

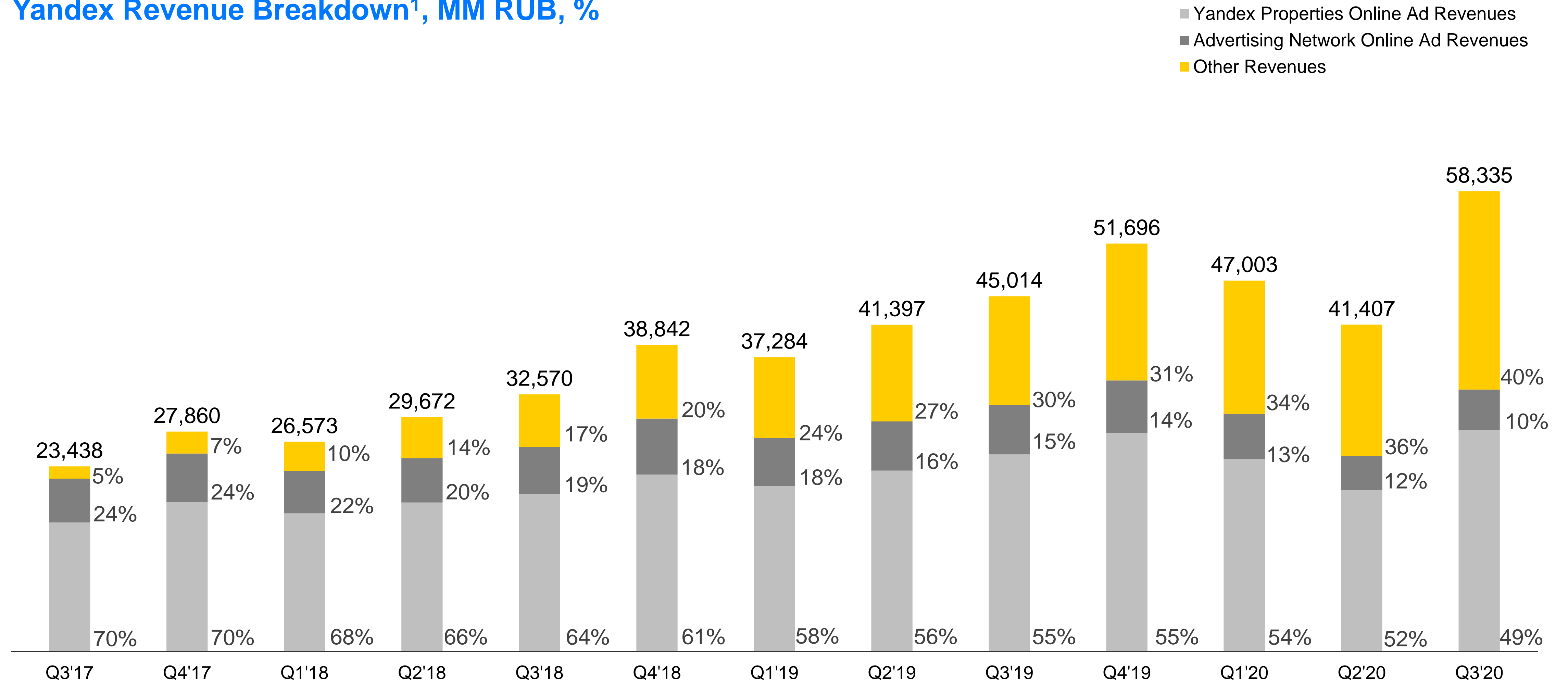
Yandex

Quarterly Supplementary Materials

October 28th, 2020

Revenue Structure

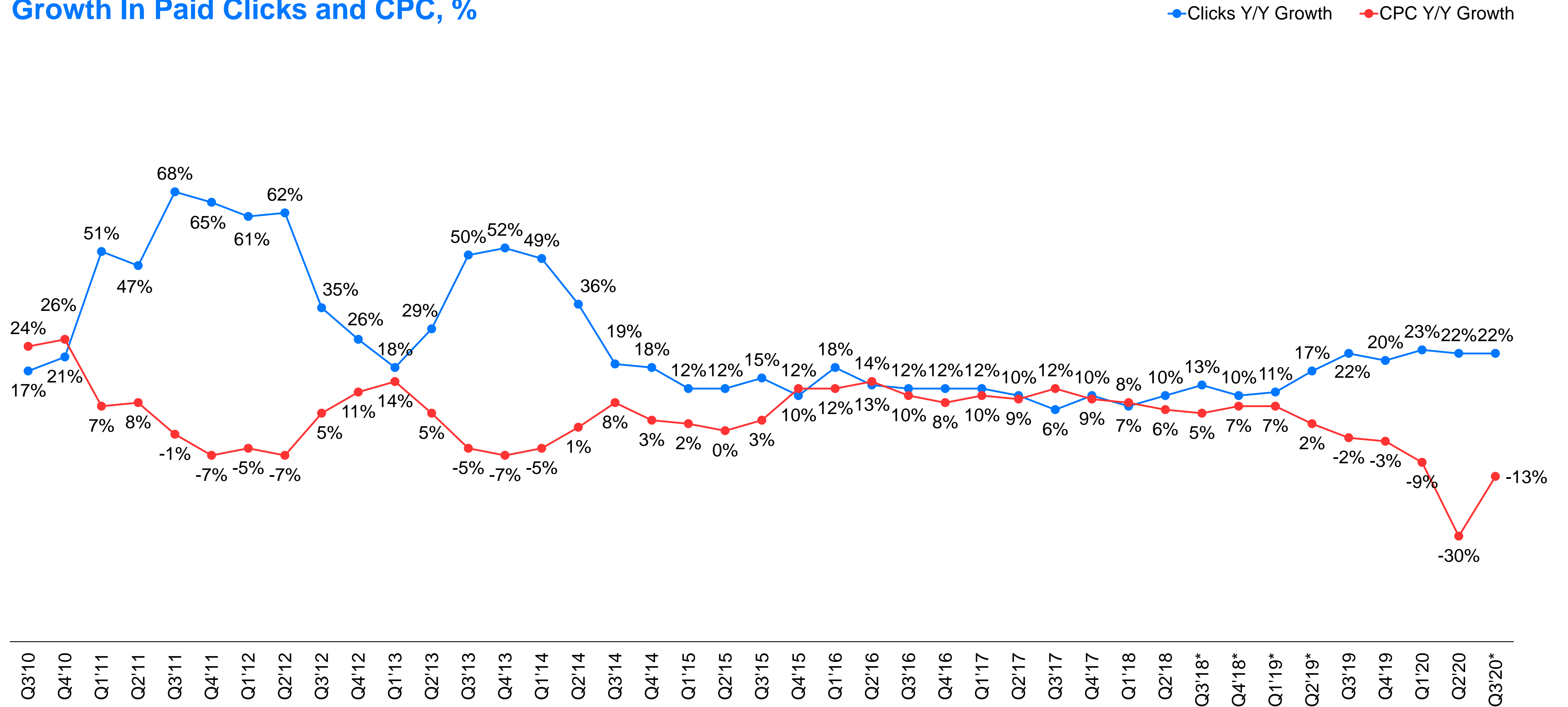
Yandex Revenue Breakdown¹, MM RUB, %



