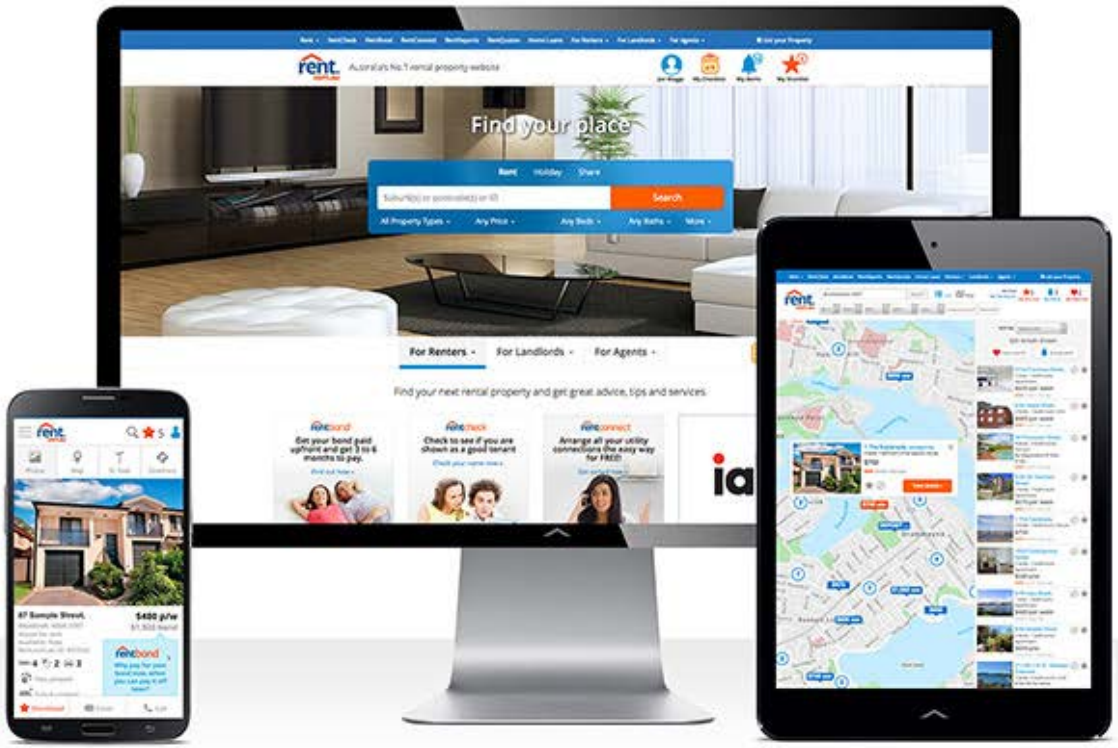
rent.com.au

Australia's No.1 rental property website



Market Update

September 2015

Disclaimer

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The Rental Market

The rental property market in Australia is a large and growing section of the overall property market. It is fast moving, fragmented and under-serviced.

- 30% of Australia's population (7 million people) rent; primarily key 18-35 demographic
- Approximately 3 million rental properties in Australia
  - 1.6 million properties managed by ~10,000 property agencies
  - 1.4 million properties self-managed by ~1 million non-agent landlords
- Average lease turnover ~12 months;
- Estimated 3 million annual rental transactions represents 5x the number of home sales;
- Significant and growing % of real estate agency revenue is derived from property management;
- ~50% of all rental advertising is offline; non-agent landlords traditionally advertise in print media and other offline sources

The Strategic Opportunity

Rent.com.au (ASX:RNT) is Australia's #1 dedicated rental property website, becoming the long term home for renting by creating a single marketplace comprising property agents and non-agent landlords listings and a broad range of services needed by all the rental market participants

- Rent.com.au is currently a top 10 national property website with:
  - 58,000 active property listings
  - 6,400 national property rental agencies registered
  - 334,000 monthly unique visitors to site
  - Robust & scalable web and mobile platform
- RNT has a first mover advantage in the offline to online market shift opportunity of the large non-agent landlord market which are not serviced by agent-only REA Group
- Business model is to provide broad range of services needed by all market participants - making money from renters and landlords as well as agents

Industry Comparisons – Illustrating the potential

The market value of similar classified/portal companies to RNT that are listed on the ASX. Dominant sites lead to increased traffic and higher levels of profitability.

