

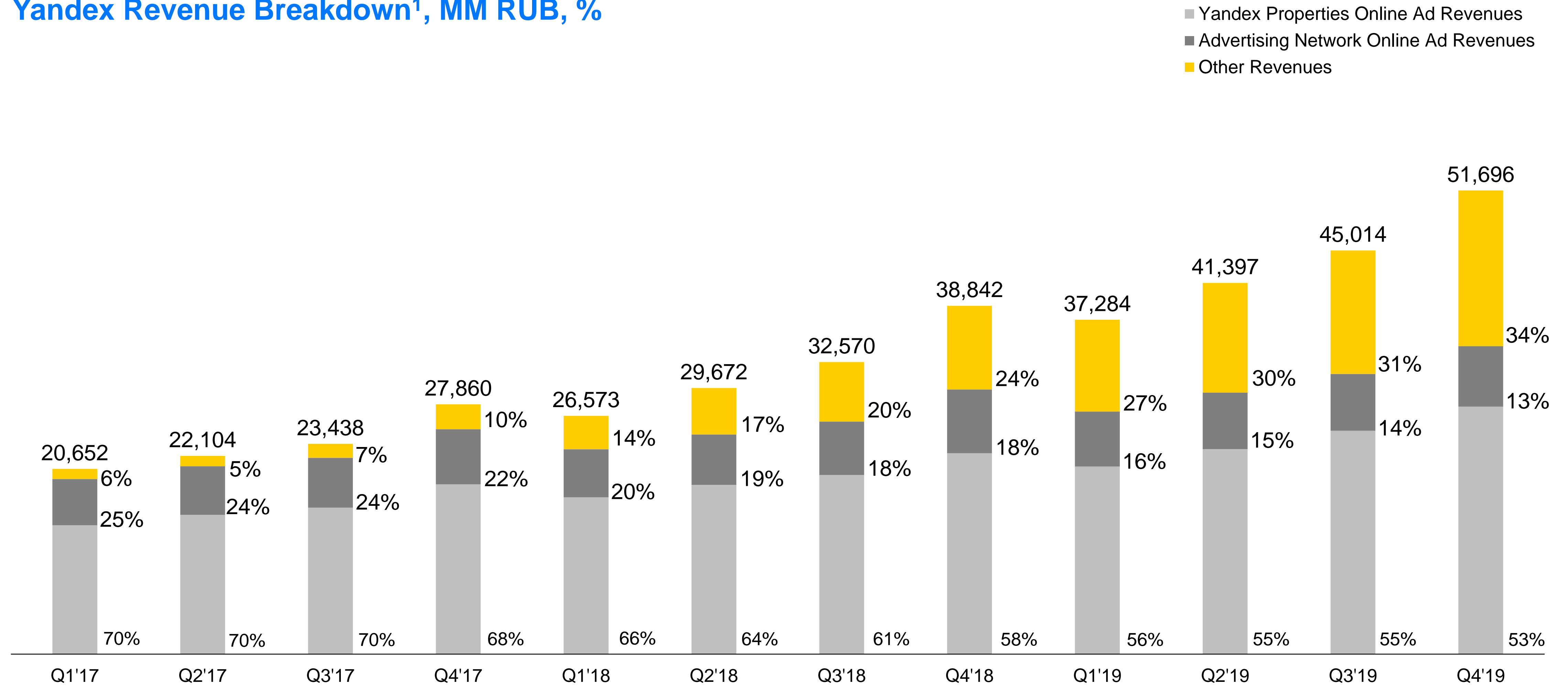
Yandex

Quarterly Supplementary Materials

February 14th, 2020

Revenue Structure

Yandex Revenue Breakdown¹, MM RUB, %

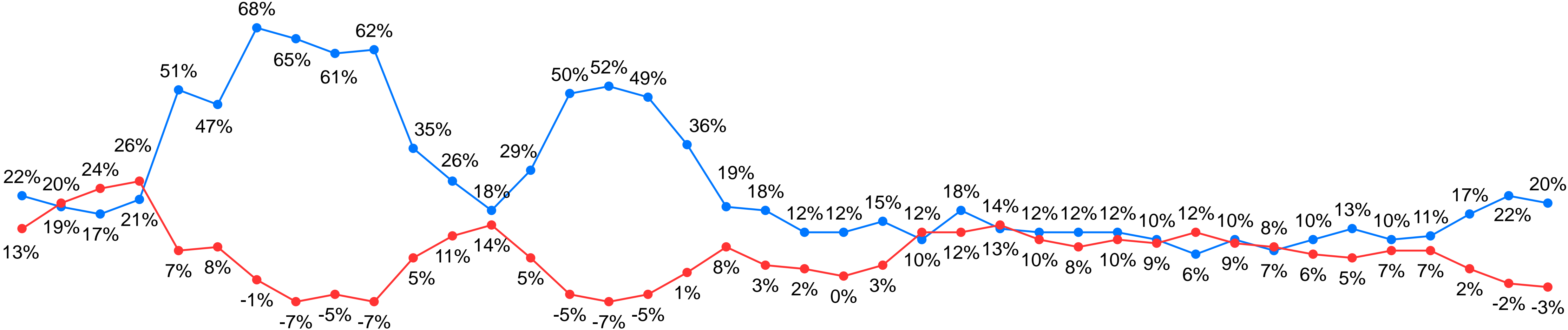


¹ As online advertising formats continue to converge, starting from Q1 2016 we are no longer providing a breakdown of our online ad revenues into text-based and display revenues. However, we continue to separately present online advertising revenues from Yandex properties and revenues from our Ad Network.