

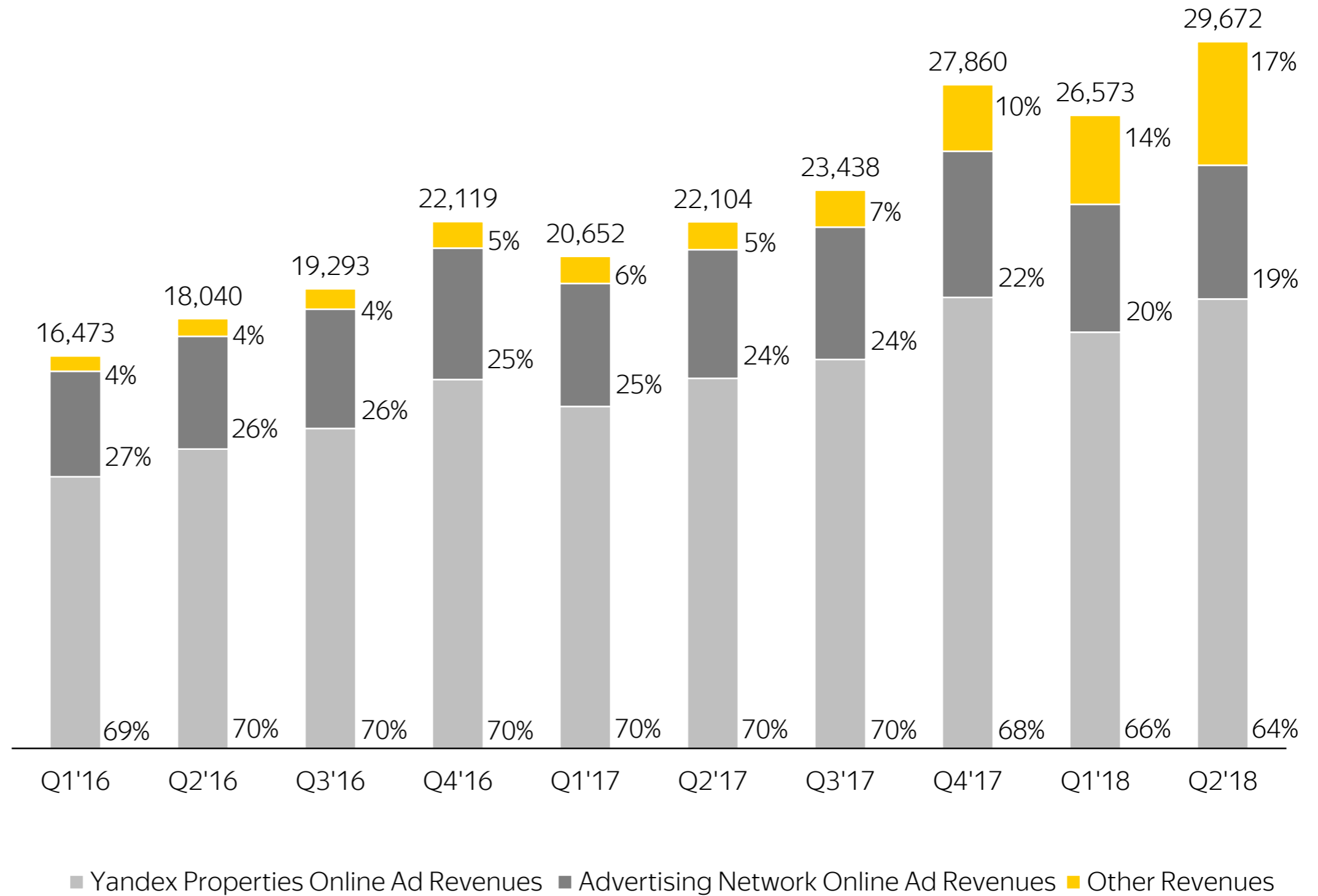
Яндекс

Quarterly Supplementary Materials

July 26th, 2018

Revenue Structure

