

ASX Announcement

31 October 2023

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY24

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 September 2023.

KEY POINTS

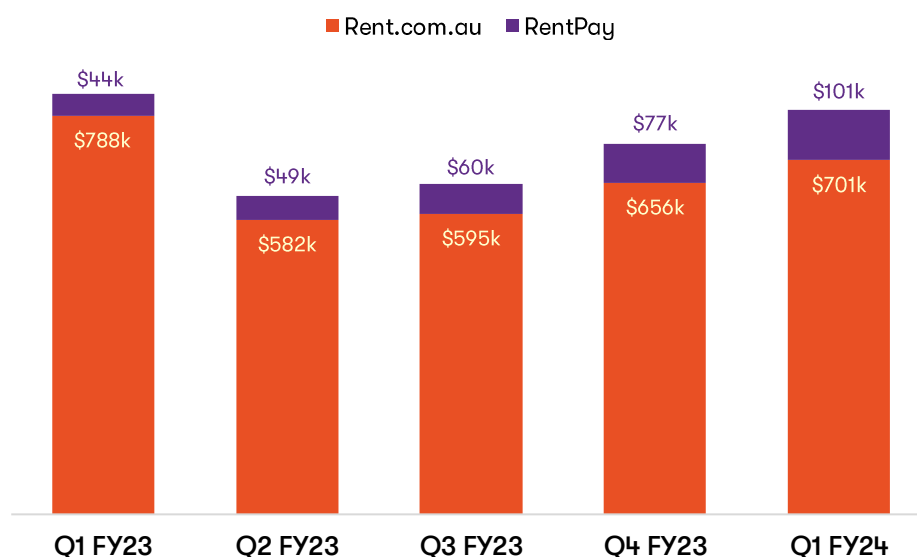
- › Quarterly group revenue of \$786k, 11% improvement on the previous quarter.
- › Advertising revenue improvement continues, up 16% on previous quarter.
- › 17% quarterly growth in active RentPay customers and strong start to Q2 FY23.
- › Solid pipeline of new RentPay opportunities to be capitalised upon.

OVERVIEW

"The efforts put in by our team over both this and previous quarters has both parts of our business growing. We continue to deliver good RentPay quarterly customer growth, both from the strong demand from real estate agents and from consumers despite consumer marketing being scaled back a little from Q4 FY23. We've had a strong start to the December 2023 quarter too, already reaching more than 7,500 active customers by the end of October," said Rent.com.au CEO, Mr Greg Bader

"On the 'Search portal' side of the business, revenue again grew over the previous quarter. This was mainly driven by ongoing improvement in Advertising Sales and our RentBond referral programme to which we added further partners during the quarter. The revenue growth has driven an improvement in EBITDA and the 'Search' portal returned to positive EBITDA."

QUARTERLY REVENUE



*includes inter-segment revenue of \$24k in both Q2 and Q3 FY23, \$26k in Q4 FY23 and \$16k in Q1 FY24

RENT.COM.AU / SEARCH PORTAL

“Overall, the tight rental market still presents challenges to our Search portal businesses, with historically low vacancy rates meaning less property listings being advertised and therefore also less people using search portals to move home. So having the Search portal record a 9% revenue improvement over the last quarter, maintain its our audience numbers in line with the same period last year and continuing to be amongst the top performing property apps and websites across key performance metrics is a great result.

“A consistent, engaged audience along with developing our advertising partnerships, has delivered a further 16% increase in Advertising Sales revenue relative to the previous quarter. There is still more work to do in this space, but recent gains are providing us with confidence that we are on the right track. While home builders will always be a leading source of advertising revenue given many of our renters are actively saving towards a home, we have succeeded in generating interest from a range of other industries with brands such as Hello Fresh and YouFoodz targeting our renters, particularly demographics where we over index in such as 25 to 35 year-old couples and young families. We can provide brands with a range of options to target advertising at either a broad national or a very granular level through media ranging from onsite display through to social media and email, with options to also extend the reach through a network of partner sites too,” explained Mr Bader.

“Where the lower volume of people searching and applying for properties does have an impact is on our Renter Product mix. While overall Renter Products revenue performed in line with the previous quarter, the tighter market and increased costs of living see different products resonate with customers. Our range of Renter Products is an important differentiator for us, with products that help an application stand out, others that simplify utility connections whilst providing real rewards and of course our RentBond product that can really make the difference in terms of securing a property quickly.

“With cost of living pressures still high, customers are seeking value and our RentConnect utility connection product backed by Origin offers great value, with a customer able to choose either a \$100 gift card upfront or, if they sign up to RentPay, they can access up to \$260 per year in cashbacks. We’re looking to expand this product further to offer adjacent services too so that we can maximise the benefit for our customers.

