

ASX Announcement

27 July 2023

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q4 FY23

Rent.com.au Limited (ASX:RNT) ('Rent.com.au' or 'the Group'), Australia's website made for renters, presents its quarterly activities report for the quarter ended 30th June 2023.

KEY POINTS

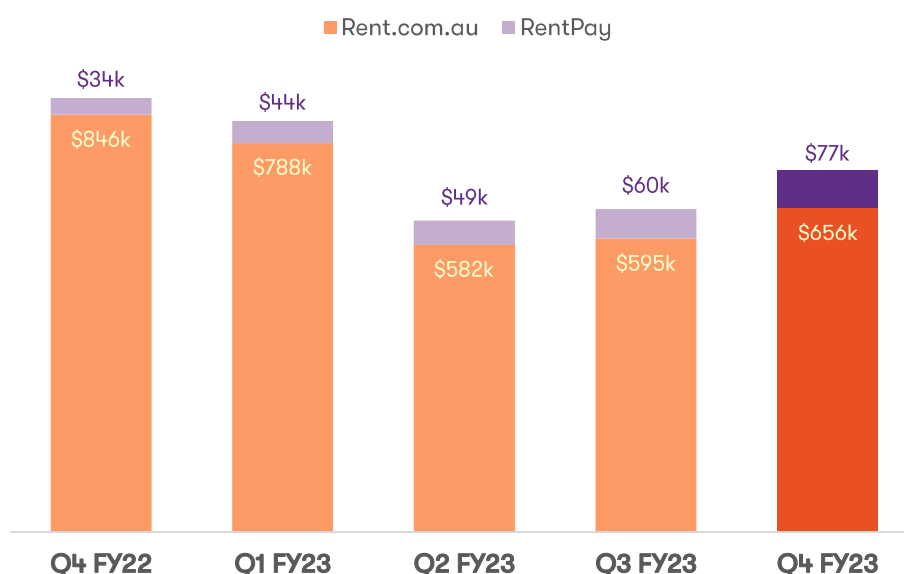
- › Quarterly group revenue of \$707k, 12% improvement on the previous quarter
- › Advertising revenue recovering, up 19% on previous quarter
- › 35% quarterly growth to more than 6,000 active RentPay customers
- › Record RentBond volumes, \$3.5 million in loans financed during the Q4 FY23
- › \$1.5m cash on hand on 30th June 2023

OVERVIEW

"I am pleased with the results we've delivered in the last quarter, with both parts of our business growing. We have delivered our largest ever RentPay quarterly customer growth, driven by consumer marketing via social media channels and continued strength in demand from real estate agents", said Rent.com.au CEO, Mr Greg Bader

"On the Rent.com.au 'Search portal' side of the business, we're also pleased to see revenue growth relative to the March 2023 quarter which is usually a very strong quarter for us. Advertising Sales improved following commencement of a campaign by the TPG Telecom group, and we opened our RentBond product up to referral partners, resulting in a higher volume of loans being made compared to the previous quarter and incremental revenues as a result."

QUARTERLY REVENUE*



*includes inter-segment revenue of \$24k in both Q2 and Q3 FY23 and \$26k in Q4 FY23

