



Rating
Buy

North America
United States

TMT
Internet

Company
Yandex

Reuters
YNDX.OO

Bloomberg
YNDX US

Exchange
NMS

Ticker
YNDX

Date
14 July 2017

Breaking News

Price at 13 Jul 2017 (USD)	31.68
Price target	38.00
52-week range	31.68 - 17.61

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Key changes

Price target	35.00 to 38.00	↑	8.6%
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Source: Deutsche Bank

Ride is not over after Uber catalyst

Multiple catalysts remain; Reiterate buy and increase TP from \$35 to \$38

We reit. our Buy rating on YNDX and see further upside even after the post-Uber bounce. We see two key catalysts ahead including (1) upside to Yandex Sites ad revenue over the balance of 2017 as macro stabilizes, broad match continues to benefit monetization and comps ease and (2) mobile market share should climb post the Google/FAS settlement implementation sometime in 2H. We see the Uber deal strengthening competitive positioning and profitability. In addition, we see YNDX as a scarcity play on ride sharing that can help expand the shareholder base. We increase our TP to \$38 (from \$35).

Pro forma valuation of \$3.7B implies \$3/share upside to our TP

We increase our TP on Yandex by \$3/share reflecting the Uber integration based on our analysis of the pro forma entity (**Figure 5**). We see YNDX stake worth US\$2.2B (vs our previous US\$1.1B for Yandex Taxi) and see meaningful long term upside potential as ride sharing penetration grows in Russia and investment levels slow over time. We see long term take-rates in the 20%+ range and EBITDA margins of 40%+ based on take-rates in other markets and Yandex Taxi's historic EBITDA margins (17% in 2015 and 57% in 2014). We see a significant opportunity for Yandex Taxi to grow its market share of rides in its current markets for Taxi rides, which could result in Yandex's share of taxi revenue increasing from ~\$300M to ~\$1.5B.

Business and market share gains likely catalysts ahead

In core search, we see potential for YNDX Sites ad rev growth to be meaningfully faster than our 21% est for the balance of 2017, which reflects a conservative slowdown from 26% growth in 1Q, particularly as comps ease. In addition, we see Android share gains ahead, which could drive a 3% to 6% boost to revenue based on our base/bull case (**Figure 7**).

Valuation/Risk/Reward headline

Our new TP of \$38 (prev \$35) is based on an average of 22x. PF EPS, 14x EV/EBITDA, & a 3.0% FCF yield (prev 3.5%) on our 2018 ex-Taxi estimates (unchanged). Taxi is valued at \$7/share (prev \$3/share), based on 8x 2018E revs. Risks include competition, loss of network partners, FX risk, EM risk, political risk, corporate structure risk, anti-trust risk, and lack of JV regulatory approvals (see pages 8-9 for details).

14 July 2017

Internet

Yandex



Model updated: 14 July 2017

Running the numbers

North America

United States

Internet

Yandex

Reuters: YNDX.OO

Bloomberg: YNDX US

Buy

Price (13 Jul 17) USD 31.68

Target Price USD 38.00

52 Week range USD 17.61 - 31.68

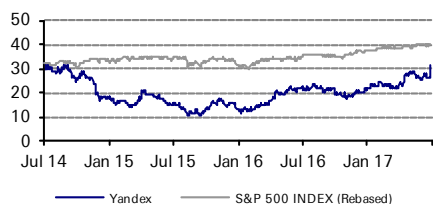
Market Cap (m) USDm 10,419

EURm 9,141

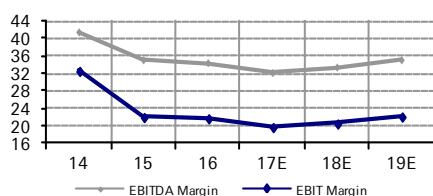
Company Profile

Yandex operates the leading Internet search engine in Russia. In addition to search, the company also offers a range of services including specialized search, personalized and location-based services, including Yandex.News, Yandex.Market, Yandex.Mail and Yandex.Maps.

