The Moscow Times
30 YEARS
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Russian Recruitment Platform Headhunter Cements $1Bln Valuation

Valuation up more than $300 million from IPO in May 2019.

July 16, 2020



Online recruitment portal Headhunter held onto its $1 billion status despite the coronavirus turmoil.
Valery Sharifullin / TASS

Internet recruitment firm Headhunter has sealed its position as a $1 billion tech company after a new multimillion dollar share deal confirmed the company's soaring valuation.

The new deal will see U.S. investment giant Goldman Sachs sell a 9.9% stake for $101 million, thus valuing Headhunter at just over $1 billion — a rise in the firm's valuation of more than $300 million over the last year.

Russian news outlet RBC reported Goldman Sachs will retain a 14.9% stake in Headhunter, which is held in the form of American Depositary Shares (ADS). The deal valued each ADS at $20.25 — up more than 50% from their value at Headhunter's initial public offering (IPO) in May 2019, when Headhunter became the first Russian-born firm to go for a U.S. IPO since the imposition of sanctions following the annexation of Crimea.

The company is the largest recruitment agency in Russia and across the Commonwealth of Independent States (CIS) — a nine-strong organization of former Soviet republics — and is legally headquartered in Cyprus. Headhunter reported a profit of $25 million in 2019.

The coronavirus pandemic has hit revenues at the recruitment giant, but also helped it pull away from rivals SuperJob and Rabota.Ru, which have suffered more, said Ivan Kim, telecommunications analyst at VTB Capital. Russia's upcoming technology tax shakeup could also benefit Headhunter, if a VAT exemption its rivals currently benefit from is cancelled from next year.

Original url:
https://www.themoscowtimes.com/2020/07/16/russian-recruitment-platform-headhunter-cements-1bln-valuation-a70902