

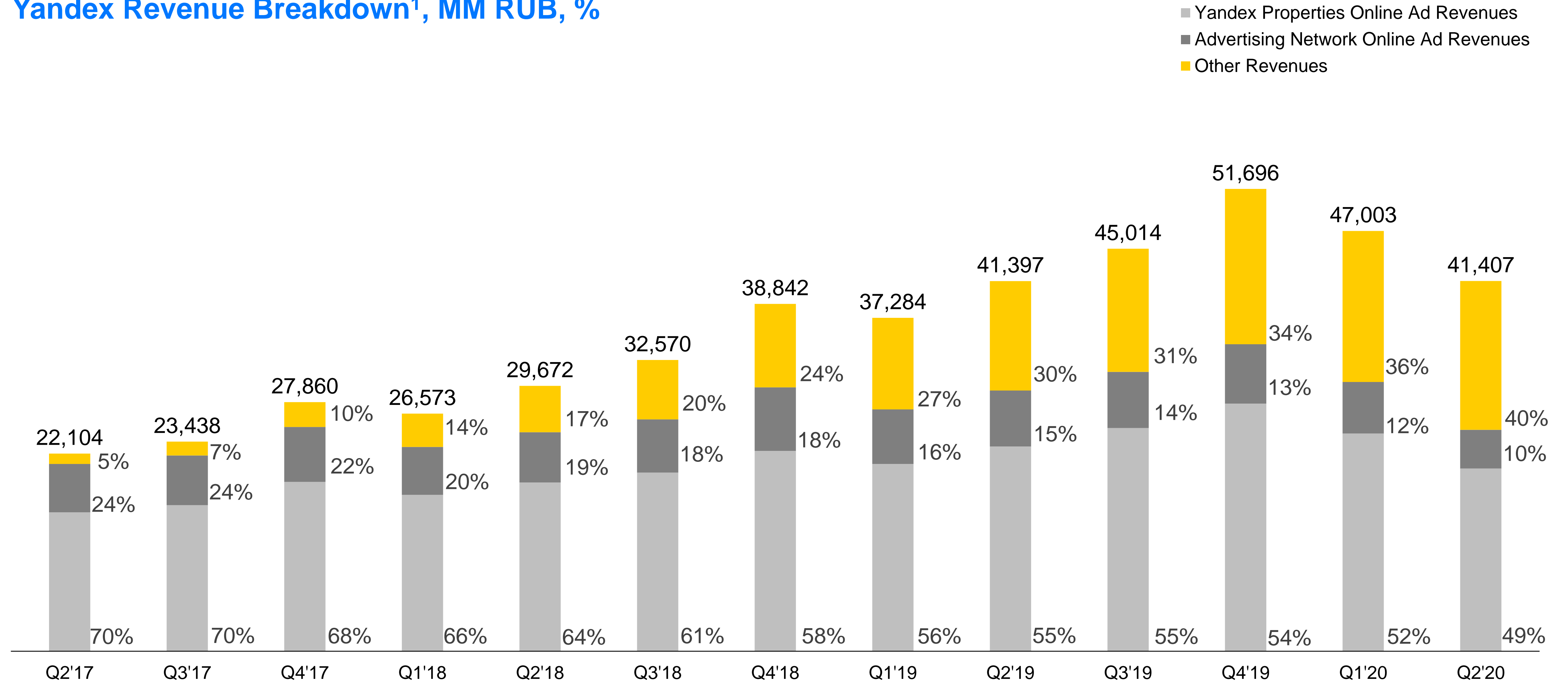
Yandex

Quarterly Supplementary Materials

July 28th, 2020

Revenue Structure

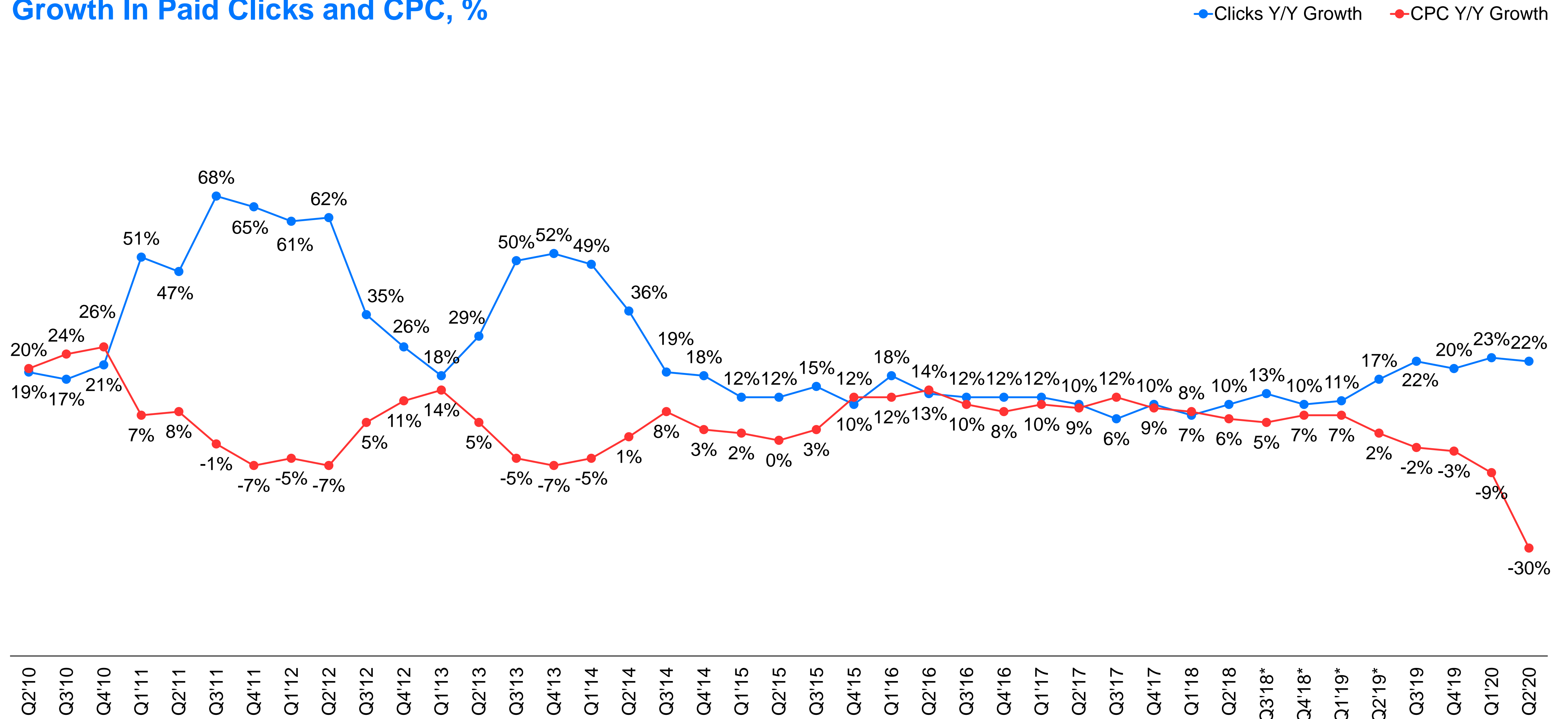
Yandex Revenue Breakdown¹, MM RUB, %



¹ 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. Numbers for the periods from Q1 2019 were restated to reflect minor adjustments of TAC revenue and expenses associated to the presentation of certain content related streams.