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

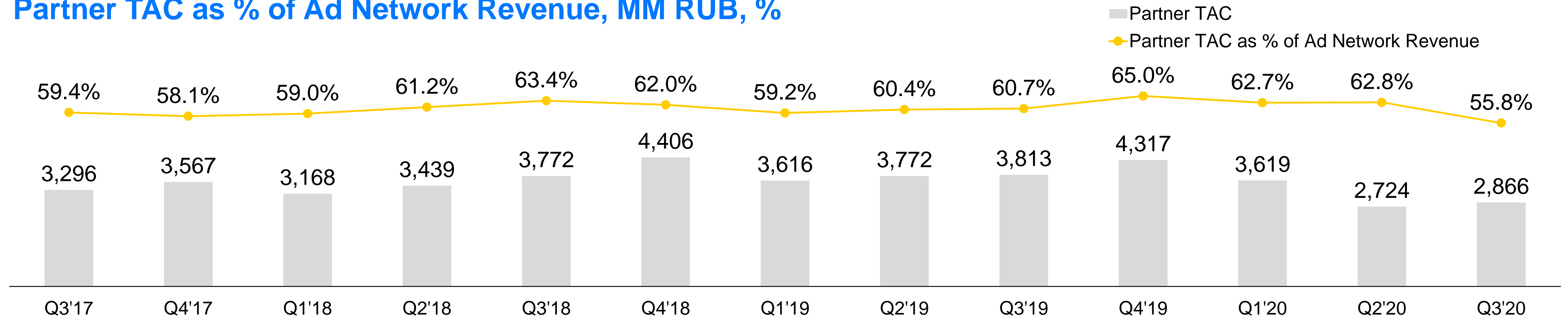
Growth In Paid Clicks and CPC, %



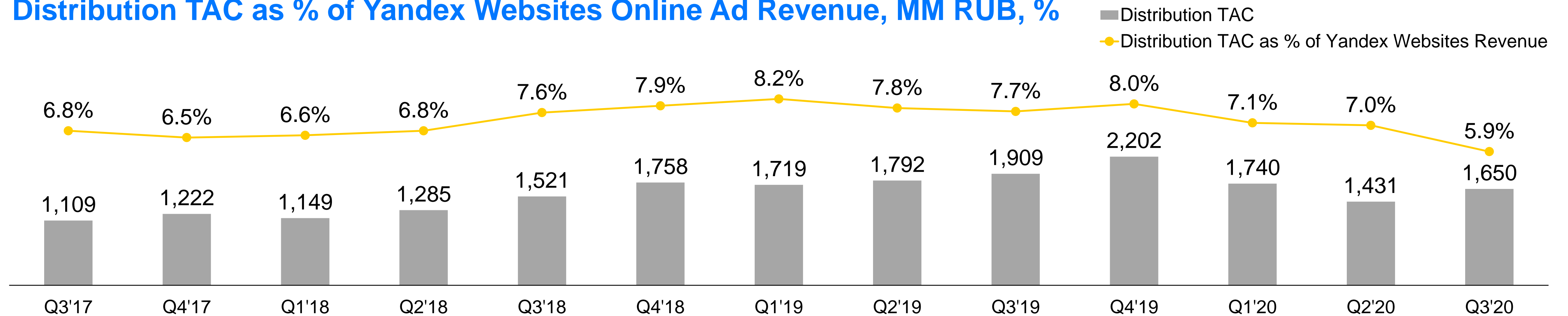
* Paid clicks, excluding paid clicks on Yandex.Market, grew 22% in Q3'18, 20% in Q4'18, 20% in Q1'19, 20% in Q2'19, 14% in Q3'20 YoY; CPC, excluding clicks of Yandex.Market, grew 2% in Q3'18, 4% in Q4'18, 4% in Q1'19, 1% in Q2'19, decreased 12% in Q3'20 YoY

