

RENT.COM.AU QUARTERLY ACTIVITIES REPORT

Rent.com.au Limited (ASX: **RNT**) (“**RENT**” or “**the Company**”), Australia’s Number 1 website dedicated to rental property, presents its quarterly activities report for the three months ending 30th June 2017.

Key Highlights:

- › Total revenue up 6% on previous quarter to \$476k (75% growth over Q4 FY16)
- › \$118k (10%) improvement in EBITDA – loss down to \$1.1m for quarter
- › Strong growth in organic site visitation
- › \$3.3m cash on hand as at 30 June 2017
- › Maintains previous breakeven guidance

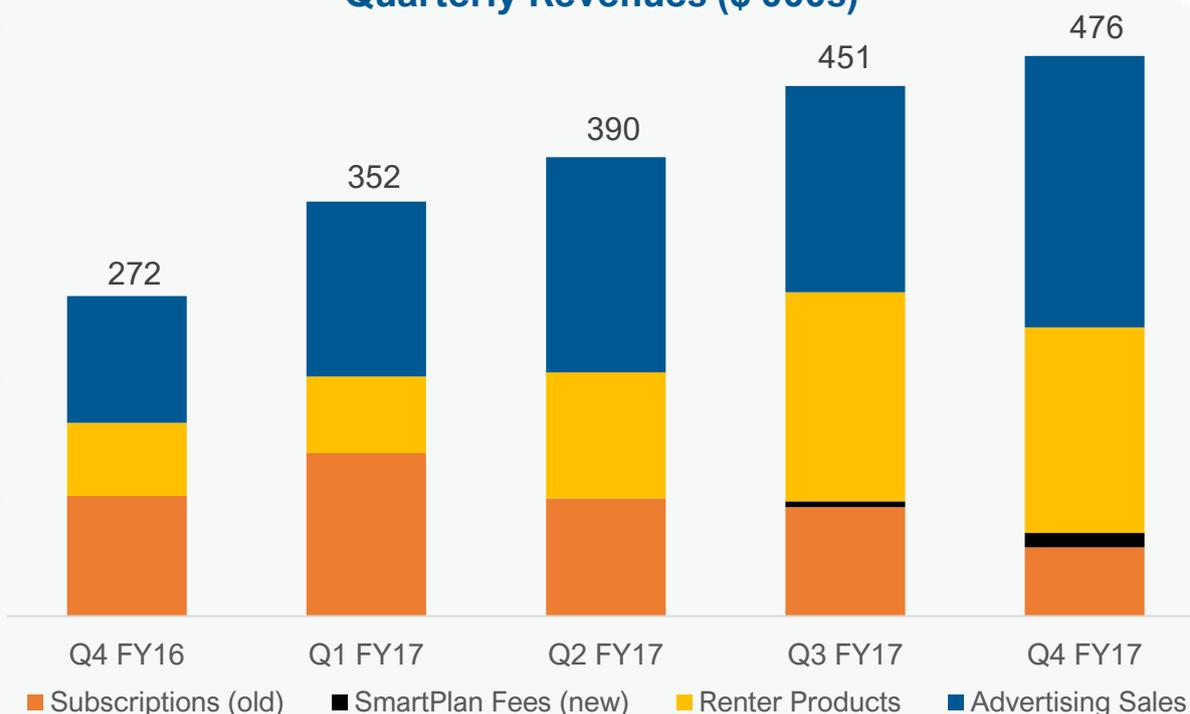
Continued Revenue Growth

RENT Chief Executive Officer, Mr Greg Bader, said that being able to continue the trend of achieving quarter on quarter revenue growth for every quarter since listing was important and reflected the strong determination of the team and a growing acceptance by RENT’s customers.

“I am pleased with our performance for the quarter,” said Mr Bader. “With \$188k of revenue in June, we achieved the best revenue month in the history of the company. Compared to the same quarter in FY16, we’ve achieved almost twice the revenue off half the cost base, which shows how far we’ve come in 12 months as we reposition the business.

“Whilst 6% overall growth for the quarter is certainly positive, we are not satisfied and will continue to focus on growth and efficiency. We’ve achieved revenue growth despite our legacy agent subscription products continuing to churn as expected, which means our current (continuing) products achieved 17% growth in the quarter. This is very encouraging and further reinforces our strategy”.