Yandex Revenue Breakdown¹, MM RUB, %

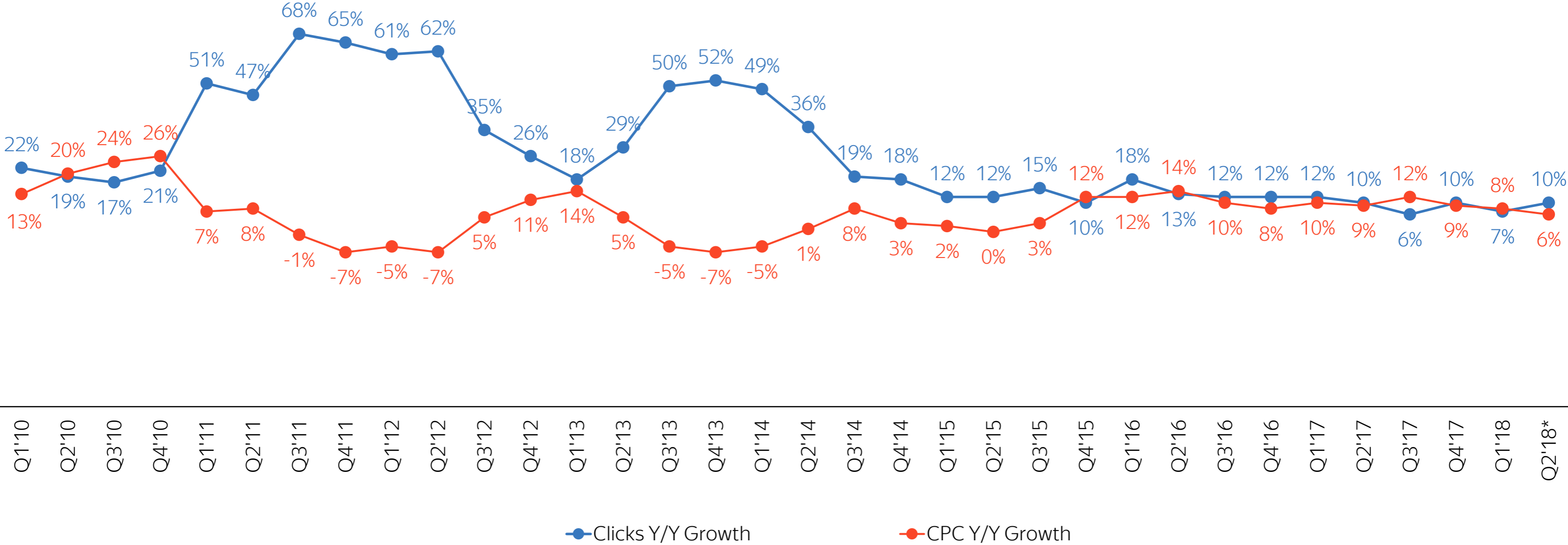


¹ As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network.

