

ASX ANNOUNCEMENT

29 October 2019

Redflex Holdings Limited | ABN 96 069 306 216

The Redflex logo features the word "Redflex" in a white, sans-serif font. To the right of the text is a stylized green icon consisting of a circle with a vertical line extending from its top, resembling a road sign or a camera lens.

2019 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, Tuesday 29 October 2019, 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 developing and implementing intelligent traffic management products and services. Redflex develops, manufactures and operates a wide range of platformed based solutions including red light camera, speed camera, auto number plate recognition (ANPR) and school bus stop arm camera systems, all utilising advanced sensor and image capture technologies enabling active management of state and local motorways.

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 products, the Redflex Group has been helping to improve roadway safety, alleviate congestion and reduce the harmful impacts of vehicle emissions for more than 20 years.

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

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2019 Annual General Meeting - Chairman's Address

Many of you have been shareholders for several years and know that our Company has faced and overcome some extraordinary challenges.

We stand here today proud of and encouraged by not just the progress that Mark and his team have made over the last two years... but the manner in which they have navigated this next phase of the Redflex journey.

Mark was appointed CEO in August of 2017 and in short order helped lead a capital raise to extend our financial runway and provide the flexibility with which to invest for the future.

The team has since strengthened and integrated our global sales, business development, marketing and operational capability... which has dramatically improved both our customer engagement and efficiency.

And importantly, Mark has personally led a "go-get" sales orientation that is generating wins in the market against formidable competitors.

The organization is determined, capable, and delivering.

For our fiscal year 2019 we reported an 11% increase in revenue, a 32% increase in EBITDA and our third successive year of expanded EBITDA margins. We also grew meaningfully our new business orders.

Disappointingly, legislative action, which effectively banned photo enforcement in Texas toward the end of last fiscal year, had a material impact on us and others that were operating throughout the state.

For Redflex this meant the loss of recurring revenue accounting for nearly 13% of our top line.

The team responded swiftly to largely buffer the impact, but there is no doubt our consolidated growth trajectory suffered what we believe will be a temporary pause.

And as we have seen from this team, they continue to motor forward.

Among other pipeline progress, Redflex:

- delivered its 4th consecutive quarter of 100% retention in competitive customer contract renewals;
- expanded meaningfully the Managed Motorways Solutions business in the United Kingdom; and
- was awarded significant and hotly contested wins in Pennsylvania and Toronto.
- In addition, we have recently been awarded a quite sizable procurement by LA Metro for its Rail and Bus Crossing Enforcement program, subject still to customary challenge by those bidders that did not win.

Let me pause for a moment here to both thank and congratulate the team on behalf of the board and our shareholders.

These awards are among the largest competitive tenders issued in North America over the last couple of years, and our wins are truly noteworthy for two reasons:

- First – they demonstrate a shift in the company's ability to effectively compete **AND**

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- Second – they display the market’s willingness to again entrust Redflex with new and substantial awards.

Mark, to you and your entire team, well done. Thank you for doing what you said you would do to reset the Redflex trajectory.

Investments in our people and technology continue to expand and leverage our growing expertise in photo enforcement, managed motorways and urban mobility.

And as a result of these investments, Redflex has elevated its competitive posture and has established the foundation for meaningfully improved financial results.

Before I close and introduce Mark, I would like again to thank you, our shareholders.

On behalf of the whole Redflex team we sincerely appreciate your continued support through what has been a remarkably challenging journey, but with much brighter and safer roads ahead.

