

ASX Announcement

29 July 2022

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q4 FY22

Rent.com.au Limited (ASX:RNT) ('Rent.com.au' or 'the Company'), Australia's website made for renters, presents its quarterly activities report for the quarter ended 30th June 2022.

KEY HIGHLIGHTS

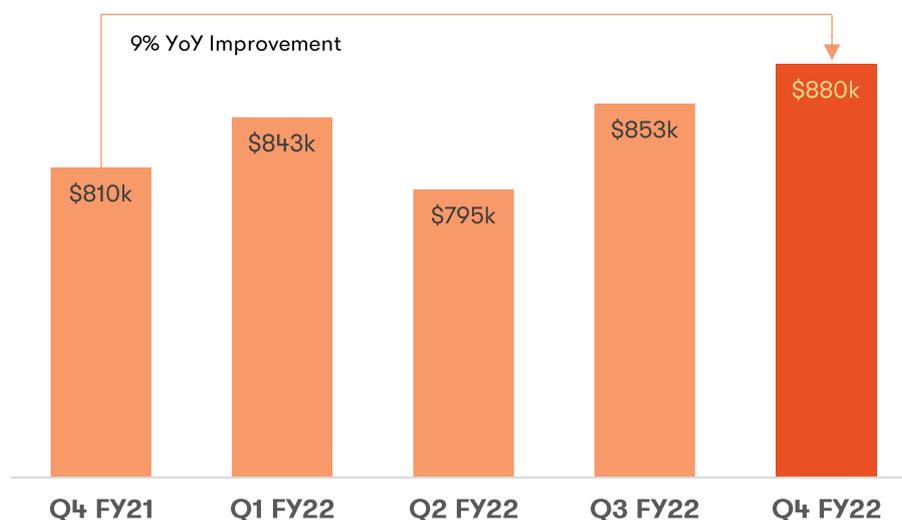
- › Record quarterly revenue of \$880k, 9% improvement on the same quarter last year
- › Core rent.com.au search portal records 8th straight EBITDA positive quarter
- › Important RentPay UX changes completed and deployed, early results positive
- › Strategic partnership with Origin Energy to introduce new products, enhance existing ones
- › \$2.2m cash on hand at the end of the quarter

OVERVIEW

"This has been a very significant quarter for the development of our business", said Rent.com.au CEO, Mr Greg Bader.

"While we're obviously pleased to post another record quarterly revenue result against the backdrop of broader economic concerns, the more significant achievements are those that will set us up for success in future quarters. We've completed the significant user-experience ('UX') transformation of RentPay with a streamlined onboarding flow and intuitive 'dashboard' now available. We also entered a strategic partnership with Origin Energy Limited ('Origin'). This is a true game-changer for us. Not only is Origin one of the largest electricity and gas retailers in the country, powering millions of households, but because they recognise and value the uniqueness of our renting community, renters can now benefit from a rebate of up to \$5 per week[§] from RentPay if they use our 'Bill Smoothing' feature to pay their Origin gas and electricity bills".

QUARTERLY REVENUE - RNT GROUP



[§] RentPay will rebate each RentPay 'Bill Smoothing' customer \$5 per week if they pay towards both electricity and gas services with Origin (dual fuel) or \$3 per week for those who only pay towards either electricity or gas bills (single fuel).

RENT.COM.AU / SEARCH PORTAL

“Our core search portal continues to perform well, as demonstrated by its 8th successive positive EBITDA result and record quarterly revenue”, said Mr Bader.

“The national renting market is still incredibly tight across all states with significantly fewer rental properties available, and those that are available are being snapped up quickly. This tight rental market has meant that our products and services that help good renters stand out have gained further traction. Overall, our Renter Products grew 15% compared to the same quarter last year driven by the contribution from RentCheck, our ID verification and database check product which grew 27% compared to the same quarter last year.

“Boding well for the future of our partnership with Origin, our energy connection product RentConnect, grew 53% compared with the same quarter last year as we adjusted our activity to match the shorter moving window in this tight market. We also know that in tougher economic circumstances renters are seeking additional value, and our \$100 gift card offer is one such way we can deliver this.

“Although our bond finance product, RentBond, did not perform as well as it did in the same quarter last year, we are working on growth opportunities with our finance partner Fair Go Finance who have delivered improved pricing and application flows in the past quarter. During the quarter we extended our arrangement with Fair Go Finance for another three-year period.