Quarterly Revenues (\$'000s)

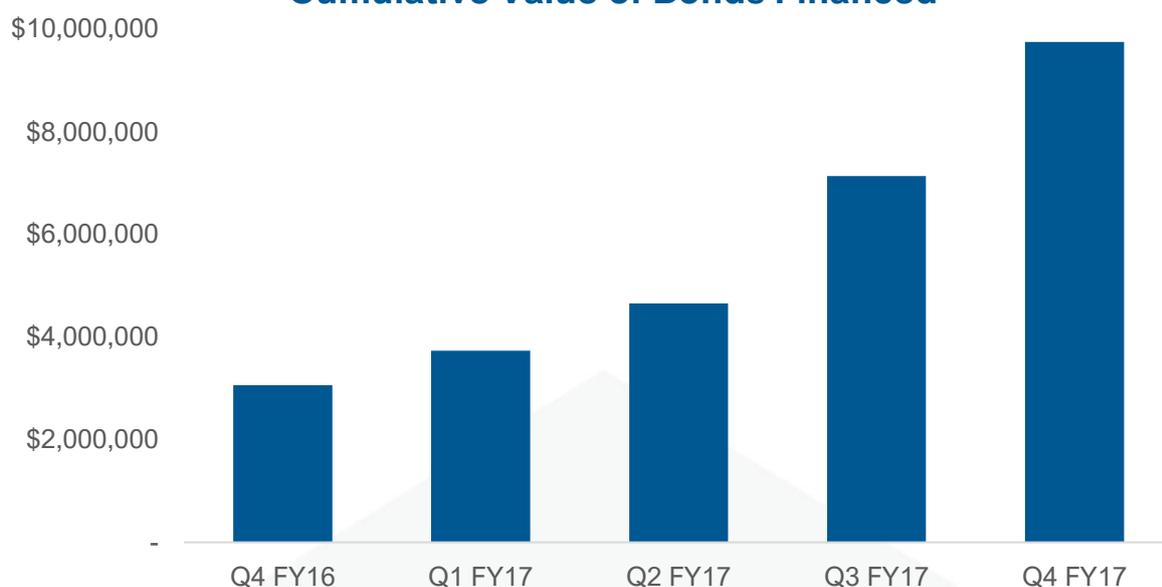


Momentum with Renters

“To me, the most important aspect of RENT, our reason for being here, is to make a difference in the rental industry. We have released a range of products that support this philosophy and the continued level of adoption by our customers is fantastic. Growing this momentum is a core part of RENT’s customer engagement strategy. When we get this right the revenues will follow.

“This momentum is demonstrated in a number of ways,” explained Mr Bader. “Adoption of our products is one way. In June we had our highest ever month of product sales including our first ever \$1 million month for RentBond – that is to say, in June we facilitated over \$1 million worth of rental bonds being financed. This is a fantastic result and I would like to think we have created this market. We see financing your bond as a convenience product and something that we will continue to develop and grow with our customers.”

