

ASX Announcement

26 April 2024

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q3 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 31st March 2024.

KEY POINTS

- › Record quarterly group revenue of \$890k, 41% improvement on same quarter last year.
- › Search portal revenue growth of 25% vs same quarter last year.
- › 21% quarterly growth in base RentPay revenue (144% growth vs same time last year).
- › RentPay agent sales pipeline at highest levels since launch.
- › New RentPay features launched, expanding payment choices, and delivering cashback value.

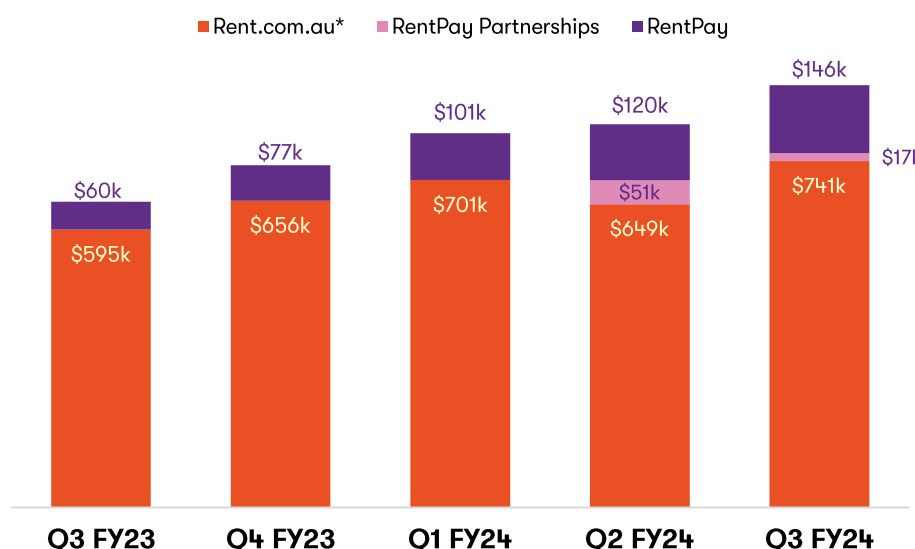
OVERVIEW

"The March quarter has always been a busy one for Rent.com.au and this year has been no different. We delivered a record group revenue with strong year over year growth across all revenue lines," said Rent.com.au CEO Greg Bader.

"Rental property vacancy rates remain at record lows which impacted demand for our Renter Products simply because there were less people moving, but their appeal to renters was underlined by a higher percentage take up of these products compared to last year.

"As we saw last year, property management teams were busy with the volume of rental enquiries and therefore we again saw them pausing mass RentPay migrations during the peak moving period of January to March. Whilst our sales pipeline has never been stronger, this deferral of onboarding contributed to lower growth in active RentPay customers, but we expect to make this up across the final quarter of FY24".

QUARTERLY REVENUE



* Includes inter-segment revenue of \$26k in Q4 FY23, \$16k in Q1 FY24, \$12k in Q2 FY24 and \$13k in Q3 FY24

RENT.COM.AU / SEARCH PORTAL

“Our search portal had a good quarter, delivering an EBITDA profit of \$56k for the quarter off revenue of \$741k – an increase of 25% over the same quarter last year. Both Renter Products revenue and Advertising Sales drove this result,” Mr Bader said.

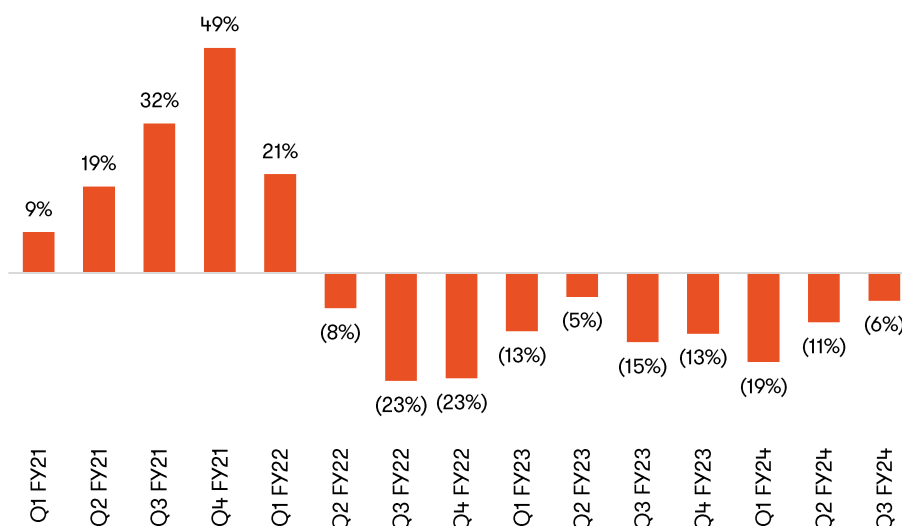
“Our products have enduring appeal in how they address specific renter pain points in the moving process, and we’ve seen a higher percentage of our site visitors taking up at least one of our products compared with the same period last year.

