

ASX ANNOUNCEMENT

18 October 2019

Redflex Holdings Limited | ABN 96 069 306 216

The Redflex logo features the word "Redflex" in a white, sans-serif font, followed by a stylized green circular icon that resembles a lowercase 'r' or a signal wave.

Q1 FY20 Sales Activity Update

Redflex Holdings Limited (**ASX:RDF**) releases to the market its Q1 FY20 Sales Activity Update.

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.

For further information:

Mark J. Talbot
Group Chief Executive Officer
Redflex Holdings Limited
mtalbot@redflex.com
T +61 3 9093 3324

Neville Joyce
SVP - Group Chief Financial Officer
Redflex Holdings Limited
neville.joyce@redflex.com
T +61 3 9093 3324

Redflex Holdings Limited

31 Market Street (P.O. Box 720), South Melbourne, Victoria, Australia 3205 t: +613 9093 3324
e: redflexholdingslimited@redflex.com
www.redflex.com

Redflex Holdings Limited ASX.RDF

Q1 FY20 Sales Activity Update

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Q1 FY20 Sales Activity Update



\$69.0m of new business contracted during Q1 underpinned by growth in annuity revenue

- New annuity orders of \$66.7m and project orders of \$2.3m

Contract finalised with Pennsylvania Department of Transport (“PennDOT”)

- Contract executed in Q1 for the operation of the Statewide Automated Work Zone Enforcement Program.
- TCV of \$66.7m for the delivery of the program for a base term until February 2024 and two twelve month extension periods.
- The program is expected to commence in Q2 FY20 and be fully implemented by Q4 FY20.
- This contract represents our largest customer contract in North America.

Additional project orders of \$2.3m in the International segment

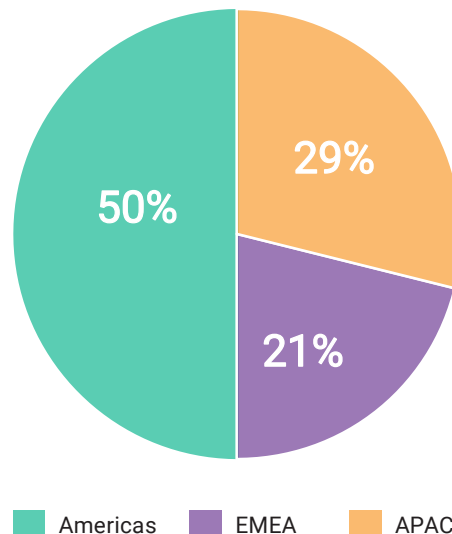
- Equipment order received from a new customer (Traffic Wales) representing our continued expansion in the U.K. \$0.7m.
- Additional fixed and mobile units supporting speed programs in Belgium \$0.5m.
- Additional HALO units deployed in the Northern Territory, Australia \$0.4m.

Contract retention rates remain strong with \$37.7m contracted during Q1

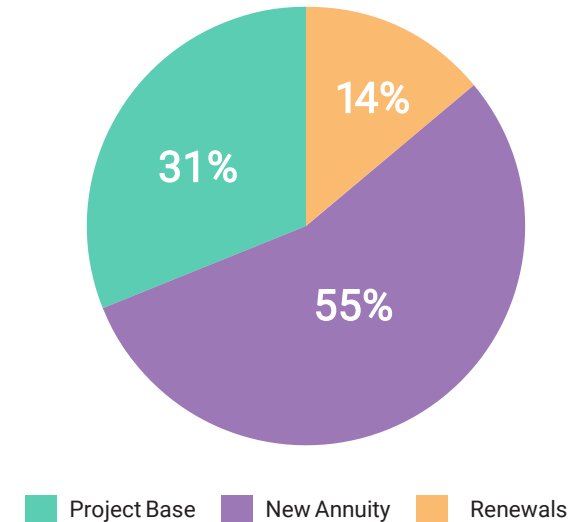
- New five year contract executed for continuation of maintenance services with the Department of Justice and Community Safety in Victoria, Australia \$25.6m.
- Red light programs in Sacramento, CA \$6.6m and Culver City, CA \$5.4m retained with equipment upgrades to HALO systems in both programs.
- This is the fourth consecutive quarter of 100% win rate for competitive renewals.