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

Operational Metrics

Growth In Paid Clicks and CPC, %

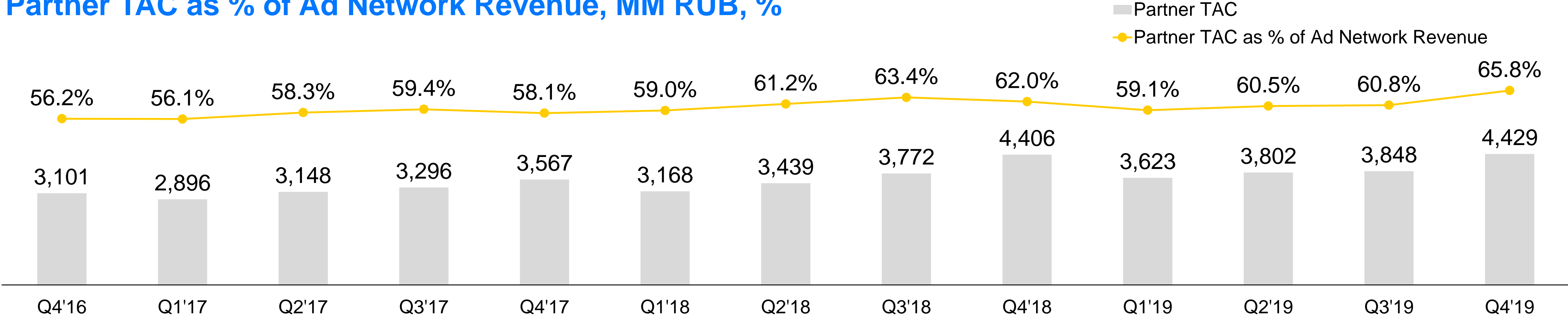
Clicks Y/Y Growth CPC Y/Y Growth



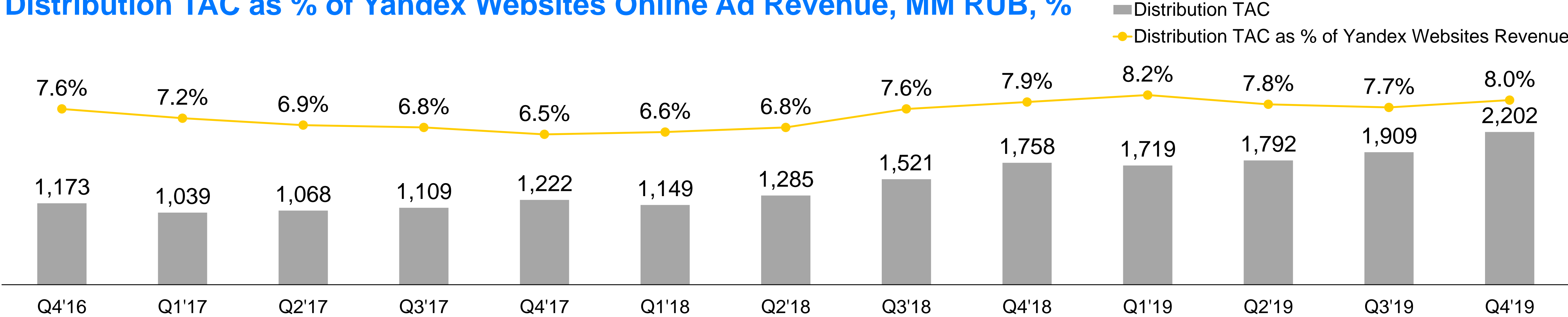
* Paid clicks, excluding paid clicks on Yandex.Market, grew 22% in Q3'18, 20% in Q4'18, 20% in Q1'19, 20% in Q2'19 YoY; CPC, excluding clicks of Yandex.Market, grew 2% in Q3'18, 4% in Q4'18, 4% in Q1'19, 1% in Q2'19 YoY

