



Rent.com.au Limited
GPO Box 2543
Perth WA 6001
www.rent.com.au

ASX Announcement

30 April 2021

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q3 FY21

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 31st March 2021.

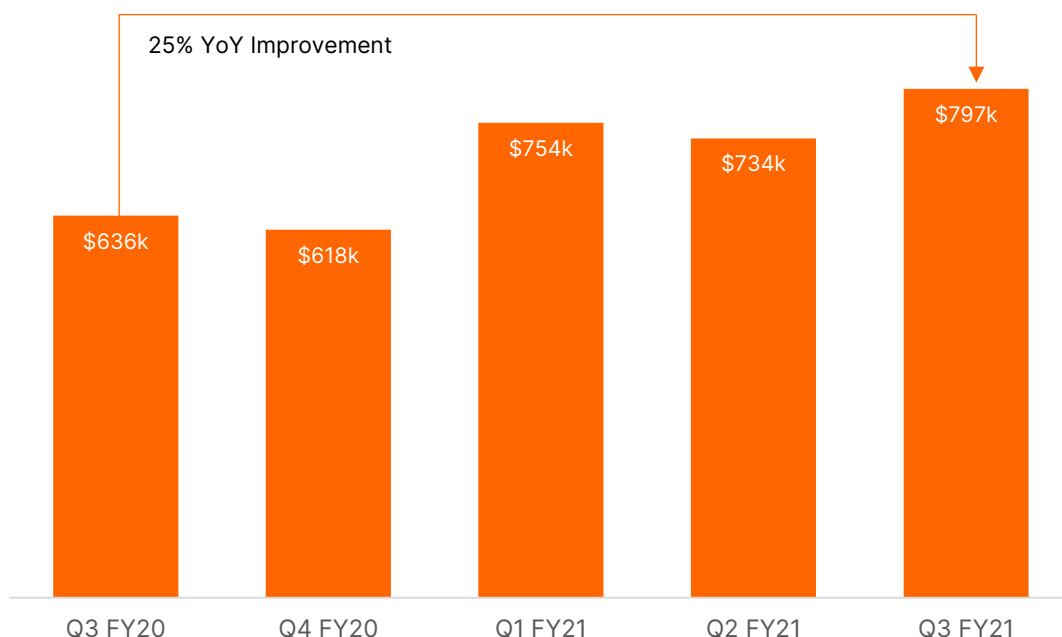
Key Points:

- › Record revenue of \$797k, 25% YoY improvement.
- › Core rent.com.au positive EBITDA improves, 3rd consecutive positive quarter.
- › RentPay investment increased ahead of launch, new features added.
- › \$3.8m cash on hand at end of quarter, sufficient for launching/operating RentPay.

Operating Overview

"We're delighted with our revenue result for the quarter, with strong contributions from both core rent.com.au revenue streams. We achieved a record result for Advertising Sales and the 2nd best ever quarter for Renter Products. When we compare our result against the same quarter last year, we have improved revenue by 25%, which follows similar year over year increases over the previous 2 quarters, and we're expecting this growth trajectory to continue into the final quarter of the financial year," said Rent.com.au CEO, Greg Bader.

Quarterly Revenue



While normally this is the most active quarter of the year, overall rental market activity in the March 2021 quarter was lower than normal – affected by lower interstate and overseas migration (e.g. foreign students) and previous higher than normal activity as lockdowns ended.

Google data indicates that rental search volume was down as much as 20% in the quarter compared to the same quarter in the prior year, however, with various COVID-induced moratoriums/restrictions expiring at the end of March, Rent.com.au has seen an increase in market activity again towards the end of the quarter.

“We’re gaining increased traction in the market and this has allowed us to post significant growth in revenue and profitability during what would otherwise be tougher market conditions, as higher proportions of people use our products,” commented Mr Bader.

