

ASX ANNOUNCEMENT

24 October 2018

Redflex Holdings Limited | ABN 96 069 306 216

Redflex

2018 AGM Presentations

Attached is the Chairman's Address and the Group Chief Executive Officer's Presentation that will be made at the Redflex Holdings Limited Annual General Meeting being held today, Wednesday 24 October 2018, at 1:00PM at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne, Victoria, 3000, Australia.

About Redflex

The Redflex Group has established itself as a world leader in traffic enforcement products and services, developing world leading enforcement camera technology and owning and operating one of the largest networks of digital speed and red-light cameras in the world. Redflex develops and manufactures a wide range of digital photo enforcement solutions including red light camera, speed camera and school bus stop arm camera systems all utilising the most advanced sensor and image capture technologies.

The Redflex Group runs its own systems engineering operations, system integration technologies and innovation centre for research and development. With our continuous development of new safety products, the Redflex Group has been helping to reduce collisions and to save lives for more than 20 years.

Redflex Holdings Limited was listed on the Australian Securities Exchange in January 1997.

For further information:

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Redflex Holdings Limited | ABN 96 069 306 216

2018 Annual General Meeting - Chairman's Address

LEVERAGING "ONE REDFLEX" FOR PROFITABLE GROWTH

Good afternoon Ladies and Gentlemen,

At this same meeting last year we outlined growing enthusiasm that the path toward profitable growth was decisively more clear, and I am pleased to share with you today that Fiscal Year 2018 was indeed transformative.

The plan last year was simple:

- Strengthen the balance sheet to invest behind Mark and his team through both a rights offering here and new funding facility in the US
- Leverage "One Redflex" to build our pipeline of sales opportunities, and to drive both operating and capital efficiency throughout the organization
- Position the company to gain greater share of the broader Intelligent Transportation Systems market
- Deliver against the plan

With Mark's leadership, and laser-like focus upon people, process, innovation and sales-driven growth, we have done just that.

Today, our existing customers are more engaged, our business model is more efficient, and we are better positioned to claim our fair share of sales in key markets... and, as you will have seen in the Sales Activity Update posted last week, beginning to now translate opportunities into wins. The momentum we built through the latter part of last year has continued into this year, and our conviction about the prospects for strong profitable growth has increased.

Shortly, you will hear from Mark about the team's progress across a number of these key initiatives. But let me first offer that the Company's focus upon global sales, business development, marketing and operational capability is as strong as I have seen.

Before I close and hand the podium to Mark, I would like to thank you, our shareholders.

We have asked for your patience, which you provided, as we worked through a difficult chapter for Redflex. This past year, we then asked for your further financial support, which you gave overwhelmingly.

The Company – your company – has undergone a remarkable transformation, which would not have been possible without your help. On behalf of the team that continues to work their tails off every day, to create safer and more efficient traffic flows, and to leverage "One Redflex" to drive profitable growth, we sincerely thank you. All of us – both the board and your management team – are committed to deliver.

It is now my pleasure to introduce our Redflex Group CEO, Mr Mark Talbot.

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Redflex Holdings Limited ASX.RDF

Annual General Meeting Chairman's Address

24 October 2018

Redflex





FY18 – Leveraging “One Redflex” for Profitable Growth

- Strengthen balance sheet to invest behind Mark and the team
 - Leverage “One Redflex” to build sales pipeline and drive efficiencies
 - Position the Company for greater share of ITS
 - Deliver against the plan
- ↓
- Improved FY18
 - Momentum continues to build

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Annual General Meeting Group CEO Presentation

24 October 2018

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FY18 – Leveraging “One Redflex” for Profitable Growth

- 15% YOY Growth in Group EBITDA
- 280 bases points increase in EBITDA Margin
- Strengthened balance sheet
- 44% YOY Growth in Total Contract Value (TCV) for confirmed orders
- Increased Global Sales resources in EMEA, Americas and APAC