“Despite softening in the market for new build homes affecting key clients, we achieved our second best ever Advertising Sales quarter. Outside of the new build homes sector we have grown our arrangements with clients in several key verticals for us such as internet connectivity and we have promising partnership opportunities developing in other areas such as the ‘Build to Rent’ sector and mortgage lending. We have expanded our sales team in Sydney commencing Q1 FY23 to take advantage of these opportunities and further grow Advertising Sales revenues” continued Mr Bader.

RENTPAY

- › 3,007 active customers transacting payments
- › >\$1m in rent per week being paid via RentPay (daily trust account balance >\$600k)
- › Complete redesign of the onboarding flow and ‘dashboard’ completed and live
- › Good progress made in onboarding agent rent rolls
- › New ‘Bill Smoothing’ feature being developed to increase customer value and ‘ARPU’

“With RentPay there are two vectors for growth. The first and most important is growing customer numbers, and the second is growing the Average Revenue per User (‘ARPU’) per month”, explained Mr Bader.

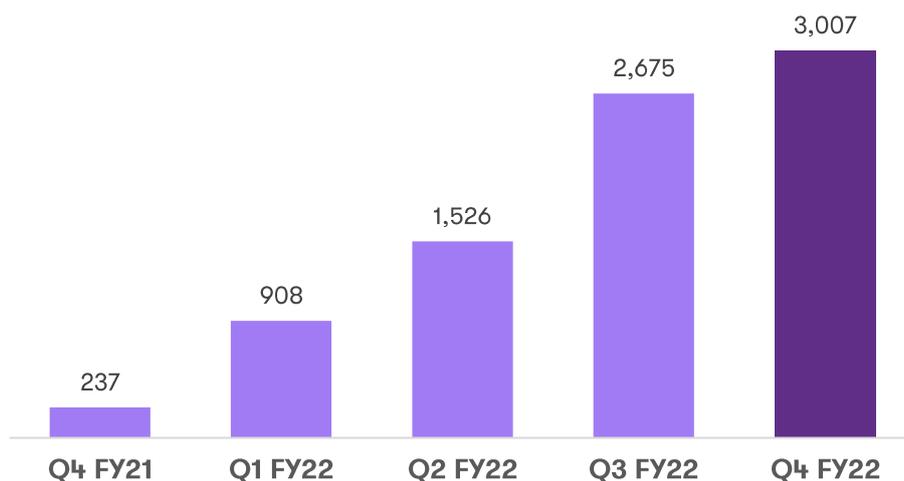
“We know RentPay appeals to our customers. They have told us this directly when we’ve spoken with them, but we’ve also had more than 24,000 people download the app or register via the web. Our original onboarding process was not optimal in terms of the balance between the security and compliance that comes with managing large amounts of people’s money, and the need to make it a fast and easy to use product. With our new onboarding flow launched during the quarter we believe we have got that balance right. We’ve seen a more than 50% improvement in the conversion rate of people getting through the process.

“Another aspect we needed to address was ease of use once people had become active tenants. Our new intuitive dashboard delivers this with clear messaging and indicators, as well as providing us with upsell opportunities via product promotional tiles.

“Ease of use is an important part of the appeal, but another is the attractiveness and value to a customer from using the product. We’ve known that our Scorebuilder and Safetynet product continues to have appeal and it is pleasing to see growth in these with around 70% of customers now taking up this option. The rebates we can offer back to customers when they pay their Origin bills via the ‘Bill Smoothing’ feature is another significant step forward in this direction as will be the variety of payment options we expect to be able to provide renters in coming months.

“While we have been building out the ease of use and attractiveness to renters, we’ve looked to engage with real estate agents as a source of tenants to use RentPay. We have several agencies that see the benefits to their business from offering RentPay to their customers and we are working with them to onboard their rent rolls. This can be a time-consuming process but the key is to embed RentPay in the agency’s process so that not only existing tenants, but all future tenants are offered RentPay. We have achieved this with our largest agency partner and by the end of the quarter had onboarded over 800 of their ~7,000 tenants, with the remainder expected to come across over the next few months”.