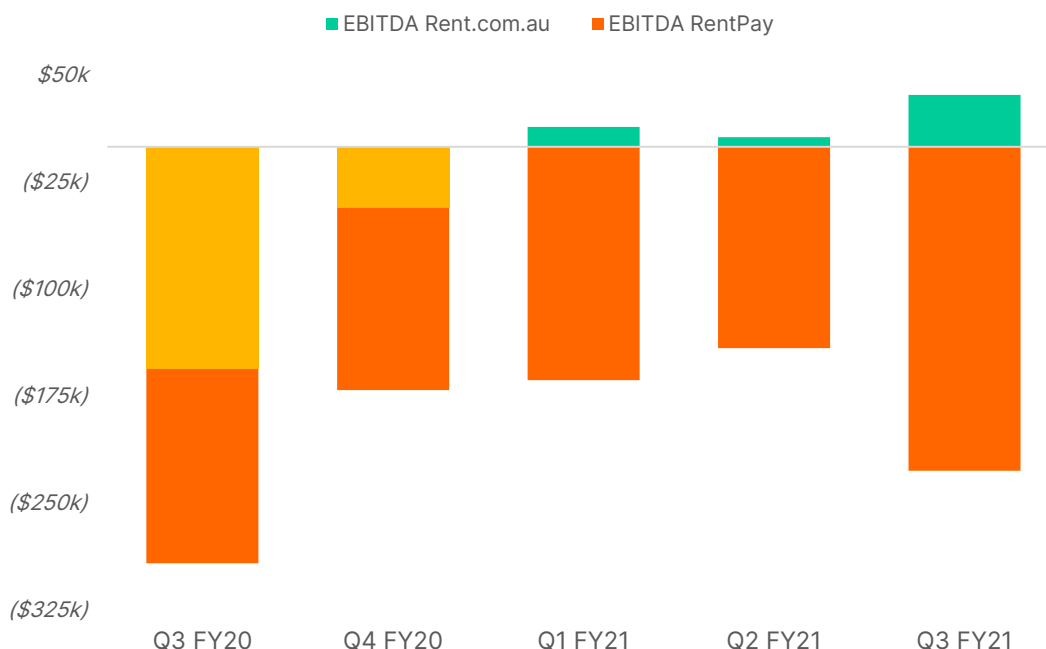
“Our RentConnect (AGL utilities) product continues to drive most of the Renter Product growth, with the month of March setting a new record for the number of AGL utility connections through rent.com.au. We estimate that around 10% of AGL’s new consumer electricity and gas connections nationally are now via referral from Rent.com.au, which demonstrates the value of our renter channel to strategic, embedded partners.

“RentCheck, our ID verification product, also posted good growth over the prior year continuing the trend we’ve seen in recent quarters. Most pleasing however is our bond finance product, RentBond, which has struggled in recent quarters due to low demand. We feel it has turned a corner, with a record number of bond loans settled in the month of March, representing over \$1 million in loan value settled and with strong volumes continuing into April.

“Advertising revenue has also continued to improve, with March 2021 being a new record month and the quarterly revenue setting a new quarterly record of \$331k (33% up on the same quarter in FY20). Our focus continues to be on developing long term advertising partner relationships because we believe this helps unlock better value for both RNT and the advertiser.

“Our record revenue result has driven an increase in profitability of our core rent.com.au business, with EBITDA increasing to \$36k, marking the third successive quarter of positive EBITDA.”

Quarterly EBITDA Breakdown



“With our core rent.com.au business continuing to build its profitability, and given the size of the RentPay opportunity, we’ve continued to invest in developing RentPay. In addition to software development costs of \$517k which were capitalised, we spent a net \$227k during the quarter on pre-launch branding/marketing, research and compliance activities for RentPay to give ourselves the best opportunity we can when we launch. Despite this additional expenditure, on a group basis we have still improved our EBITDA position by \$100k (34% improvement) compared to the same quarter last year”.

RentPay Update

We recently announced an agreement with SkyCredit to enable some additional RentPay features. These features have now been added and are in testing, meaning the launch the new RentPay is expected to occur within a matter of weeks.