Traffic Acquisition Costs

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



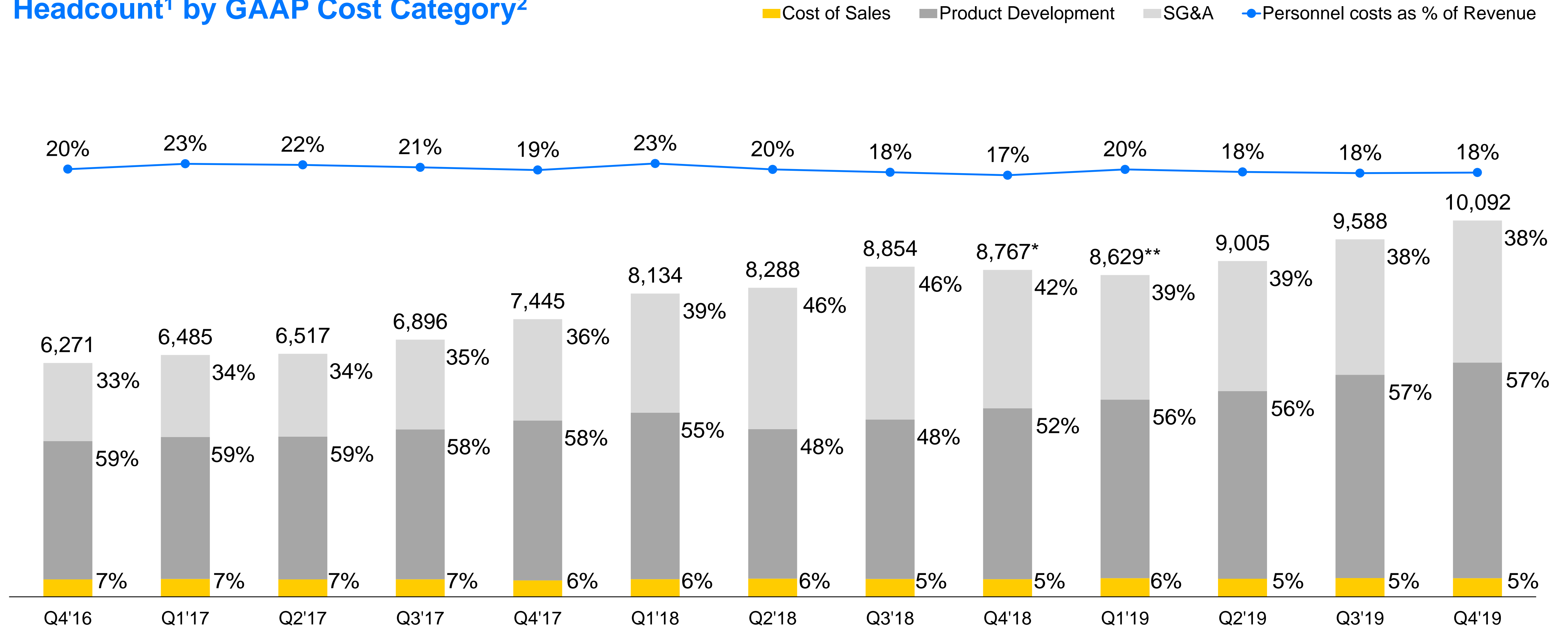
Distribution TAC as % of Yandex Websites Online Ad Revenue, MM RUB, %



