

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY19

Rent.com.au Limited (ASX: **RNT**) ("**RENT**" or "**the Company**"), Australia's Number 1 website dedicated to rental property, presents its quarterly activities report for the three months ending 30th September 2018.

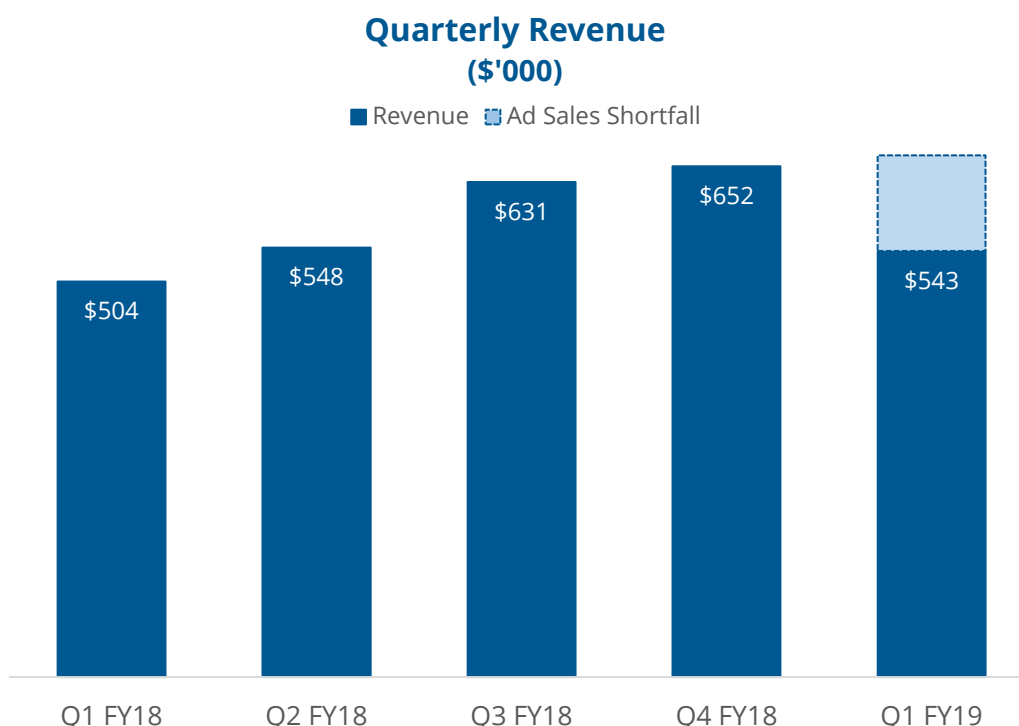
Key Points:

- › Renter Resume growth accelerated following App launch
- › Renter Products revenue continues to grow
- › Integration of RentPay acquisition on track
- › \$0.3m R&D Grant received September
- › Cash balance at 30 September of \$2.0m

Strong revenue growth sequence ends

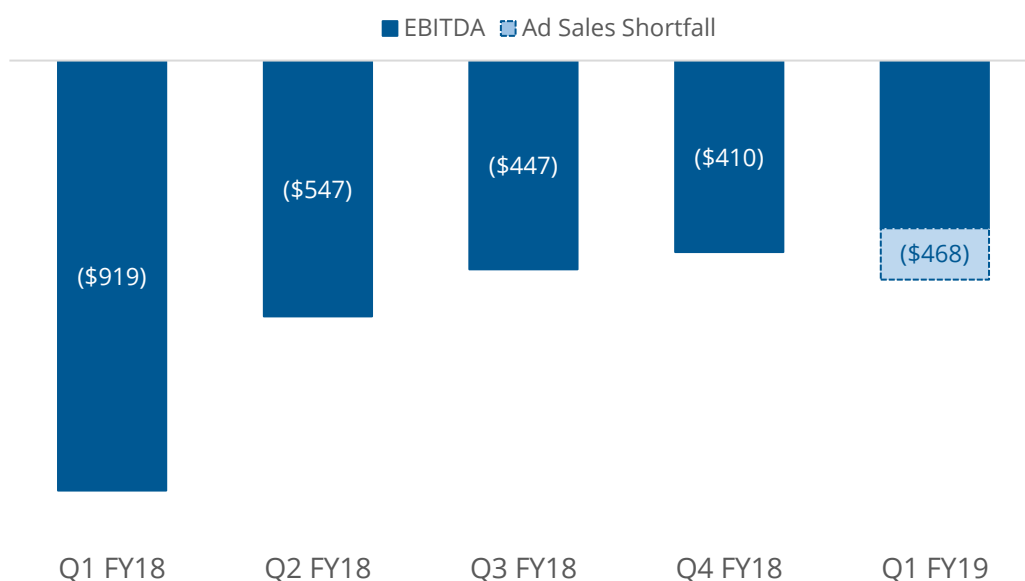
"Revenue was down 17% to \$543k, a disappointing result driven by a decline in advertising sales revenue for the period. While it's not a core component of our long-term business model, a reality is that at this early stage advertising revenue is a significant contributor and a miss here has an obvious material impact," said RENT Chief Executive Officer, Mr Greg Bader.

