



Yandex Announces Second Quarter 2024 Financial Results

July 30, 2024 – YANDEX (MOEX: YDEX), an IT company that creates world-class technologies and services today announced its unaudited financial results for the second quarter ended June 30, 2024.

- Revenue increased by 37% year-on-year in the second quarter and amounted to 249.3 billion rubles.
- Adjusted EBITDA amounted to 47.6 billion rubles or 19.1% of revenue.
- Yandex expects its total group revenues to grow in the range of 38%-40% year-on-year for the full year 2024.
- Adjusted EBITDA for the full year 2024 is expected to be in the range between 170 billion and 175 billion rubles.
- The Board of Directors will consider the payment of the first dividend in the amount of 80 rubles per ordinary share.

Q2 2024 Financial and Operational Highlights¹

The presented results for the three and six months ended June 30, 2024 and 2023, including the historical results of the group as part of Yandex N.V., are prepared in accordance with IFRS.

In RUB millions		Three months ended June 30			Six months ended June 30		
		2024	2023	Change	2024	2023	Change
Yandex Group	Revenues	249,315	182,059	37%	477,629	344,958	38%
	Adjusted EBITDA	47,605	30,546	56%	85,206	48,696	75%
	Total Adjusted EBITDA margin, %	19.1%	16.8%	2.3 p.p.	17.8%	14.1%	3.7 p.p.
	Adjusted EBITDA excluding operating lease expenses	52,123	33,881	54%	93,245	55,345	68%
	Adjusted EBITDA excluding operating lease expenses margin, %	20.9%	18.6%	2.3 p.p.	19.5%	16.0%	3.5 p.p.
	Net Income (loss)	(31,754)	22,465	-241%	(11,679)	34,669	-134%
	Adjusted Net Income	22,697	15,690	45%	44,268	23,547	88%
Search and portal	Share of Russian search market, %	64.9%	63.6%	1.3 p.p.	64.7%	63.5%	1.2 p.p.
	Revenues	103,401	78,602	32%	197,035	146,328	35%
	Adjusted EBITDA	52,378	41,054	28%	96,596	75,814	27%
	Adjusted EBITDA margin, %	50.7%	52.2%	-1.5 p.p.	49.0%	51.8%	-2.8 p.p.
E-Commerce, Mobility and Delivery	Revenues	134,487	94,611	42%	256,604	182,767	40%
	GMV of Mobility ²	350,871	254,212	38%	672,970	478,946	41%
	GMV of E-commerce ³	219,490	143,496	53%	418,473	283,241	48%

	GMV of Delivery and other O2O services ⁴	67,524	40,976	65%	127,780	77,583	65%
	Total Adjusted EBITDA	8,855	(6,180)	n/m	11,718	(17,114)	n/m
Plus and Entertainment Services	Yandex Plus subscribers, MM	33.7	23.5	43%	33.7	23.5	43%

¹ The following measures are not financial measures under IFRS: adjusted EBITDA, adjusted EBITDA margin and adjusted net income/(loss), as well as adjusted EBITDA excluding operating lease expenses and related margin. Please see the section "Use of financial measures that are not financial measures under IFRS" below for a discussion of how we define these measures, as well as reconciliations at the end of this release.

² GMV (or gross merchandise value) of Mobility is defined as the total amount paid by customers for ride-hailing, car-sharing and scooters rent services booked through our platform, including VAT.

³ GMV of E-commerce is defined as the value of all merchandise sold through our Yandex Market marketplace and Yandex Lavka as well as the value of products sold through Yandex Eats and Delivery grocery service (delivered and paid for), the value of orders delivered through the Yandex Eats and Delivery food delivery services, including VAT.

⁴ GMV of Delivery and other O2O (online-to-offline) services includes the total amount paid by customers and partner businesses for Yandex Delivery and Yandex Fuel services, and several other smaller O2O experiments, including VAT.

About Yandex

IPJSC YANDEX (MOEX: YDEX) is a technology company that builds intelligent products and services powered by machine learning. Our goal is to help consumers and businesses better navigate the online and offline world. We develop world-class, locally relevant search and navigation products, mobility, e-commerce, online entertainment, cloud computing and other services to assist millions of consumers in our markets of presence.

Forward-Looking Statements

This press release may contain forward-looking statements that involve risks and uncertainties. All statements contained in this press release other than statements of historical facts, including, without limitation, statements regarding our future financial and business performance, our business and strategy and the impact of the current geopolitical and macroeconomic developments on our industry, business and financial results, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "guide," "intend," "likely," "may," "will" and similar expressions and their negatives are intended to identify forward-looking statements. Actual results may differ materially from the results predicted or implied by such statements, and our reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from the results predicted or implied by such statements include, among others, macroeconomic and geopolitical developments affecting the Russian economy or our business, changes in the political, legal and/or regulatory environment and regulatory and business responses to that crisis, including international economic sanctions and export controls, competitive pressures, changes in advertising patterns, changes in user preferences, technological developments, and our need to expend capital to accommodate the growth of the business, and others. All information in this release and in the attachments is as of July 30, 2024, and IPJSC YANDEX undertakes no duty to update this information unless required by law.