Operational Metrics

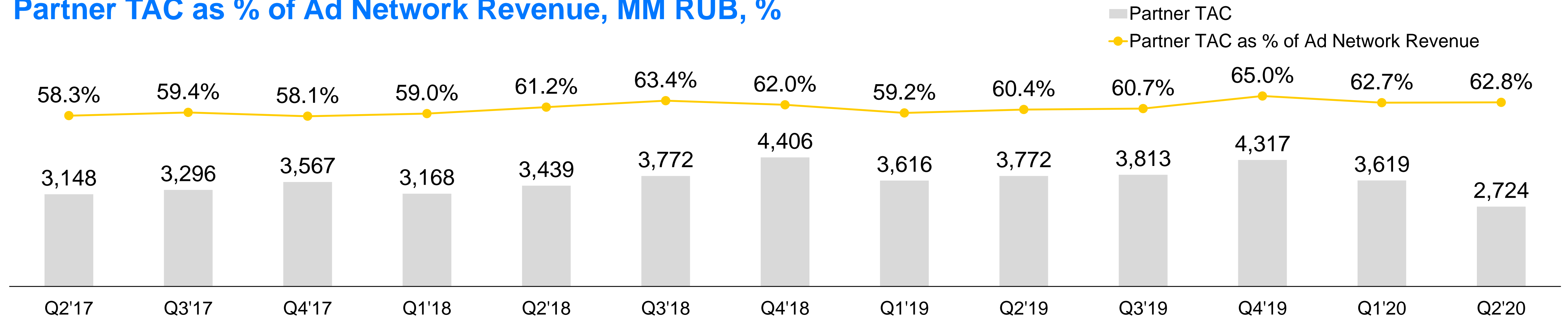
Growth In Paid Clicks and CPC, %



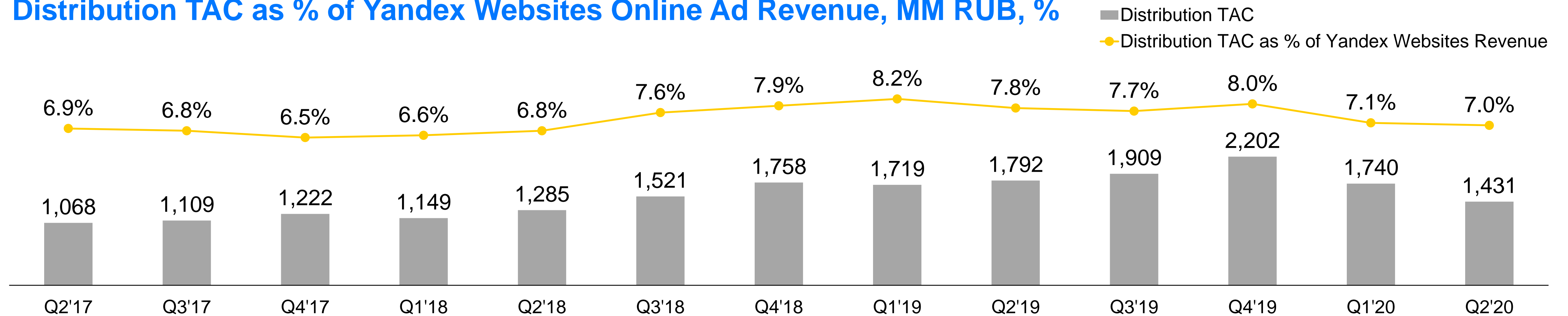
* Paid clicks, excluding paid clicks on Yandex.Market, grew 22% in Q3'18, 20% in Q4'18, 20% in Q1'19, 20% in Q2'19 YoY; CPC, excluding clicks of Yandex.Market, grew 2% in Q3'18, 4% in Q4'18, 4% in Q1'19, 1% in Q2'19 YoY