ACTIVE RENTPAY CUSTOMERS



“The other vector for RentPay revenue growth is the ARPU we can generate each month from our customers. While we charge a monthly fee to customers or their agency for using RentPay, this primarily covers the cost of moving the money, so we always intended to add other products and services onto the RentPay platform. A consistent proportion of Rent.com.au customers have previously expressed an interest in ‘bill smoothing’ to help manage budgets and avoid cost surprises. Through our partnership with Origin, RentPay will receive a commission for each customer paying amounts towards their Origin energy bills via the Bill Smoothing feature in RentPay thereby contributing to our ARPU”, continued Mr Bader.

“We are looking at adding other, similar arrangements to the RentPay platform across the key verticals of internet, mortgages and savings but this is just the start. By making RentPay the default way renters manage their household costs, we can expand the range of services we offer much broader, with each additional service making RentPay not only more attractive for renters to use but also delivering incremental ARPU”.

During the quarter the Company invested a net \$458k into the operating and marketing of RentPay to go along with \$415k of software development costs.

OUTLOOK

“While the broader economic environment continues to be challenging, we’ve delivered another fantastic result while also setting in place some important building blocks for the future.

“Mobility has increased with more people moving interstate and overseas migration starting up again which bodes well for our search portal business. The tougher economic climate also means people are looking for opportunities to better manage their home budgets and that’s where RentPay has a big role to play for Australia’s 8 million renters”, continued Mr Bader.

“We are also seeing some structural changes starting to flow through the renting market. We have State and Federal governments looking at a range of measures to address the current rental crisis and we are providing input to several parties in this regard. Build to Rent (‘BTR’) is also an area of interest for us as it not only offers real advantages to renters in terms of lease security, but via recent upgrades to our website to highlight these sorts of properties, provides new advertising and sponsorship opportunities.

“With Bill Smoothing launching this next quarter it provides a real ‘step change’ for us in terms of the value proposition of RentPay for both tenants and agents and will feature heavily in our messaging to customers”.

Approved for release to the ASX by the Board of Directors

Disclosures required under ASX Listing Rules:

Payments to related parties of the entity during the quarter totalled \$82k, comprising directors fees and office rent and outgoings paid to entities associated with Dr Garside. Office rent is on more favourable than market standard terms and negotiated independently of Dr Garside.

Lodgement with the ASX has been authorised by the Board of Directors. Investors wishing to keep up to date with company news and events are invited to subscribe for updates at:

<https://investors.rent.com.au/>

ABOUT RENT.COM.AU

Rent.com.au (ASX: RNT) exists to make renting rewarding. Made for renters, RNT is reimagining the renting experience to create Australia's most empowered rental community.

OUR MISSION

Inspired by our customers, and through the clever use of technology, we deliver innovative solutions to remove the complexities of renting and create positive, lasting change.

OUR PRODUCTS

RENTCHECK

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](#)

RENTBOND

A move now, pay later product that helps renters bridge the gap from one rental to another by financing their bond online.

[Learn More](#)

RENTCONNECT

A free and connection service that makes moving hassle free AND provides the renter with a \$100 gift card to help them turn a house into a home.

[Learn More](#)

RENTER RESUME

Renters can streamline their rental search with Renter Resume. Creating it once and using it to apply for as many properties as they like.

[Learn More](#)

RENTPAY

Making rent money work for renters. Flexibility to choose how and when to pay, access emergency funds, build credit score and save.

[Learn More](#)

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RENT.COM.AU LIMITED

ABN

25 062 063 692

Quarter ended ("current quarter")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	935	3,635
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(374)	(1,534)
(c) advertising and marketing	(153)	(888)
(d) leased assets	(18)	(111)
(e) staff costs	(531)	(1,998)
(f) administration and corporate costs	(161)	(768)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(5)	(15)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	622
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(306)	(1,056)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(49)	(51)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(502)	(1,846)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	2
2.6	Net cash from / (used in) investing activities	(551)	(1,895)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	41	41
3.6	Repayment of borrowings	(32)	(109)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(169)
3.10	Net cash from / (used in) financing activities	9	2,263

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,078	2,918
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(306)	(1,056)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(551)	(1,895)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	9	2,263
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,230	2,230

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	2,210	3,058
5.2	Call deposits	20	20
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)	2,230	3,078

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	82
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>NB: The amount at item 6.1 includes director fees paid to each of the directors, as well as office rental and outgoings paid to an entity related to Dr. Garry Garside</p>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
n/a		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(306)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,230
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,230
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.29
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

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

Date: 29 July 2022

By the Board

Authorised by:
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.