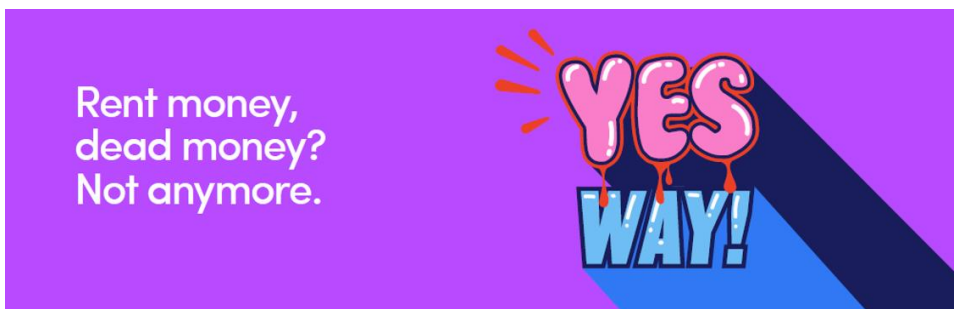
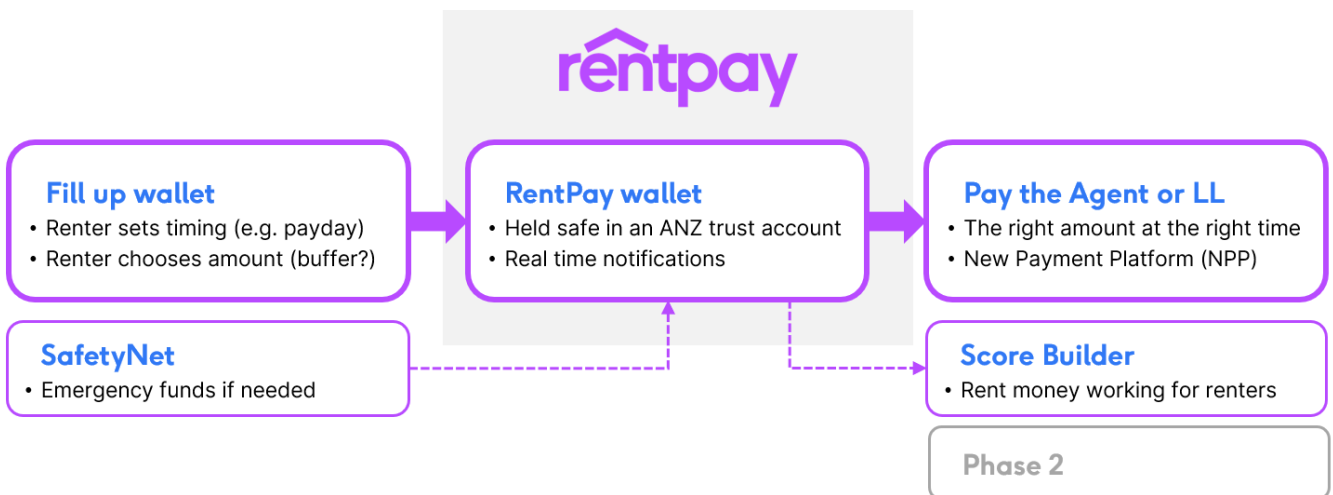
“When we first envisaged RentPay we had a clear vision of the problem we were trying to solve, but the path there from a technical perspective was far less certain and has proven more complex than we thought. We’ve invented new solutions where we could and have integrated into existing frameworks where we have had to. It’s been a tremendous effort not only by our RNT team but also by a number of key partners to reach this first milestone.

“The upcoming launch is an important point in the growth of our business, but we genuinely feel that this is just the start,” said Mr Bader.

“We see RentPay as platform of the future. Whilst it has several exciting core features that will give renters control and flexibility over their payments and provide the support and recognition they deserve – it’s the holistic nature of the platform that is really exciting. It will continue to morph technically as the banking framework in Australia modernises, and the value feature set will continue to grow as we integrate other partners and expand solutions.

“Simply put, we see RentPay as becoming the logical way people manage everything related to their tenancy period.

At its heart, RentPay is a digital wallet solution that provides certainty on the outbound payment side (to the agent or landlord) and complete flexibility for the renter on the inbound side in terms of when and by how much they want to top up their wallet.



It is the first rental payment solution in the market that faces the renter. It is built for the renter and its foundation was in talking to our customers and understanding the challenges they face and the changes they would like to see implemented. Over 1,500 customers participated in our research across a range of formats from surveys through to in-office workshops and we see this continuing as we continue to expand RentPay.