Traffic Acquisition Costs

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



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

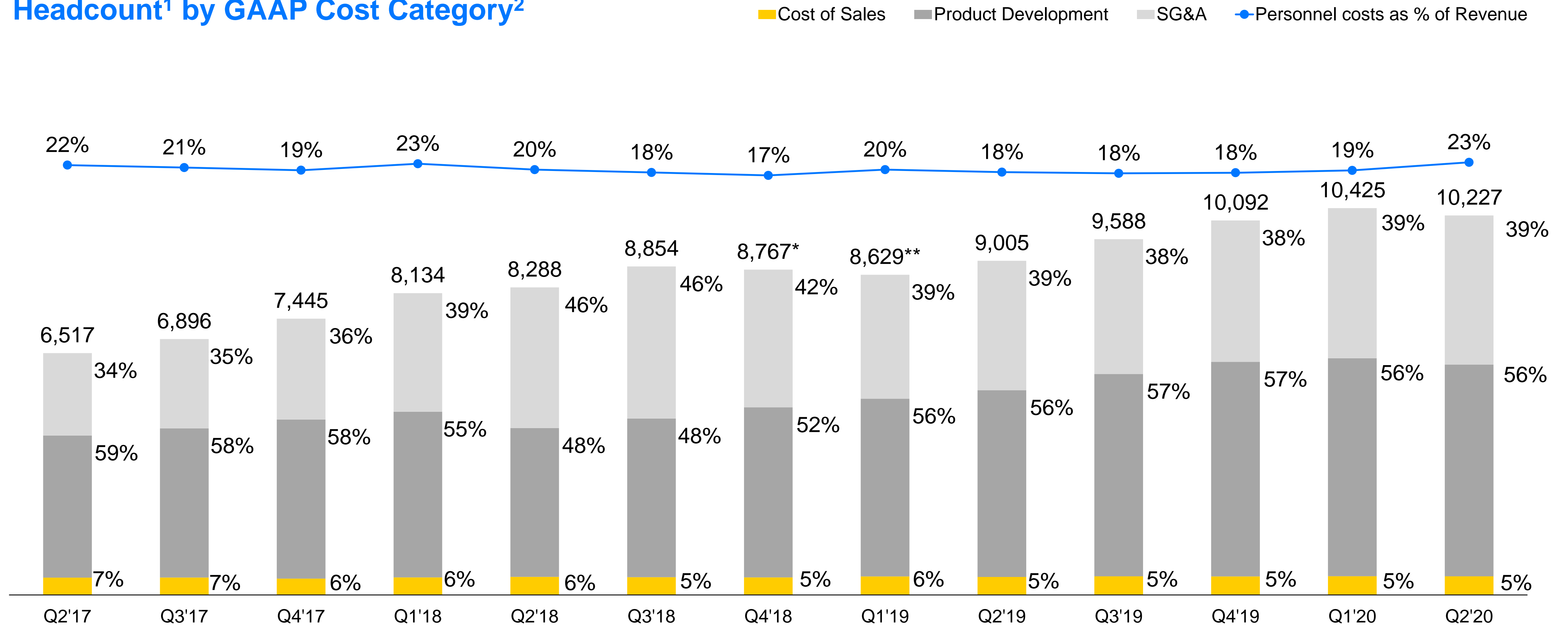


¹ As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network. 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

Numbers for the periods from Q1 2019 were restated to reflect minor adjustments of TAC revenue and expenses associated to the presentation of certain content related streams

Headcount

Headcount¹ by GAAP Cost Category²



¹ As of the end of the period

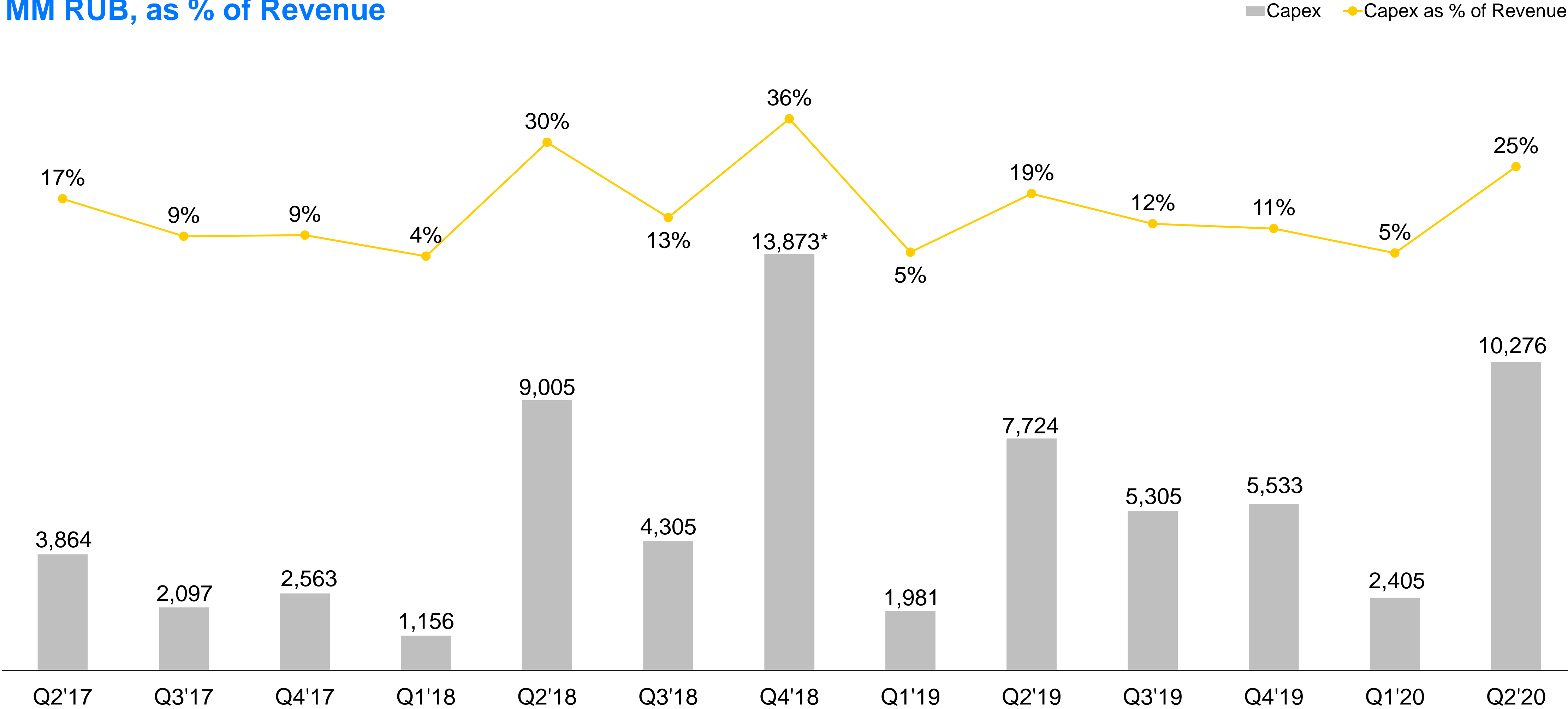
² Items may not total 100% due to rounding