Company	Market Cap *	EV/EBITDA	Overview
realestate.com.au	A$5.3Bn	17x	Realestate.com.au (REA) launched in 1998 and is now Australia's number one property site
trademe	A$1.3Bn	11x	Trademe.com.nz (TME) is a NZ rental website that launched in 1999 and is listed on the ASX
seek	A$4.2Bn	12x	Seek.com.au (SEK) is a specialist employment site which launched in 1997 and is listed on the ASX
carsales.com.au	A$2.3Bn	14x	Carsales (CAR) first revenues were reported in 1998 as it grew into Australia's #1 Automotive classified website
mitula	A$193m	25x	Listed on the ASX in July 2015, Mitula (MUA) is a real estate, jobs, and cars classified advertisement search engine operating 51 websites in 38 countries

* As at 2 September 2015

REVENUE MODEL

Renters – 18-35, Online & Social

- 7 million renters in Australia, ~30% of the population, who on average move every year
- www.rent.com.au offers renters a single location to search the entire rental market covering property agents and non-agent landlord listings, plus range of vertical products and services

- RNT's transaction based innovative renter products already launched include:
  - RentBond – spreading bond payment over 3-6 months interest free
  - RentConnect – hassle free utility connections
  - RentCheck – tenancy database, ID check and credit check
  - RentReport – vital statistics for renter knowledge
- Extensive suite of future products are in the development pipeline e.g. removalists, insurance
- RNT targeting 1 million renters to site per month within 5 years, with transactions between $15 and $40 per service

Case Study of Potential Revenue*			
Scenario % of 1m monthly visitors to site who transact	5%	10%	15%
Assumed Average Transaction Value	$20	$20	$20
Annual Revenue based on above assumptions	$12.0m	$24.0m	$36.0m

* The annual revenue numbers in the above table are based on the assumptions stated in the table and are not a forecast of RNT's future revenue

Non-agent Landlords – Property Investors

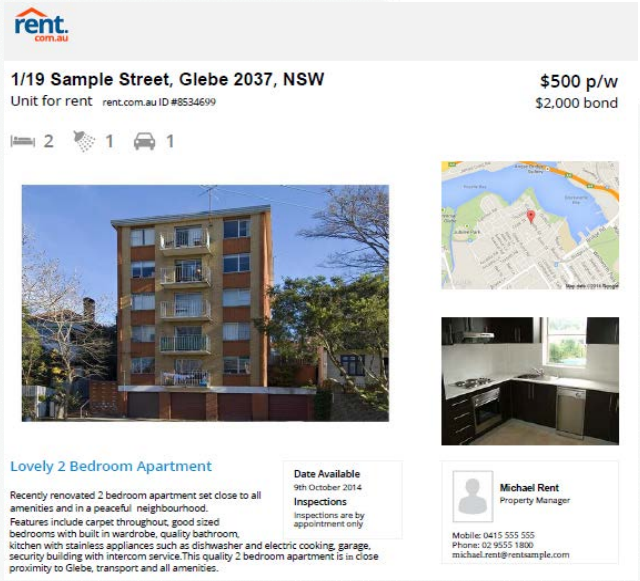
- Half the overall rental advertising market still offline. Opportunity to drive traffic online similar to carsales.com.au and seek.com.au
- RNT provides simple and cost effective ability for landlords to target renters and access property management quotes from property agents
- RNT's current non-agent landlord products include:
  - **Standard Listing** per rental property – normally $99 but currently free offer to drive market share
  - **Premium Listings** – pay to have ads at top of search, stand out more = more views per ad
  - **RentCheck** – background checks on potential tenants
  - **RentReport** – rental pricing and other statistics

GLEBE POINT $500 p/w
Lovely 2 Bedroom Apartment
Recently renovated 2 bedrm apart. Close to amenities. Peaceful neighbourhood.
Phone 0434344820