Use of Financial Measures That are not Financial Measures Under IFRS

To supplement the financial information prepared and presented in accordance with IFRS, we present the following financial measures: Adjusted EBITDA, Adjusted EBITDA margin and Adjusted net income/(loss), as well as Adjusted EBITDA excluding operating lease expenses and related margin. The presentation of these financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with IFRS. For more information on these financial measures, please see the relative tables captioned "Reconciliations of financial measures". We define the various financial measures we use as follow.

- **Adjusted EBITDA** means net income/(loss) before: (1) depreciation and amortization excluding amortization of right of use assets related to operating lease, (2) certain SBC expense, (3) interest expense excluding those related to operating lease, (4) income tax expense, (5) one-off restructuring and other expenses, (6) impairment of goodwill and other intangible assets, (7) interest income, (8) other non-operating income/(loss), net.
- **Adjusted net income** means net income/(loss) before: (1) certain SBC expense, (2) one-off restructuring and other expenses, (3) impairment of goodwill and other intangible assets, (4) foreign exchange gains/(losses). Tax effects related to the listed adjustments are excluded from adjusted net income.
- **Adjusted EBITDA excluding operating lease expenses** means net income/(loss) before: (1) depreciation and amortization, (2) certain SBC expense, (3) interest expense, (4) income tax expense, (5) one-off restructuring and other expenses, (6) impairment of goodwill and other intangible assets, (7) interest income, (8) other non-operating income/(loss), net.

These financial measures are used by management for evaluating financial performance as well as decision-making. Management believes that these metrics reflect the organic, core operating performance of the company, and therefore are useful to analysts and investors in providing supplemental information that helps them understand, model and forecast the evolution of our operating business.

Although our management uses these financial measures for operational decision-making and considers these financial measures to be useful for analysts and investors, we recognize that there are a number of limitations related to such measures. In particular, it should be noted that several of these measures exclude some recurring costs. In addition, the components of the costs that we exclude in our calculation of the measures described above may differ from the components that our peer companies exclude when they report their results of operations.

Below we describe why we make particular adjustments to certain financial measures:

Certain SBC expense

SBC is a significant expense item, and an important part of our compensation and incentive programs. As it is highly dependent on our share price at the time of equity award grants, we believe that it is useful for investors and analysts to see certain financial measures excluding the impact of these charges in order to obtain a clearer picture of our operating performance. However, because we settled the RSU equity awards of our employees in cash during 2023 and six months of 2024, we no longer eliminate the relevant SBC expense corresponding to the cash payment from adjusted EBITDA and adjusted net income.

Goodwill and other intangible assets impairment

We adjust our net income/(loss) and EBITDA/(loss) to exclude a loss from goodwill and intangible assets impairment, as well as any related income tax effects. Excluding these expenses, allow us to provide a clearer picture of our business performance, without being distracted by one-off expenses that are not directly related to our operating activities.

One-off restructuring and other expenses

We believe that it is useful to present adjusted net income/(loss), adjusted EBITDA/(loss) and related margin measures excluding impacts not related to our operating activities. Adjusted net income/(loss) and adjusted EBITDA/(loss) exclude expenses related to the proposed corporate restructuring and other similar one-off expenses.

Right of use assets amortization and interest expenses related to operating leases

We do not exclude right of use assets amortization and interest expenses related to operating leases from net income/(loss), which mainly include office rentals, since to a large extent we can manage them in the course of operating activities. However, informatively, we also show separately adjusted EBITDA excluding operating lease expenses.

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**Unaudited Condensed Consolidated and Combined Statements of Operations for the three
and six months ended June 30, 2024 and 2023**

(in millions of Russian rubles, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenues	249,315	182,059	477,629	344,958
Operating costs and expenses:	(264,580)	(162,667)	(467,752)	(317,801)
Income/(loss) from operations	(15,265)	19,392	9,877	27,157
Interest income	2,218	1,476	4,186	2,997
Interest expense	(7,905)	(3,360)	(15,854)	(6,049)
Other non-operating income/(expenses), net	(4,467)	9,568	(2,922)	17,048
Net income/(loss) before income taxes	(25,419)	27,076	(4,713)	41,153
Income tax expense	(6,335)	(4,611)	(6,966)	(6,484)
Net income/(loss)	(31,754)	22,465	(11,679)	34,669
Net income attributable to non-controlling interests	-	413	-	1,905
Net income/(loss) attributable to parent company	(31,754)	22,052	(11,679)	32,764
Basic and diluted income/(loss) per share, in russian rubles	(86.16)	-	(31.23)	-
Basic and diluted weighted average number of shares used in income/(loss) per share computation, pcs.	368,555,202	-	374,004,498	-

