiments	225%	232%	209%	205%	218%	203%	176%	128%	168%	98%
Eliminations	75%	55%	55%	68%	40%	70%	77%	55%	60%	33%
<b>Total Revenues</b>	<b>34%</b>	<b>39%</b>	<b>39%</b>	<b>36%</b>	<b>40%</b>	<b>40%</b>	<b>38%</b>	<b>33%</b>	<b>37%</b>	<b>26%</b>

Our segments structure includes:

- Search and Portal segment offers a broad range of services in Russia, Belarus, Kazakhstan and Uzbekistan
- E-commerce segment includes Yandex.Market for the period prior to April 27, 2018, the date of the completion of the Yandex.Market joint venture between Yandex and Sberbank
- Taxi segment includes our Ride-hailing business (including Yandex.Taxi and Uber in Russia and neighboring countries), FoodTech business (including Yandex.EATs, Yandex.Chef, a meal kit subscription service, and Yandex.Lavka, a hyperlocal grocery delivery service) and our Self-Driving Cars division
- Classifieds segment includes Auto.ru, Yandex.Realty and Yandex.Jobs
- Media Services segment includes KinoPoisk, Yandex.Music, Yandex.Afisha, Yandex.TV program, our production center Yandex.Studio and our subscription service Yandex.Plus
- Other Bets and Experiments category includes Zen, Yandex.Cloud, Yandex.Drive, Geolocation Services and Yandex.Education
- Eliminations in our revenues represent the elimination of transactions between the reportable segments, primarily related to advertising. Eliminations related to our adjusted EBITDA mainly reflect reallocation of a portion of Search and Portal D&A expenses related to leasehold improvements to office rent expenses of our business unites



# Quarterly Financial Summary by Segment (continued)

Adj. EBITDA, MM RUB*	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20
Search & Portal	11,661	12,593	13,424	48,232	12,847	13,747	15,467	15,102	57,163	14,665
<i>S&amp;P, excl. IoT</i>	<i>11,694</i>	<i>12,666</i>	<i>13,648</i>	<i>48,604</i>	<i>13,017</i>	<i>13,870</i>	<i>15,669</i>	<i>15,459</i>	<i>58,015</i>	<i>14,792</i>
E-commerce	(101)	-	-	(263)	-	-	-	-	-	-
Taxi	(1,882)	(711)	(129)	(4,434)	(116)	423	170	271	748	115
<i>Ride-hailing &amp; FoodTech</i>	<i>(1,769)</i>	<i>(567)</i>	<i>45</i>	<i>(3,920)</i>	<i>111</i>	<i>726</i>	<i>590</i>	<i>826</i>	<i>2,253</i>	<i>869</i>
<i>SDC</i>	<i>(113)</i>	<i>(144)</i>	<i>(174)</i>	<i>(514)</i>	<i>(227)</i>	<i>(303)</i>	<i>(420)</i>	<i>(555)</i>	<i>(1,505)</i>	<i>(754)</i>
Classifieds	44	78	(18)	(183)	(328)	265	43	330	310	(104)
Media Services	(260)	(238)	(215)	(810)	(440)	(438)	(636)	(688)	(2,202)	(711)
Other Bets and Experiments	(733)	(962)	(792)	(3,110)	(1,239)	(947)	(1,180)	(1,839)	(5,205)	(1,917)
Eliminations	27	41	44	143	44	47	55	54	200	99
<b>Total Adj.EBITDA</b>	<b>8,756</b>	<b>10,801</b>	<b>12,314</b>	<b>39,575</b>	<b>10,768</b>	<b>13,097</b>	<b>13,919</b>	<b>13,230</b>	<b>51,014</b>	<b>12,147</b>

Adj. EBITDA Margin, %	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20
Search & Portal	49%	49%	45%	48%	47%	47%	50%	44%	47%	49%
<i>S&amp;P, excl. IoT</i>	<i>49%</i>	<i>49%</i>	<i>46%</i>	<i>48%</i>	<i>48%</i>	<i>48%</i>	<i>51%</i>	<i>46%</i>	<i>48%</i>	<i>50%</i>
E-commerce	-23%	-	-	-16%	-	-	-	-	-	-
Taxi	-46%	-14%	-2%	-23%	-1%	5%	2%	2%	2%	1%
<i>Ride-hailing &amp; FoodTech</i>	<i>-44%</i>	<i>-11%</i>	<i>1%</i>	<i>-20%</i>	<i>1%</i>	<i>8%</i>	<i>6%</i>	<i>7%</i>	<i>6%</i>	<i>8%</i>
<i>SDC</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>	<i>n/m</i>
Classifieds	5%	8%	-2%	-5%	-30%	20%	3%	20%	6%	-7%
Media Services	-66%	-58%	-32%	-42%	-60%	-50%	-69%	-52%	-57%	-50%
Other Bets and Experiments	-65%	-65%	-35%	-55%	-50%	-28%	-29%	-36%	-35%	-39%
Eliminations	-2%	-3%	-2%	-3%	-2%	-2%	-3%	-2%	-2%	-4%
<b>Total Adj. EBITDA Margin</b>	<b>30%</b>	<b>33%</b>	<b>32%</b>	<b>31%</b>	<b>29%</b>	<b>32%</b>	<b>31%</b>	<b>26%</b>	<b>29%</b>	<b>26%</b>

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\* Due to adoption of ASU 842 "Leases" since the beginning of 2019, we restated certain financial metrics for FY 2018, including our Adj EBITDA and Adj EBITDA margin of Search and Portal results.

# Yandex

## Contact us



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