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

Redflex Holdings Limited ASX.RDF

Annual General Meeting

Chairman's Address

29 October 2019

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Redflex





Driving Profitable Growth

FY2019 Financial Results

↑11%
GROUP
REVENUE

↑32%
GROUP
EBITDA

↑220 bps
GROUP EBITDA
MARGIN

↑42%
CONFIRMED
NEW
BUSINESS
ORDERS

Pipeline Progress

- 4th consecutive quarter of 100% retention in competitive renewals
- Expanded Managed Motorways business in the UK
- Significant wins in Pennsylvania and Toronto
- Sizable procurement by LA Metro for Rail and Bus Crossing Enforcement program
(subject still to customary challenge)



Driving Profitable Growth

Redflex Holdings Limited ASX.RDF

Annual General Meeting

Group CEO Presentation

29 October 2019

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Delivering Improved Performance

- Growth in Group EBITDA of 32% over the prior year
- Growth in Group revenue of 11% over the prior year
- Growth in confirmed new business orders of 42% over the prior year
- Improved sales and business development capability
- Continued product and technology investment

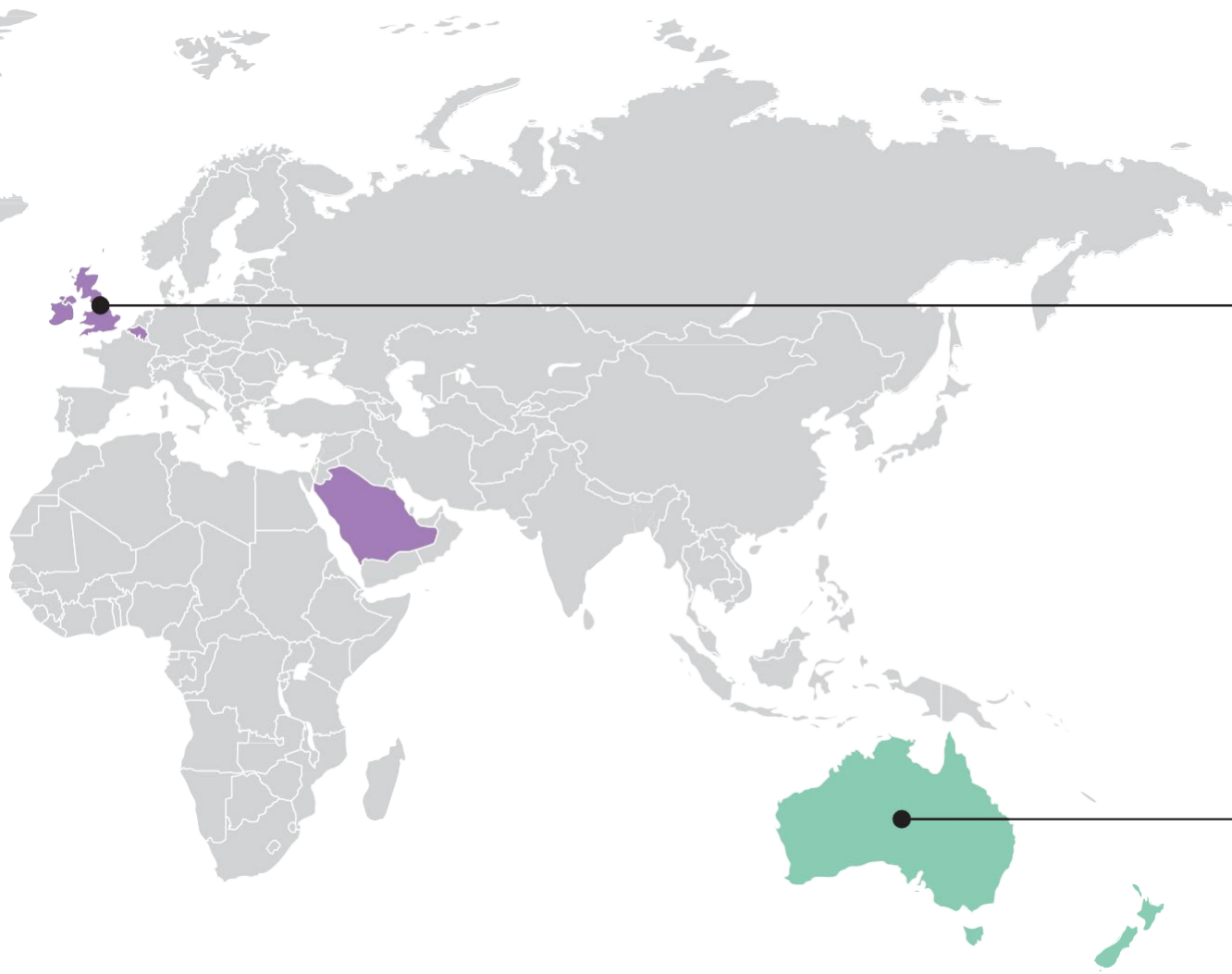