“Penetration of RentCheck has increased 17% over the same quarter last year because of user experience improvements on our site and increased demand in the competitive rental market. Similarly, our RentBond loan product has delivered record revenues off increased demand via both our search portal and through referral partners and despite the fiercely competitive energy market, RentConnect revenue was in line with the same quarter last year,” explained Mr Bader.

“We are further updating our product offerings with a view to unlocking further value by taking greater ownership in the back-end delivery of our products. For example, the higher volume of RentBond transactions that we now have provides us with the scale to further improve the attractiveness of the product as well as improve our margins. We’ve started by working with our incumbent provider to bring forward some of the credit decisioning to the Rent.com.au site and thereby including a ‘pre-approval’ aspect which is expected to go live during Q4 FY24. At the same time, we’re exploring bringing on additional partners to provide broader solutions to customers who may not be a fit for our current provider.

“Another significant contributor the Search Portal’s improved performance was Advertising Sales which grew 44% compared to the same quarter last year. A proportion of this increase included seasonal or ‘one-off’ campaigns that we will need to replace going forward, but we’ve also added advertisers from new market segments to try and mitigate some of the impact home builders have on this revenue stream. Home builders have traditionally been the major source of advertising revenue for Rent.com.au but have been under pressure over the past couple of years and we have work to do to ensure consistency of Advertising Sales. With our array of data and unique targeting opportunities we are well positioned to offer great value to advertisers especially those looking to target movers just before they lock in the major new home purchasing decisions”.

ANNUAL % CHANGE IN DWELLING APPROVALS*



* Source: Australian Bureau of Statistics

RENTPAY

- › 8,928 active customers transacting payments as of 31 March 2024 (up 99% on Q3 FY23).
- › Approaching \$250m in rent paid via RentPay since relaunch.
- › Record pipeline of agencies signed to use RentPay, awaiting onboarding of rent rolls.
- › New payment methods (Alipay, WeChat Pay, UnionPay) launched to cater for key segments.
- › Cashback rewards partnership implemented and delivering significant value to customers.

CUSTOMER NUMBERS

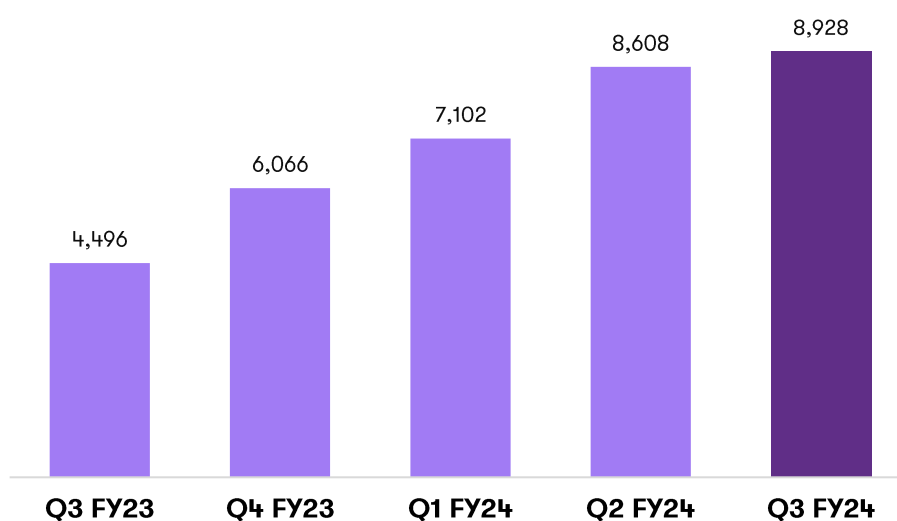
“Following rapid growth in the December quarter, active customer growth in Q3 FY24 has been slower despite a significant increase in agencies signing on to RentPay. As of the end of the quarter we had signed agreements from agencies representing more than 4,000 tenancies that have yet to be onboarded to RentPay.