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Unaudited Condensed Consolidated and Combined Balance Sheets as of June 30, 2024 and December 31, 2023
(in millions of Russian rubles)

	As of June 30, 2024	As of December 31, 2023
ASSETS		
Property and equipment	165,756	141,953
Goodwill	149,617	142,840
Content assets	30,361	26,626
Intangible assets	27,789	27,952
Right-of-use assets	75,604	72,279
Deferred tax assets	11,972	9,452
Bank deposits and loans to customers	15,851	681
Other non-current assets	32,845	28,861
Total non-current assets	509,795	450,644
Inventory	26,185	21,225
Accounts receivable	81,318	85,036
Prepaid expenses, current	16,184	16,976
VAT reclaimable	26,595	28,115
Bank deposits and loans to customers	30,753	23,231
Funds receivable	15,401	13,060
Cash and cash equivalents	102,933	86,103
Other current assets	20,434	22,012
Total current assets	319,803	295,758
TOTAL ASSETS	829,598	746,402
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total equity	272,557	260,635
Debt	60,121	49,438
Lease liabilities	54,738	52,423
Deferred tax liabilities	6,297	11,463
Other accrued liabilities	15,699	9,248
Total non-current liabilities	136,855	122,572
Debt	84,741	91,434
Accounts payable and accrued liabilities	204,835	168,865
Income and non-income taxes payable	41,441	48,218
Bank deposits and liabilities	50,261	19,573
Deferred revenue	24,344	22,138
Lease liabilities	14,564	12,967
Total current liabilities	420,186	363,195
Total liabilities	557,041	485,767
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	829,598	746,402

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RECONCILIATIONS OF NON-IFRS FINANCIAL MEASURES TO THE NEAREST COMPARABLE IFRS MEASURES

Reconciliation of Adjusted EBITDA to IFRS net Income/(loss)

<i>In RUB millions</i>	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Net income/(loss)	(31,754)	22,465	<i>n/m</i>	(11,679)	34,669	<i>n/m</i>
Depreciation of property and equipment, intangible assets and right-of-use assets amortization	14,849	11,875	25%	28,593	22,615	26%
Certain SBC expense	51,442	1,246	<i>n/m</i>	53,248	4,258	<i>n/m</i>
One-off restructuring and other expenses	1,097	169	<i>n/m</i>	1,377	116	<i>n/m</i>
Interest income	(2,218)	(1,476)	50%	(4,186)	(2,997)	40%
Interest expense	7,905	3,360	135%	15,854	6,049	162%
Other non-operating income/(expenses), net	4,467	(9,568)	<i>n/m</i>	2,922	(17,048)	<i>n/m</i>
Impairment of goodwill and other intangible assets	-	1,199	<i>n/m</i>	150	1,199	-87%
Income tax expense	6,335	4,611	37%	6,966	6,484	7%
Adjusted EBITDA excluding operating lease expenses	52,123	33,881	54%	93,245	55,345	68%
Operating lease right-of-use assets amortization	(3,194)	(2,791)	14%	(5,516)	(5,546)	-1%
Interest expense relating to operating leases	(1,324)	(544)	143%	(2,523)	(1,103)	129%
Adjusted EBITDA	47,605	30,546	56%	85,206	48,696	75%

Reconciliation of Adjusted Net Income to IFRS Net Income/(loss)

<i>In RUB millions</i>	Three months ended June 30,			Six months ended June 30,		
	2024	2023	Change	2024	2023	Change
Net income/(loss)	(31,754)	22,465	<i>n/m</i>	(11,679)	34,669	<i>n/m</i>
Certain SBC expense	51,442	1,246	<i>n/m</i>	53,248	4,258	<i>n/m</i>
Foreign exchange (gains)/losses	1,831	(9,457)	<i>n/m</i>	1,007	(17,009)	<i>n/m</i>
One-off restructuring and other expenses	1,165	211	<i>n/m</i>	1,502	211	<i>n/m</i>
Impairment of goodwill and other intangible assets	-	1,199	<i>n/m</i>	150	1,199	-87%
Tax effect of adjustments	13	26	-50%	40	219	-82%
Adjusted net income	22,697	15,690	45%	44,268	23,547	88%

Contacts

Investor Relations
askIR@yandex-team.ru

Media Relations
pr@yandex-team.ru

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