

ASX Announcement
 24 October 2024

RENT.COM.AU QUARTERLY ACTIVITIES REPORT FOR Q1 FY25

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 2024.

KEY POINTS

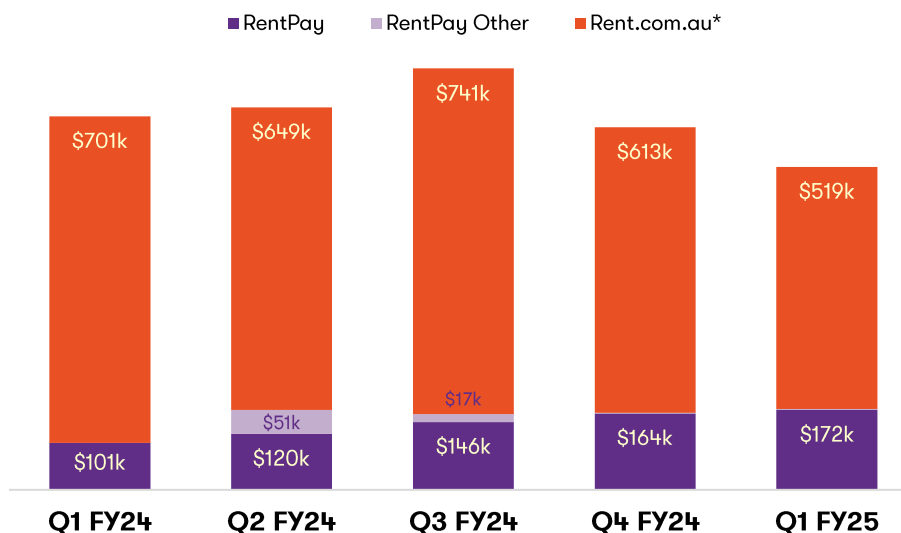
- > Quarterly group revenue of \$678k, 14% less than same quarter last year off lower Ad Sales.
- > 70% year over year growth in RentPay revenue.
- > Largest ever quarterly growth in RentPay users – well over 10,000 customers now active.
- > Total payments made via RentPay now exceeds \$350 million.
- > PayPal added to RentPay's variety of payment options, with positive early adoption rate.
- > Strong cash receipts in Q1 FY25 and R&D Tax refund of \$0.6 million expected in Q2 FY25.

OVERVIEW

"Achieving our largest ever quarterly growth of 1,878 net new RentPay customers is very encouraging, and we expect a strong second quarter too given the strength of our pipeline. Our sales team continue to grow a very strong pipeline of agencies looking to onboard and we're providing incentives to encourage them to do so before the end of December.

"Search portal revenue was slightly down compared to previous quarters. We are still seeing a tougher advertising market and have reduced cost in that area while we focus on our key partnerships. We expect the advertising market to improve as interest rates start easing again. We are also in the process of migrating to our new connections partner. This transition has impacted connection revenue this quarter, but we expect to complete this transition by the end of October and then for ongoing revenue to exceed those via our previous connections partner".

QUARTERLY REVENUE



* Includes inter-segment revenue of \$16k in Q1 FY24, \$12k in Q2 FY24, \$13k in Q3 FY24, \$14k in Q4 FY24 and \$14k in Q1 FY25

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RENT.COM.AU / SEARCH PORTAL

“Our search portal continues to provide renters with the best search experience in market, as evidenced by our iOS and Android apps being the best rated real estate apps, however with fewer people moving during the quarter, demand for our search portal products, and consequently revenue, was affected,” said Mr Bader.

“Our RentCheck ID verification and background check product continues to do well. Our approach of providing full control to the renter over who they allow to see their report remains a key point of difference in the market and the take up rate has improved relative to last year.

“As we outlined in our full year results presentation, we’ve changed how our RentConnect utility connection product works. Rather than working exclusively with a single energy retailer like Origin, we’ve signed an agreement with Connectnow whereby we will leverage their long-standing connections expertise and multi-retailer platform to offer renters a broader range of retailers to choose from as well as more connection types by including internet, phone and even pay TV offers. Customers still get a \$100 gift card.

“This partnership is expected to be live by the end of October, and then for revenue to exceed our previous partner’s by Q3 of FY25.