"The positive I take from this is that it reflects a specific issue at a point in time, a bump and something we have identified and are addressing, rather than a wider reflection of our core business performance. Our core fundamental metrics are growing. Renter Products revenue grew to \$326k for the quarter, organic traffic set new records and Renter Resume adoption has accelerated following the launch of our App earlier this quarter," Mr Bader continued.



"We've continued to improve our marketing efficiency, a fact somewhat masked by the revenue result this quarter. We had been on track for further EBITDA improvement this quarter if not for the impact of the advertising sales shortfall."

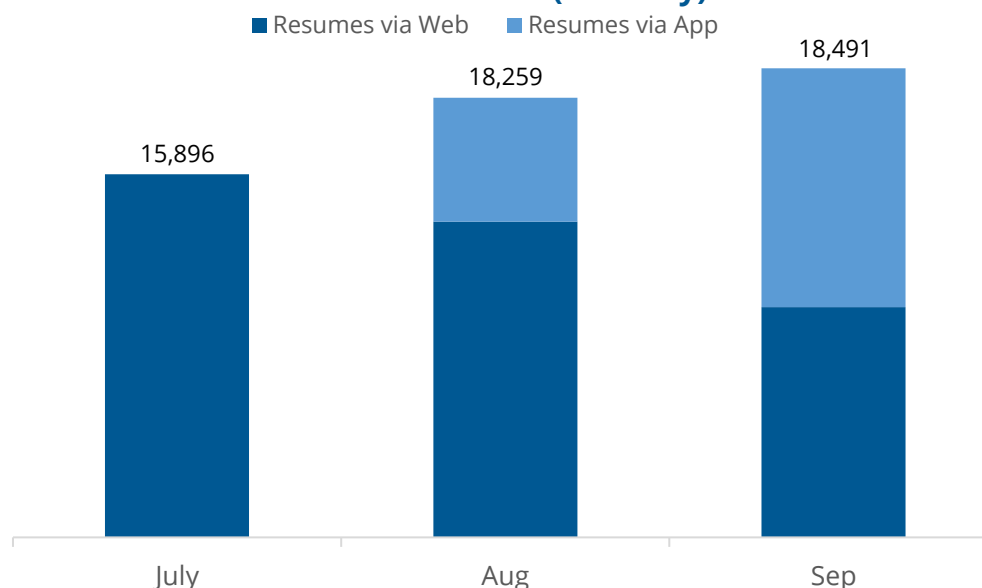
Quarterly EBITDA (\$'000)



Renter Resume and ARPU Growth

"The App is proving very popular, it is currently the 3rd highest ranked real estate app in the Apple Store. The impact of this is that we've seen record new daily Renter Resume creations with users of the App more than 10 times more likely to create a Renter Resume than users of the website," commented Mr Bader.