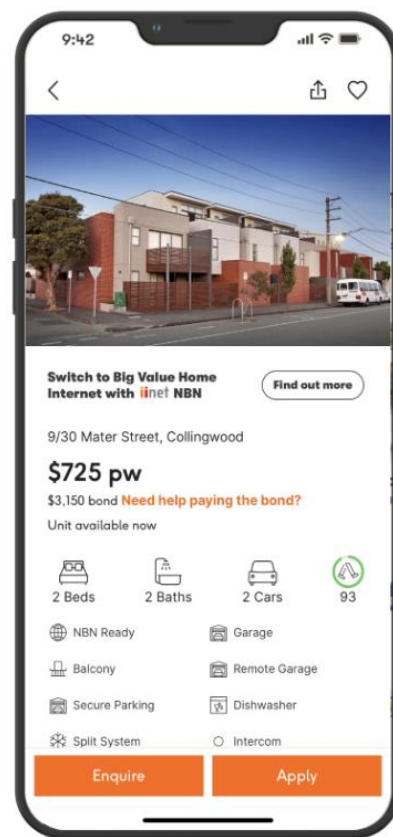
RENT.COM.AU / SEARCH PORTAL

“Whilst our Advertising Sales improved 19% relative to the previous quarter, there is more we need to do to continue growing and diversifying this income stream. We offer unique opportunities to advertisers with 70% of our audience being new each month and ready to move as opposed to ‘for sale’ sites where audiences are largely repeat and ‘browsers’ rather than ‘movers’.

“Bringing in TPG Telecom as our telco partner is a fantastic opportunity and we look forward to growing the relationship over time. Through this arrangement we can leverage our truly unique integration offerings.

“For example, with the TPG internet widget we already identify the relevant NBN status on each property and the next phase will see us matching the right TPG product to each individual property. Mobile internet is at an interesting juncture in the market – the 5G home broadband plans are essentially at price parity to traditional fixed line services but for a renter they offer the increased flexibility of not needing a traditional installation so they can even be setup before you move into the property and, because they do not tie up any of the home infrastructure, can be more suited as a personal service rather than shared across the household.

“We are able to offer similarly granular targeting across other advertising categories and have not yet tapped into the enormous potential of our first party data assets”.



“Our Renter Products continued to perform well, with the extremely tight rental market contributing to adoption of Renter Resumes and RentChecks, while our RentConnect product also improved as process optimisations take effect. This product is unique in market in that, when a customer signs up to Origin they can either receive a one-off \$100 gift card via Rent.com.au or, if Bill Smoothing via RentPay, can receive up to \$5 per week (\$260 per year) in cash back if they have both electricity and gas through Origin.

“A significant contributor to our Renter Products growth has been our loan product, RentBond. It was already one of the leading products in its segment, but has grown further since we opened this channel to other real estate industry participants at the end of the previous quarter by allowing them to refer customers via our dedicated referral website www.rentbond.com.au.

“Any successful loans funded via a referral may earn the referral partner a fee. We have had solid demand from real estate agencies who are seeking to provide customer friendly options to their tenants, and in several cases have had agencies sign up to both RentBond and RentPay, amplifying the impact of our sales conversations. Across both our direct and referral channels we generated approximately \$3.5 million in loans during the June 2023 quarter”, explained Mr Bader.

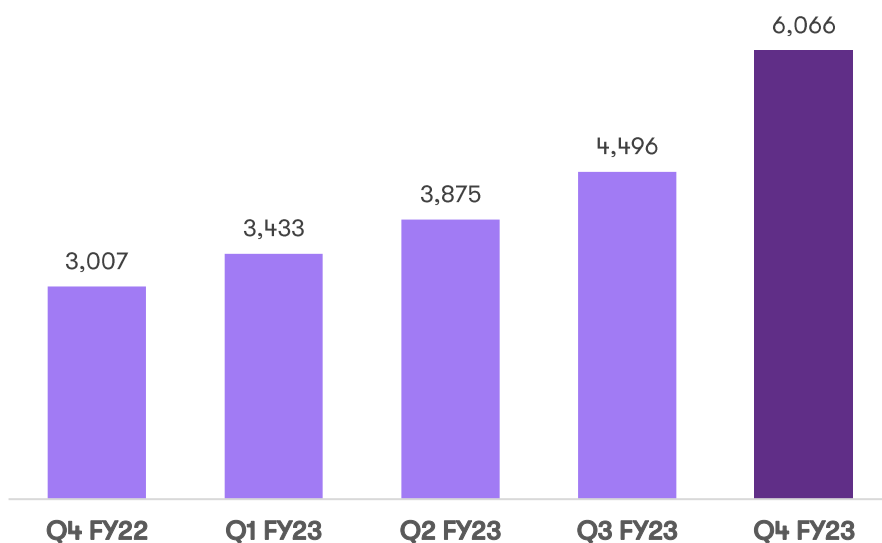
RENTPAY

- › 6,066 active customers transacting payments at 30 June, and growing
- › ~\$2.5m in rent per week being paid via RentPay (>\$27m in the last quarter alone)
- › RentPay marketing campaign delivering customer growth and being optimised
- › Several real estate agencies have signed on to RentPay with several more in progress