Financial Performance

- EBITDA up by 32%
- Revenue up by 11%
- Improved efficiency resulting in growth in EBITDA margin to 13.8%
- Other items in the current year include impairment of Texas related equipment and impairment of the Mexico receivable.

	FY19 (A\$M)	FY18 (A\$M)	YoY (change)
Revenue	117.0	105.6	10.8%
Gross Profit	52.1	54.7	(4.6%)
Gross Margin	44.5%	51.8%	(7.3%)
Operating Expenses	35.9	42.4	(15.3%)
EBITDA	16.2	12.3	31.5%
EBITDA Margin	13.8%	11.6%	2.2%
Depreciation / Amortisation	19.1	20.0	(4.5%)
Financing / Other Items impacting earnings	5.7	1.4	
Net loss before tax	(8.6)	(9.1)	5.4%

Delivering Improved Performance: International



U.K., Ireland, Belgium, Middle East

- Expanded our installed base of variable speed enforcement systems in the U.K.
- First sale of Red X product in the U.K.
- Additional fixed and mobile systems sold in Belgium.

Australia, New Zealand, South East Asia

- Commenced new mobile speed services contract in NSW.
- Installation of P2P and mobile systems in multiple jurisdictions.
- Expansion of our off street parking solution with a major Australian shopping centre operator.

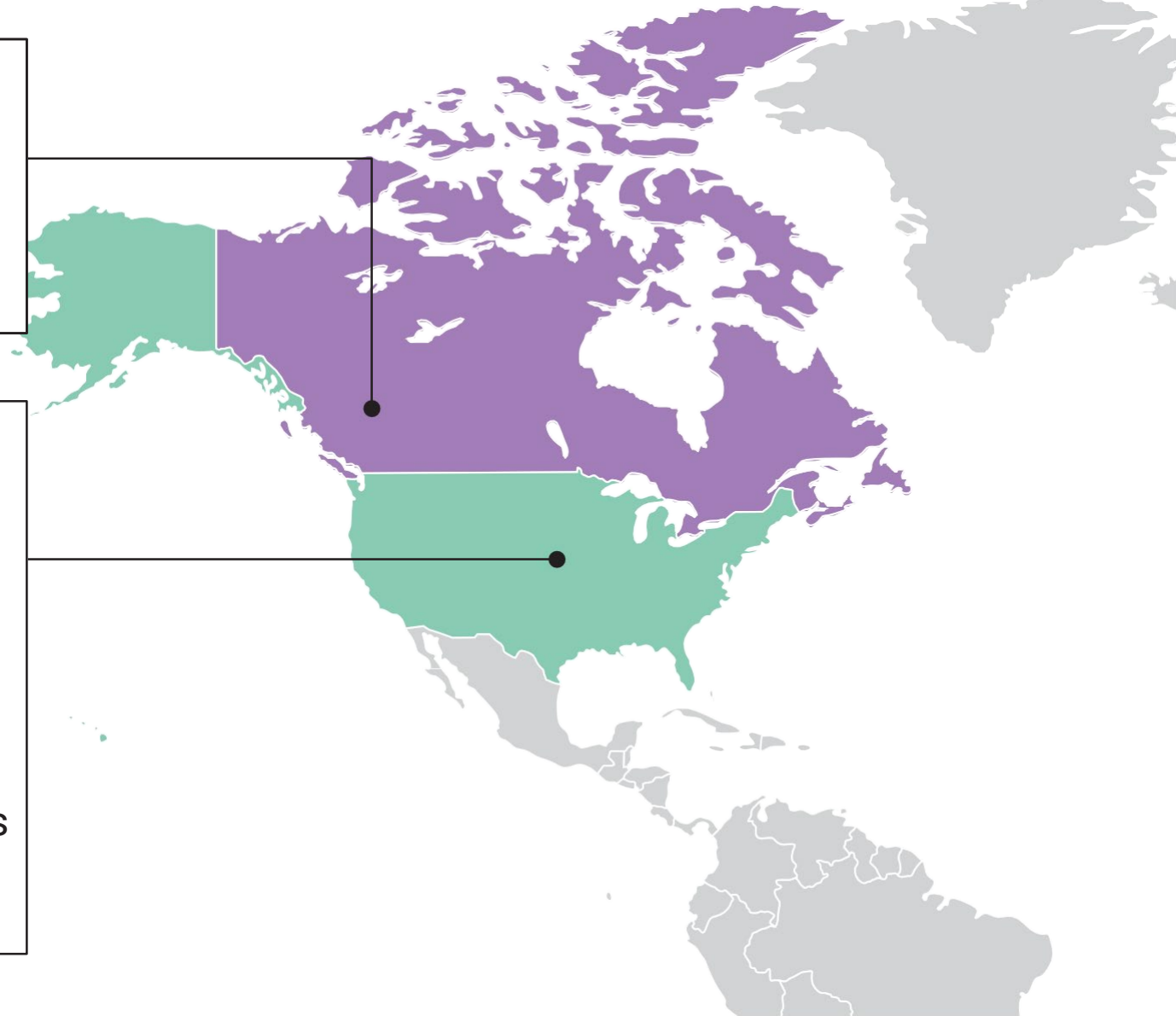
Delivering Improved Performance: Americas