Items may not total 100% due to rounding

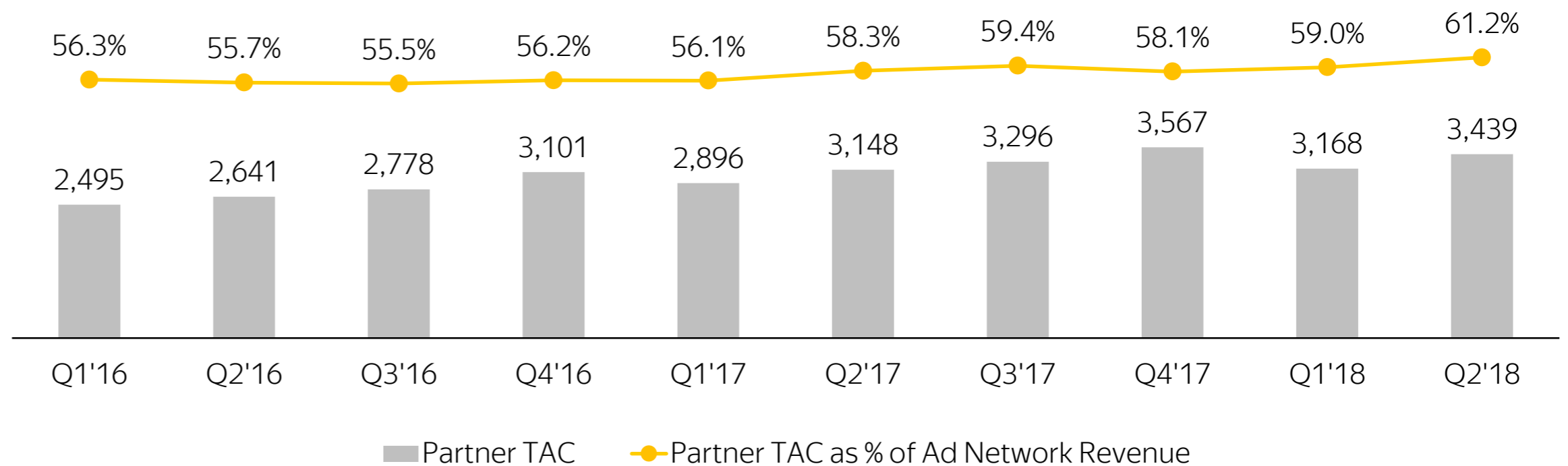
Operational Metrics

Growth In Paid Clicks and CPC, %

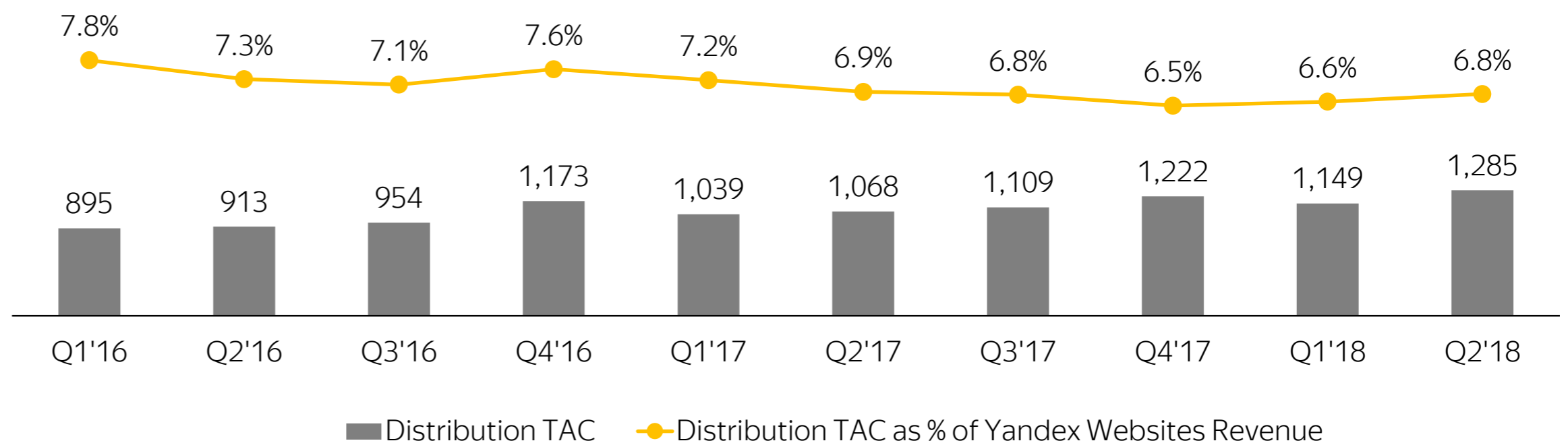


Traffic Acquisition Costs