* 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	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20
Cost of Sales (COS)													
TAC	4,216	4,405	4,789	4,317	4,724	5,293	6,164	5,335	5,564	5,722	6,519	5,359	4,155
COS ex-SBC, ex-TAC	1,472	1,607	1,975	2,359	3,493	3,724	5,639	6,182	6,949	8,167	11,057	10,800	11,619
SBC related to COS	64	36	36	36	43	47	54	68	64	72	89	76	138
Total Cost of Sales	5,752	6,048	6,800	6,712	8,260	9,064	11,857	11,585	12,577	13,961	17,665	16,235	15,912
<i>Total COS as % of Revenue</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>	<i>38%</i>
Product Development (PD)													
PD ex-SBC	3,971	4,043	4,400	4,657	4,328	4,395	4,749	5,274	5,416	5,744	6,481	6,246	6,372
SBC related to PD	542	548	811	1,146	1,058	1,139	1,107	1,933	1,480	1,261	1,620	1,682	2,598
Total PD	4,513	4,591	5,211	5,803	5,386	5,534	5,856	7,207	6,896	7,005	8,101	7,928	9,970
<i>PD as % of Revenue</i>	<i>20%</i>	<i>20%</i>	<i>19%</i>	<i>22%</i>	<i>18%</i>	<i>17%</i>	<i>15%</i>	<i>19%</i>	<i>17%</i>	<i>16%</i>	<i>16%</i>	<i>17%</i>	<i>22%</i>
SG&A													
SG&A expense ex-SBC	5,727	7,768	7,497	7,558	8,378	8,365	9,983	9,732	10,378	11,486	15,291	12,549	10,785
SBC related to SG&A	359	292	547	451	460	530	481	688	656	914	1,010	993	1,473
Total SG&A	6,086	8,060	8,044	8,009	8,838	8,895	10,464	10,420	11,034	12,400	16,301	13,542	12,258
<i>SG&A as % of Revenue</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>	<i>30%</i>
Depreciation & Amortization (D&A)													
D&A	2,823	2,930	3,023	2,890	2,926	3,118	3,203	3,257	3,756	3,788	3,976	4,010	4,052
<i>D&A as % of Revenue</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>	<i>10%</i>
Goodwill Impairment													
	-	-	-	-	-	-	-	-	-	-	762	-	-
Total Costs	19,174	21,629	23,078	23,414	25,410	26,611	31,380	32,469	34,263	37,154	46,805	41,715	42,192
<i>Total Costs as % of Revenue</i>	<i>87%</i>	<i>92%</i>	<i>83%</i>	<i>88%</i>	<i>86%</i>	<i>82%</i>	<i>81%</i>	<i>87%</i>	<i>83%</i>	<i>83%</i>	<i>91%</i>	<i>89%</i>	<i>102%</i>

* Items may not total 100% due to rounding

Numbers for the periods from Q1 2019 were restated to reflect minor adjustments of TAC revenue and expenses associated to the presentation of certain content related streams

Quarterly Financial Summary by Segment

Revenues, MM RUB	Q3'18	Q4'18	FY'18	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20	Q2'20
Search & Portal	25,816	29,671	101,021	27,109	29,090	31,172	34,463	121,834	30,126	25,455
<i>S&P, excl. IoT</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>	<i>24,913</i>
E-commerce	-	-	1,697	-	-	-	-	-	-	-
Taxi	5,109	6,924	19,213	7,639	8,810	9,654	11,942	38,045	11,422	12,503
<i>Ride-hailing & FoodTech</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>12,448</i>
<i>SDC</i>	-	-	-	-	-	-	-	-	-	55
Classifieds	988	1,108	3,717	1,106	1,302	1,371	1,611	5,390	1,488	886
Media Services	414	679	1,909	734	876	924	1,333	3,867	1,433	1,700
Other Bets and Experiments	1,480	2,236	5,625	2,478	3,420	4,088	5,096	15,082	4,911	2,802
Eliminations	(1,237)	(1,776)	(5,525)	(1,782)	(2,101)	(2,195)	(2,749)	(8,827)	(2,377)	(1,939)
Total Revenues	32,570	38,842	127,657	37,284	41,397	45,014	51,696	175,391	47,003	41,407