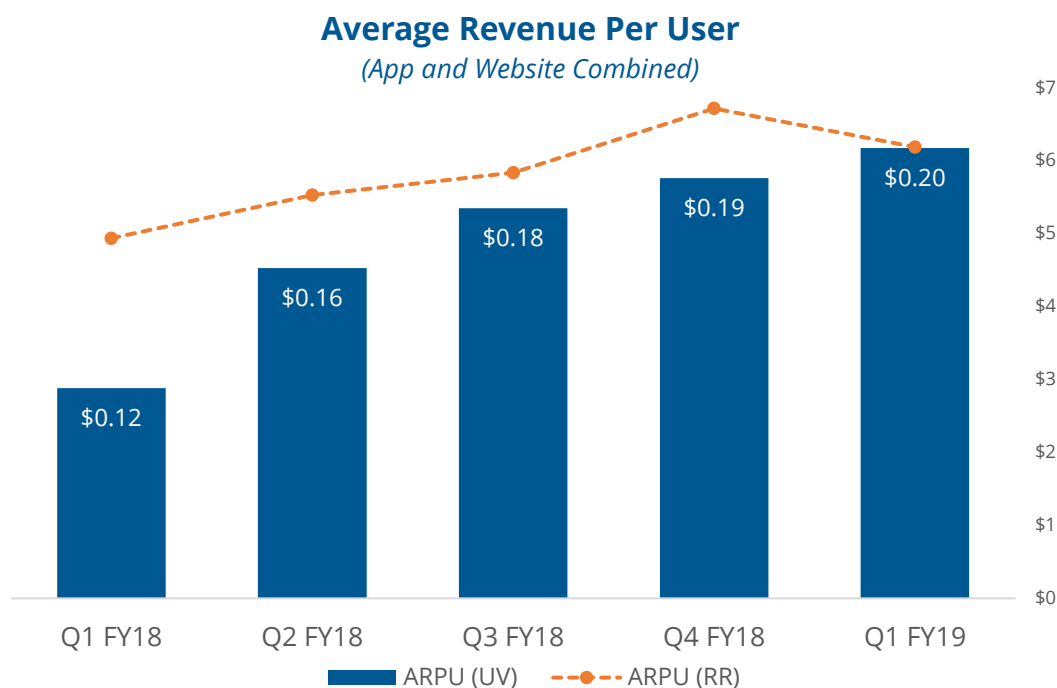
Renter Resumes (Monthly)



"Currently, product attachment rates are similar per user across both platforms although we do expect the App to outperform the website as we optimise it for Renter Products and integrate new platforms such as RentPay for example," said Mr Bader.

This greater propensity to create a Renter Resume (by App users) creates a distortion in RENT's traditional calculations of Average Revenue per User ("**ARPU**") which uses Renter Product revenue per quarter divided by Resumes created in that quarter.

"If we look at ARPU on a per user basis across both platforms rather than just Resumes created in the period, you can see that APRU continues to increase in line with an increase in Renter Product revenue in the quarter," explained Mr Bader.



RentPay Update

"As previously announced, the focus for RentPay this quarter has been the complex IT separation process which is now complete.

"Much of the separation work was done by the vendor's development team, supported by the RENT development team. We have been handling front line customer support since June and now we are also able to handle the majority of technical support issues, placing us in a position where we can start marketing the system to our agent customer base and start integrating RentPay into our App and building out the feature set our customers want," explained Mr Bader.

"If we are to be successful in transforming the way we rent property in this country for the benefit of renters and agents/landlords alike, we need to be influential not only during the search phase of renting but also right into the tenancy period. RentPay is a critical component of this strategy."

Outlook

"We're still incredibly well positioned to influence our market and to continue growing our business in a scalable way. We're well funded, have a significant and unique user base who are increasing their adoption of our services and our technology platform is second to none. We are not only capable of further adding to the rent.com.au platform by building out our rental product range but our technology also has ready portability across several adjacent categories where we already have the domain name assets and capability upon which we can cost effectively build.




"As a management team we are constantly striving to improve RENT's performance and to that end have commenced a comprehensive review of our longer-term strategic initiatives with the support of external strategy consultants. With skills and experience across a range of disciplines we also expect they will be able to assist us in optimising and growing our core business to achieve our immediate goal of achieving cashflow breakeven," concluded Mr Bader.

ENDS




About rent.com.au

rent.com.au (ASX: RNT) is Australia's #1 website dedicated to rental property. Our rental only positioning allows RNT to legitimately advocate for renting and renters.