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



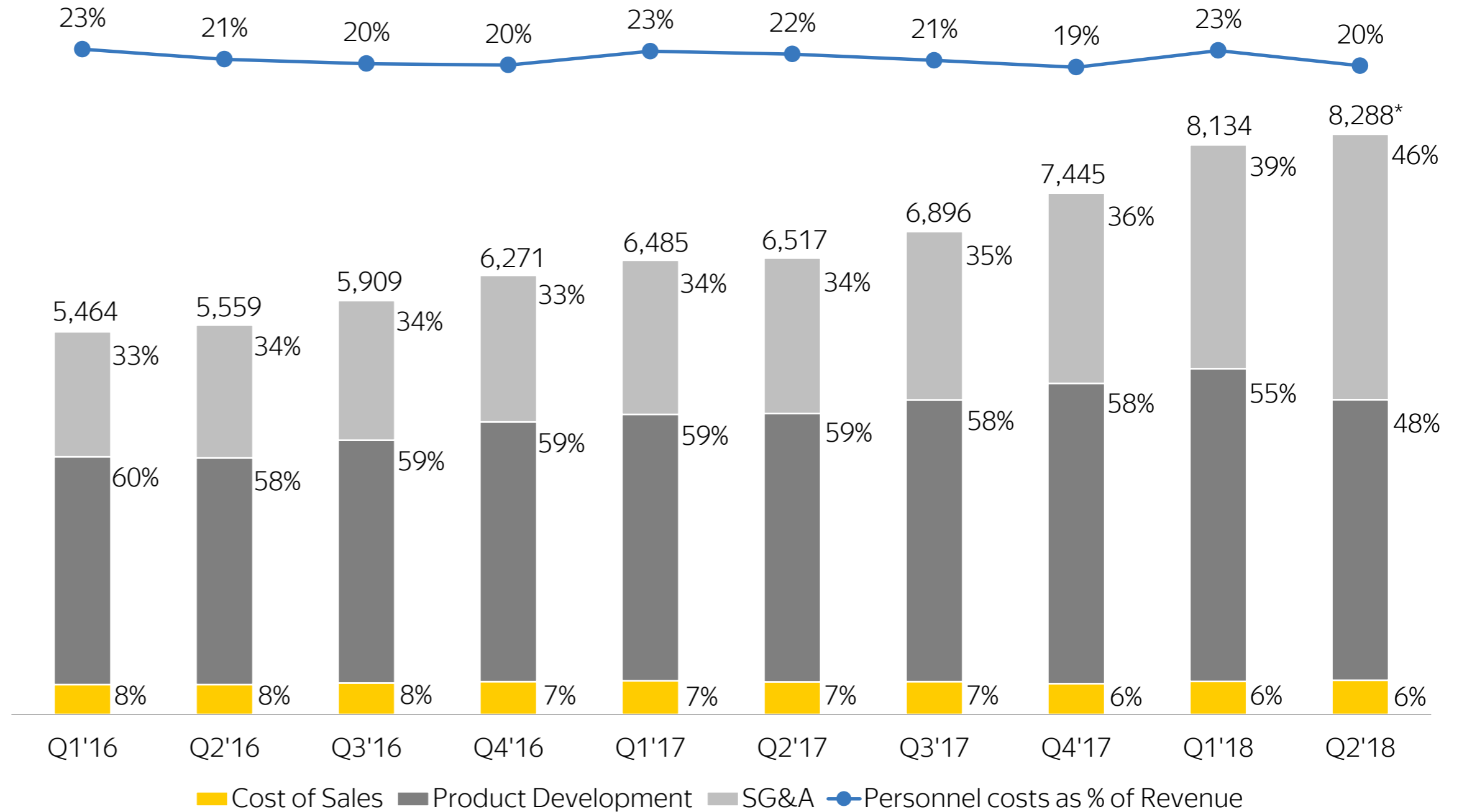
Distribution TAC as % of Yandex Websites Online Ad Revenue, MM RUB, %



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.