Traffic Acquisition Costs

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



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

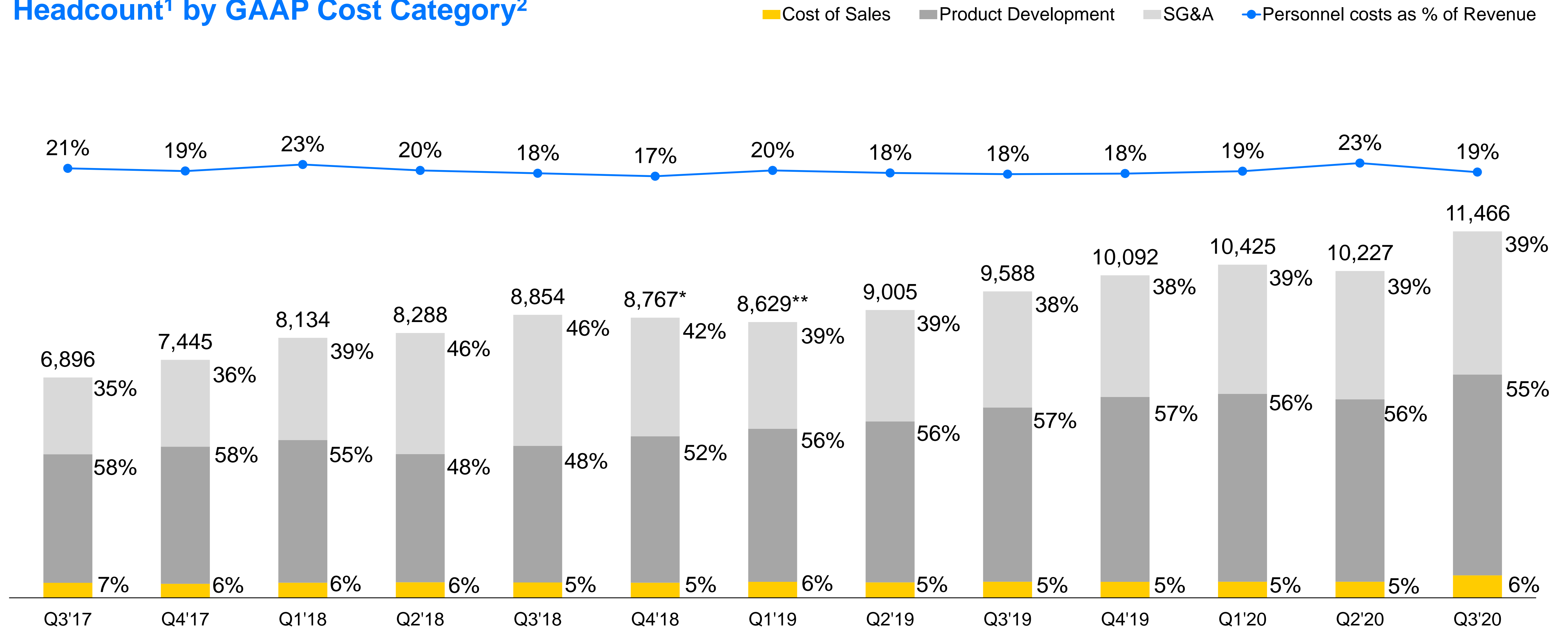


¹ As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network.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