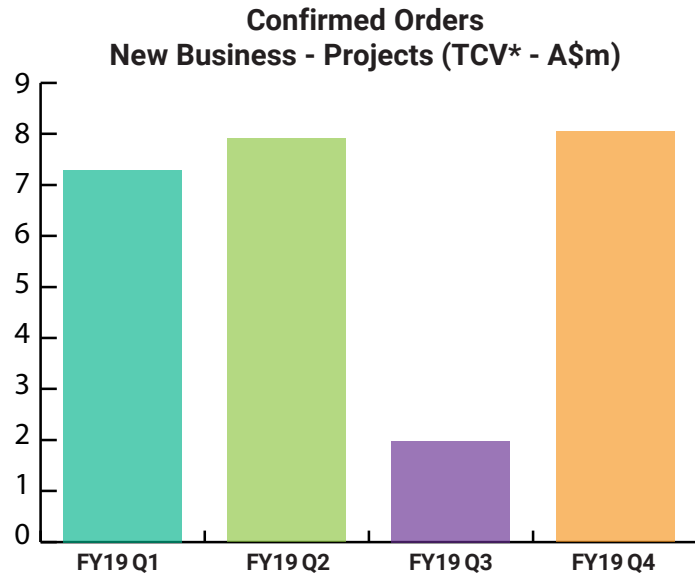
Canada

- Completed delivery of Halo systems in Vancouver.
- Additional new programs awarded in multiple provinces across Canada.

United States

- Joint award from Pennsylvania Dept. of Transportation and Pennsylvania Turnpike for the operation of the Statewide Automated Work Zone Enforcement System.
- Halo units installed in Sacramento and Culver City contract renewals.
- Pursuit of new programs in targeted jurisdictions that seek to introduce or expand photo enforcement to support road safety initiatives.





42% increase in new business orders compared to the prior financial year.

Growth in both project and annuity streams.



