

## RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q2 FY20

Rent.com.au Limited (ASX: **RNT**) ("**RENT**" or "**the Company**"), Australia's Number 1 website dedicated to renting, presents its quarterly activities report for the quarter ended 31<sup>st</sup> December 2019.

### Key Points:

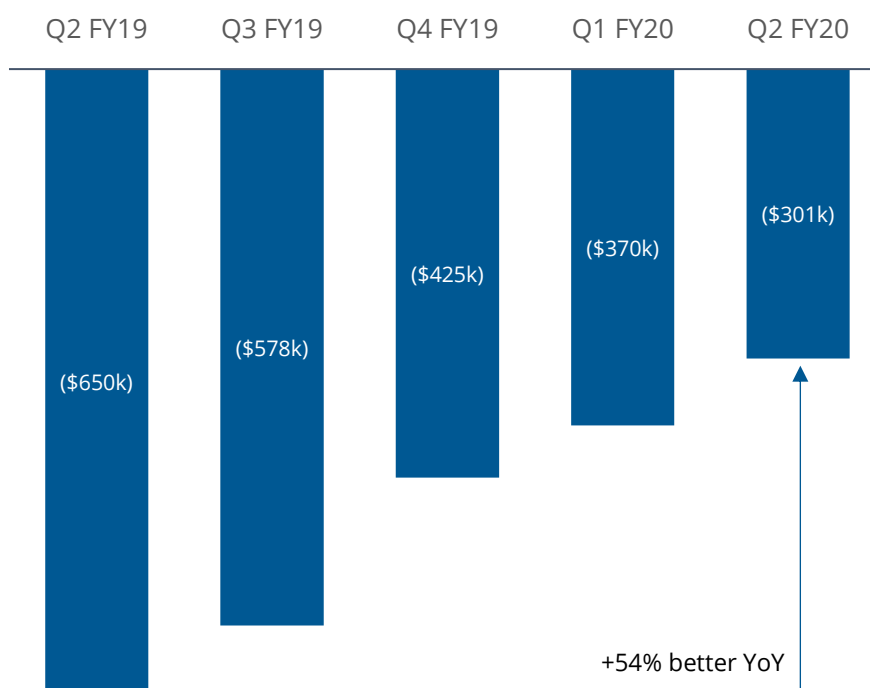
- › Record EBITDA quarter, improved 19% on prior quarter (54% better than Q2 FY19)
- › Best ever revenue for a December Quarter (normally lowest transactional period)
- › Existing products all enhanced during the quarter ahead of the January to March moving peak
- › Advertising Sales recovery continues, up 3% in seasonally low quarter (up 21% on Q2 FY19)
- › Record start to Q3 FY20 across users, Renter Resumes and Renter Product sales

### Operating Overview

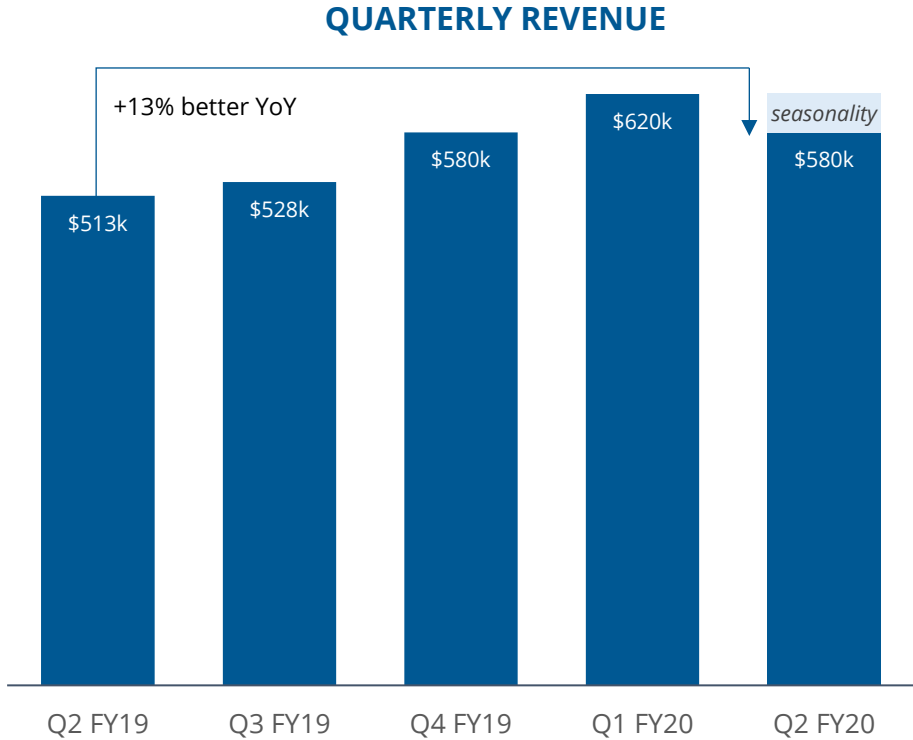
"To finish 2019 with a record-breaking EBITDA quarter is exceptionally pleasing, especially when you factor in that we usually experience a seasonal revenue drop in the December quarter. Renter Product revenue is very transactional and non-recurring in nature and as we expect, the last few weeks of the year sees people focused on the holiday season rather than moving house," said RENT CEO Mr Greg Bader.