“Our process is that we provide training for the property management teams so that they are aware of RentPay’s features and understand the benefits to both their tenants and their agencies. Following the training, we upload the rent roll data into RentPay and send invitations to tenants to log in, complete payment information and commence transacting (at which point they become ‘active’).

“With the pressure on property managers during this peak moving period, we have been asked to defer onboarding activity and consequently expect to commence onboarding during Q4 FY24. In the meantime, our sales activity continues with RentPay represented at key real estate conferences across the country including at the MRI Software internal sales conference where RentPay was presented as a key partner, and we’ve commenced working with MRI’s national sales teams to drive incremental sales.

“Alongside this, our consumer marketing continues to deliver new direct customers even though their property manager has not yet signed on to RentPay,” explained Mr Bader.

ACTIVE RENTPAY CUSTOMERS

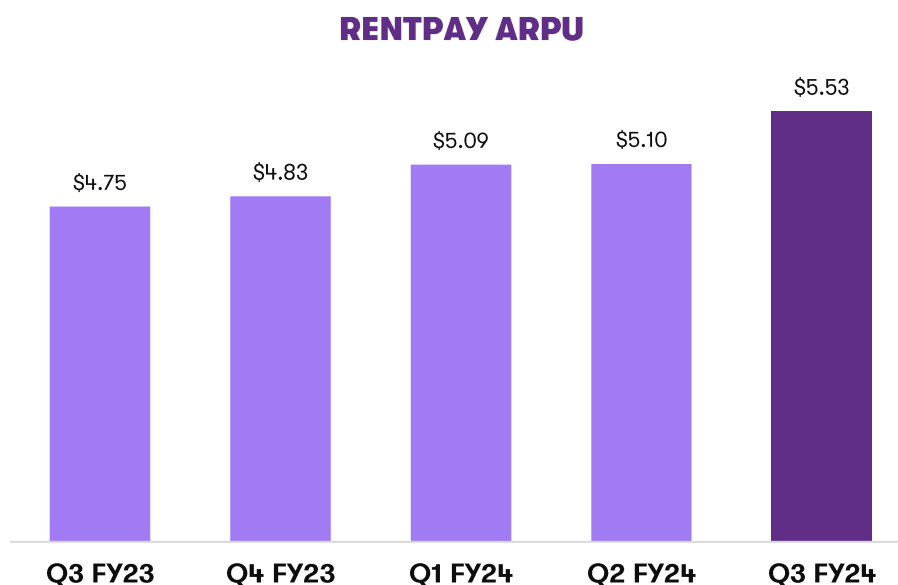


“By working with agencies, we are also finding that RentPay can be useful in terms of buying and selling rent rolls. One of our larger agencies divested a rent roll to two different agencies and we were able to sign the new agencies to RentPay. When settlement occurred, we could merely update our backend with the new agencies’ details, with zero disruption to tenants and

consequently no arrears. With many agencies seeking to unlock cashflow through the sale of their rent rolls, and others looking to scale their businesses quickly by acquiring rent rolls, this aspect provides another opportunity for us to explore and highlight. It makes the process painless for the renter because they don't need to change anything and on the agent's side, allows a clean break of financials between agencies without weeks of reconciliation effort".

AVERAGE REVENUE PER USER ('ARPU')






"While our priority is growing the customer base for RentPay, we delivered some attractive new features for renters during the quarter. New features have a dual purpose in that they help make the platform more attractive to renters, thereby increasing the number of active customers, but they also provide opportunities to increase ARPU," explained Mr Bader.



"A great example of this is credit cards. Last quarter we reduced our credit card rates to be the lowest in the industry and launched new card functionality. Renters can now use their credit cards to pay rent for less than 1% and the Click to Pay functionality makes it easier to add a credit card to the user's RentPay wallet. The number of card payments increased by 47% quarter on quarter, driving most of the increase in ARPU, which grew to \$5.53 per user per month".