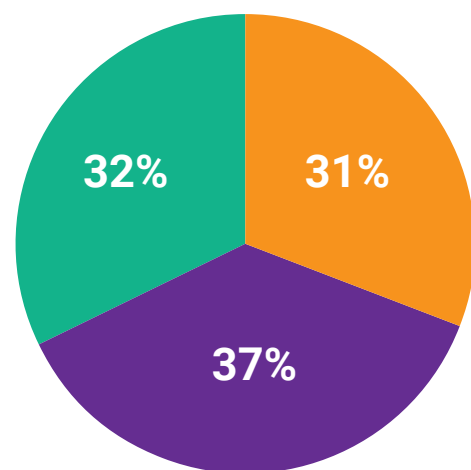
FY18 Group Financial Performance

	FY18 (A\$000's)	FY17 (A\$000's)	YoY (change)
Revenue	105,611	120,810	(12.5%)
Gross Profit	54,659	61,728	(11.5%)
Gross Margin	51.7%	51.1%	0.6%
Operating Expenses	42,365	51,057	(17.0%)
Underlying EBITDA	12,294	10,671	15.2%
EBITDA Margin	11.6%	8.8%	2.8%
Other items impacting earnings	419	29,181	
Depreciation	11,762	14,961	
Amortisation	8,223	4,016	
Finance Costs	986	84	
Net loss before tax	(9,096)	(37,571)	75.8%
Tax Expense / (benefit)	3,024	(6,079)	
Lost for the period	(12,120)	(31,492)	61.5%

- EBITDA up 15.2%
- Revenue down 12.5%
- Improved efficiency and cost management to grow EBITDA margins to 11.6%

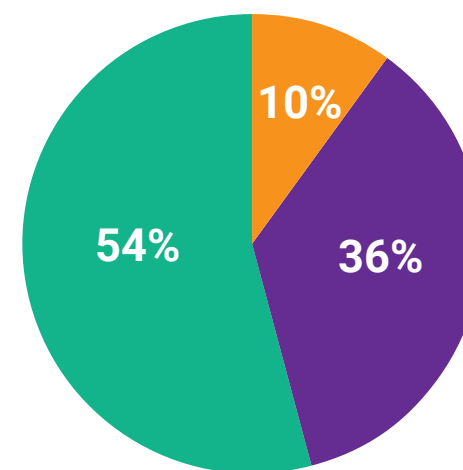
Sales pipeline remains strong with continued focus on deal conversion and maintaining >\$300m TCV