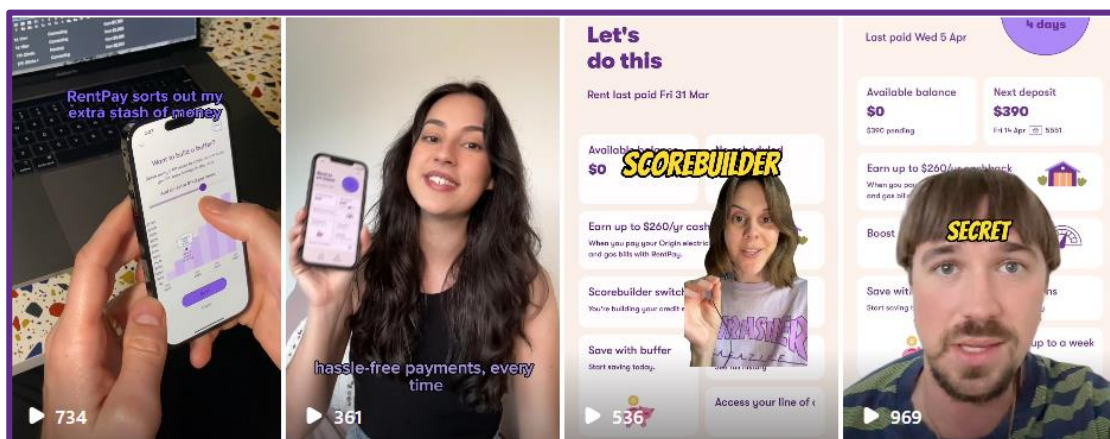
“Our consumer marketing is working well and we monitor our spending carefully as always, increasing it only where we can see the benefit of doing so, and reducing spend where we’re not getting returns. As expected, we’re getting strong engagement and adoption via social media channels which are ideal ways to reach our predominantly 18-35 customer audience”.

CUSTOMER NUMBERS

ACTIVE RENTPAY CUSTOMERS



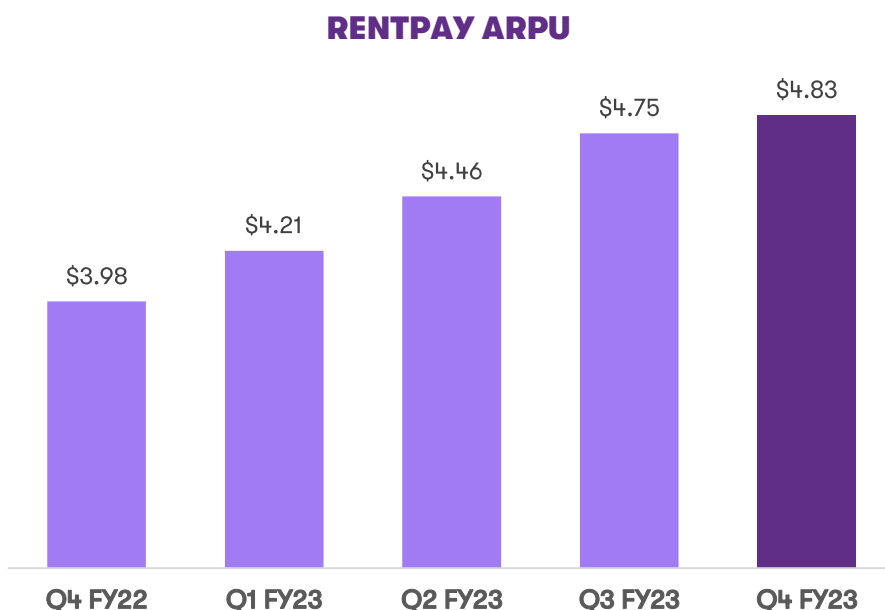
“An additional benefit of using social media channels is that the format of advertising is more ‘natural’ and can explain the benefits of the product to renters. The marketing campaigns are targeting renters looking to build good financial habits so they can get ahead despite the rising cost of living. The advertising focusses on these benefits and blends tutorial with sales. These formats also allow us to use the content across our earned and owned media assets in addition to the paid marketing channels, thereby helping us to reduce overall acquisition costs”, said Mr Bader.