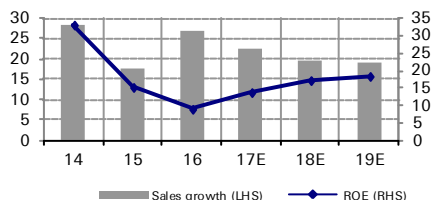
Price Performance



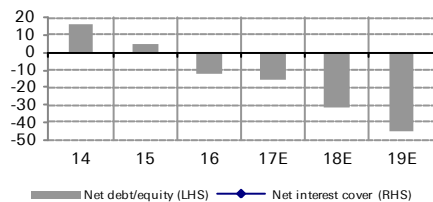
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

2014 2015 2016 2017E 2018E 2019E

Financial Summary

DB EPS (RUB)	42.31	37.74	43.37	50.01	59.66	75.35
Reported EPS (RUB)	52.27	30.00	20.85	36.18	53.63	69.36
DPS (RUB)	0.00	0.00	0.00	0.00	0.00	0.00
BVPS (RUB)	171.17	217.25	241.53	281.30	339.02	411.89

Valuation Metrics

Price/Sales (x)	7.4	5.1	5.3	6.7	5.6	4.7
P/E (DB) (x)	27.2	25.0	28.7	38.0	31.8	25.2
P/E (Reported) (x)	22.0	31.4	59.7	52.5	35.4	27.4
P/BV (x)	6.2	5.4	5.1	6.8	5.6	4.6
FCF yield (%)	1.5	2.1	3.9	2.5	3.3	4.3
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	6.8	4.6	4.8	6.1	4.9	3.9
EV/EBITDA	16.5	13.0	13.9	19.1	14.8	11.2
EV/EBIT	21.0	20.7	21.9	31.1	24.0	17.8

Income Statement (RUBm)

Sales	50,767	59,792	75,925	93,012	111,311	132,822
EBITDA	21,052	20,969	26,121	29,897	37,168	46,574
EBIT	16,568	13,178	16,514	18,358	22,884	29,436
Pre-tax profit	18,390	15,776	19,166	21,099	26,001	33,082
Net income	17,020	9,679	6,783	11,900	17,761	23,143

Cash Flow (RUBm)

Cash flow from operations	15,306	19,576	25,449	27,429	34,529	42,643
Net Capex	-9,679	-13,045	-9,625	-12,112	-13,760	-15,697
Free cash flow	5,627	6,531	15,824	15,317	20,768	26,945
Equity raised/(bought back)	-11,972	-23	0	0	0	0
Dividends paid	0	0	0	0	0	0
Net inc/(dec) in borrowings	2,939	-6,096	-5,397	0	0	0
Other investing/financing cash flows	-9,755	6,164	-6,378	-9,876	0	0
Net cash flow	-13,161	6,576	4,049	5,441	20,768	26,945
Change in working capital	-1,731	329	2,006	-1,090	-166	-465

Balance Sheet (RUBm)

Cash and cash equivalents	17,645	24,238	28,232	31,439	52,207	79,152
Property, plant & equipment	17,107	24,337	18,817	21,211	20,688	19,247
Goodwill	8,920	8,581	8,436	8,385	8,385	8,385
Other assets	51,252	54,662	58,623	68,020	70,674	73,717
Total assets	94,924	111,818	114,108	129,055	151,954	180,501
Debt	26,325	27,374	18,750	17,173	17,173	17,173
Other liabilities	12,863	14,347	16,766	19,362	22,499	25,905
Total liabilities	39,188	41,721	35,516	36,535	39,672	43,078
Total shareholders' equity	55,736	70,097	78,592	92,520	112,281	137,423
Net debt	8,680	3,136	-9,482	-14,266	-35,034	-61,979

Key Company Metrics

Sales growth (%)	28.5	17.8	27.0	22.5	19.7	19.3
DB EPS growth (%)	15.8	-10.8	14.9	15.3	19.3	26.3
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA Margin (%)	41.5	35.1	34.4	32.1	33.4	35.1
EBIT Margin (%)	32.6	22.0	21.8	19.7	20.6	22.2
ROE (%)	33.3	15.4	9.1	13.9	17.3	18.5
Net debt/equity (%)	15.6	4.5	-12.1	-15.4	-31.2	-45.1
Net interest cover (x)	nm	nm	nm	nm	nm	nm