**Sales Pipeline
remains strong.
Rolling four
quarter TCV
> \$300m.**

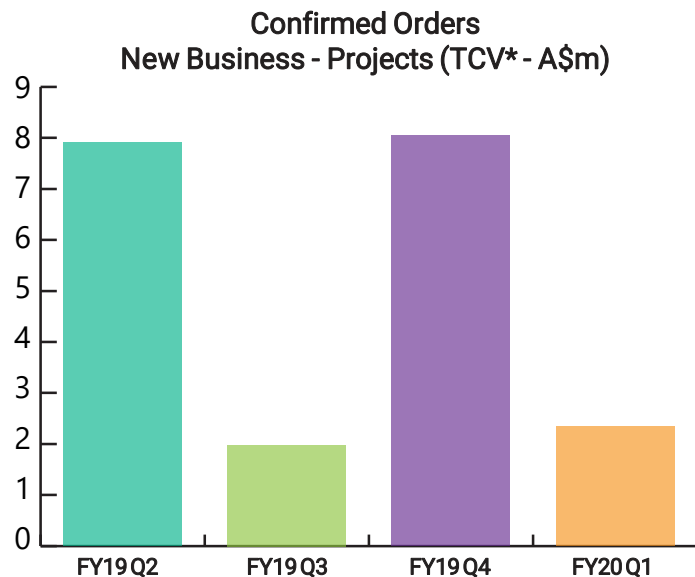
Sales Pipeline - TCV by Region



Sales Pipeline - TCV by RevenueType

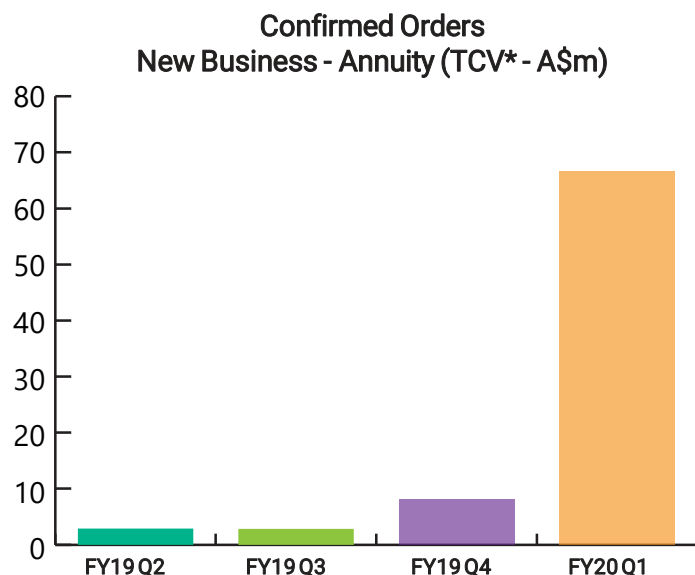


- Qualified global sales pipeline remains in excess of \$300m consistent with our current level of sales and business development resources.
- Americas represents 50% of the pipeline driven by recent significant bids in that market.
- Growth in annuity opportunities reflects our focus on growing recurring annuity revenue.
- Continue to target 100% retention of competitive renewals.



Significant increase in annuity orders driven by the Americas

- TCV of **\$69.0m** in confirmed sales orders received in Q1 FY20.
- TCV of **\$66.7m** attributable to finalising the contract with Pennsylvania Department of Transport.
- The growth in annuity orders is consistent with our aim of converting large pipeline opportunities to recurring revenue streams.
- Project orders of **\$2.3m** reflects equipment orders in the U.K., Europe and Australia.



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

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 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.

Past and future performance

Past performance information is given for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. This Presentation may also contain certain forward-looking statements with respect to the financial condition, results of operations, projects, contracts and business of RDF and certain plans and objectives of the management of RDF. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither RDF nor any other person gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of RDF. Further, none of RDF, its officers, agents or employees, except to the extent permitted by law, accept responsibility for any loss, claim, damages, costs or expenses arising out of or in connection with the information contained in this Presentation. Investors should independently satisfy themselves as to the accuracy of all information contained herein.

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