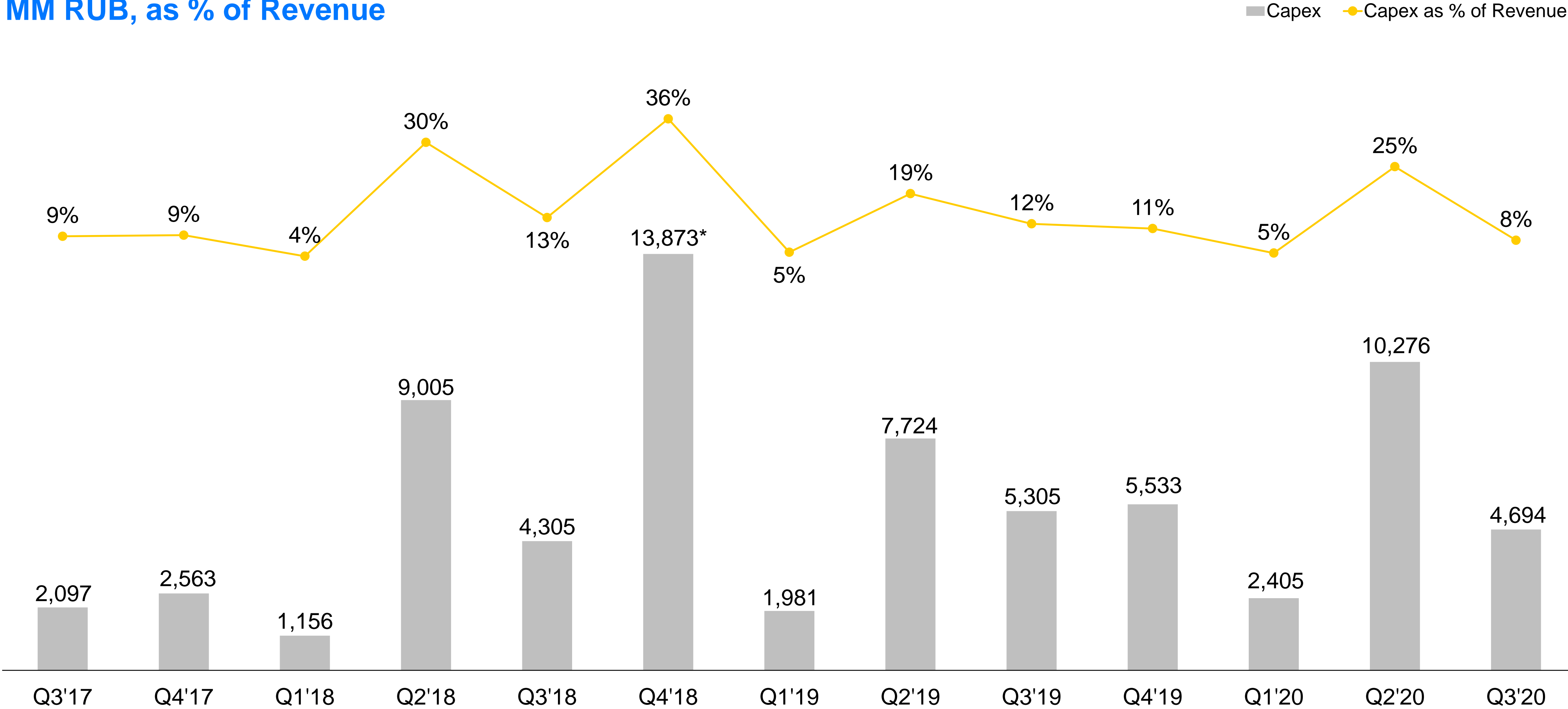
² Items may not total 100% due to rounding