“RentPay operates independently of agent systems – our agent partners will receive the right amount of rent on the right day and in the right way regardless of their system. From a process point of view, it will be no different than the customer paying them directly. The immediate benefits they receive of course will be that we will prioritise settling payments using NPP which means instant payments, no more uncertainty over who’s paid when.

“As we roll out Phase 2 of RentPay the value proposition improves with agents gaining access to a suite of account reconciliation and management tools and we intend to open up new revenue opportunities. The last point we are particularly excited about, RentPay will become not only a tool that will make life easier for renters and agents but will also allow agents to grow their businesses,” explained Mr Bader.

“There are also many exciting partner opportunities to extend RentPay. Early-stage discussions are in progress with several existing and new partners to add further features and products to RentPay.

- Utilities are a great example. Over 40% of our customers are asking for their core utilities to be billed in line with their regular rental payments;
- Customer insights – as Open Banking is deployed across Australia and banking data is shared, RentPay offers partners a unique advantage with a rich dataset not available elsewhere.
- Customer rewards – having renter’s core (essential) rental payments linking to benefits with a retail payments solution (discretionary spend) is very interesting given the competition in that space.

This is what makes RentPay a truly exciting platform – it aims to deliver immediate benefits in terms of simplifying what can be a complex process and it is truly “double sided” in that it delivers benefits to both the renters and the agents. Most importantly, however, it has near infinite opportunities to expand its product range in terms of its value and appeal”.

Outlook

"Our sole focus over the coming quarter is on getting RentPay launched to the market, mainly via our existing renter channel. We will then have a period of optimisation of the product and features if required before we look at broader marketing campaigns.

"Should the launch and subsequent take up of RentPay go as planned, we expect to bring on additional staff to accelerate further development and commercialisation of RentPay. Of course, we won't ignore our rent.com.au portal business either. We will continue to innovate and drive the profitability of that business which still has plenty of growth opportunity available that we have not been able to access while our focus has been on RentPay.

"I am bullish on the prospects for the Company and look forward to updating the market further regarding our RentPay progress," concluded Mr Bader.

Disclosures required under ASX Listing Rules:

Payments to related parties of the entity during the quarter totalled \$111k, comprising directors fees and office rent and outgoings paid to entities associated with Dr Garside. Office rent is on favourable, market standard terms 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

The logo for 'rent check' features the word 'rent' in a lowercase, sans-serif font with a small house icon above the 'e', followed by the word 'check' in a similar font.

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](#)

The logo for 'rent bond' features the word 'rent' in a lowercase, sans-serif font with a small house icon above the 'e', followed by the word 'bond' in a similar font.

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

[Learn More](#)

The logo for 'rent connect' features the word 'rent' in a lowercase, sans-serif font with a small house icon above the 'e', followed by the word 'connect' in a similar font.

A free and easy to use utility connection service in partnership with AGL that not only makes moving hassle free – ensuring the lights are on and the water is hot when a renter moves into their new place but also provides the renter with a \$100 gift card to help them turn a house into a home.

[Learn More](#)

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](#)

The logo for 'rent pay' features the word 'rent' in a lowercase, sans-serif font with a small house icon above the 'e', followed by the word 'pay' in a similar font.

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 MARCH 2021

Consolidated statement of cash flows	Current quarter	Year to date
	\$A'000	(9 months)
		\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	779	2,391
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(335)	(1,002)
(c) advertising and marketing	(125)	(255)
(d) leased assets	(26)	(118)
(e) staff costs	(408)	(1,221)
(f) administration and corporate costs	(84)	(304)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(8)
1.6 Income taxes paid	-	(13)
1.7 Government grants and tax incentives	-	747
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(201)	217
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(39)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(534)	(1,086)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(543)	(1,125)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,750	4,250
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	-	27
3.6	Repayment of borrowings	(22)	(97)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (costs of issuing equity securities)	(40)	(149)
3.10	Net cash from / (used in) financing activities	2,688	4,031

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,812	633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(201)	217
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(543)	(1,125)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,688	4,031

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,756	3,756

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	3,686	1,741
5.2	Call deposits	70	70
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)	3,756	1,812

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
111
-

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, as well as 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)	-	-
7.4 Total financing facilities	-	-

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

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(201)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,756
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,756
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	18.7

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

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

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

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: 30 April 2021

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 – e.g. 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.