Over $200 offline

VS

Online rent.com.au listing


rent.com.au
1/19 Sample Street, Glebe 2037, NSW
Unit for rent rent.com.au ID #8534699
$500 p/w
$2,000 bond
2 1 1
Lovely 2 Bedroom Apartment
Recently renovated 2 bedroom apartment set close to all amenities and in a peaceful neighbourhood.
Features include carpet throughout, good sized bedrooms with built in wardrobe, quality bathroom, kitchen with stainless appliances such as dishwasher and electric cooking, garage, security building with intercom service.This quality 2 bedroom apartment is in close proximity to Glebe, transport and all amenities.
Date Available
9th October 2014
Inspections
Inspections are by appointment only
Michael Rent
Property Manager
Mobile: 0415 555 555
Phone: 02 9555 1800
michael.rent@rentsample.com

Case Study of Potential Revenue*			
Scenario % of 1 million non-agent landlords to list a property on rent.com.au during a year†	5%	10%	15%
Assumed Average Transaction Value	$160	$160	$160
Annual Revenue based on above assumptions	$8.0m	$16.0m	$24.0m

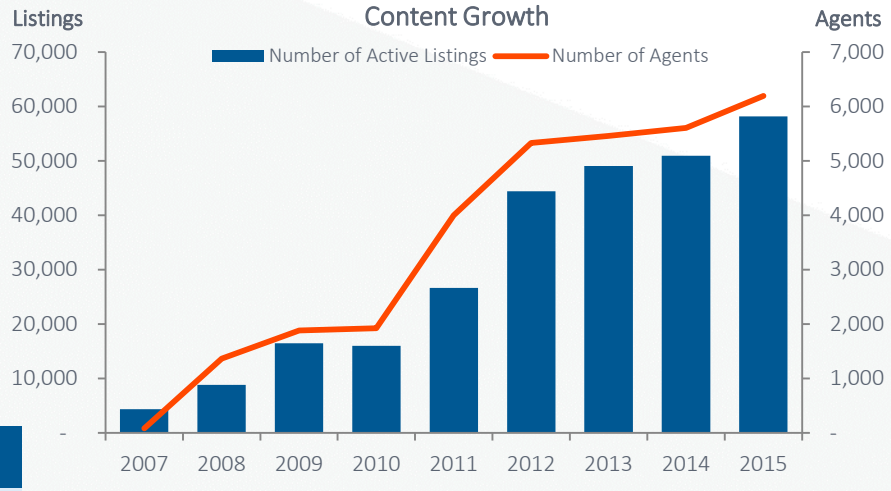
* The annual revenue numbers in the above table are based on the assumptions stated in the table and are not a forecast of RNT's future revenue

† REA, Carsales and Seek all had achieved over 60% market share in their respective markets as at 2011

Property Agents – Need to Grow Rent Rolls

- Property agents need greater access to renters – rent.com.au offers a unique audience: >50% of its traffic does not go to realestate.com.au and >65% does not go to domain.com.au†
- RNT provides property agents with simple and cost effective access to landlords, generating new business leads for growing their rent roll
- RNT's agent products include:
  - Subscriptions for branding, enquiry, leads & management tools
  - Premium services to increase engagement

✓ Unique audience
✓ Landlord leads
✓ Excellent services



Case Study of Potential Revenue*			
Scenario number of agents on paid plans	5,000	7,500	10,000
Assumed Average Monthly Payment	$200	$200	$200
Annual Revenue based on above assumptions	$12.0m	$18.0m	$24.0m

† Source: AC Nielsen Market Intelligence Duplication Report August 2015
* The annual revenue numbers in the above table are based on the assumptions stated in the table and are not a forecast of RNT's future revenue

Advertisers – Seeking Access to 18-35 Audience

- Online classified adverts are the fastest growing segment of the $4.4bn online advertising market – real estate is consistently the leading category
- Advertisers desire more targeted and timely campaigns
- RNT enables targeted advertising campaigns to a selective audience encompassing the sought after 18-35 year old demographic at the critical moving home phase = high propensity to act
- RNT's advertiser products include:
  - Banner advertising sales
  - Sponsorship
  - Database marketing

Measure	FY15[Φ]	FY14[†]	Growth
Unique visitors	2,203,235	1,365,742	+61%
Page impressions	24,191,756	12,408,119	+95%