“RentPay’s core functionality is that it allows a renter to specify when and by what method they wish to pay, but then translates that to pay rent to the agent in the manner and on the date that the agent specifies. Renters can also access other benefits to help build good financial habits such as building their credit score if they opt in to the Scorebuilder feature or getting up to \$260 per year cashback when they pay their Origin energy bills via RentPay’s Bill Smoothing feature”.

AVERAGE REVENUE PER USER (‘ARPU’)

“As more customers are added to the RentPay platform, we are also focussed on monetising them by increasing our ARPU through adoption of additional paid for features”.



“While the base subscription fee and the transactions fees for non-standard payment methods currently deliver most of our ARPU, we’re aiming to increase the percentage of customers using Bill Smoothing and Scorebuilder because these not only deliver great customer value but also offers RentPay additional revenue streams.

“We’re making progress on delivering on the other ARPU generating initiatives in our development pipeline which include further payment options (bills, internet etc) as well as further credit products like our planned mortgage simulator. This feature would allow a customer to plan for and ultimately transition to home ownership by being able to use their RentPay history. We’re seeking to partner with a bank or significant mortgage lender to collaborate on a product that allows a customer to demonstrate serviceability of future mortgage repayments and build a deposit quicker by virtue of being a RentPay user.”

During the quarter the Company invested a net \$679k into the operating and marketing of RentPay to go along with \$208k of software development costs.

OUTLOOK

“We are pleased with the level of growth we’ve achieved in RentPay customer numbers. A lot of work has gone into both the consumer as well as the agent sides of the market. These efforts are not usually apparent immediately in terms of new customer numbers however I am confident that coming quarters will validate the efforts we’ve put in this past quarter”.

“Similarly, I am pleased with the Rent.com.au side of the business. Core portal fundamentals remain strong and, with improvements in Advertising Sales, I am expecting a strong performance in coming quarters despite an otherwise challenging rental market.

“Opening up RentBond was a strategic call and has allowed us to grow the volume and the awareness of the product significantly. We are working closely with our partner Fair Go Finance to capitalise on several interesting opportunities to improve the adoption and performance of the product”, concluded Mr Bader.

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 \$84k, 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.

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 2023

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	777	3,189
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(358)	(1,206)
(c) advertising and marketing	(344)	(954)
(d) leased assets	(20)	(85)
(e) staff costs	(451)	(2,241)
(f) administration and corporate costs	(181)	(854)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	46
1.5 Interest and other costs of finance paid	(5)	(25)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	677
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(565)	(1,453)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
- (b) businesses	-	-
(c) property, plant and equipment	-	(4)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(444)	(1,834)

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)	-	-
2.6	Net cash from / (used in) investing activities	(444)	(1,838)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,918
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	-	(253)
3.5	Proceeds from borrowings	-	179
3.6	Repayment of borrowings	(64)	(275)
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	(64)	2,569

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,581	2,230
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(565)	(1,453)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(444)	(1,838)

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)	(64)	2,569
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,508	1,508

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	1,488	2,561
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)	1,508	2,581

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	84
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>		

7.	Financing facilities <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>	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)	-	-
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)	(565)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,508
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,508
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.7
	<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: 27 July 2023
.....

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.