DuPont Analysis

EBIT margin (%)	32.6	22.0	21.8	19.7	20.6	22.2
x Asset turnover (x)	0.6	0.6	0.7	0.8	0.8	0.8
x Financial cost ratio (x)	1.1	1.2	1.2	1.1	1.1	1.1
x Tax and other effects (x)	0.9	0.6	0.4	0.6	0.7	0.7
= ROA (post tax) (%)	20.5	9.4	6.0	9.8	12.6	13.9
x Financial leverage (x)	1.6	1.6	1.5	1.4	1.4	1.3
= ROE (%)	33.3	15.4	9.1	13.9	17.3	18.5
annual growth (%)	13.9	-53.8	-40.7	52.4	24.7	6.9
x NTA/share (avg) (x)	157.1	195.0	228.5	260.1	309.2	374.2
= Reported EPS	52.27	30.00	20.85	36.18	53.63	69.36
annual growth (%)	43.1	-42.6	-30.5	73.6	48.2	29.3

Source: Company data, Deutsche Bank estimates

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Yandex / Uber JV

Deal Specifics

Yandex.Taxi and Uber announced they will combine their ridesharing business in Russia and five other eastern European countries to form “NewCo,” which will be owned Yandex (59.3%), Uber (36.6%) and employees (4.1%). Tigran, CEO of Yandex.Taxi, will remain the CEO of NewCo and the board will consist of four Yandex elected Directors and three Uber elected Directors. NewCo is valued at \$3.725B on a post-money basis - \$325m of which is cash contributions by Uber (\$225m) and Yandex (\$100m). We make no changes to our formal core Yandex estimates pending a close of the transaction.

Specific financial disclosures around the new JV are limited, but management did note that NewCo will 1) be able to enter new markets outside of the current six country region, 2) the new entity has a current gross bookings run rate of \$1.578B and a 5-6% penetration rate of the taxi market across the six markets and 3) that UberEATS and other logistical opportunities will be a part of this new operation. Assuming no unforeseen regulatory hang-ups, management anticipates they will have regulatory approval for the deal in 4Q17 and commence operations as planned shortly thereafter.

We believe the new venture which Yandex will provide the tech stack and Uber will provide operational experience is a very exciting opportunity. Furthermore, given the scarcity of publically traded ride sharing companies, we believe investors will increasingly seek out Yandex shares to gain exposure to the ride sharing economy.

Margin Growth long-term

We anticipate that NewCo will invest heavily in the near-term - whether it is through improving the back-end technology supporting the platform, subsidizing rides or growing its UberEats ambitions. Due to the continuous near-term investments, we do not see a straight path to a margin goal, but we do not think that it is unreasonable for NewCo to achieve ~20% margins over the next 3-5 years – similar to those seen in 2015 (**Figure 1**). On a longer time horizon, we believe that ~40% margins are within reason

Figure 1: Yandex Taxi Historic EBITDA Margins

	2013	2014	2015	2016
Revenue	112	327	984	2,313
Adj EBITDA	57	218	163	(2,086)
EBITDA Margin	51%	67%	17%	-90%

Source: Deutsche Bank and Yandex

New Co.'s Revenue

Our valuation of NewCo is based on 2018 revenue which we arrived at by growing 2017 gross bookings 50% and applying a 20% take rate (**Figure 2**).



We think the growth assumption is conservative given that NewCo currently only has a ~5.5% market share of an almost \$30B highly fragmented market.

Figure 2: Yandex Taxi Market Share Math

		Comment
Yandex Taxi - 2017 annualized GMV (USD)	1,012	Investor presentation
Uber 2017 annualized GMV (Russia)	566	Investor presentation
Pro Forma 2017	1,578	
Pro Forma market share	5.5%	Management estimate
Implied Russia market size	28,691	Implied mgmt estimate
2018 growth	50%	Conservative DB est
Implied 2018 GMV	2,367	
Market share	8.25%	Implied share of Russia rides

Source: Deutsche Bank

This 50% growth would give NewCo a ~8.25% market share which we estimate could reasonably shake out closer to 30% or more over the next 5-10 years. Regarding the 20% take rate - we understand Yandex realizes ~10% take rates and Uber 20-25% (depending on the market), as such we see a 20% take rate as a reasonable middle-ground. In the figure below, we sensitize the potential for US dollar based net revenue across various market share rates and various take-rates on GMV (Figure 3).