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

Headcount

Headcount¹ by GAAP Cost Category²



¹ As of the end of the period

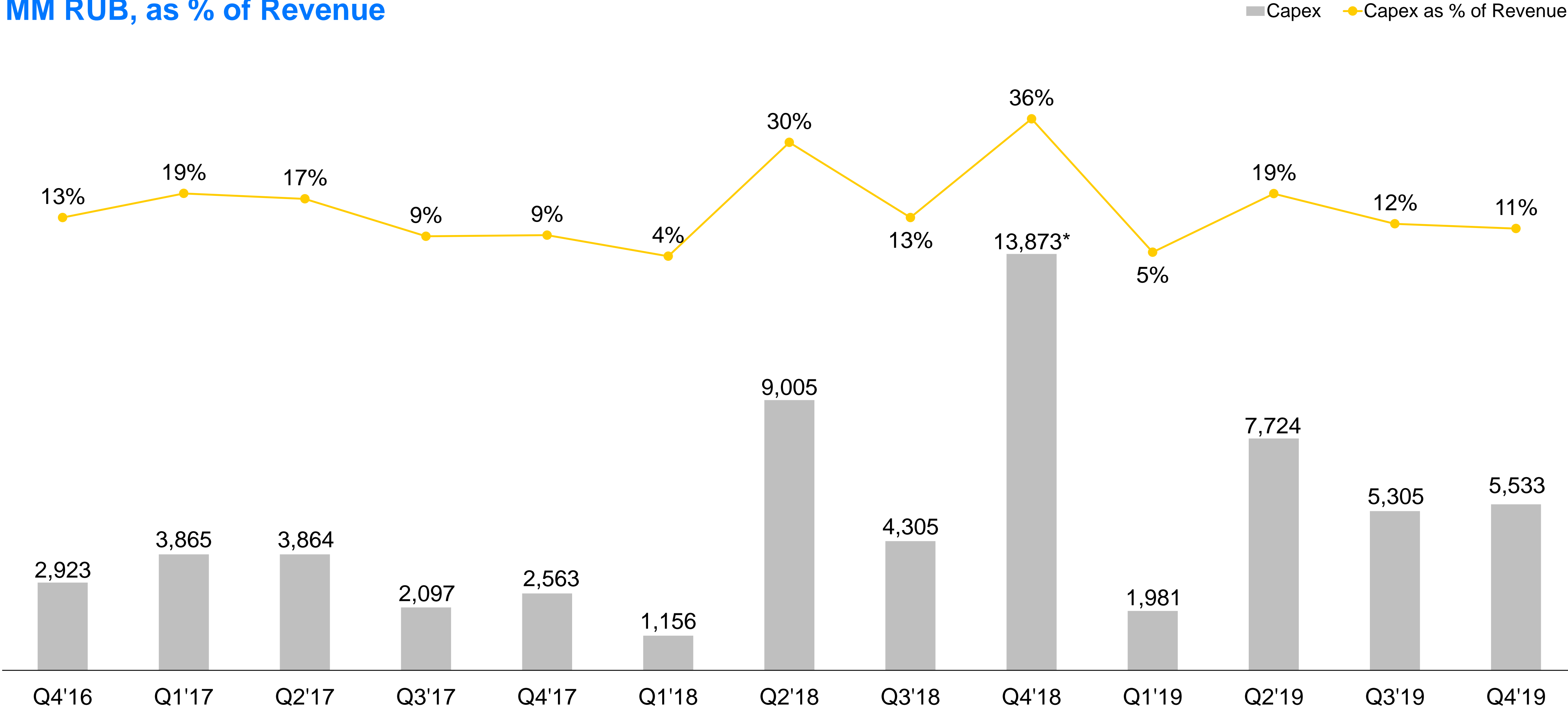
² Items may not total 100% due to rounding

* 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	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19
Cost of Sales (COS)												
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
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
SBC related to COS	42	64	36	36	36	43	47	54	68	64	72	89
Total Cost of Sales	5,352	5,752	6,048	6,800	6,712	8,260	9,064	11,857	11,585	12,577	13,961	17,665
<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>
Product Development (PD)												
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
SBC related to PD	576	542	548	811	1,146	1,058	1,139	1,107	1,432	1,579	1,663	1,620
Total PD	4,551	4,513	4,591	5,211	5,803	5,386	5,534	5,856	6,706	6,995	7,407	8,101
<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>
SG&A												
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
SBC related to SG&A	340	359	292	547	451	460	530	481	619	704	935	1,010
Total SG&A	4,965	6,086	8,060	8,044	8,009	8,838	8,895	10,464	10,351	11,082	12,421	16,301
<i>SG&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>
Depreciation & Amortization (D&A)												
D&A	2,463	2,823	2,930	3,023	2,890	2,926	3,118	3,203	3,257	3,756	3,788	3,976
<i>D&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>
Goodwill Impairment												
	-	-	-	-	-	-	-	-	-	-	-	762
Total Costs	17,331	19,174	21,629	23,078	23,414	25,410	26,611	31,380	31,899	34,410	37,577	46,805
<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>