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

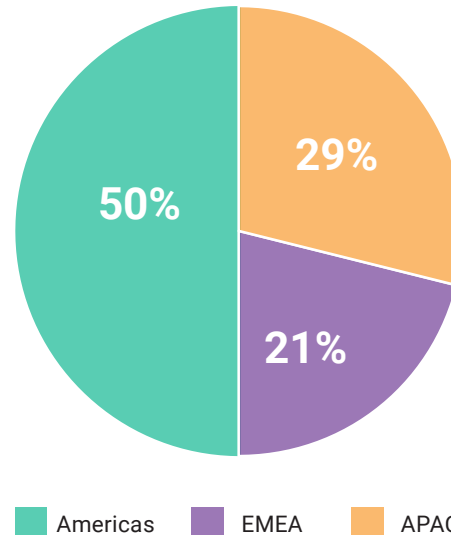
Continued Momentum into FY20

- \$69.0m of new business contracted during Q1 underpinned by the Statewide Automated Work Zone Enforcement program in Pennsylvania (TCV = \$66.7m over seven years).
- During October we have finalised a ten year contract for the provision of speed and mobile services to the City of Toronto (TCV = \$26.4m).
- Recently contracted wins and renewals in North America are expected to generate annual recurring revenue in excess of US\$10m once fully implemented.
- We continue to pursue other large annuity programs, particularly in North America.
- We remain confident of further growth in our key international markets in Australia, U.K. and Europe.

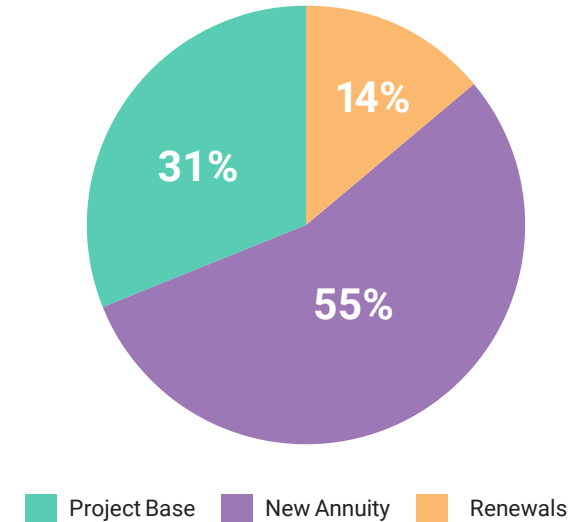
Sales Pipeline remains strong.

Rolling four quarter TCV > \$300m.

Sales Pipeline - TCV by Region



Sales Pipeline - TCV by RevenueType



- Conversion of pipeline opportunities remains the key focus in FY20.
- Increased proportion of opportunities in the Americas reflects the value of recent significant bids in that market.
- Increased annuity opportunities attributable to recent significant bids in the Americas.

Positioned for Future Growth



Growth in developed markets

Expand our product footprint with existing customers beyond traditional speed and red light enforcement.



Continued market expansion

We will position ourselves in each of our target markets to ensure we are a leading provider of ITS. Our focus is on solutions that improve road safety, congestion management and air quality as programs emerge.



Reducing cost and complexity, developing a high performance culture

Building a resilient and efficient global organisation that aggressively pursues sales opportunities and can withstand changes to our operating environment.

Looking Forward...

Grow from our core business and enter new markets

- Road Safety – the core of the Redflex brand – continues to grow globally at 5.1%
- Leverage our position in Road Safety to expand into target markets in Intelligent Motorways and Urban Traffic Management.