Our Rules

	Renters in Suits	Our renters will always be presented in such a fashion as to maximise their chances of getting the home they want
	Properties on Pedestals	We present our properties with additional and relevant information
	Flick the Forms	Let's automate where we can. We can't remove the need for you to eyeball the property before signing (yet!), but we can remove most of the paperwork

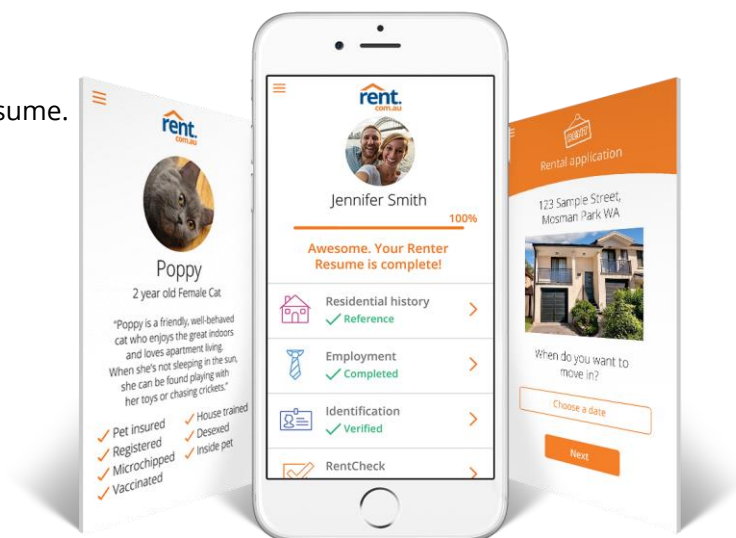
Our Products

	An easy way for a renter to verify their ID and check for any reported breaches in their tenancy history, giving them an edge on their application.	Learn More
	A convenience product that helps renters bridge the gap from one rental to another by financing their bond online.	Learn More
	A free and easy to use utility connection service to make moving hassle free – ensuring the lights are on and the water is hot when a renter moves in to their new place.	Learn More

Renter (and Pet) Resume

Streamline your rental search with Renter Resume. Create it once and use it to apply for as many properties as you like.

[Learn More](#)



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

RENT.COM.AU LIMITED

ABN

25 062 063 692

Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		657	657
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(171)	(171)
(c) advertising and marketing		(286)	(286)
(d) leased assets		(33)	(33)
(e) staff costs		(448)	(448)
(f) administration and corporate costs		(122)	(122)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		6	6
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		345	345
1.8 Other (provide details if material)		-	-
1.9 Net cash from / (used in) operating activities		(52)	(52)
2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment		(3)	(3)
(b) businesses (see item 10)		-	-
(c) investments		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(233)	(233)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Disposal of Assets)	-	-
2.6	Net cash from / (used in) investing activities	(236)	(236)
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(9)	(9)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(9)	(9)
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,290	2,290
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(52)	(52)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(236)	(236)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	(9)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,993	1,993

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,892	1,239
5.2	Call deposits	101	1,051
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,993	2,290

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

49

-

The amount includes director fees paid to each of the directors, and also office rental and outgoings paid to an entity related to Dr. Garry Garside.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(208)
9.3 Advertising and marketing	(230)
9.4 Leased assets	(57)
9.5 Staff costs	(515)
9.6 Administration and corporate costs	(100)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,110)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: 

Company Secretary

31 October 2018
Date:

Print name: Jan Ferreira

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Further Disclosure Required by ASX in respect of Performance Shares

The Company confirms the following in respect of Performance Shares on issue as of the date of this notice:

Class	Date Granted	Expiry Date	Number
B	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2018	8,160,771
C	17 June 2015	14 days after the release of the audited financial reports for period ended 31 December 2019	8,160,771

The vesting conditions of the two classes of performance shares on issue are outlined below:

- Class B – each Performance Share will convert into 1 ordinary share on achievement of greater than \$10,000,000 in revenue by the Group in any 12 month period on or before 31 December 2018.
- Class C – each Performance Share will convert into 1 ordinary share on achievement of greater than \$3,000,000 EBITDA by the Group in any 12 month period on or before 31 December 2019.

No Performance Shares were converted or cancelled during the period and no milestones were met during the period.