Figure 3: New Co Revenue at Various Market Share and Take Rates

		Hypothetical New Co. Market Share				
		8.25%	10.75%	13.25%	15.75%	18.25%
		Implied Y/Y Growth in GMV in 2018				
		50%	95%	141%	186%	232%
Take Rates	10%	\$237	\$308	\$380	\$452	\$524
	15%	\$355	\$463	\$570	\$678	\$785
	20%	\$473	\$617	\$760	\$904	\$1,047
	25%	\$592	\$771	\$950	\$1,130	\$1,309

Source: Deutsche Bank and Yandex

Laying out Yandex's share of the NewCo post-money valuation

Based on the post-money valuation that Yandex announced, (Figure 4) Yandex's stake in NewCo is worth approximately \$2.1B. Based on our \$281M revenue estimate, this implies a revenue multiple of 7.5x – inline with our previously assumed 6-8x rev valuation range. We could see investors put a higher revenue multiple on the asset given its hyper growth and large addressable market, particularly as it gains scale and sees improving profitability.



Figure 4: Yandex's interest in the New Co.

New Co. Valuation		Guide
EV of New Co.	\$3,725	A
Yandex Stake in New Co.	59.3%	B
Yandex Equity Value	\$2,209	A x B = C
Yandex Cash Contribution	\$100	D
Yandex's stake of New Co. EV	\$2,109	C - D = E

Source: Deutsche Bank and Yandex

Figure 5: SOTP valuation scenario

(figures in millions)

Metric	2017	2018	2018 Multiple		Implied Valuation				
			Low	High	Low	High	Avg.		
EV/EBITDA									
Yandex (ex. Taxi)	Adj EBITDA	\$630	\$730	13.0x	15.0x	(a)	\$9,490	\$10,950	\$10,220
	EBITDA Margin	35%	36%						
EV/Revenue									
Taxi New Co.	Revenue	\$187	\$281	6.0x	8.0x	(b)	\$1,684	\$2,246	\$1,965
Enterprise Value							\$11,174	\$13,196	\$12,185
Year-end net debt (cash)		(\$829)	(\$1,194)				(\$1,194)	(\$1,194)	(\$1,194)
Market Cap							\$12,369	\$14,390	\$13,379
YE diluted shares							328	328	328
Implied share price							\$38	\$44	\$41
Implied upside to current							21%	41%	31%
Implied share price of New co							\$5	\$7	\$6
Implied upside to prior \$3/share valuation							71%	128%	99%
Implied share price (discounted back 1-year)							\$36	\$42	\$39
Implied upside to current							15%	34%	25%

Source: Deutsche Bank estimates & Yandex reports

In (Figure 5) we lay out the post-deal implications of NewCo on a SOTP valuation framework for Yandex. For ease of exposition we have eliminated the weighted average valuation approach we use to value Yandex shares in total and simply valued it from an EV/EBITDA multiple. Based on NewCos size, margin/growth potential, we believe that the market supports a valuation range of 6-8x EV/Revenue multiple on this asset, or more. At 8x revenue, Yandex's share provides an additional \$7/share to the total Yandex valuation - \$4 more than our previous estimate.

Core Yandex setup looks strong for the balance of 2017

Yandex has continued to execute well with stable desktop market share (~64%) over the last three quarters despite both iOS and Android mobile market share declining. We believe that Yandex can continue to execute given that management noted the auto, financial and real estate verticals which



drove the 1Q17 performance, where O&O advertising revenue growth accelerated from 20% in 4Q16 to 26% in 1Q17, despite comping the most difficult growth rate in the 1Q16 period when growth had accelerated from 18% in 4Q15 to 27% in 1Q16). In other words, the two-year stacked growth rate accelerated from 38% in 4Q16 to 53% in 1Q17. Looking ahead, comps ease from the 27% growth rate in 1Q16 to 24% in 2Q16, and 21/20% in 3Q/4Q16. Despite the easier comps, we are modeling a 5ppt deceleration for 2017 O&O ad revenue (despite a 3ppt easier comp), which could be quite conservative assuming macro trends hold and the broad match algorithm update that drove part of 1Q strength continues to benefit in 2017.