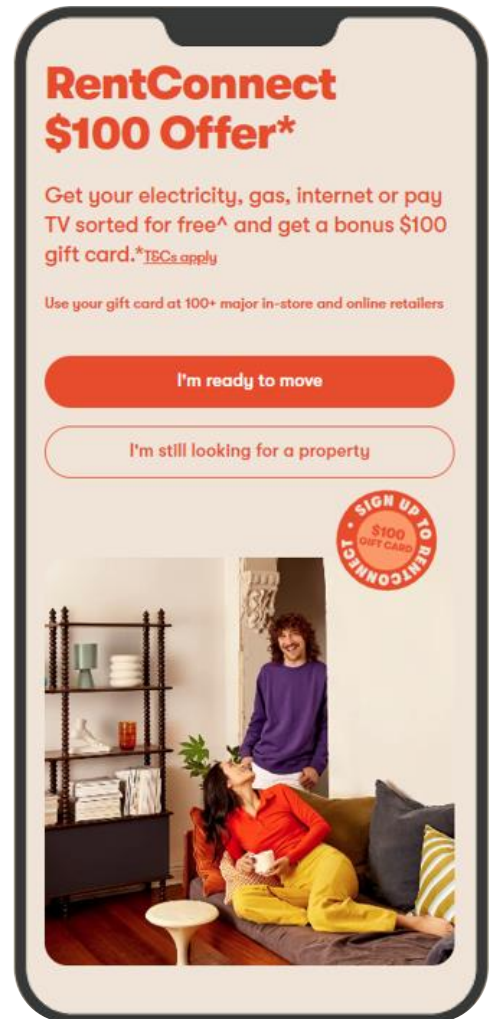
“The cost-of-living pressures impacting the broader economy can be seen reflected in the performance of our RentBond loan product. Demand for the product has increased, stimulated by the ‘eligibility checker’ that we introduced last quarter. This allows a customer to check their credit score and get an assessment of their eligibility for a loan without affecting their credit score.

“We have seen a marked increase in customers commencing the application process by checking their eligibility, however where we see the impact of the cost-of-living pressure is on the approval rates, with a lower percentage of applicants being offered a loan for a variety of reasons that ultimately relate back to the state of the broader economy.

“Nevertheless, there are a large group of eligible customers that do not progress to a full application, and we are working with our current finance provider to improve their processes so that we can approve a greater proportion of customers. Alongside this work, we are also giving ineligible customers access to a panel of lenders who may be able to assist them.

“We intend to continue expanding our range of referral partners within the real estate industry and to look for other opportunities to grow RentBond,” said Mr Bader.

“From reporting on the large media businesses, we can see that the Advertising sector is struggling, and we’re no different. Advertising Sales was the main reason for the September quarter revenue dropping relative to last quarter. We’re making some personnel changes in that area and looking to maximise our key partnerships such as with Optus to maintain profitability”.



RENTPAY

- › 10,011 active RentPay customers at 30 September (23% growth over previous quarter).
- › Largest quarterly growth in active RentPay users – 1,878 net new customers.
- › 70% growth in RentPay revenue vs same quarter last year.
- › Sales pipeline remains strong with rent rolls well over 4,000 pending onboarding.
- › PayPal added to variety of payment methods and showing strong initial take up.
- › Strong ARPU growth from continued adoption of additional payment methods (up 28% YoY).

CUSTOMER NUMBERS

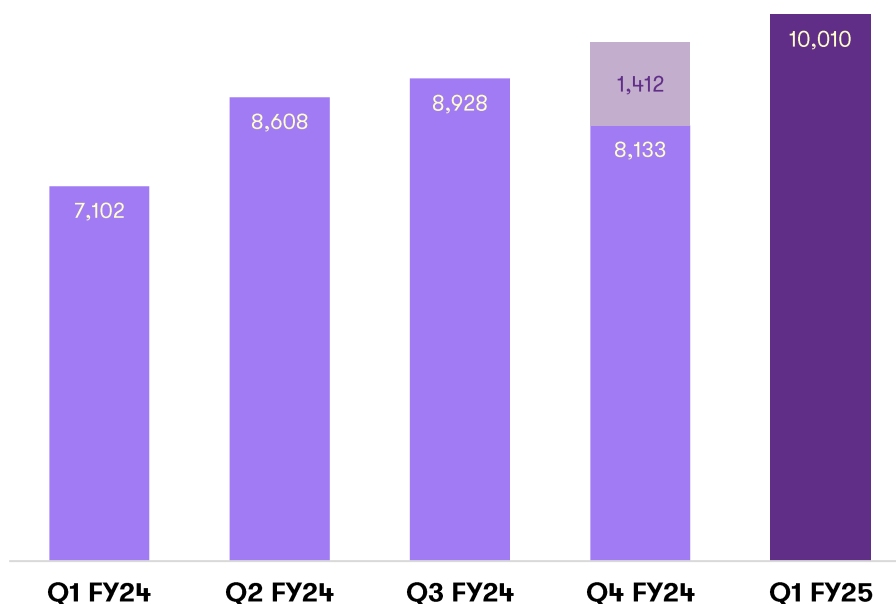
“Our best ever quarter of growth for RentPay and reflecting great work by our team to reach this significant milestone.