* Items may not total 100% due to rounding

Quarterly Financial Summary by Segment

Revenues, MM RUB	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY'19
Search & Portal	21,569	23,965	25,816	29,671	101,021	27,109	29,090	31,172	34,463	121,834
<i>S&P, excl. IoT</i>	<i>21,569</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>
E-commerce	1,255	442	-	-	1,697	-	-	-	-	-
Taxi	3,116	4,064	5,109	6,924	19,213	7,639	8,810	9,654	11,942	38,045
<i>Ride-hailing & FoodTech</i>	<i>3,116</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>SDC</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Classifieds	706	915	988	1,108	3,717	1,106	1,302	1,371	1,611	5,390
Media Services	421	395	414	679	1,909	734	876	924	1,333	3,867
Other Bets and Experiments	779	1,130	1,480	2,236	5,625	2,478	3,420	4,088	5,096	15,082
Eliminations	(1,273)	(1,239)	(1,237)	(1,776)	(5,525)	(1,782)	(2,101)	(2,195)	(2,749)	(8,827)
Total Revenues	26,573	29,672	32,570	38,842	127,657	37,284	41,397	45,014	51,696	175,391

Revenue growth, %YoY	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19
Search & Portal	18%	21%	24%	26%	23%	26%	21%	21%	16%	21%
<i>S&P, excl. IoT</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>25%</i>	<i>21%</i>	<i>20%</i>	<i>15%</i>	<i>20%</i>
E-commerce	-3%	-62%	-	-	-66%	-	-	-	-	-
Taxi	301%	426%	344%	216%	293%	145%	117%	89%	72%	98%
<i>Ride-hailing & FoodTech</i>	<i>301%</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>SDC</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Classifieds	92%	101%	80%	61%	81%	57%	42%	39%	45%	45%
Media Services	73%	57%	43%	69%	61%	74%	122%	123%	96%	103%
Other Bets and Experiments	138%	225%	232%	209%	205%	218%	203%	176%	128%	168%
Eliminations	98%	75%	55%	55%	68%	40%	70%	77%	55%	60%
Total Revenues	29%	34%	39%	39%	36%	40%	40%	38%	33%	37%

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*	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19
Search & Portal	10,554	11,661	12,593	13,424	48,232	12,847	13,747	15,467	15,102	57,163
<i>S&P, excl. IoT</i>	<i>10,596</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>
E-commerce	(162)	(101)	-	-	(263)	-	-	-	-	-
Taxi	(1,712)	(1,882)	(711)	(129)	(4,434)	(116)	423	170	271	748
<i>Ride-hailing & FoodTech</i>	<i>(1,629)</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>SDC</i>	<i>(83)</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>
Classifieds	(287)	44	78	(18)	(183)	(328)	265	43	330	310
Media Services	(97)	(260)	(238)	(215)	(810)	(440)	(438)	(636)	(688)	(2,202)
Other Bets and Experiments	(623)	(733)	(962)	(792)	(3,110)	(1,239)	(947)	(1,180)	(1,839)	(5,205)
Eliminations	31	27	41	44	143	44	47	55	54	200
Total Adj.EBITDA	7,704	8,756	10,801	12,314	39,575	10,768	13,097	13,919	13,230	51,014

Adj. EBITDA Margin, %	Q1'18	Q2'18	Q3'18	Q4'18	FY '18	Q1'19	Q2'19	Q3'19	Q4'19	FY '19
Search & Portal	49%	49%	49%	45%	48%	47%	47%	50%	44%	47%
<i>S&P, excl. IoT</i>	<i>49%</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>
E-commerce	-13%	-23%	-	-	-16%	-	-	-	-	-
Taxi	-55%	-46%	-14%	-2%	-23%	-1%	5%	2%	2%	2%
<i>Ride-hailing & FoodTech</i>	<i>-52%</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>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	-41%	5%	8%	-2%	-5%	-30%	20%	3%	20%	6%
Media Services	-23%	-66%	-58%	-32%	-42%	-60%	-50%	-69%	-52%	-57%
Other Bets and Experiments	-80%	-65%	-65%	-35%	-55%	-50%	-28%	-29%	-36%	-35%
Eliminations	-2%	-2%	-3%	-2%	-3%	-2%	-2%	-3%	-2%	-2%
Total Adj. EBITDA Margin	29%	30%	33%	32%	31%	29%	32%	31%	26%	29%

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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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