Cumulative Value of Bonds Financed

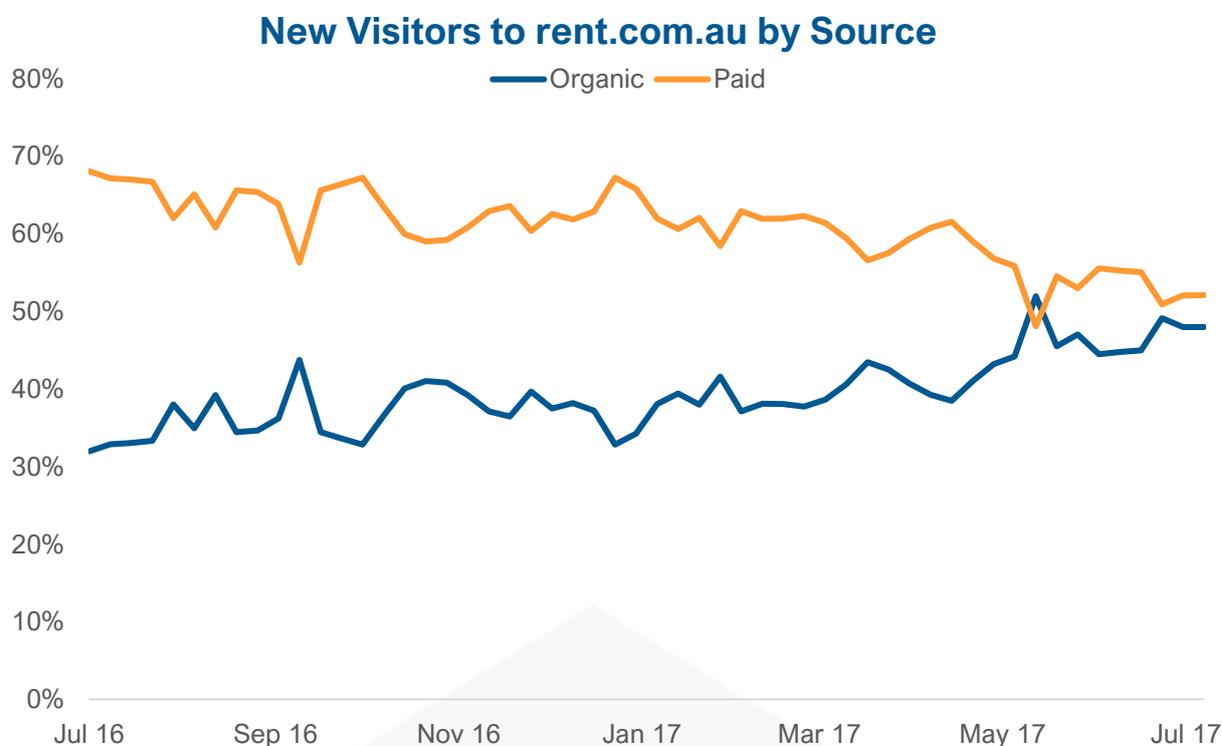


“Another area where we’re generating momentum is with Renter Resume. Renter Resume is now synonymous with RENT and we have over 140,000 resumes created in the last 9 months. This is a core product for RENT and we will be releasing additional enhancements in July 2017 that will further engage our customers and increase adoption.”

Renter Resumes



“A third way we see this momentum occurring is when we look at the visitors to our website,” Mr Bader continued. “The proportion of visitors coming to our website via organic means (as opposed to responding to online advertising) has grown to all-time highs and now represents almost half of all visitors. This demonstrates a growing awareness of RENT in the marketplace. This is backed up by other key engagement measures like the time people spend on our site (+19%) and the number of pages viewed (+17%) which have also significantly increased.”



“Whilst there is a direct relationship between increasing site traffic and product sales, finding the balance that delivers the best profitability is an ongoing exercise. We are maintaining our traffic at about 650,000 unique visitors per month and with a background of approximately 85,000 homes rented per month, we believe this balance is about right. Our focus is to make that traffic as efficient as possible and maximise the engagement of people that are visiting.

“The benefit we see from this increased engagement with our website is an increase in product and display advertising sales as well as a significant reduction in marketing spend. Compared to the same quarter a year ago, we’ve reduced our monthly marketing spend by almost \$100k while maintaining the same number of visitors to the website. To achieve this growth in customer engagement whilst also focusing on short term revenue growth and general business efficiency is impressive and demonstrates that our core business of engaging our customers is on track and improving”.

People into Places and ARPU

As previously stated, RENT intends to change the way the industry operates. We passionately believe that renting will become easier and less intimidating because of the initiatives we are developing.

To this end, RENT has 2 key measures it is focussed on:

- The number of moves facilitated each month (People into Places)
- The Average Revenue Per User (ARPU) received for facilitating those moves

During the quarter ended 30th June 2017, RENT estimates that it facilitated approximately 1.5% of all rental home moves, a similar share to that which it achieved during the March quarter. The average revenue per user (ARPU) that we achieved in the June quarter was \$58 (up from \$50 in the prior quarter).

“All the onsite metrics indicate that we’re getting traction, helping more people to find their next home, but we are pushing for a change in behaviour and that takes time,” said Mr Bader. “We want people to confirm that we’ve helped them, this helps us provide them with other services they may need and therefore this is the metric we measure.

“During June we commenced a trial where we’re providing an incentive for a renter to do just that, to tell us that they’ve found a property through rent.com.au. This is only available on SmartPlan properties and we still verify it with the agent of course, but we have seen it help with changing that behaviour.

“The trial is ongoing, but after the first few weeks we have measured that we are 2 times as likely to get someone to confirm that we have helped them into the property where the incentive is available, compared with properties where the incentive is not. These are encouraging early results and give us confidence that we will succeed in driving the change in behaviour we’re looking for.”

Outlook

“We’re still seeing strong Renter Resume growth, increasing SmartPlan penetration and have improvements in the pipeline that should accelerate both,” said Mr Bader. “We are engaged with partners from the Insurance, Banking and Telco sectors and see these 3rd party relationships as significant and potentially industry changing. Our goal is to bring products to our renters that meet their needs. Renters are a significant (>30%) segment of our community and deserve specific focus.

“These activities set us apart from our competition and form the foundations for us to achieve not only our short-term goal of breakeven, but also the longer-term goal of building a substantial business with significant market share.

“This next quarter is critical for us to us in terms of our short-term goals. All of our key metrics around engagement point to a growing and, more importantly, relevant and influential business. I truly believe that getting these things right will see the revenues accelerate and I see no reason why this cannot be achieved.

“We are delivering value for all of our customers – on the one hand we’ve never had as many renters use our renter products to make the moving process easier and on the other we’ve shown that our SmartPlan property listing saves a landlord almost \$500 by letting the property quicker,” concluded Mr Bader.

ENDS

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

	Renters in Suits	Our renters will always be presented in such a fashion as to maximise their chances of getting the home they want
	Properties on Pedestals	We present our properties with additional and relevant information
	Flick the Forms	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

	Check to see if you are shown as a good tenant and add it to your resume to stand out from the crowd.
	Great convenience product helping renters bridge the gap from one rental to another by financing their bond online.
	Hassle free moving – get someone else to ensure the lights are on and the water is hot when you move in – for free!

Renter (and Pet) Resume