"In March we launched a cashback rewards offering via a partnership with PayLab. More than 500 customers have already activated the offer, with a many of those already transferring their cashbacks to offset against rent. PayLab provides instant cash rewards of up to 15% on many of Australia's favourite retailers. There is also no need to pre-purchase gift cards of a fixed value. For example, a customer can be at the Coles checkout and via the PayLab app, purchase a gift card to match the cost of their groceries. The resulting cashback is then transferred to RentPay and is credited to the user's wallet balance, thereby allowing everyday spending to offset their renting costs.

"Following the current trial phase, RentPay will earn a referral fee from each new customer that signs up to PayLab, providing another source of ARPU. PayLab will also be offered to Rent.com.au customers, enhancing the cross-over to RentPay".

Rewards history		
Wed 27 Mar 2024	 RentPay	- \$107.90 Transferred to RentPay
Wed 27 Mar 2024	 Coles Gift Card \$0.00 Rewards Used	+ \$50.00 Rewards Earned
Tue 26 Mar 2024	 Woolworths Gift Card \$0.00 Rewards Used	+ \$50.00 Rewards Earned
Sun 17 Mar 2024	 rebel Gift Card \$0.00 Rewards Used	+ \$6.00 Rewards Earned
Sun 17 Mar 2024	 BIG W Gift Card \$0.00 Rewards Used	+ \$1.90 Rewards Earned

“This quarter we also expanded the payment choices available to renters by launching Alipay, WeChat Pay and UnionPay as payment options which appeal to a significant subset of renters who are from China or Sinophile countries, where these payment options are entrenched within social media and ecommerce ecosystems. RentPay generates a small margin from these transactions. We are also in early discussions with another international payment provider which, if it progresses, will complement our existing choices, and provide a truly global solution, allowing people to pay their rent in Australia using bank accounts originating in any country.

“Another key product feature that we have spoken of for some time now is helping good renters into a home of their own by helping them prove serviceability and build a deposit,” said Mr Bader.

“There are many regulations and licencing requirements in this space, but we are making progress. On the mortgage side, we now have an updated Australian Credit Licence which allows us to conduct consumer lending including mortgages. We are still seeking a funding partner, but the licencing was a key step. On the deposits side, our goal has been to develop a renter-to-renter lending scheme but that is inherently complex which comes with a cost burden in terms of compliance that will need scale for us to implement. Therefore, we are currently also evaluating fixed income investment options to offer our customers as an interim step”.

During the quarter RentPay's EBITDA loss was \$500k which included \$70k of marketing spend. This EBITDA result was in line with the previous quarter. Investment in software development was \$252k, a small increase on the previous quarter reflecting new features including the new payment methods as well as the cashback/rewards offering.

OUTLOOK

“The March 2024 quarter has been a busy one for the team and I am pleased with the levels of engagement and effort from our team and our partners,” said Mr Bader.

“We have delivered a record revenue result for the Group, with significant year over year increases across all segments. Seasonality is naturally a factor here, but the year over year growth is encouraging. We still have sensitivity in our Advertising Sales revenue, but the team is making progress with our efforts to diversify across segments.

“Given the success we’ve had in signing on new agencies to RentPay, the number of active RentPay customers at the end of March may seem light, but the priority for us has been understanding and accommodating our agent customers’ needs. To put our growth in context, the pipeline of tenants yet to onboard is around the same number of customers we’ve added in the past 12 months. Coupled with increased awareness in the market this has been our best quarter ever for RentPay.

“This coming quarter will be another busy one for us, and we’re in a fantastic position to execute on our plan to be the home of renting in Australia,” 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 \$98k, 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")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	910	2,690
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(473)	(1,280)
(c) advertising and marketing	(215)	(683)
(d) leased assets	(21)	(65)
(e) staff costs	(587)	(1,674)
(f) administration and corporate costs	(19)	(493)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	21	60
1.5 Interest and other costs of finance paid	(8)	(39)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	611
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(392)	(873)
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	(431)	(1,213)

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	(431)	(1,213)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,990
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	-	(252)
3.5	Proceeds from borrowings	-	691
3.6	Repayment of borrowings	(84)	(712)
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	(84)	1,717

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,046	1,508
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(392)	(873)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(431)	(1,213)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(84)	1,717
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,139	1,139

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	1,119	2,026
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)	1,139	2,046

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	98
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)	(392)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,139
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,139
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.91
<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: 26 April 2024

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.