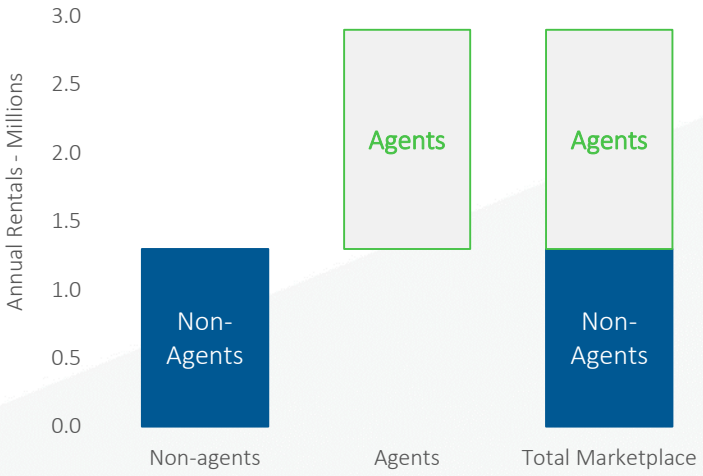
[Φ]FY15 refers to 12 months ended 30 June 2015
[†] FY14 refers to 12 months ended 30 June 2015

Case Study of Potential Revenue*			
Scenario Ad impressions at 1m monthly UV's	360m	360m	360m
Assumed CPM (cost per 1000)	$3	$5	$10
Annual Revenue based on above assumptions	$1.1m	$1.8m	$3.6m

* The annual revenue numbers in the above table are based on the assumptions stated in the table and are not a forecast of RNT's future revenue

Strong Competitive Position

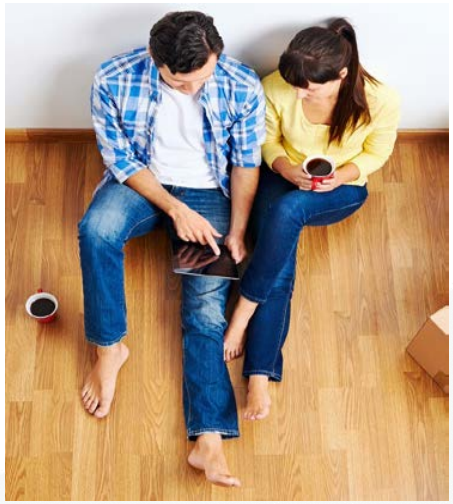
RNT differentiates itself from other sites by providing a complete marketplace for the growing but under serviced rental market



	rent.com.au	realestate.com.au	Domain	Gumtree
	✓	✓	✓	✓
	✓	✗	✓	✓
Rental property focus	✓	✗	✗	✗
Landlord transaction products	✓	✗	✗	✗
Renter transaction products	✓	✗	✗	✗

Expansion Potential

RNT has a number of significant blue sky opportunities primarily though international expansion - the most significant of which is its ownership of www.rent.asia.



www.rent.asia

- RNT won an international tender to secure rent.asia domain;
- Leverage existing Australian IP to launch www.rent.asia;
- Market space is hundreds of times larger than Australia, just in key capital cities alone;
- Same beneficial drivers exist in these markets to renters, landlords and property agents;
- RNT also owns:
  - Lease.com.au
  - Privatelandlords.com.au
  - Propertymanager.com.au
  - Rentalproperty.com.au

Investment Summary

Rent.com.au is ideally placed and well capitalised to commercialise its platform for the benefit of all participants in the rental market and for RNT shareholders

