

## RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q2 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 31<sup>st</sup> December 2018.

### Key Points:

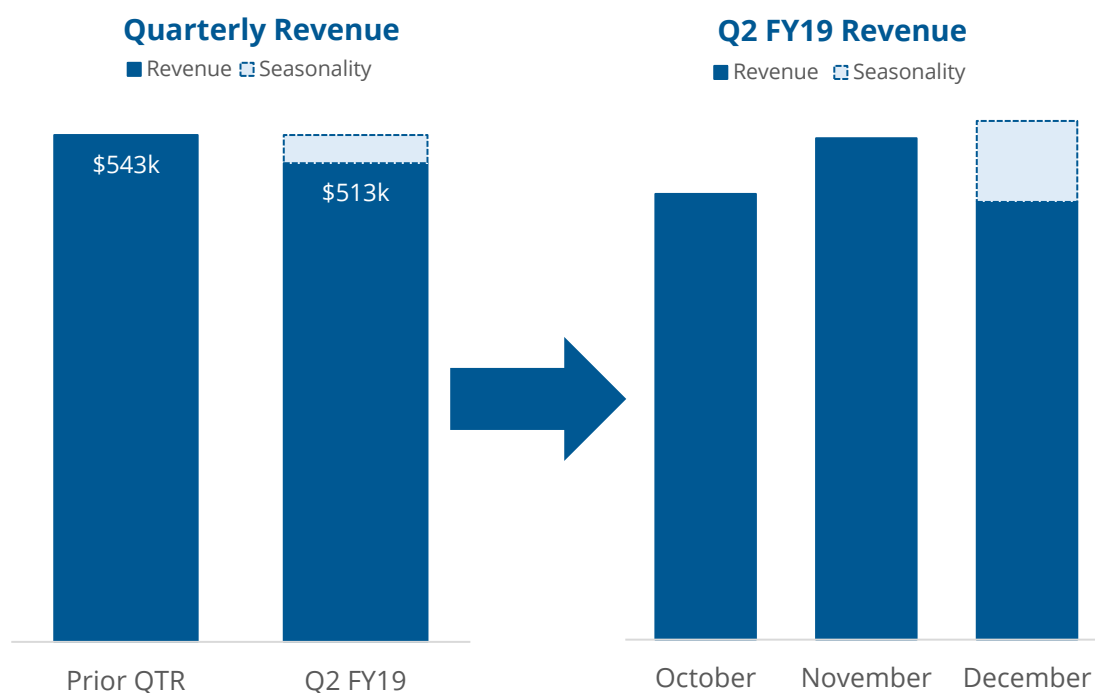
- › Record Renter Resume growth continues, driven by app adoption
- › Majority of short-term improvements from strategy review have been implemented
- › Good progress made against longer-term strategic objectives
- › Cash balance at 31 December of \$1.1m

### Operating Overview

"On a seasonally adjusted basis, revenue was in-line with the previous quarter (down 6% in real terms to \$513k). People tend to move less December therefore they purchase fewer moving products, whereas January sees things hotting up as people prepare for the year ahead," said RENT Chief Executive Officer, Mr Greg Bader.

"We already see this with a significant uplift in Renter Resume's created in January, with our first ever 1,000 Resume day coming as early as the 3<sup>rd</sup> January. To date Renter Resume creation is tracking 25% above the same period last year and we have set ourselves a target of 500,000 by quarter end," Mr Bader continued.

"Given the seasonal slowdown in product purchases, we reduced marketing spend by 20% in December and focused resources on implementing product improvements. This had a small impact on December revenue but has stood us in good stead with January product revenues benefiting from the changes."



## Revenue Growth Initiatives

During the quarter, RENT completed a comprehensive review of both short and long-term revenue initiatives with external consultancy support. This review not only validated RENT's long-term strategic goals, but also allowed management to identify a range of opportunities to optimise and grow the core business to achieve RENT's immediate goal of achieving cashflow breakeven this half.

"We were obviously disappointed with the result for Q1 and have acted on a number of initiatives to return to strong and consistent revenue growth," commented Mr Bader.

