



Yandex Announces Third Quarter 2024 Financial Results

October 29, 2024 – YANDEX (MOEX: YDEX), an IT company that creates world-class technologies and services today announced its unaudited financial results for the third quarter ended September 30, 2024.

- 1 Revenue increased by 36% year-on-year in the third quarter and amounted to 276.8 billion rubles
- 2 Adjusted EBITDA amounted to 54.7 billion rubles or 19.8% of revenue, an increase of 3.7 percentage points compared to the third quarter of 2023
- 3 Yandex maintains its forecast for 2024 for its total group revenues to grow in the range of 38%-40% year-on-year and adjusted EBITDA in the range between 170 billion and 175 billion rubles.

Q3 2024 Financial and Operational Highlights^{1,2}

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

In billions of Russian rubles		Three months ended September 30			Nine months ended September 30		
		2024	2023	Change	2024	2023	Change
Yandex Group	Revenues	276.8	204.2	36%	754.4	549.2	37%
	Adjusted EBITDA	54.7	32.9	66%	139.9	81.6	71%
	Total Adjusted EBITDA margin, %	19.8%	16.1%	3.7 p.p.	18.5%	14.9%	3.6 p.p.
	Adjusted Net Income	25.1	11.5	118%	69.6	35.1	98%
Search and Portal	Share of Russian search market, %	65.5%	62.6%	2.9 p.p.	64.9%	63.2%	1.7 p.p.
	Revenues	113.9	90.6	26%	310.9	236.9	31%
	Adjusted EBITDA	58.4	47.0	24%	155.0	122.8	26%
	Adjusted EBITDA margin, %	51.3%	51.9%	-0.6 p.p.	49.9%	51.9%	-2 p.p.
E-Commerce, Mobility and Delivery	Revenues	146.8	106.9	37%	403.4	289.7	39%
	GMV of Mobility ³	380.6	298.6	27%	1.052.7	777.5	35%
	GMV of E-commerce ⁴	235.8	156.3	51%	654.3	439.6	49%
	GMV of Delivery and other O2O services ⁵	78.2	48.8	60%	206.0	126.3	63%
	Total Adjusted EBITDA	4.1	(4.5)	n/m	15.9	(21.6)	n/m
Plus and Entertainment Services	Yandex Plus subscribers, MM	36.0	25.8	40%	36.0	25.8	40%
Personnel	Total number of full-time employees, people	28.090	24.371	15%	28.090	24.371	15%
	Total number of employees, people	90.801	78.913	15%	90.801	78.913	15%

(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. 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) Immaterial deviations in the calculation of percentage changes, subtotals and totals are due to rounding in this and other tables and in the text of this press release.

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

(4) 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.

(5) 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 October 29, 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. 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 follows:

- **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 EBITDA margin** means adjusted EBITDA divided by revenues.
- **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, we no longer eliminate the relevant SBC expense corresponding to the cash payment from adjusted EBITDA and adjusted net income.

Foreign exchange gains/(losses)

Because we hold assets and liabilities in currencies other than our Russian ruble operating currency, and because foreign exchange fluctuations are outside of our operational control, we believe that it is useful to present adjusted EBITDA, adjusted net income and related margin measures excluding these effects, in order to provide greater clarity regarding our operating performance.

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 Statement of Operations for the three and nine months ended
September 30, 2024

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

	Three months ended September 30		Nine months ended September 30	
	2024	2023	2024	2023
Revenues	276.8	204.2	754.4	549.2
Operating costs and expenses:	(251.3)	(181.9)	(719.1)	(499.8)
Income from operations	25.4	22.3	35.3	49.5
Interest income	2.7	1.8	6.9	4.8
Interest expense	(7.9)	(5.0)	(23.8)	(11.1)
Other non-operating income/(expenses), net	(0.9)	8.6	(3.9)	25.7
Net income before income taxes	19.3	27.6	14.5	68.8
Income tax expense	(11.6)	(7.4)	(18.6)	(13.9)
Net income/(loss)	7.6	20.2	(4.1)	54.9
Net income attributable to non-controlling interests	—	—	—	1.9
Net income/(loss) attributable to owners of the Company	7.6	20.2	(4.1)	53.0
Net income/(loss) per share:				
Basic	20.09	—	(10.81)	—
Diluted	19.78	—	(10.81)	—
Weighted average number of ordinary shares used in per share computation				
Basic	379,189,189	—	375,745,343	—
Diluted	385,175,591	—	375,745,343	—