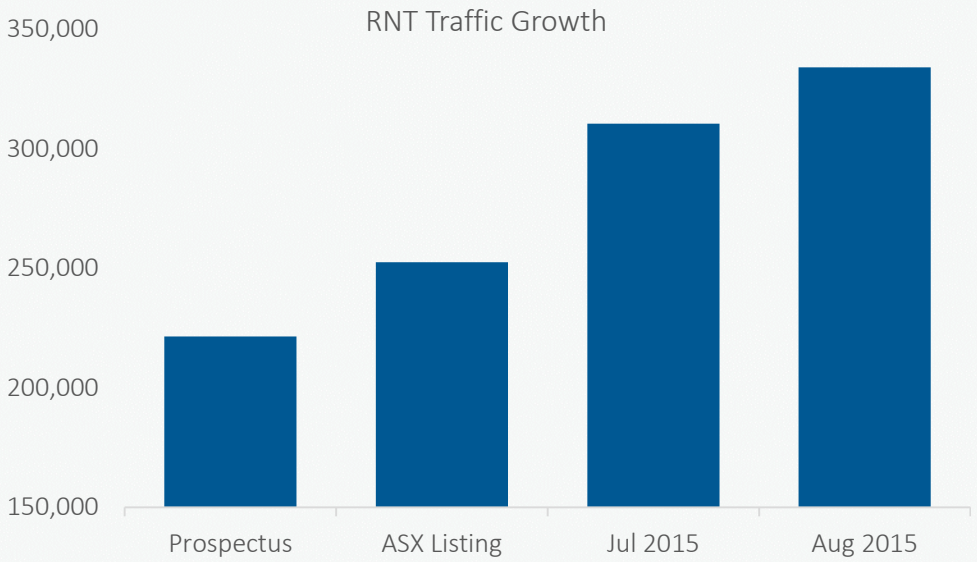
- Successfully completed $5 million capital raising and ASX Listing (ASX:RNT)
- Experienced Board and Management team recently strengthened with key sales and marketing talent
- Clear market opportunity with no major direct competitor:
  - Create the home for renters - targeting 500,000 unique monthly visitors within 12 months
  - Transition of non-agent landlord market from offline to online at rent.com.au
  - Increase property agent content market share and upsell to premium products / subscriptions
- Rollout of national marketing campaign to drive 'renter traffic' – including online & offline advertising, SEO and social media campaigns
- Multiple revenue opportunities from all rental market participants – non-agent landlords, renters, property agencies and advertisers
- Capitalise on 1st mover advantage
- Expansion opportunities in Asia and other related portal products

OPERATING UPDATE

Good Progress Against Core Objectives

RNT has made good progress on its three immediate commercialisation objectives in the 2 months since listing:

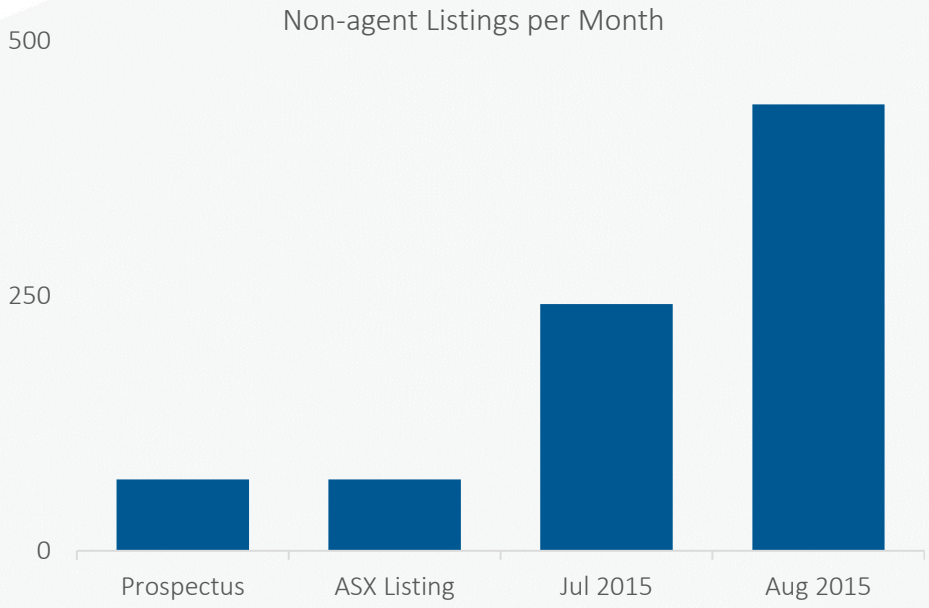
1. Drive traffic to www.rent.com.au to 500,000 unique visitors per month within 12 months:
   - Appointed Accordant as digital optimisation agency in July 2015 – operational transition during August 2015;
   - Traffic in August 2015 at 334,000 unique visitors – up 32% from June 2015 and 45% from pre-IPO;
   - Appointment of key public relations and social media/content staff to drive awareness, engagement and non-paid traffic;
   - Renter product sales and advertising revenues up as traffic has increased;



Good Progress Against Core Objectives (cont.)