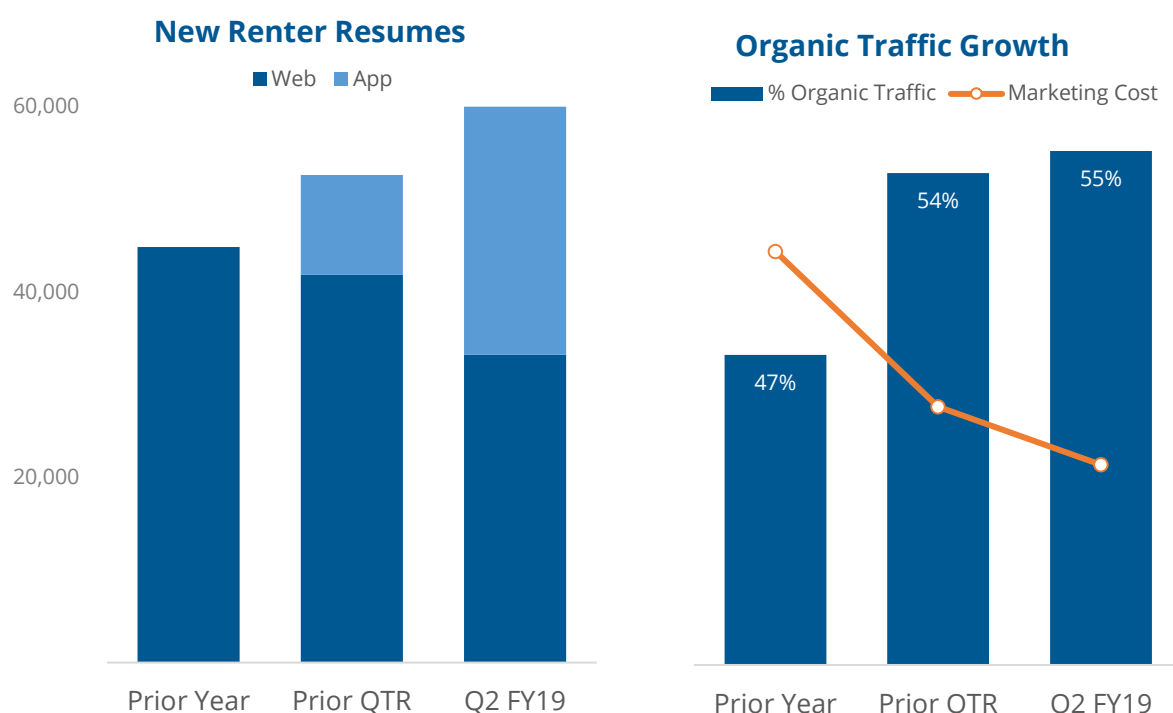
"We have enacted a significant number of site enhancements designed to increase revenue across both Renter Products and Advertising Sales lines. With the majority of these initiatives completed by the first weeks of January, we are already seeing early Renter Product sales improvement in recent weeks.

"Advertising sales grew slightly over the quarter with the benefit of Christmas marketing budgets lifting the dollar rates received for ad placements, as well as new advertising placements added. We have invested in this space with the recruitment of an experienced advertising sales manager and advertising technology staff. We are looking to add further sales capacity over the March quarter to drive the revenue improvements we know are possible".

## Customer Growth

"Our marketing efficiency continues to improve as our unique products and features, as well as useful blog content, improves our Search Engine Optimisation (SEO) rankings. Our app also continues to go from strength to strength. With a segment leading rating of 4.8 (out of 5) and currently the 3rd highest ranked real estate app in both the Google and Apple Stores, the app features market leading functionality such as lifestyle search whereby, in addition to being able to use traditional search filters, users can also search based on lifestyle factors such as proximity to cafes and transport etc," explained Mr Bader.

"This isn't just cool, it's a unique differentiator in the market and is delivering direct customer acquisition benefits to us in terms of SEO and app store optimisation. We're also current considering a range of revenue opportunities arising from this data."



## RentPay Update

"RentPay is a critical component of our strategy to be relevant and useful to renters throughout the tenancy period. For this reason we initially focused on stabilising the RentPay platform following IT systems separation from MYOB. With this work completed during the quarter we have commenced marketing the existing product to selected real estate agencies with promising results to date.

"The real opportunity for this product lies in the integration of RentPay into our renter app so that tenants can see their payment history, get reminders and manage their rent payments directly from their phone. We see these changes as having significant customer acquisition benefits and have commenced development of this integration with the aim of delivering a first iteration by the end of the March 2019 quarter in line with our timetable," explained Mr Bader.