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Unaudited Condensed Consolidated Balance Sheets as of September 30, 2024

(in billions of Russian rubles)

	As of September 30, 2024	As of December 31, 2023
ASSETS		
Property and equipment	193.2	142.0
Goodwill	150.4	142.8
Content assets	33.4	26.6
Other intangible assets	26.6	28.0
Right-of-use assets	77.6	72.3
Deferred tax assets	10.0	9.5
Loans to customers	5.9	0.7
Other non-current assets	32.6	28.9
Total non-current assets	529.7	450.6
Inventory	28.1	21.2
Trade accounts receivable	79.3	85.0
Prepaid expenses	24.5	17.0
VAT reclaimable	29.2	28.1
Loans to customers	51.6	23.2
Funds receivable	9.3	13.1
Term deposits	4.6	—
Cash and cash equivalents	126.8	86.1
Other current assets	20.6	22.0
Total current assets	374.1	295.8
TOTAL ASSETS	903.9	746.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
TOTAL EQUITY	269.9	260.6
Debt	104.4	49.4
Lease liabilities	56.7	52.4
Deferred tax liabilities	9.2	11.5
Other non-current liabilities	9.9	9.2
Total non-current liabilities	180.2	122.6
Debt	89.6	91.4
Accounts payable, provisions and other liabilities	215.4	168.9
Taxes payable	46.7	48.2
Fintech customer deposits and other financial liabilities	60.8	19.6
Contract liabilities	26.6	22.1
Lease liabilities	14.9	13.0
Total current liabilities	453.9	363.2
Total liabilities	634.0	485.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	903.9	746.4

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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)

In billions of Russian rubles	Three months ended September 30			Nine months ended September 30		
	2024	2023	Change	2024	2023	Change
Net income/(loss)	7.6	20.2	-62%	(4.1)	54.9	n/m
Depreciation of property and equipment, intangible assets and right-of-use assets	16.0	13.4	19%	44.6	36.1	24%
Certain SBC expense	17.0	0.5	n/m	70.2	4.7	n/m
One-off restructuring and other expenses	0.5	—	n/m	1.8	0.2	n/m
Interest income	(2.7)	(1.8)	52%	(6.9)	(4.8)	44%
Interest expense	7.9	5.0	57%	23.8	11.1	114%
Other non-operating income/(expenses), net	0.9	(8.6)	n/m	3.9	(25.7)	n/m
Impairment of goodwill and other intangible assets	—	—	n/m	0.2	1.2	-87%
Income tax expense	11.6	7.4	57%	18.6	13.9	34%
Adjusted EBITDA excluding operating lease expenses	58.9	36.3	62%	152.1	91.6	66%
Operating lease right-of-use assets amortization	(2.8)	(2.7)	5%	(8.3)	(8.2)	1%
Interest expense relating to operating leases	(1.4)	(0.7)	100%	(3.9)	(1.8)	118%
Adjusted EBITDA	54.7	32.9	66%	139.9	81.6	71%

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

In billions of Russian rubles	Three months ended September 30			Nine months ended September 30		
	2024	2023	Change	2024	2023	Change
Net income/(loss)	7.6	20.2	-62%	(4.1)	54.9	n/m
Certain SBC expense	17.0	0.5	n/m	70.2	4.7	n/m
Foreign exchange (gains)/losses	0.1	(9.3)	n/m	1.1	(26.3)	n/m
One-off restructuring and other expenses	0.5	0.1	n/m	2.0	0.3	n/m
Impairment of goodwill and other intangible assets	—	—	n/m	0.2	1.2	-87%
Tax effect of adjustments	(0.1)	—	n/m	0.1	0.2	-66%
Adjusted net income	25.1	11.5	118%	69.6	35.1	98%

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