RNT has made good progress on its three immediate commercialisation objectives in the 2 months since listing:

2. Increase property listings from non-agent landlords:
   - Waived usual $99 standard listing fee (with paid upgrades available) in order to drive volume – step change is starting in first 2 months;
   - Appointed National Landlord Services Manager (July) and telemarketers (September) to further drive volume;
   - Commenced alliance partnership development and trade show exhibitions;

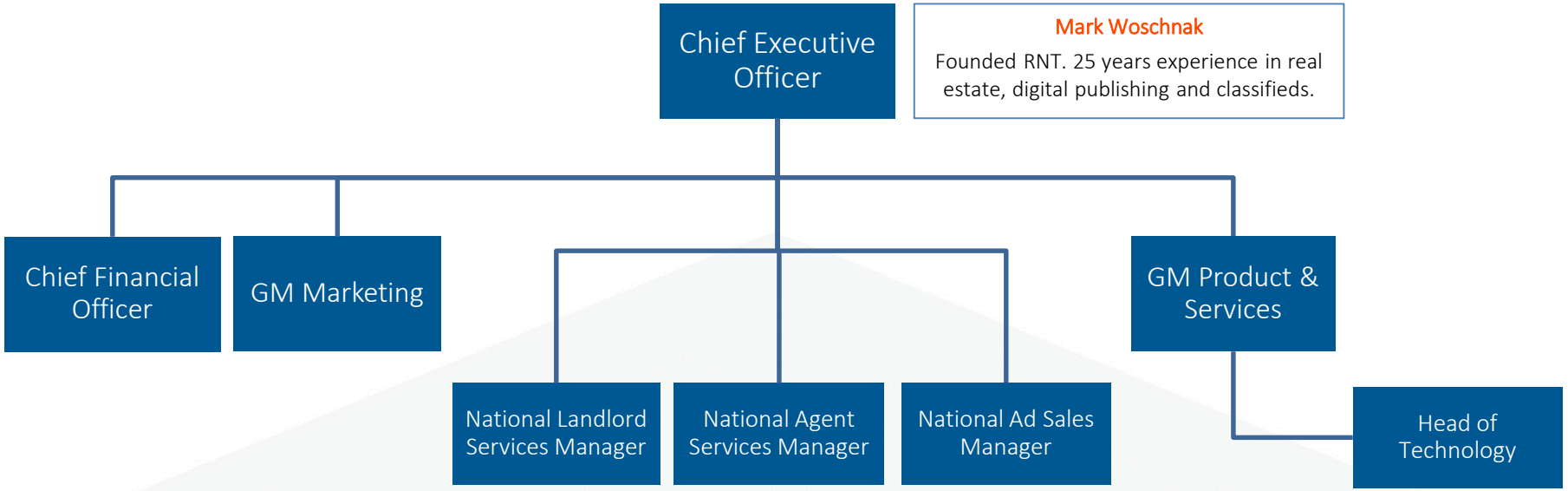


Good Progress Against Core Objectives (cont.)

RNT has made good progress on its three immediate commercialisation objectives in the 2 months since listing:

3. Increase content from and sales to property agents:
   - Grown agent base from 5,600 to 6,400 (+14%) since prospectus;
   - Streamlined customer offering;
   - Appointed first field sales managers and planned telemarketers to drive further sales;
   - Commencement of marketing via print media and industry conferences;

Strong Management Team Assembled



Jan Ferreira
Experienced finance executive, over 20 years experience, 10 years within ASX-listed businesses

Maya William
Exceptional marketing strategist within blue chip brands such as Woolworths, Cadbury and Unilever

Zoran Tomich
Extensive senior management experience with particular focus on property management, property-related software and website portal development

David Berridge
Over 25 years experience in development and distribution of software and technology.
8 years with RNT

Alan Cook
Experienced advertising sales executive with over 20 years media sales experience including last 5 years at REA

Scott Waters
Digital product and marketing specialist, most recently as Head of Digital WA for NewsCorp, previously with iiNet and BankWest

Rupert Quekett
Experienced software developer – experience includes 5 years with RNT and previously developed other classifieds websites

Outlook

RNT expects that with recently appointed sales and marketing resources commencing over the course of September and October, further momentum will be gained:

- Drive traffic to 500,000 unique visitors:
  - Accordant transition complete – expect optimisation to drive further traffic growth;
  - PR and social media/content staff fully operational from September – driving non-paid traffic and user engagement;
  - Referrer agreement with Mitula Group driving additional traffic;
- Non-agent Landlords content:
  - Telemarketers onboard from September 2015, further growth in volumes;
  - Alliance partnerships continuing to be developed;
- Agent content and sales:
  - 2 field sales managers commenced late August 2015, fully operational from September and delivering good early sales results;
  - Telemarketing team operational from mid-September 2015;
- Other commercialisation initiatives:
  - GM Products & Services commences late September, tasked with optimisation of existing products and development of new ones to drive additional monetisation of the site;
  - Advertising sales executive commences October 2015, RNT expects to see increasing sales returns on increased advertising inventory;

Contact Information

Thank you for your interest in rent.com.au

For additional information please contact

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Chief Financial Officer - RENT
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Appendices

Renter Products & Services

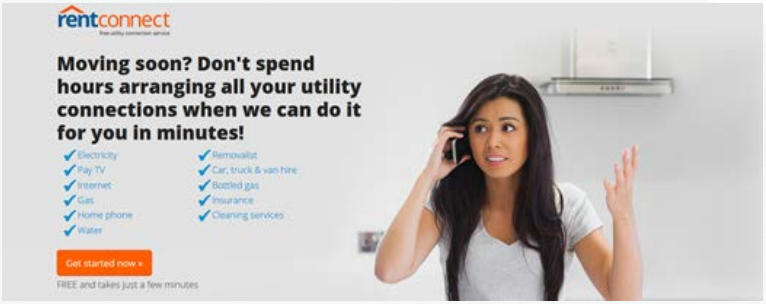
Rich content and depth of services provided via the rent.com.au marketplace

RentBond

- A No Deposit, Interest Free solution for renters to spread their bond payment over 3-6 months; addresses the need to save an average bond of $2,000 in addition to other moving costs;
- RentBond is exclusive to RNT and is partnered with Flexigroup Limited (ASX:FXL) one of Australia's largest non-bank lenders;
- RNT generates $15 revenue and bears no credit risk in relation to RentBond;

RentConnect

- Hassle free utility connections
- Free to renters – helps renters by co-ordinating the set up of all their utility connections;
- RNT receives a fee per RentConnect and doesn't have ongoing servicing costs;

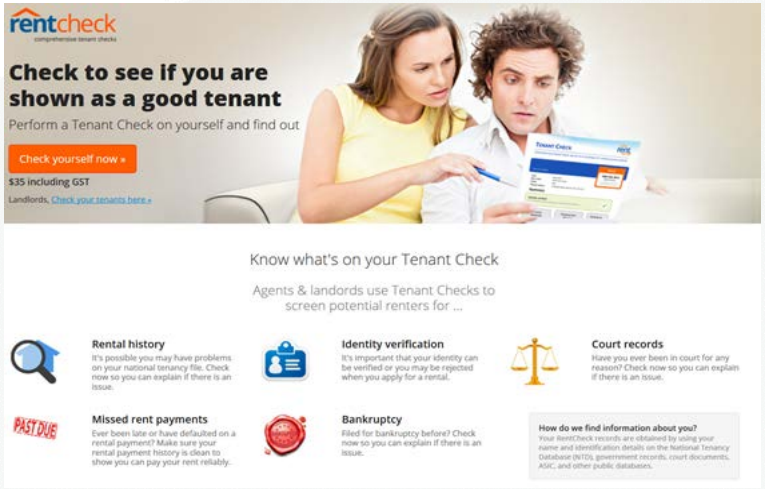


Renter/Landlord Products & Services

Rich content and depth of services provided via the rent.com.au marketplace.