“But I also feel this only tells part of the story. Our brand and product awareness continues to improve as we engage with agencies both directly and through major industry conferences. So, while we have managed to onboard a significant proportion of tenants from our pipeline during the quarter, we have also ‘topped up’ the pipeline with new opportunities and it remains above 4,000 tenants whose agents have agreed to use RentPay.

“Recent press coverage around payment surcharging only helps strengthen our position further because not only does it make payments topical, but some of the concerns raised regarding overcharging and tenants’ right to mandatory free payments methods, play straight into our strengths as the leader in the segment in terms of fairness and choice.

“Our goal is to scale customers as quickly and as efficiently as we can, so our sales and marketing activity is focussed on agent partners because this is a faster and more cost-effective channel. Our direct consumer channel i.e. renters who choose to join RentPay because they want to, not because they were told to, remains strong and sits at around 25% of our total base. These customers are engaged primarily through our owned media channels”.

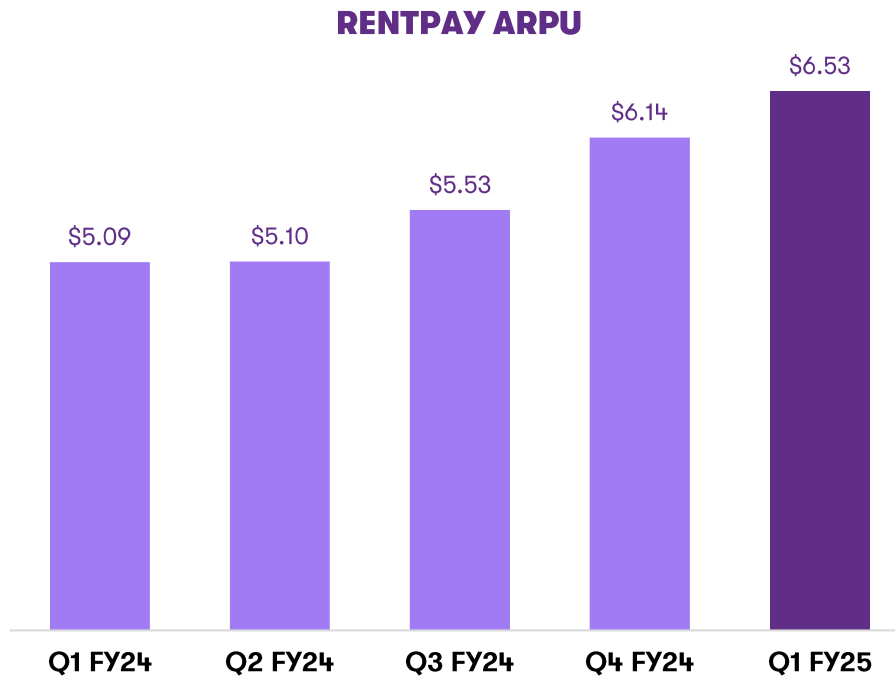
ACTIVE RENTPAY CUSTOMERS



AVERAGE REVENUE PER USER (‘ARPU’)

“We aim to keep improving our payment functionality by adding further payment methods to the platform so that it is easier for tenants to pay their rent and household bills using RentPay. It is central to our growth strategy in that it plays a significant role in acquiring new customers and delivers on our key promises to an agency customer in that they can focus on their business while we take care of the ever-changing payments landscape.

“This broad range of choices for the customer is also a key driver of ARPU for us. Customers see the benefit in using our service and are willing to pay for the convenience and flexibility”.



“PayPal is the latest payment method to be added to RentPay and we see this as a huge addition. PayPal is a global leader in the payments space and operates in over 200 countries, has over 400 million active customers and processes well over a trillion dollars in payments across more than 25 currencies per year”.