Date	Task	Done?
Q4 FY18	Customer support brought in-house	✓
Q1 FY19	Website rebranded	✓
Q1 FY19	Technical support brought in-house	✓
Q2 FY19	Commence marketing to agents	✓
<b>Q3 FY19</b>	<b>Integrated into the Rent App</b>	
Q4 FY19	Integrated in Property Manager Portal	
Future	Enhancements e.g. bundling / finance	

## Outlook

"We continue to increase our relevance and influence within the industry, becoming a sought-after independent voice as governments and industry bodies around the country start taking notice of the large and increasingly vocal renting population. Renters too are making sure they don't find their next home without checking rent.com.au first.

"We are in discussions with several potential strategic partners that share our vision of materially changing the way renting works in Australia. They see value in our unique channel to one of the fastest growing segments in the country and we see benefits in accretive relationships that deliver value to our customers and to our business.

"In the shorter term, we have implemented several initiatives to drive us to break-even this half. With over \$1 million in cash, no debt and supportive Board and other significant stakeholders, we have access to sufficient funding to realise our goals.




"So far in January 2019 our user numbers are trending well up on the previous quarter with Renter Resumes setting new daily and weekly records. This has flowed through to Renter Product sales which we expect will be well up on the previous quarter. Advertising sales are not yet where we need them to be, but we have experienced new personnel in place and a growing sales pipeline from which we expect to see revenue growth this quarter," 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

	<b>Renters in Suits</b>	Our renters will always be presented in such a fashion as to maximise their chances of getting the home they want
	<b>Properties on Pedestals</b>	We present our properties with additional and relevant information
	<b>Flick the Forms</b>	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

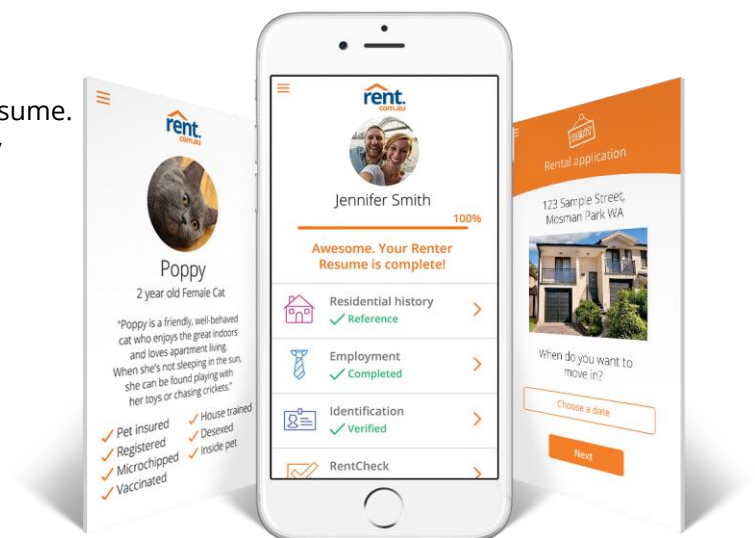
### Our Products

	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.	<a href="#">Learn More</a>
	A convenience product that helps renters bridge the gap from one rental to another by financing their bond online.	<a href="#">Learn More</a>
	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.	<a href="#">Learn More</a>

### 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")**

31 DECEMBER 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (6 months)</b>
	<b>\$A'000</b>	<b>\$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	569	1,226
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(211)	(382)
(c) advertising and marketing	(256)	(542)
(d) leased assets	(24)	(57)
(e) staff costs	(560)	(1,008)
(f) administration and corporate costs	(224)	(346)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	345
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(704)</b>	<b>(756)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date</b>
	<b>\$A'000</b>	<b>(6 months)</b>
		<b>\$A'000</b>
(d) intellectual property	-	-
(e) other non-current assets	(200)	(433)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (Disposal of Assets)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(200)</b>	<b>(436)</b>
<b>3. Cash flows from financing activities</b>		
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	(6)	(15)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(6)</b>	<b>(15)</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,993	2,290
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(704)	(756)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(200)	(436)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(6)	(15)

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (6 months)</b>
		<b>\$A'000</b>	<b>\$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,083</b>	<b>1,083</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
		<b>\$A'000</b>	<b>\$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	982	1,892
5.2	Call deposits	101	101
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,083</b>	<b>1,993</b>

**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

<b>Current quarter</b>
<b>\$A'000</b>
38
-

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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

<b>Current quarter</b>
<b>\$A'000</b>
-
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. <b>Financing facilities available</b> <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. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(199)
9.3 Advertising and marketing	(260)
9.4 Leased assets	(56)
9.5 Staff costs	(545)
9.6 Administration and corporate costs	(100)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,160)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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

Date: 31 January 2019 .....

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
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 performance shares on issue are outlined below:

- 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.

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

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