Figure 6: O&O Revenue set up to comp through tough 2016

	4Q15	2015A	1Q16	2Q16	3Q16
O&O Advertising	12,883	43,099	11,404	12,562	13,435
y/y Growth	18%	13%	27%	24%	21%
	4Q16	2016A	1Q17	2Q17	3Q17
O&O Advertising	15,487	52,888	14,356	15,170	16,224
y/y Growth	20%	23%	26%	21%	21%

Source: Company reports and Deutsche Bank

Despite Yandex's share in mobile search contracting over the last two years, there is a clear opportunity created by the Google/FAS settlement. Given Russian preference for Yandex as evidenced by its strong share even in the Chrome browser and Google's frequent assaults on market share in Russia, we believe the opportunity for users to more easily pick their search provider on their mobile device, instead of having Google preselected automatically, provides a significant opportunity for Yandex. We see this change having the ability to increase Yandex's Android market share from 38% in 1Q17 to 60% in a bull case. **(Figure 7)** illustrates that a shift in market share of this magnitude could add 6.2% to 2017 ad revenue estimates. While we do not anticipate that Yandex's mobile market share will reach 60% by the end of 2018, we believe that a shift to a larger share of revenue coming from mobile due to the regulatory change is very feasible.



Figure 7: Sizing the Android Market Share Opportunity

		Comment
Yandex Mobile Search Queries	41,291	Company reports, 1Q17 annualized
% Android	90%	DB estimate
Yandex Search Queries - Android	37,162	
Yandex search share in Android	38%	Company reports
Implied Android Market Size in Russia - Queries	97,796	
Pro Forma Share - Base Case	50%	DB estimate
Pro Forma Share - Bull Case	60%	DB estimate (vs ~64% desktop share)
Implied Android SERPS - Base Case	48,898	
Implied Android SERPS - Bull Case	58,677	
Yandex Mobile Search Revenue (annualized)	10,451	Mobile 26% of revs, search 70% of O&O Revs; Annualized 1Q
Revenue per Query (RUB)	0.25	
Incremental Android Query - Base Case	11,735	
Incremental Android Query - Bull Case	21,515	
Incremental Revenue - Base Case	2,970	
% of 2017 total gross revenue	3.2%	
% of 2017 gross ad revenue	3.4%	
Incremental Revenue - Bull Case	5,446	
% of 2017 total gross revenue	5.9%	
% of 2017 gross ad revenue	6.2%	

Source: Deutsche Bank estimates and Yandex disclosures



Valuation/Risks

Valuation

Our new TP of \$38 (prev \$35) is based on an average of 22x. PF EPS, 14x EV/EBITDA, & a 3.0% FCF yield (prev 3.5%) on our 2018 ex-Taxi estimates (unchanged). Taxi is valued at \$7/share (prev \$3/share), based on 8x 2018E revs. We decreased the FCF yield by 50 bps to reflect the growth we anticipate from the outcome of the FAS ruling. Specifically, we see this as a source of growth that will not require significant additional marketing investment.

Figure 8: Valuation

Yandex -- Valuation Worksheet

(US\$ in millions, except per share amounts)