“The significant contributor to our Renter Products revenue has again been our loan product, RentBond with further strong growth recorded. We have signed several more referral partners to the programme during the quarter and we’re starting to see these contribute to the volumes. We will continue to target other real estate industry participants to join our referral programme via our dedicated referral website www.rentbond.com.au. Referral partners earn a fee for any successful loans funded via a referral”.

RENTPAY

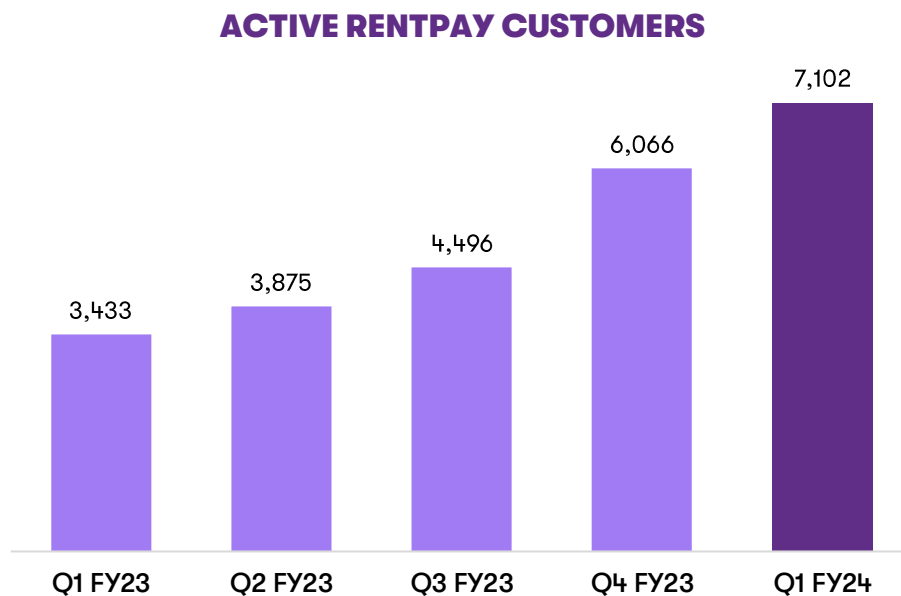
- › 7,102 active customers transacting payments as at 30 September (growth of >1,000).
- › \$32.6m in rent paid via RentPay during Q1 FY24 (20% growth vs previous quarter).
- › Continued strong interest from real estate agencies, solid pipeline of opportunities.
- › Enhanced credit card offering allows RentPay be industry leader with just 0.99% fees.

“We’ve achieved another strong quarter of RentPay growth across both consumer direct and agent-led channels. Consumer sales continue to be stronger than our pre-campaign levels which

is a testament to the quality and reach of our earlier campaign in building brand awareness which is still strong with only a moderate social media campaign in market to support customer acquisition.

“With the strong interest we’ve had from real estate agencies following several conferences we exhibited at, we are focussing on our Agent (B2B) sales activity which contributed around half of all sales for the quarter,” explained Mr Bader.

CUSTOMER NUMBERS



“The B2B sales approach is one that is reaping rewards with multiple agencies being signed each month. While we continue to target a broad range of agency groups, we’re finding that medium sized agencies, and in particular those that are growing quickly, often don’t have a robust solution in place and therefore are experiencing all the pain points that RentPay solves.

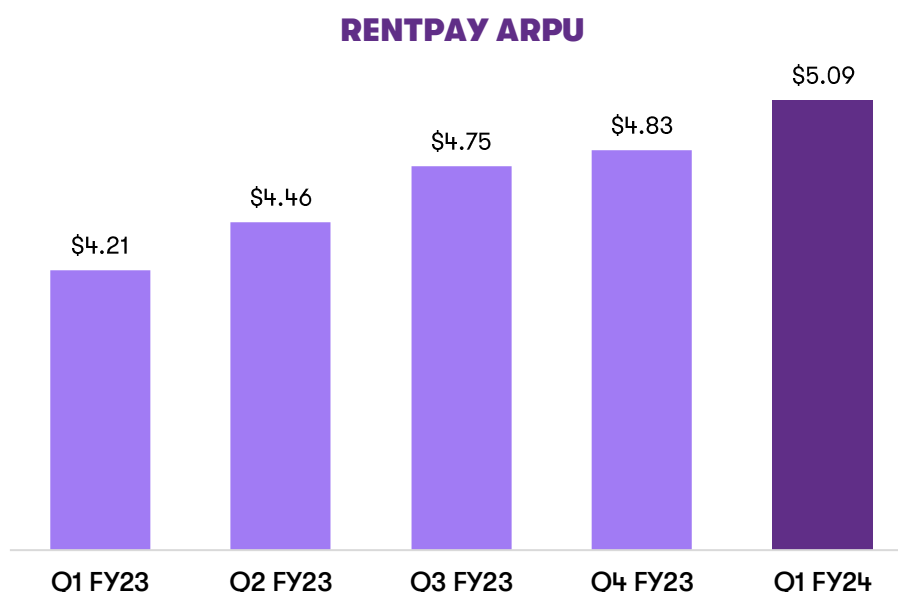
“Onboarding an agency’s rent roll can be time consuming, so we’ve invested in functionality to make this a lot easier for both the agency client and our customer team. During the quarter we also invested in increased integration with leading property management software providers. RentPay already works with any property management system in terms of helping automate reconciliation of rental and other payments, but two-way data sharing takes productivity gains to another level,” Mr Bader said.