Revenue growth, %YoY	Q3'18	Q4'18	FY'18	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20	Q2'20
Search & Portal	24%	26%	23%	26%	21%	21%	16%	21%	11%	-12%
<i>S&P, excl. IoT</i>	-	-	-	25%	21%	20%	15%	20%	11%	-14%
E-commerce	-	-	-66%	-	-	-	-	-	-	-
Taxi	344%	216%	293%	145%	117%	89%	72%	98%	50%	42%
<i>Ride-hailing & FoodTech</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>41%</i>
<i>SDC</i>	-	-	-	-	-	-	-	-	-	-
Classifieds	80%	61%	81%	57%	42%	39%	45%	45%	35%	-32%
Media Services	43%	69%	61%	74%	122%	123%	96%	103%	95%	94%
Other Bets and Experiments	232%	209%	205%	218%	203%	176%	128%	168%	98%	-18%
Eliminations	55%	55%	68%	40%	70%	77%	55%	60%	33%	-8%
Total Revenues	39%	39%	36%	40%	40%	38%	33%	37%	26%	0%

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
- The Taxi segment includes our Ride-hailing business (including Yandex.Taxi and Uber in Russia and neighboring countries), FoodTech business (including Yandex.Eats, our ready-to-eat delivery service, Yandex.Chef, a meal kit subscription service, and Yandex.Lavka, our hyperlocal grocery delivery service) and our Self-Driving Cars (“SDC”) division
- The Classifieds segment includes Auto.ru, Yandex.Realty and Yandex.Jobs
- The Media Services segment includes KinoPoisk, Yandex.Music, Yandex.Afisha, our production center Yandex.Studio and our subscription service Yandex.Plus
- The Other Bets and Experiments category includes Yandex.Drive, Zen, Geolocation Services, Yandex.Cloud and Yandex.Education
- Eliminations related to 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 units

Quarterly Financial Summary by Segment (continued)

Adj. EBITDA, MM RUB*	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20	Q2'20
Search & Portal	12,593	13,424	48,232	12,847	13,747	15,467	15,102	57,163	14,665	11,194
<i>S&P, excl. IoT</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>	<i>11,345</i>
E-commerce	-	-	(263)	-	-	-	-	-	-	-
Taxi	(711)	(129)	(4,434)	(116)	423	170	271	748	115	253
<i>Ride-hailing & FoodTech</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>993</i>
<i>SDC</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>	<i>(740)</i>
Classifieds	78	(18)	(183)	(328)	265	43	330	310	(104)	80
Media Services	(238)	(215)	(810)	(440)	(438)	(636)	(688)	(2,202)	(711)	(857)
Other Bets and Experiments	(962)	(792)	(3,110)	(1,239)	(947)	(1,180)	(1,839)	(5,205)	(1,917)	(2,283)
Eliminations	41	44	143	44	47	55	54	200	99	98
Total Adj.EBITDA	10,801	12,314	39,575	10,768	13,097	13,919	13,230	51,014	12,147	8,485

Adj. EBITDA Margin, %	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20	Q2'20
Search & Portal	49%	45%	48%	47%	47%	50%	44%	47%	49%	44%
<i>S&P, excl. IoT</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>	<i>46%</i>
E-commerce	-	-	-16%	-	-	-	-	-	-	-
Taxi	-14%	-2%	-23%	-1%	5%	2%	2%	2%	1%	2%
<i>Ride-hailing & FoodTech</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>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	8%	-2%	-5%	-30%	20%	3%	20%	6%	-7%	9%
Media Services	-58%	-32%	-42%	-60%	-50%	-69%	-52%	-57%	-50%	-50%
Other Bets and Experiments	-65%	-35%	-55%	-50%	-28%	-29%	-36%	-35%	-39%	-81%
Eliminations	-3%	-2%	-3%	-2%	-2%	-3%	-2%	-2%	-4%	-5%
Total Adj. EBITDA Margin	33%	32%	31%	29%	32%	31%	26%	29%	26%	20%

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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

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