Sales Opportunity Pipeline - TCV by Region



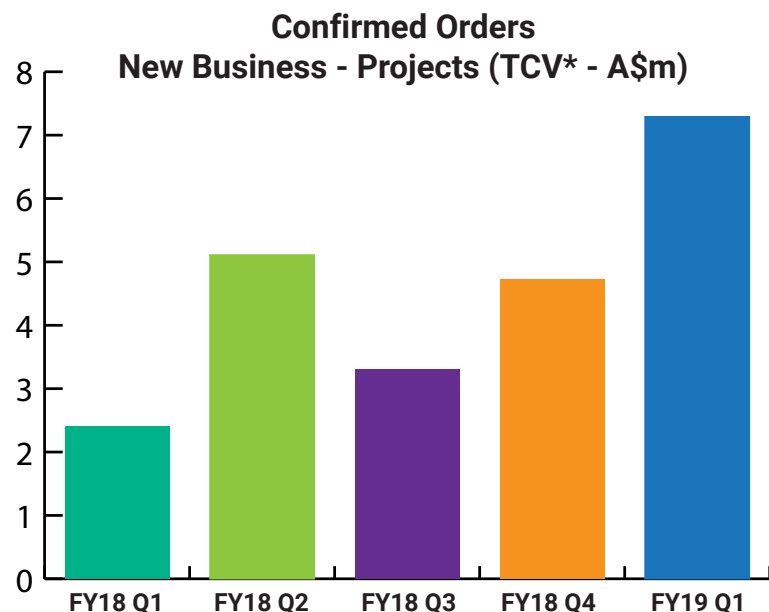
Americas EMEA APAC

Sales Pipeline - TCV by Revenue Type

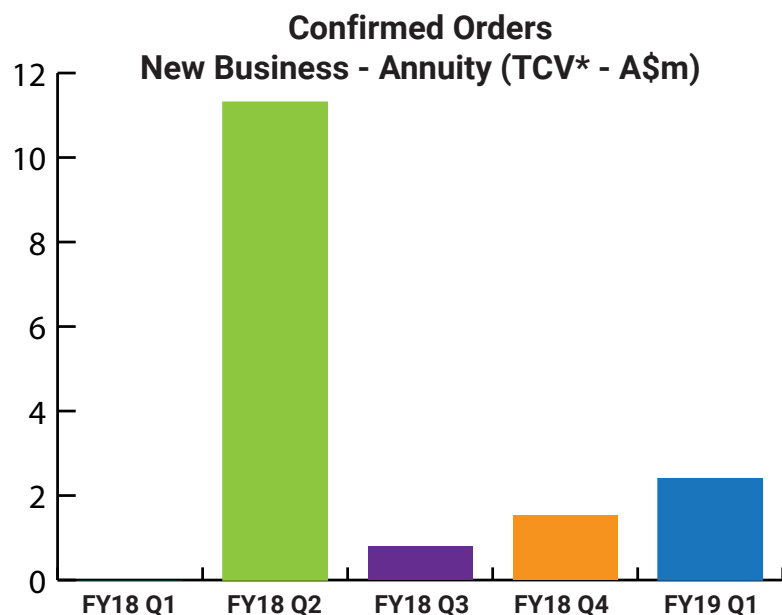


Project Base New Annuity Renewals

- Global Sales Pipeline with estimated close dates in the next four quarters in excess of **\$300m**.
- The Sales Pipeline remains geographically diverse with significant opportunities in all key regions.
- Balance of sales opportunities between new projects and annuity streams.



Q1 FY19 new business TCV awarded **increased by 302%** vs Q1 FY18 and **increased by 55%** from Q4 FY18



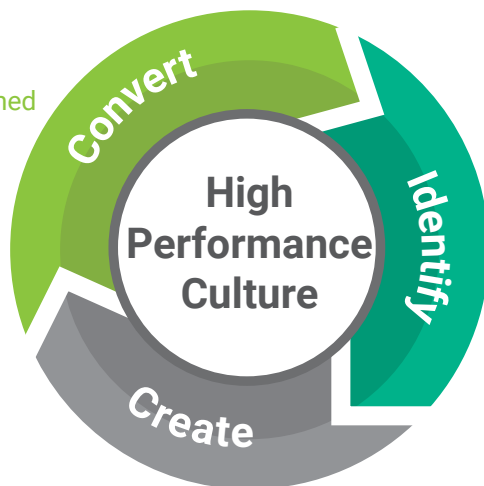
- TCV of **\$9.7m** in confirmed sales orders received in Q1 FY19.
- Solid geographic spread on new project orders with key orders received in EMEA, Americas and APAC producing new business.
- Q1 FY19 revenue of **\$27.3m** representing 5% growth on the prior year comparative period.
- Growth in Q1 FY19 earnings driven by increased revenue and improved efficiency.
- Both confirmed sales orders and revenue may be volatile across quarters due to the timing of project orders/revenue.

*TCV = Total Contract Value which is the expected contracted revenue over the life of the contract.

Positioned for Future Growth

Near Term:

Convert pipeline to confirmed sales orders.



Create value propositions leveraging our intellectual property and subject matter expertise.

Identify market opportunities for advanced transportation solutions.

Medium to Long Term:



Leverage our technology capabilities into opportunities in ITS/Traffic Management (\$35b global market).



Provide a full suite of ITS services to a global network of customers through key strategic partnerships and outstanding customer service.



Positioned for Future Growth

Key Takeaways

- Investment in customer trials allowing us to move into the broader ITS market.
- Investment in subject matter expertise and pre sales to support capture of new revenue generating contracts.
- Growth in confirmed orders spread broadly between APAC, EMEA and North America.
- Improved sales and business development capability with focus on converting our pipeline.

Halo

INTRODUCING
HALO



Halo Distributed

CAMERA UNIT



- HIGH FRAME RATE
- CLEAR IMAGING IN ALL LIGHTING AND ENVIRONMENTAL CONDITIONS
- INBUILT INLINE IR FLASH
- 5 MEGA PIXEL CAMERA

Red X



Glossary

Annuity Revenue	Annually recurring revenue generated by service contracts which have a term of three to five years.
Project Revenue	Non-recurring revenue generated by a sales order which is expected to be recognised within 18 months from the order date.
Sales Pipeline	Qualified sales opportunities with expected order dates within the next four quarters.
Total Contract Value (TCV)	The total expected revenue to be recognised over the base contract term plus priced option periods.

Disclaimer

Overview

This Presentation has been prepared by Redflex Holdings Limited (ACN 96 069 306 216) ("RDF" or "Company") and is dated as per the cover sheet.

Summary Information

This Presentation contains summary information about the current activities of RDF as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with RDF's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Neither RDF nor its directors, employees or advisers give any warranties in relation to the statements and information in this Presentation.

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Financial data

All dollar values are in Australian dollars ("A\$") unless stated otherwise.

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