Current Price	\$31.68	Intra-Day 4/27/17
Diluted Shares Outstanding	328	
Current Market Cap	10,406	
Less: Net Cash and Equivalents	1,194	
Less : Other Assets (Yandex Taxi)	\$2,246	
Adjusted Enterprise Value	\$6,965	
Price to Earnings	2017E	2018E
USD / RUB FX rate	56.9	56.9
GAAP EPS (USD)	\$0.64	\$0.94
GAAP P/E Multiple (current)	49.8x	33.6x
Adjusted EPS - ex taxi (USD)	\$1.12	\$1.22
Adjusted P/E Multiple (current)	28.2x	26.0x
Adjusted P/E/G Multiple (current)	1.9x	1.7x
Target Multiple	25.0x	22.0x
Plus: Taxi per share	\$6.83	\$6.78
Implied Stock Price on Forward EPS	\$35	\$34
EV to EBITDA	2017E	2018E
Adjusted EBITDA	\$526	\$654
Taxi Adjusted EBITDA	(\$105)	(\$76)
Adjusted EBITDA ex. Taxi	\$630	\$730
Current EV/EBITDA Multiple	13.2x	10.7x
Current EV/EBITDA Multiple ex Taxi	11.0x	9.5x
Target Multiple	14.0x	14.0x
Enterprise Value (ex. Taxi)	8,826	10,215
Plus: YE Cash	1,231	1,596
Plus: Other Assets	2,246	2,246
Less: YE Debt	302	302
Equity Market Capitalization	\$12,001	\$13,755
FY End Projected Sharecount	329	331
Implied Stock Price on Forward EBITDA (ex. Taxi)	\$36	\$42
FCF Yield	2017E	2018E
FCF per Share	\$0.82	\$1.10
Current FCF Yield	2.6%	3.5%
Target Yield	3.5%	3.0%
Plus: Taxi per share	\$6.83	\$6.78
Implied Stock Price on Forward FCF	\$30	\$44
Average	\$38	

Source: Company reports and Deutsche Bank

Source: Deutsche Bank estimates and Yandex disclosures



Risks

Risks include competition, loss of network partners, FX risk, EM risk, political risk, corporate structure risk, increased investment in R&D and S&M, a multiple class share structure and risks related the regulatory hurdles that could jeopardize the future of the NewCo JV with Uber.

Figure 10: Revenue Drivers (RUB in mn)