"We achieved a 19% improvement in EBITDA compared to the previous quarter. With an average monthly EBITDA loss of \$100k, this quarterly result is the closest the RENT Group has come to breakeven and is 54% better than we achieved in the same quarter last year."

### QUARTERLY EBITDA

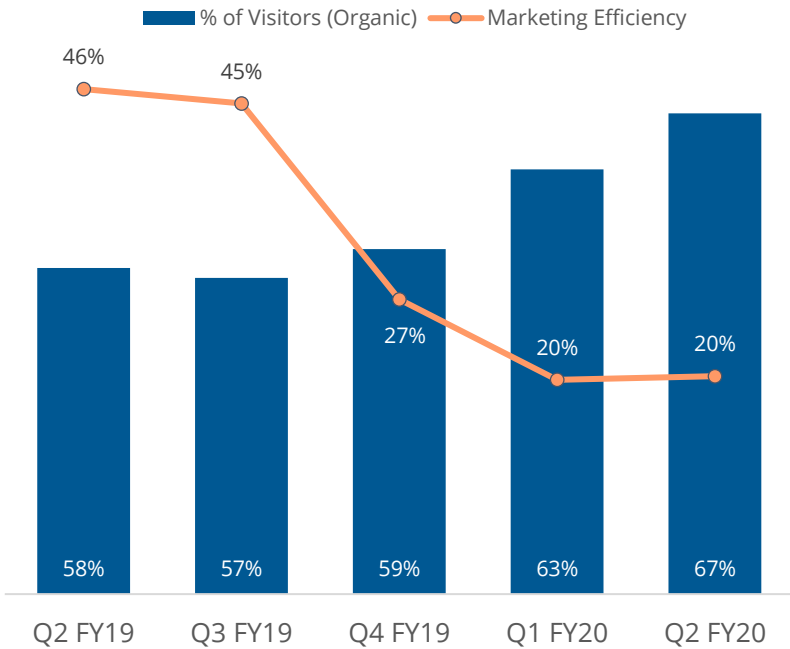


As expected, seasonality sees RENT's revenue down compared to the previous quarter but up 13% on the same quarter in the previous year.



“We have seen performance lift across most revenue lines over the last 12 months as we have optimised supplier agreements and enhanced the products with new features. This constant improvement not only improves our core business, but also ensures we remain responsive to our customers’ needs,” explained Mr Bader.

“Our continued focus on reducing RENT’s reliance on paid marketing has resulted in growth of our organic user base to the point where we’re now getting more than 100,000 visitors to our blog alone each month and two-thirds of all site/app visits are now from organic (non-paid) sources. This is great for our brand and enhances our renter advocacy positioning in addition to the financial benefits. Compared to the same quarter last year (Q2 FY19) we spent 51% less on marketing but had 20% more unique visitors,” continued Mr Bader.



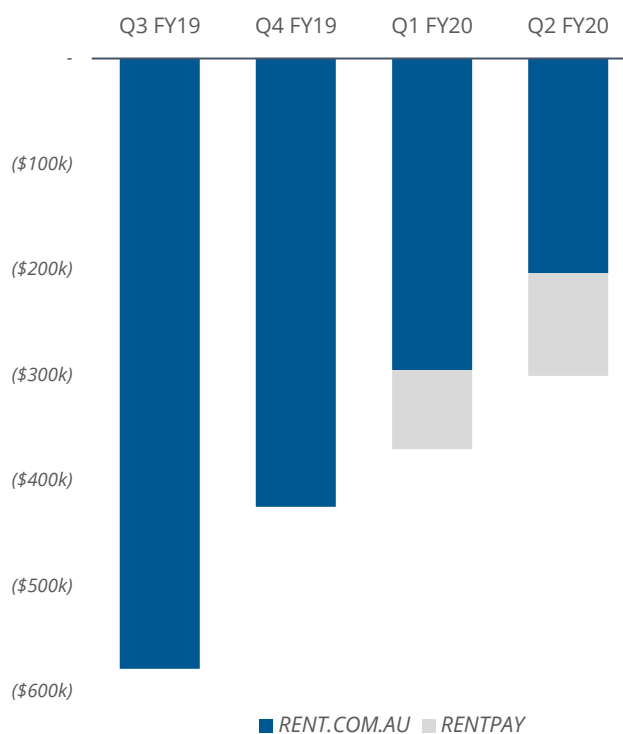
## RentPay Update

“Our efforts in developing RentPay continue, design and development of the customer front end has commenced, we have narrowed down our shortlist of potential fintech partners, and are now negotiating with a preferred partner who has the technical capability and appropriate licencing/compliance to help us deliver a game-changing solution to our renting customers,” said Mr Bader.