Specifically for RentPay, it essentially completes our global coverage in terms of a renter in Australia being able to pay their rent, in Australian dollars but linked to their home account in hundreds of different countries. There is also a significant convenience factor as well, because many people like to operate within the PayPal ecosystem and now they can pay their rent from there using overseas bank accounts or cards such as Mastercard, Visa and AMEX.

“We have not commenced marketing yet but have already processed more than \$40k in rental payments in the last 2 weeks.

“We are deliberately driving a shift in the Company’s revenue profile towards a more stable, annuity-style income that is not as exposed to seasonal and market variations like the search portal is. 25% of group revenues now come from RentPay’s subscription revenue rather than one off transactions. This is almost double the proportion it was just a year ago”.

PAY MORE WAYS

You can pay using bank transfer, PayID, BPAY, debit or credit cards (Mastercard, Visa, American Express), PayPal, Alipay, WeChat Pay or UnionPay. RentPay then makes sure your agent is paid on time, every time.

+ more to come

PAY WHEN YOU WANT

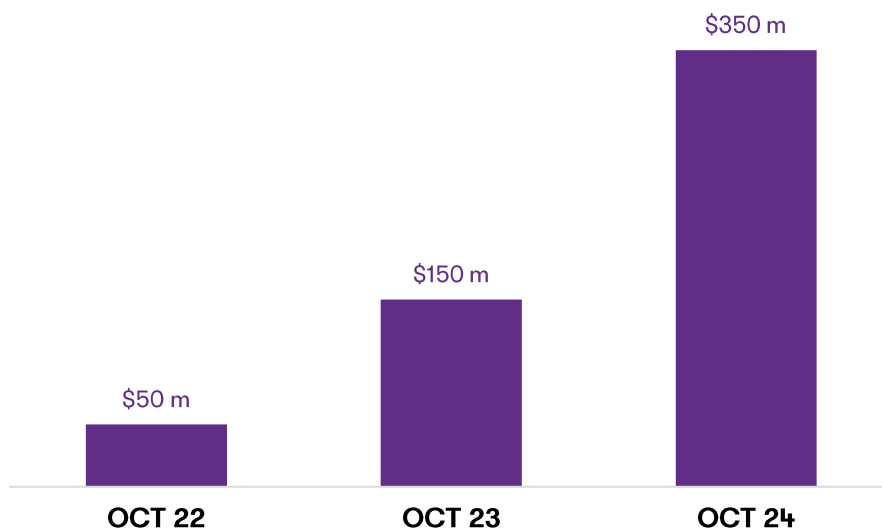
RentPay's EBITDA loss for the quarter was \$600k, a slight improvement on the previous quarter, and investment in software development was \$270k, higher than the previous quarter and mainly related to the integration with PayPal and the development of the new agent pricing model and related features to speed up the onboarding of the pipeline.

OUTLOOK

“The growth in RentPay customers was significant for us and we aim to continue this momentum through next quarter too,” said Mr Bader.

“Alongside the growth in customers, the ARPU we derived from RentPay also increased significantly and with \$350 million in rental payments now having been transacted via our platform at a rate of almost \$20 million per month, we’re approaching the scale where we can improve efficiency further and thereby improve our margins”.

CUMULATIVE RENT PAID



“On the search portal side of the business, we have both challenges and opportunities in front of us, but with well performing technology across our sites and apps, a strong RentPay pipeline, the completion of our Entitlement Issue, and the anticipated receipt of a \$0.6 million refund from our recently lodged tax return, we are well placed to address and capitalise on these opportunities in front of us,” 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 \$99k, comprising directors fees of \$44k and office rent and outgoings paid to entities associated with Dr Garside of \$55k. Office rent is on favourable, 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 2024

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	978	978
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(437)	(437)
	(c) advertising and marketing	(221)	(221)
	(d) leased assets	(22)	(22)
	(e) staff costs	(610)	(610)
	(f) administration and corporate costs	(143)	(143)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	17
1.5	Interest and other costs of finance paid	(3)	(3)
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	(441)	(441)
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 (software development)	(433)	(433)

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	(433)	(433)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,357	2,357
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	-	-
3.6	Repayment of borrowings	(37)	(37)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(105)	(105)
3.10	Net cash from / (used in) financing activities	2,215	2,215
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	213	213
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(441)	(441)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(433)	(433)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,215	2,215

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,554	1,554

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	1,534	193
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)	1,554	213

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	99
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
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	(441)
8.2	1,554
8.3	-
8.4	1,554
8.5	3.52
<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:
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:
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:
<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: 24 October 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.