Segment reporting	2013A	2014A	1QA	2QA	3QA	4QA	2015A	1QA	2QA	3QA	4QA	2016A	1QA	2QE	3QE	4QE	2017E	2018E	2019E
Revenues																			
Search and Portal	37,039	47,920	11,620	13,107	14,505	16,673	55,905	15,147	16,532	17,482	20,095	69,256	18,656	19,838	20,978	24,114	83,587	96,961	111,505
Search and Portal Less Intersegment Revenues	36,074	46,675	0	12,691	14,029	16,124	54,073	0	15,977	16,944	19,280	66,760	17,882	18,881	20,065	22,860	79,688	91,848	104,610
Y/Y Growth		29%					17%	30%	26%	21%	21%	24%	23%	20%	20%	20%	21%	16%	15%
Mix %	94%	94%	94%	94%	94%	92%	93%	92%	92%	91%	91%	91%	90%	91%	89%	89%	90%	87%	84%
E-commerce	2,810	2,889	671	730	827	1,172	3,400	1,043	1,069	1,200	1,406	4,718	1,295	1,251	1,392	1,631	5,569	6,743	8,226
Y/Y Growth		3%					18%	55%	46%	45%	20%	39%	24%	17%	16%	16%	18%	21%	22%
Mix %	7%	6%	5%	5%	5%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Classifieds	327	539	179	211	243	261	894	241	313	352	398	1,304	371	470	528	597	1,966	2,457	3,071
Y/Y Growth		65%					66%	35%	48%	45%	52%	46%	54%	50%	50%	50%	51%	25%	25%
Mix %	1%	1%	1%	2%	2%	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
Taxi	112	327	161	194	234	395	984	445	528	587	753	2,313	778	1,003	1,115	1,431	4,327	8,654	15,145
Y/Y Growth		192%					201%	176%	172%	151%	91%	135%	75%	90%	90%	90%	87%	100%	75%
Mix %	0%	1%	1%	1%	2%	2%	2%	3%	3%	3%	3%	3%	4%	5%	5%	5%	5%	8%	11%
Experiments (music, Konopoesk)	179	337	99	94	106	142	441	185	153	210	282	830	326	270	370	497	1,463	1,609	1,770
Y/Y Growth		88%					31%	87%	63%	98%	99%	88%	76%	76%	76%	76%	76%	10%	10%
Mix %	0%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%	1%	2%	2%	2%	1%	1%
Eliminations	(965)	(1,245)	(391)	(416)	(476)	(549)	(1,832)	(588)	(555)	(538)	(815)	(2,496)	(774)	(958)	(913)	(1,254)	(3,899)	(5,113)	(6,895)
Y/Y Growth		29%					47%	50%	33%	13%	48%	36%	32%	73%	70%	54%	56%	31%	35%
Mix %	-2%	-2%	-3%	-3%	-3%	-3%	-3%	-4%	-3%	-3%	-4%	-3%	-4%	-4%	-4%	-5%	-4%	-5%	-5%
Total revenues	39,502	50,767	12,339	13,920	15,439	18,094	59,792	16,473	18,040	19,293	22,119	75,925	20,652	21,874	23,470	27,016	93,012	111,311	132,822
Y/Y Growth		29%					18%	34%	30%	25%	22%	27%	25%	21%	22%	22%	23%	20%	19%
Adjusted EBITDA																			
Search and Portal	16,223	20,575	3,585	4,897	6,041	7,128	22,093	5,911	6,927	7,484	8,123	28,445	7,973	8,709	9,400	10,230	36,312	42,122	50,113
Y/Y Growth		27%					7%	65%	41%	24%	14%	29%	35%	26%	26%	26%	28%	16%	19%
Segment Margin	44%	43%	31%	37%	42%	43%	40%	39%	42%	43%	40%	41%	43%	44%	45%	42%	43%	43%	45%
Y/Y margin delta								8.2%	4.5%	1.2%	-2.3%	1.6%	3.7%	2.00%	2.00%	2.00%	2.4%	0.0%	1.5%
E-commerce	2,070	1,874	393	411	436	486	1,739	380	325	386	329	1,420	560	563	626	734	2,236	2,640	3,138
Y/Y Growth		-9%					-7%	-3%	-21%	-11%	-32%	-18%	47%	73%	62%	123%	57%	18%	19%
Segment Margin	74%	65%	59%	56%	53%	41%	51%	36%	30%	32%	23%	30%	43%	45%	45%	45%	40%	39%	38%
Classifieds	221	278	10	67	83	(14)	146	(6)	23	26	(97)	(54)	4	0	0	0	4	123	246
Y/Y Growth		26%					-47%	-160%	-66%	-69%	593%	-137%	-167%	-100%	-100%	-100%	-107%	2971%	100%
Segment Margin	68%	52%	6%	32%	34%	-5%	16%	-2%	7%	7%	-24%	-4%	1%	0%	0%	0%	0%	5%	8%
Taxi	57	218	87	50	44	(19)	163	0	(153)	(633)	(1,300)	(2,086)	(1,245)	(1,505)	(1,561)	(1,645)	(5,957)	(4,327)	(3,029)
Y/Y Growth		282%					-25%	-100%	-406%	-1539%	6742%	-1380%	-160%	-150%	-140%	-115%	186%	-27%	-30%
Segment Margin	51%	67%	54%	26%	19%	-5%	17%	0%	-29%	-108%	-173%	-90%	-160%	-150%	-140%	-115%	-138%	-50%	-20%
Experiments	(1,093)	(1,651)	(504)	(608)	(583)	(1,021)	(2,670)	(515)	(360)	(375)	(354)	(1,604)	(418)	(483)	(903)	(1,142)	(2,946)	(2,773)	(4,046)
Y/Y Growth		51%					62%	2%	-41%	-36%	-65%	-40%	-19%	34%	141%	223%	84%	-6%	46%
Segment Margin	-611%	-490%	-509%	-647%	-550%	-719%	-605%	-278%	-235%	-179%	-126%	-193%	-128%	-179%	-244%	-230%	-201%	-172%	-229%
% of total revenue			-4%	-4%	-4%	-6%	-4.5%	-3.1%	-2%	-2%	-2%	-2%	-2.0%	-2%	-4%	-4%	-3%	-2%	-3%
Total Adjusted EBITDA	17,478	21,294	3,571	4,817	6,021	6,560	21,471	5,770	6,762	6,888	6,701	26,121	7,292	7,767	8,465	9,319	32,843	39,941	46,574
Reported Adj. EBITDA	17,367	21,052	3,571	4,817	6,021	6,560	20,969	5,770	6,762	6,888	6,701	26,121	6,874	7,284	7,563	8,176	29,897	37,168	46,574
Y/Y Growth		22%					1%	62%	40%	14%	2%	22%	26%	15%	23%	39%	26%	22%	17%
EBITDA Margins	44%	42%	29%	35%	39%	36%	36%	35%	37%	36%	30%	34%	35%	36%	36%	34%	35.3%	36%	35%