“On the cost side, we are conscious that we’re carrying additional costs within our business ahead of launching the new RentPay product and that this affects perception of how the rest of the Group is performing against its break-even target. As development of RentPay gathers pace it will bear a greater share of the Group’s costs as we redeploy more effort into building this new product.

“Rental payments are a \$60 billion per year industry that is ripe for transformation and we need to invest in this as well as ensure we partner with competent, like-minded organisations if we are to fully seize this opportunity. If we can scale to just 5% market share for example (+/-115,000 renters), RentPay would be processing in the region of \$200 million of rent per month and earning a recurring annuity income stream on top of current revenues associated with the moving period,” explained Mr Bader.

### QUARTERLY EBITDA SPLIT



## Outlook

“January is always a good month for us from the perspective of visitors to our site and apps, Renter Resumes created and related activity, following the usual seasonal downturn in the December quarter. January 2020 has started off with record numbers of Renter Resumes created and, while there’s always a slight lag before product sales come through, we’re starting to see this activity reflected in our revenue,” said Mr Bader.

“We expect the new product initiatives that we’ve previously announced, such as the partnership with AGL (RentConnect), the new ‘Move Now, Pay Later’ feature of RentBond, and the new ‘Endorsements’ feature of RentCheck to start bearing fruit this quarter.

“Longer-term our focus remains on RentPay as the vehicle by which we position RENT within the tenancy period, thereby creating the default platform for the millions of renters across the country to use throughout their renting journey from search through to the tenancy period.




“We continue to manage the business efficiently whilst growing our product range and investing in our future. We are strongly supported by our core shareholder base of sophisticated investors who believe not only in the need for industry change, but most importantly, our capacity to lead it,” concluded Mr Bader.

## Lodgement authorised by the Board of Directors




## 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>Click 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 into their new place.	<a href="#">Learn More</a>

### Renter (and Pet) Resume

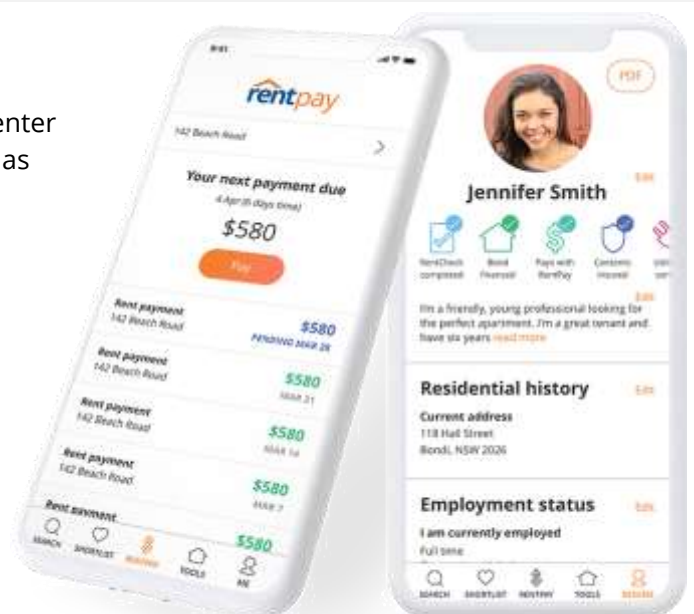
Renters can streamline their rental search with Renter Resume. Creating it once and using it to apply for as many properties as they like.

[Learn More](#)

### RentPay

Rental payments in the palm of their hand. Renters can make payments, track payments, view their rental history, and set-up reminders.

[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")**

31 DECEMBER 2019

<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	669	1,328
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(232)	(539)
(c) advertising and marketing	(136)	(319)
(d) leased assets	(17)	(50)
(e) staff costs	(515)	(1,026)
(f) administration and corporate costs	(71)	(214)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(3)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	480
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(305)</b>	<b>(345)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(3)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(211)	(397)

<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>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(211)</b>	<b>(400)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,497
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	-	(119)
3.5	Proceeds from borrowings	-	3
3.6	Repayment of borrowings	(21)	(40)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(21)</b>	<b>1,341</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,285	152
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(305)	(345)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(211)	(400)

<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>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(21)	1,341
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>748</b>	<b>748</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter</b>	<b>Previous quarter</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>\$A'000</b>	<b>\$A'000</b>
5.1	Bank balances	678	1,214
5.2	Call deposits	70	70
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>748</b>	<b>1,284</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b>
		<b>\$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	75
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

NB: The amount at item 6.1 includes director fees paid to each of the directors, and also office rental and outgoings paid to an entity related to Dr. Garry Garside

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

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-

7.5 **Unused financing facilities available at quarter end** -

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

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(305)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	748
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	748
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>2.45 quarters</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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 – more than 2 quarters funding available**

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 – more than 2 quarters funding available**

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 – more than 2 quarters funding available**



**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: 31 January 2020  
 .....

Authorised by: By the Board  
 .....  
 (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.