Headcount

Headcount¹ by GAAP Cost Category²

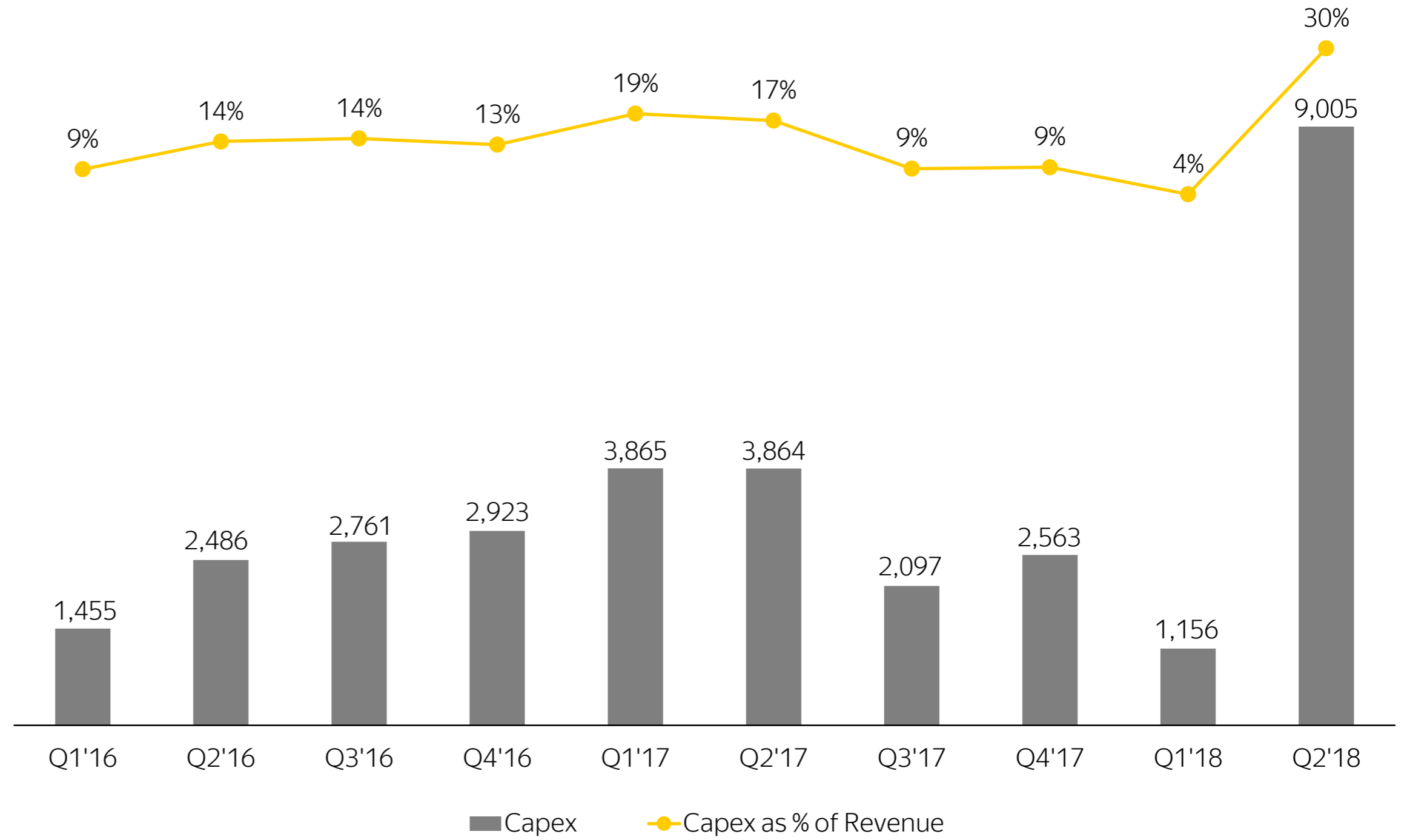


¹ As of the end of the period

² Items may not total 100% due to rounding

* In Q2'18, excluding Yandex.Market, our headcount was up 12% compared to March 31 2018, and up 40% compared to Q2'17