Source: Deutsche Bank estimates and Yandex disclosures





Appendix 1

Important Disclosures

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Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Yandex	YNDX.OO	31.68 (USD) 13 Jul 17	2,8,14

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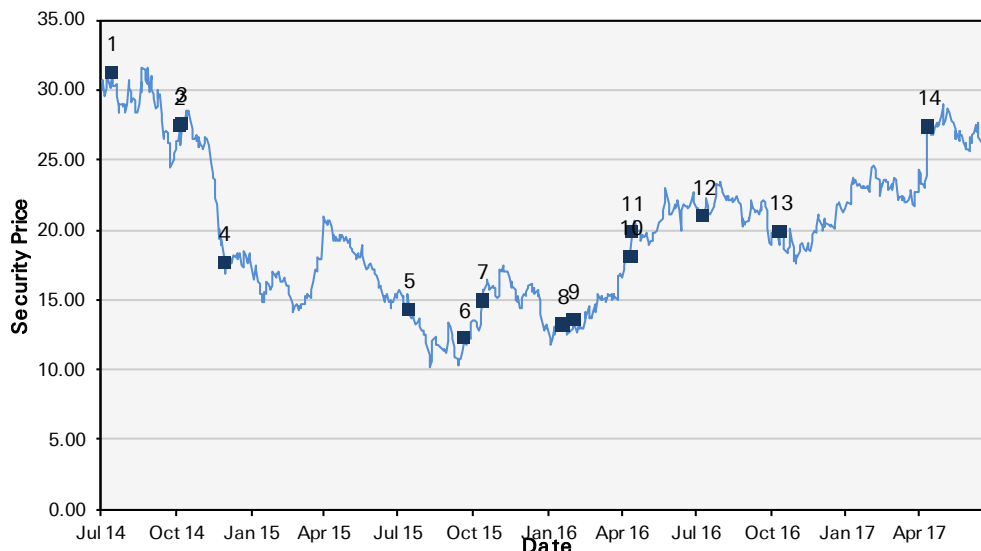
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Historical recommendations and target price: Yandex (YNDX.OQ)

(as of 7/13/2017)



Previous Recommendations

- Strong Buy
- Buy
- Market Perform
- Underperform
- Not Rated
- Suspended Rating

Current Recommendations

- Buy
- Hold
- Sell
- Not Rated
- Suspended Rating

*New Recommendation Structure as of September 9,2002

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2.	10/21/2014:	Buy, Target Price Change USD29.00	Lloyd Walmsley	9.	02/17/2016:	Buy, Target Price Change USD17.00	Lloyd Walmsley
3.	10/23/2014:	Buy, Target Price Change USD30.00	Lloyd Walmsley	10.	04/27/2016:	Buy, Target Price Change USD19.00	Lloyd Walmsley
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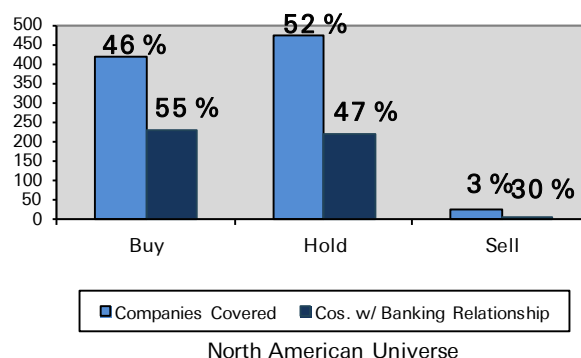
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