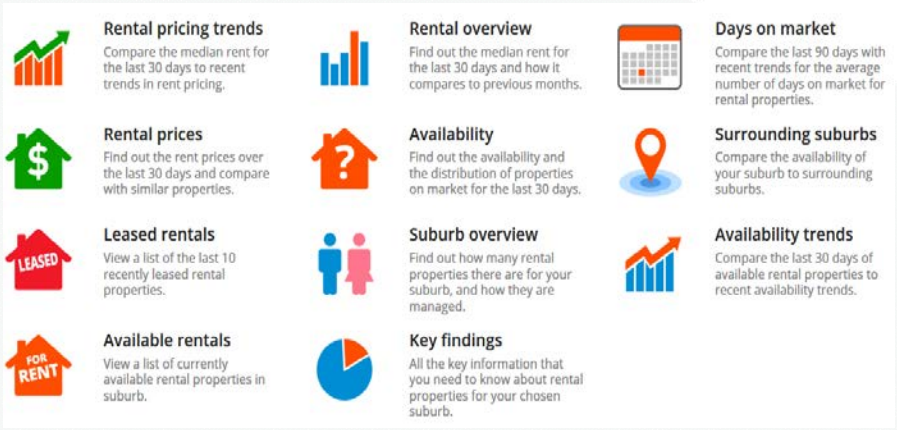
RentCheck

- Identity verification and background check of potential tenants;
- Partnering with a leading Australian credit reporting agency
- Popular with both renters (preparing for application) and landlords; available to both for a fee



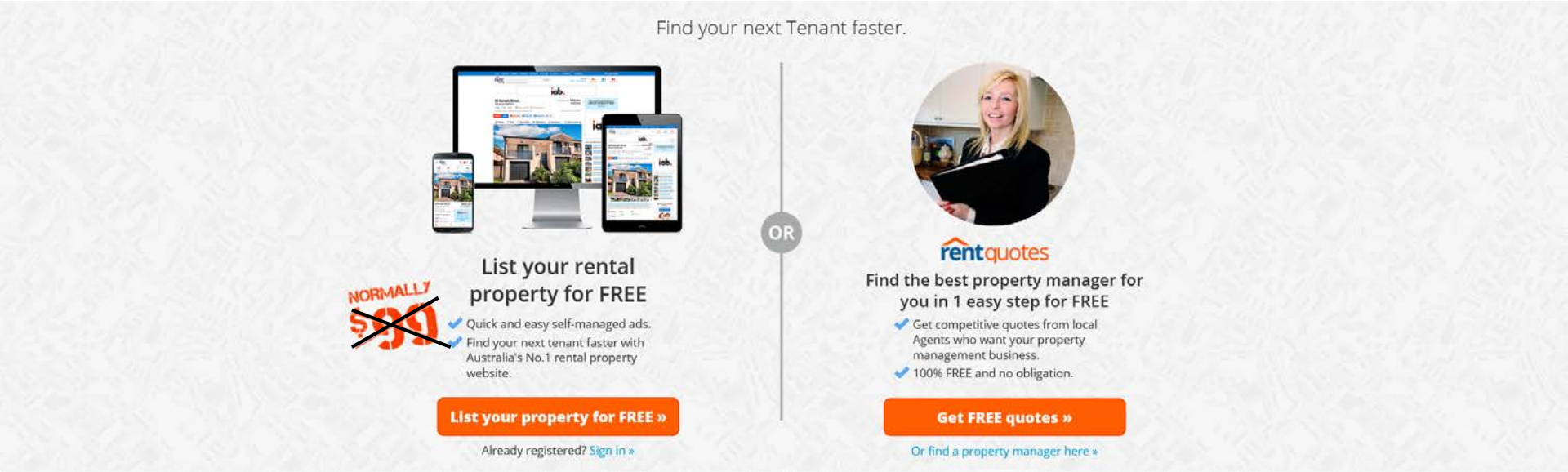
RentReports

- Detailed rental statistics reports available to both renters and landlords for a fee
- Suburb overview and rental property statistics;
- Aimed at renters and landlords, with broader use both within and external to the real estate industry;
- RNT's unique positioning allows it to gather both agent and non-agent rental data;



Core Landlord Proposition

RNT promotes a professional approach to property management – through a landlord having access either to professional standard tools and services, or access to a professional property manager. RNT believes this to be in the best interest of all rental market participants.



Self-managed

- Free standard listing
- $35 upgrade to Enhanced Listing (bigger ad);
- $80 upgrade to Feature Listing (bigger ads, top of search results = 300% more views);
- RentCheck and RentReports also available.

Agent-managed

- Free property management quotes system;
- Similar to iSelect model;
- Agents pay for leads;