Capex



Costs, MM RUB

Revenues, MM RUB	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18
Cost of Sales (COS)														
TAC	2,717	3,022	3,282	3,720	3,390	3,554	3,732	4,274	3,935	4,216	4,405	4,789	4,317	4,724
COS ex-SBC, ex-TAC	953	919	995	1,034	1,065	1,096	1,136	1,314	1,371	1,467	1,604	1,972	2,359	3,485
SBC related to COS	43	41	41	43	49	46	50	48	42	64	36	36	36	43
Total Cost of Sales	3,713	3,982	4,318	4,797	4,504	4,696	4,918	5,636	5,348	5,747	6,045	6,797	6,712	8,252
<i>Total COS as % of Revenue</i>	<i>30%</i>	<i>29%</i>	<i>28%</i>	<i>27%</i>	<i>27%</i>	<i>26%</i>	<i>25%</i>	<i>25%</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>24%</i>	<i>25%</i>	<i>28%</i>
Product Development (PD)														
PD ex-SBC	2,968	2,905	2,711	2,977	3,282	3,249	3,326	3,737	3,942	3,931	4,021	4,390	4,657	4,312
SBC related to PD	379	395	457	629	595	545	532	566	576	542	548	811	1,146	1,058
Total PD	3,347	3,300	3,168	3,606	3,877	3,794	3,858	4,303	4,518	4,473	4,569	5,201	5,803	5,370
<i>PD as % of Revenue</i>	<i>27%</i>	<i>24%</i>	<i>21%</i>	<i>20%</i>	<i>24%</i>	<i>21%</i>	<i>20%</i>	<i>19%</i>	<i>22%</i>	<i>20%</i>	<i>20%</i>	<i>19%</i>	<i>22%</i>	<i>18%</i>
SG&A														
SG&A expense ex-SBC	2,165	2,410	2,445	3,891	3,011	3,427	4,272	6,184	4,608	5,705	7,755	7,475	7,558	8,316
SBC related to SG&A	138	158	173	221	247	290	203	251	340	359	292	547	451	460
Total SG&A	2,303	2,568	2,618	4,112	3,258	3,717	4,475	6,435	4,948	6,064	8,047	8,022	8,009	8,776
<i>SG&A as % of Revenue</i>	<i>19%</i>	<i>18%</i>	<i>17%</i>	<i>23%</i>	<i>20%</i>	<i>21%</i>	<i>23%</i>	<i>29%</i>	<i>24%</i>	<i>27%</i>	<i>34%</i>	<i>29%</i>	<i>30%</i>	<i>30%</i>
Depreciation & Amortization (D&A)														
D&A	1,490	1,874	2,152	2,275	2,394	2,316	2,489	2,408	2,463	2,823	2,930	3,023	2,890	2,926
<i>D&A as % of Revenue</i>	<i>12%</i>	<i>13%</i>	<i>14%</i>	<i>13%</i>	<i>15%</i>	<i>13%</i>	<i>13%</i>	<i>11%</i>	<i>12%</i>	<i>13%</i>	<i>13%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>
Total Costs	10,853	11,724	12,256	15,366*	14,033	14,523	15,740	18,782	17,277	19,107	21,591	23,043	23,414	25,324
<i>Total Costs as % of Revenue</i>	<i>88%</i>	<i>84%</i>	<i>79%</i>	<i>85%</i>	<i>85%</i>	<i>81%</i>	<i>82%</i>	<i>85%</i>	<i>84%</i>	<i>86%</i>	<i>92%</i>	<i>83%</i>	<i>88%</i>	<i>85%</i>

* Items may not total 100% due to rounding

** Total costs in Q4 2015 include 576MM RUB of goodwill impairment related to KinoPoisk acquisition

Quarterly Financial Summary by Segment

Old Segment Structure

Revenues, MM RUB	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17
Search & Portal	15,147	16,532	17,482	20,095	69,256	18,656	20,135	21,117	24,067	83,975
E-commerce	1,043	1,069	1,200	1,406	4,718	1,295	1,168	1,060	1,445	4,968
Taxi	445	528	587	753	2,313	778	772	1,150	2,191	4,891
Classifieds	241	313	352	398	1,304	371	462	556	693	2,082
Experiments	185	153	210	282	830	326	344	412	576	1,658
Eliminations	(588)	(555)	(538)	(815)	(2,496)	(774)	(777)	(857)	(1,112)	(3,520)
Total Revenues	16,473	18,040	19,293	22,119	75,925	20,652	22,104	23,438	27,860	94,054

Adj. EBITDA, MM RUB	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17
Search & Portal	5,911	6,927	7,484	8,123	28,445	7,973	9,098	8,922	10,665	36,658
E-commerce	380	325	386	329	1,420	560	445	223	370	1,598
Taxi	0	(153)	(633)	(1,300)	(2,086)	(1,245)	(1,966)	(3,168)	(1,584)	(7,963)
Classifieds	(6)	23	26	(97)	(54)	4	(17)	49	72	108
Experiments	(515)	(360)	(375)	(354)	(1,604)	(418)	(347)	(331)	(230)	(1,326)
Total Adj. EBITDA	5,770	6,762	6,888	6,701	26,121	6,874	7,213	5,695	9,293	29,075

- Search and Portal segment includes all our services offered in Russia, Belarus and Kazakhstan (and, for periods prior to the imposition of sanctions on Yandex by the government of Ukraine in May 2017, all our services offered in Ukraine), other than those described below;
- E-commerce segment includes our Yandex.Market service;
- Taxi segment includes our Yandex.Taxi service and Food delivery business FoodFox acquired in December 2017;
- Classifieds segment includes Auto.ru, Yandex.Realty, Yandex.Jobs and Yandex.Travel;
- Experiments segment includes Media Services (including KinoPoisk, Yandex.Music, Yandex.Afisha and Yandex.TV program), Yandex Data Factory, Discovery services (including Yandex Zen and Yandex Launcher international revenues) and Search and Portal in Turkey.
- Eliminations represent the elimination of transactions between the reportable segments, primarily related to advertising.

