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INDEPENDENT NEWS FROM RUSSIA

Russia’s HeadHunter Lists Shares on Nasdaq

Successful placement boosts company’s valuation to $837 million.

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The IPO was oversubscribed. **Pixabay**

Leading Russian online job search portal HeadHunter carried out a successful international public offering (IPO) on the Nasdaq exchange on May 9, placing 16.3 million American Depositary Receipts (ADRs) or 32 percent of capital at $13.5 per ADR, the upper range of the price guidance. The shares of the newcomer jumped by 24 percent in the first two trading days, increasing HeadHunter's valuation from $675 million to $837 million on May 10.

This was the first Russian offering on Nasdaq since 2013, when another two digital majors — TCS banking group and Qiwi electronic payment system listed on the exchange. While not a single IPO or secondary public offer (SPO) was seen in 2018, since the start of this year a number of Russian companies have announced deals, including Polyus Gold which raised almost $400 million from a placement.

However, the SPO by meat major Cherkizovo has failed, as reported by bne IntelliNews, while

rail operator RusTransCom called off its offering.

HeadHunter, however, saw high demand, with the book for the IPO oversubscribed by more than 10-fold, according to the Kommersant daily.

Related article: Russia's Polyus Gold Prepares to Sell 3.5% Stake for $400M

HeadHunter shares were sold by the Highworld Investments, with 59.99 percent of the shares, the investment division of Goldman Sachs Group ELQ Investors VIII with 40 percent. Highworld sold 9.8 million ADRs for $132 million and ELQ 6.5 million for $88 million.

Kommersant also reported that 9 percent of the proceeds from the IPO will be received by Ivan Tavrin's structures. Reportedly Tavrin, the ex-CEO of MegaFon mobile major and ex-board member of internet major Mail.ru, is entitled to 9 percent of any revenues from Highworld and ELQ since he sold his shares in HeadHunter to them in 2016.

HeadHunter is the leader in the online recruitment segment in Russia, with over 50 percent of market share and footholds in several neighboring Russian-speaking countries. In 2018, the classifieds market grew by 28 percent to 10.3 billion rubles, according to J'Son & Partners estimates cited by the Vedomosti daily.

The start-up was founded in 2000 under the name 'National Job Club'. Starting from 2007, Yuri Milner's Digital Sky Technologies (which later became Mail.Ru Group) bought stakes in HeadHunter, but Mail.Ru Group sold the company in 2016.

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