“We continue to explore partnership opportunities across several fronts. RentPay provides an ongoing relationship with our customer that is quite unique in the sector, it allows unparalleled positioning of relevant products and services to customers at a time when the stress of moving home is no longer front and centre. Similarly, that customer relationship means we know when a customer is moving so that we can complement the Search portal with regards to positioning product partners at one the key churn events in a customer’s journey,” said Mr Bader.

AVERAGE REVENUE PER USER (‘ARPU’)

“As in previous quarters, our current priority is on adding more customers to the RentPay platform, with the goal of increasing our ARPU being secondary. An example of this is the introduction of industry-leading credit card fees of just 0.99%. This is attractive to consumers

and we're seeing almost half of new consumer sign ups (i.e. not those attached to an agency that has onboarded them) using a credit card to pay their rent".



"As in previous quarters, the base subscription fee and the transactions fees for non-standard payment methods currently deliver most of our ARPU, the percentage of customers using Bill Smoothing and Scorebuilder has been slowly increasing and we continue to promote these features because they are attractive to a consumer, delivering great customer value, while offering RentPay additional revenue streams.

"At RentPay's core is our renter-oriented approach and we will continue to build out functionality to help them with choice and other benefits to help build good financial habits. Our current roadmap includes new payment choices, rewards and of course we're progressing our transition to mortgage product. These features also provide additional revenue opportunities that we expect will drive further ARPU growth," said Mr Bader.

During the quarter RentPay's EBITDA loss was \$528k and includes \$84k of marketing spend. This was an improvement of \$151k on the previous quarter. Investment in software development was \$194k which was also less than the prior quarter.

OUTLOOK

"Maintaining the strong level of growth that we've achieved in RentPay customer numbers has been pleasing and in large part reflects efforts from previous quarters, but a lot more remains to be done. We have a significant opportunity that we need to capitalise on by maintaining our leadership in the product space and increasing our capability on the sales side via consumer, agent and partnership channels," said Mr Bader.

"The Rent.com.au side of the business remains strong with continued improvement in Advertising Sales, and it was pleasing to see that side of the business return to profitability in a tight market. We will keep pursuing RentPay growth, and profitability at a Group level, while continuing to develop our leading product features," 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 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	839	839
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(393)	(393)
(c) advertising and marketing	(243)	(243)
(d) leased assets	(23)	(23)
(e) staff costs	(592)	(592)
(f) administration and corporate costs	(285)	(285)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	17
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(684)	(684)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(412)	(412)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(412)	(412)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	137	137
3.6	Repayment of borrowings	(26)	(26)
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	111	111

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,508	1,508
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(684)	(684)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(412)	(412)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	111	111
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	523	523

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	503	503
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)	523	523

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	61
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)	(684)
8.2 Cash and cash equivalents at quarter end (item 4.6)	523
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	523
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.8
<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?	
<p>Answer: No. The Company has taken steps to reduce its operating costs and at the same time has experienced revenue growth over several successive quarters, indicating an improve operating cash flow outlook.</p> <p>The Company has also lodged its income tax return for the year ended 30 June 2023 and expects to receive a refund of \$671k related to an R&D offset.</p>	
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?	
<p>Answer: Yes. On 30 October 2023 the Company requested a Trading Halt pending announcement of a capital raising. The Company is in the process of finalising the capital raising and expects to release an announcement to the ASX on or around 1 November 2023.</p>	

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: Yes, the Company expects to be able to continue its operations and to meet its business objectives on the basis of the improving operating cash outlook, with the capital raising that is to be announced expected to cover any shortfalls that occur.

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.

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 October 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.