* 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	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20
Cost of Sales (COS)													
TAC	4,405	4,789	4,317	4,724	5,293	6,164	5,335	5,564	5,722	6,519	5,359	4,155	4,516
COS ex-SBC, ex-TAC	1,607	1,975	2,359	3,493	3,724	5,639	6,182	6,949	8,167	11,057	10,800	11,619	17,514
SBC related to COS	36	36	36	43	47	54	68	64	72	89	76	138	111
Total Cost of Sales	6,048	6,800	6,712	8,260	9,064	11,857	11,585	12,577	13,961	17,665	16,235	15,912	22,141
<i>Total COS as % of Revenue</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>	<i>38%</i>
Product Development (PD)													
PD ex-SBC	4,043	4,400	4,657	4,328	4,395	4,749	5,274	5,416	5,744	6,481	6,246	6,372	7,077
SBC related to PD	548	811	1,146	1,058	1,139	1,107	1,933	1,480	1,374	1,620	1,682	2,598	2,337
Total PD	4,591	5,211	5,803	5,386	5,534	5,856	7,207	6,896	7,118	8,101	7,928	9,970	9,414
<i>PD as % of Revenue</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>	<i>16%</i>
SG&A													
SG&A expense ex-SBC	7,768	7,497	7,558	8,378	8,365	9,983	9,732	10,378	11,486	15,291	12,549	10,785	14,129
SBC related to SG&A	292	547	451	460	530	481	688	656	801	1,010	993	1,473	1,505
Total SG&A	8,060	8,044	8,009	8,838	8,895	10,464	10,420	11,034	12,287	16,301	13,542	12,258	15,634
<i>SG&A as % of Revenue</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>27%</i>	<i>32%</i>	<i>29%</i>	<i>30%</i>	<i>27%</i>
Depreciation & Amortization (D&A)													
D&A	2,930	3,023	2,890	2,926	3,118	3,203	3,257	3,756	3,788	3,976	4,010	4,052	4,780
<i>D&A as % of Revenue</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>	<i>8%</i>
Goodwill Impairment													
	-	-	-	-	-	-	-	-	-	762	-	-	-
Total Costs	21,629	23,078	23,414	25,410	26,611	31,380	32,469	34,263	37,154	46,805	41,715	42,192	51,969
<i>Total Costs as % of Revenue</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>	<i>89%</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	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20	Q2'20	Q3'20
Search & Portal	27,054	29,028	31,101	34,364	121,547	30,072	25,384	31,780
<i>S&P, excl. IoT</i>	<i>26,832</i>	<i>28,838</i>	<i>30,824</i>	<i>33,577</i>	<i>120,071</i>	<i>29,672</i>	<i>24,841</i>	<i>30,953</i>
Taxi	8,765	10,551	11,777	14,494	45,587	14,021	13,131	18,552
<i>Ride-hailing & FoodTech</i>	<i>7,637</i>	<i>8,810</i>	<i>9,654</i>	<i>11,942</i>	<i>38,043</i>	<i>11,418</i>	<i>12,445</i>	<i>15,840</i>
<i>Drive</i>	<i>1,128</i>	<i>1,741</i>	<i>2,123</i>	<i>2,552</i>	<i>7,544</i>	<i>2,603</i>	<i>686</i>	<i>2,712</i>
E-commerce	-	-	-	-	-	-	-	5,208
Classifieds	1,106	1,302	1,371	1,611	5,390	1,488	886	1,586
Media Services	734	876	924	1,333	3,867	1,433	1,700	1,773
Other Bets and Experiments	1,417	1,753	2,048	2,659	7,877	2,382	2,260	3,071
Eliminations	(1,792)	(2,113)	(2,207)	(2,765)	(8,877)	(2,393)	(1,954)	(3,635)
Total Revenues	37,284	41,397	45,014	51,696	175,391	47,003	41,407	58,335

Revenue growth, %YoY	Q1'19	Q2'19	Q3'19	Q4'19	FY'19	Q1'20	Q2'20	Q3'20
Search & Portal	25%	21%	20%	16%	20%	11%	-13%	2%
<i>S&P, excl. IoT</i>	<i>24%</i>	<i>20%</i>	<i>19%</i>	<i>15%</i>	<i>19%</i>	<i>11%</i>	<i>-14%</i>	<i>0%</i>
Taxi	179%	148%	112%	87%	120%	60%	24%	58%
<i>Ride-hailing & FoodTech</i>	<i>145%</i>	<i>117%</i>	<i>89%</i>	<i>72%</i>	<i>98%</i>	<i>50%</i>	<i>41%</i>	<i>64%</i>
<i>Drive</i>	<i>4078%</i>	<i>851%</i>	<i>381%</i>	<i>208%</i>	<i>410%</i>	<i>131%</i>	<i>-61%</i>	<i>28%</i>
E-commerce	n/m	n/m	n/m	n/m	n/m	n/m	n/m	n/m
Classifieds	57%	42%	39%	45%	45%	35%	-32%	16%
Media Services	74%	122%	123%	96%	103%	95%	94%	92%
Other Bets and Experiments	87%	85%	97%	79%	86%	68%	29%	50%
Eliminations	40%	71%	79%	55%	60%	34%	-7%	65%
Total Revenues	40%	40%	38%	33%	37%	26%	0%	30%

Our segments structure includes:

- The Search and Portal segment offers a broad range of services in Russia, Belarus, Kazakhstan and Uzbekistan
- The Taxi segment includes our Ride-hailing business (including Yandex.Go and Uber in Russia and 17 other countries across CIS and EMEA), logistics B2B and B2B services, FoodTech business (including Yandex.Eats, our ready-to-eat delivery service, and Yandex.Lavka, our hyperlocal grocery delivery service) and our Yandex.Drive car-sharing business
- The E-commerce segment includes Yandex.Market, our e-commerce platform combining the price comparison service, marketplace and several small experiments
- 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 our self-driving vehicles business ("Yandex SDG"), Zen, Geolocation Services, Edadeal, Investments, 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*	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20	Q2'20	Q3'20
Search & Portal	12,958	13,870	15,562	15,228	57,618	14,756	11,274	16,709
<i>S&P, excl. IoT</i>	<i>13,128</i>	<i>13,993</i>	<i>15,764</i>	<i>15,585</i>	<i>58,470</i>	<i>14,884</i>	<i>11,425</i>	<i>16,859</i>
Taxi	(392)	528	125	(152)	109	(121)	51	1,740
<i>Ride-hailing & FoodTech</i>	<i>108</i>	<i>725</i>	<i>594</i>	<i>826</i>	<i>2,253</i>	<i>872</i>	<i>998</i>	<i>1,669</i>
<i>Drive</i>	<i>(500)</i>	<i>(197)</i>	<i>(469)</i>	<i>(978)</i>	<i>(2,144)</i>	<i>(993)</i>	<i>(947)</i>	<i>71</i>
E-commerce	-	-	-	-	-	-	-	(1,077)
Classifieds	(328)	265	43	330	310	(104)	80	495
Media Services	(440)	(438)	(636)	(688)	(2,202)	(711)	(856)	(1,027)
Other Bets and Experiments	(1,074)	(1,176)	(1,230)	(1,542)	(5,022)	(1,774)	(2,159)	(1,851)
Eliminations	44	48	55	54	201	101	95	101
Total Adj. EBITDA	10,768	13,097	13,919	13,230	51,014	12,147	8,485	15,090

Adj. EBITDA Margin, %	Q1'19	Q2'19	Q3'19	Q4'19	FY '19	Q1'20	Q2'20	Q3'20
Search & Portal	48%	48%	50%	44%	47%	49%	44%	53%
<i>S&P, excl. IoT</i>	<i>49%</i>	<i>49%</i>	<i>51%</i>	<i>46%</i>	<i>49%</i>	<i>50%</i>	<i>46%</i>	<i>55%</i>
Taxi	-5%	5%	1%	-1%	0%	-1%	0%	9%
<i>Ride-hailing & FoodTech</i>	<i>1%</i>	<i>8%</i>	<i>6%</i>	<i>7%</i>	<i>6%</i>	<i>8%</i>	<i>8%</i>	<i>11%</i>
<i>Drive</i>	<i>-44%</i>	<i>-11%</i>	<i>-22%</i>	<i>-38%</i>	<i>-28%</i>	<i>-38%</i>	<i>-138%</i>	<i>3%</i>
E-commerce	n/m	n/m	n/m	n/m	n/m	n/m	n/m	-21%
Classifieds	-30%	20%	3%	21%	6%	-7%	9%	31%
Media Services	-60%	-50%	-69%	-52%	-57%	-50%	-50%	-58%
Other Bets and Experiments	-76%	-67%	-60%	-58%	-64%	-75%	-96%	-60%
Eliminations	-2%	-2%	-3%	-2%	-2%	-4%	-5%	-3%
Total Adj. EBITDA Margin	29%	32%	31%	26%	29%	26%	21%	26%

Our segments structure includes:

- The Search and Portal segment offers a broad range of services in Russia, Belarus, Kazakhstan and Uzbekistan
- The Taxi segment includes our Ride-hailing business (including Yandex.Go and Uber in Russia and 17 other countries across CIS and EMEA), logistics B2B and B2B services, FoodTech business (including Yandex.Eats, our ready-to-eat delivery service, and Yandex.Lavka, our hyperlocal grocery delivery service) and our Yandex.Drive car-sharing business
- The E-commerce segment includes Yandex.Market, our e-commerce platform combining the price comparison service, marketplace and several small experiments
- 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 our self-driving vehicles business ("Yandex SDG"), Zen, Geolocation Services, Edadeal, Investments, 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

Yandex

Contact us



askir@yandex-team.ru



+7 495 974-35-38