Global
Road Safety 2020
\$5.423bn



Global Intelligent
Motorways 2020
\$3.008bn



Urban Traffic
Management 2020
\$4.963bn

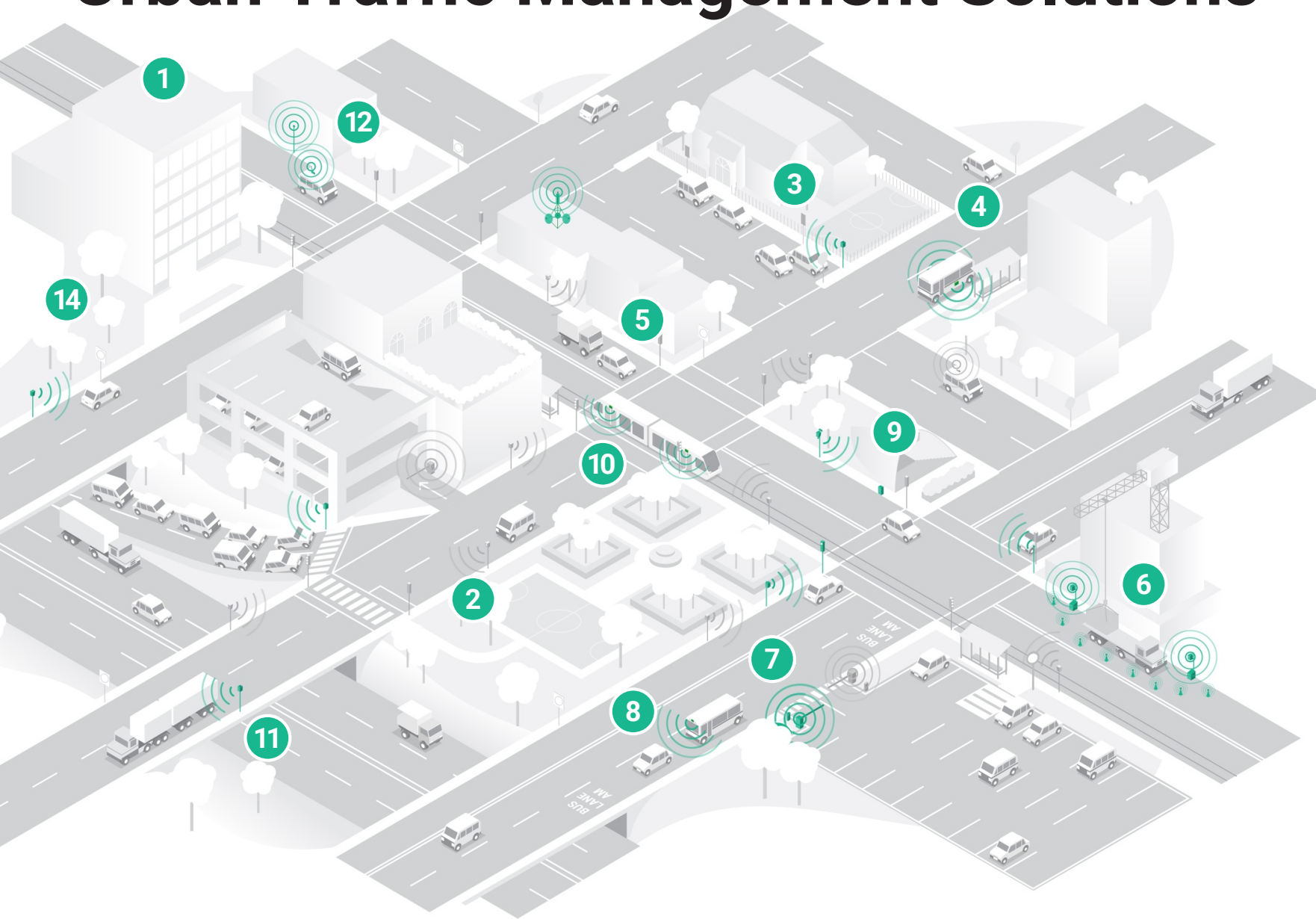
Urban Traffic Management

The issues for safety and sustainability

- 50% of the world's population lives in urban areas
- \$300B wasted each year in America due to traffic congestion
- 46 hours a year is wasted per American in peak traffic



Urban Traffic Management Solutions



Key

1. Business Processing Operation (BPO)
2. Speed monitoring and enforcement camera
3. Curbside parking management
4. Student Guardian
5. Hold the Red
6. Worker Guardian
7. Ticketless parking management
8. Bus lane enforcement
9. Red Light enforcement camera
10. Tram Guardian
11. Vehicle categorisation
12. Congestion/low emission zone

Continued Product Development - Introducing Halo Edge



Disclaimer



Overview

This Presentation has been prepared by Redflex Holdings Limited (ACN 96 069 306 216) ("RDF" or "Company") and is dated on the front 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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