* In Q2'18 E-Commerce segment included financial results of Yandex.Market for 27 days

**The numbers may not total due to rounding

New Segment Structure

Revenues, MM RUB	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	Q1'18	Q2'18*
Search & Portal	15,143	16,527	17,517	20,112	69,299	18,671	20,166	21,159	24,172	84,168	22,285	24,682
E-commerce	1,043	1,069	1,200	1,406	4,718	1,295	1,168	1,060	1,445	4,968	1,255	442
Taxi	445	528	587	753	2,313	778	772	1,150	2,191	4,891	3,116	4,064
Classifieds	234	306	338	392	1,270	367	456	548	688	2,059	706	915
Media Services	130	126	159	234	649	244	251	290	402	1,187	421	395
Experiments	21	4	18	31	74	66	65	92	146	369	182	414
Eliminations	(542)	(520)	(525)	(809)	(2,396)	(769)	(774)	(861)	(1,184)	(3,588)	(1,392)	(1,240)
Total Revenues	16,473	18,040	19,293	22,119	75,925	20,652	22,104	23,438	27,860	94,054	26,573	29,672

Adj. EBITDA, MM RUB	Q1'16	Q2'16	Q3'16	Q4'16	FY'16	Q1'17	Q2'17	Q3'17	Q4'17	FY'17	Q1'18	Q2'18*
Search & Portal	5,606	6,795	7,356	8,061	27,818	7,901	9,057	8,936	10,736	36,630	10,367	11,501
E-commerce	380	325	386	329	1,420	560	445	223	370	1,598	(162)	(101)
Taxi	0	(153)	(633)	(1,300)	(2,086)	(1,245)	(1,966)	(3,168)	(1,584)	(7,963)	(1,712)	(1,882)
Classifieds	(6)	20	16	(102)	(72)	3	(20)	44	70	97	(287)	44
Media Services	(98)	(80)	(91)	(103)	(372)	(150)	(106)	(104)	(84)	(444)	(97)	(260)
Experiments	(113)	(145)	(146)	(184)	(587)	(195)	(197)	(236)	(215)	(843)	(405)	(460)
Total Adj. EBITDA	5,770	6,762	6,888	6,701	26,121	6,874	7,213	5,695	9,293	29,075	7,704	8,842

- In Q1 2018 we introduced the following changes to our segments structure:
- Search and Portal segment (including Geolocation services) offers a broad range of services in Russia, Belarus and Kazakhstan (and, for periods prior to the imposition of sanctions on Yandex by the government of Ukraine in May 2017, all our services offered in Ukraine), other than those described below. Since Q1 2018 our Search and Portal segment also includes Search and Portal in Turkey and Yandex Launcher, previously reported in Experiments and Yandex.Travel, previously reported in Classifieds.
- E-commerce segment includes our Yandex.Market service;
- Taxi segment includes our Taxi business (including Yandex.Taxi and Uber in Russia and neighboring countries) and Food Delivery business (including Yandex.EATs and UberEATs);
- Classifieds segment includes Auto.ru, Yandex.Realty and Yandex.Jobs;
- Media Services segment includes KinoPoisk, Yandex.Music, Yandex.Afisha and Yandex.TV program; Media Services were broken out from Experiments and now constitute a separate business unit;
- Experiments segment includes Zen, Yandex.Cloud, Yandex.Health, Yandex.Drive and Yandex Data Factory. Yandex.Cloud and Yandex.Health initiatives previously were a part of our Search and Portal segment. Yandex.Drive is our car-sharing service, launched in February 2018.
- Eliminations represent the elimination of transactions between the reportable segments, primarily related to advertising.
- Previous periods are restated in accordance with the new segment approach.