Okay, welcome everyone.

We've got a really good one for you today.

Uh, as you know, we're speaking

to the team at Smart Parking.

We've got the CEO Paul Gillespie

and the CFO, Richard Lud Brooke with us today.

Uh, this is a company we've gotten

to know really well over the years.

Uh, we first, uh, I think we've spoken

to the team at least five times.

Uh, the first discussion going back to 2022.

Uh, since then, smart parking has firmly established itself

as one of the, uh,

the top rated companies across the community.

Uh, the numbers speak for themselves since it was added

to the Strawman index.

Uh, what are we, we're up,

but we're, we are dealing with an annualized return

of 86% per annum, not too shabby.

Um, uh, now of course, markets do do all kinds

of crazy things, and it's always hard

to know exactly what's sort of behind, uh,

changes in sentiment.

Probably not too much of a mystery in this instance.

I think we can, we can pretty much point

to some strong execution and opportunity.

I'll throw some numbers at you quickly here.

So, since we first chatted to, to Richard

and Paul, revenue's essentially doubled.

We've seen the operating margin move ever higher.

We're now north of, of 26%.

And we'll talk a bit about the incremental margins, uh,

as well, which are very interesting.

Um, and look, I just said to the guys,

because I think a lot of people are familiar

with the business, I don't want to go over

and rehash a lot of old ground.

I would very much encourage you to watch some

of those earlier recordings, which are on our meetings page.

We'll give you a very, very good grounding in,

in what the company does.

But a very, very quick, high level kind of view here is

that, well, smart parking helps car park operators monetize

and manage their space.

I think shopping centers, think transport hubs,

think hospitals, these kinds of things.

So essentially, I'm, I'm really dumbing this down,

but, you know, you integrate your sensors, your displays,

your gates, you plug that into a, a, a cloud platform, uh,

that allows, uh, uh, the operator to, you know,

see who's overstaying their welcome perhaps,

and then issue fines or park parking breach notices

and, uh, smart parking shares in the

revenue generated there.

So what's really nice about that

is it's a very straightforward business.

It solves a genuine problem. There's a lot of opportunities.

And what I think is really important and,
and not as common as you would
otherwise like to see, is that there's a real nice alignment
of incentives here.
Smart parking wins when its customers win.
Um, the other nice thing about it too is, um,
this is a company which when they add a new site,
it's pretty low cost.
It's pretty straightforward.
There's a lot of flex on the, on the cost base.
There's a very, very quick payback period.
And these sites tend to be very, very sticky as well.
So, uh, and you know, as I say, there's a lot
of opportunity to sort of grow.
You may have figured out from this introduction
that I'm a shareholder
and, um, so if, if my bias starts to creep through, uh,
please hold me in check.
We're not here to blow smoke up the proverbial here
for the guys, but to really better understand, uh, the,
the business and, and where it's gonna go.
If that's what you want to do, please use that Slido link.
Um, we've got some great questions that have come through,
but please add to them if you are, if you would like to.
And the final thing to say is that as always, none
of this is financial advice.
So with that said, Paul, Richard,
thank you very much for your time today.
No worries. Good to be back, Andrew.

And, uh, thanks very much

for allowing us to come and talk to you.

So I'll just, uh, I'll try

and share the, the a GM pre just to act

as a bit of a prompt for us. Perfect.

Okay. Perfect. Uh,

Share. There we go. Alright,

let's go to screen. Bear with me.

I just got a bit technology happening.

While you're doing that, I'll just make mention,

uh, to, to everyone.

We've got a 45 minute window here today as well.

Um, so just, just bear that in mind

and I promise I won't, I won't, um, um, um,

hog too much of that time with my own questions and,

and really try and focus on what, what has been put through.

So yeah, Paul, I'll let, I'll let you sort of drive here.

I mean, I, I hope I gave a reasonably concise

but accurate overview there.

Um, and just, i, i, I guess

what do you think is most important for, for shareholders

or potential shareholders to

understand at this point in time?

I think I actually, if I get to maybe this slide,

actually no, I'll start with this slide.

Mm-hmm. Um, I think the, the really important thing

for us is obviously to, we're,

we're a fast growing technology led service provider Okay.

To, to the parking industry.

And what you, what you said in the

infrastructure is absolutely right.

We, we ensure that, you know, we go

and see potential, potential customers

or landowners, landlords, people who own shopping centers,

retail parks, hospitality venues, hospitals, um, any kind

of environment where you need to park cars, uh,

to utilize a particular facility,

like a sharp hospital venue, whatever it may be.

Um, we ensure there's always a place to park

with genuine customers,

and that's at the center of what we do.

Um, and excuse me.

And so I think if we, if we always bear that in mind, is

as a business, and that's certainly exactly how we, we deal

with our team internally, is

that this is the service we're providing.

And of course, you know, at times we're gonna have

to issue some sort of parking breach notice to ensure

that non-customers

or people who aren't supposed to be in

that environment don't, don't breach those rules again.

And that's why we issue the parking breach notices. Yep.

But I think what, what's, um, I wanted to sort

of really start off and get, get people understanding if

as a sort of long term focus, which is

what you highlighted at the start of the, the call, um,

this is our, this, this page we're looking at now, this is our strategy.

And this, if you look back over previous presentations

to the market, whether it be a GM, whether it be full year,

half year, other potential quarterly updates,

you will always see this slide in, in the deck,

which is reiterating our, our consistent message,

but also our consistency to what we're trying to achieve.

Right. And if we break down these three kind of pillars

for growth, you know, the first,

first things first is organic growth.

And we have an opportunity to organically grow our business

quite significantly for a long period of time.

Mm-hmm. And, you know, we,

we focus on obviously entering a particular market.

We build a sales team, we build the personnel,

build the strategy, and then we go and execute, go

and win those customers, win the sites,

and we start generating revenue.

Mm. So we sort of broke down our time.

So 85%

of our focus is really mu really on your organic growth.

And that's why you're seeing, and if I just flick back a few

slides, if you look at the, um,

obviously the highlights from the last financial year,

it is FY 25, you're seeing

that growth in revenue and profitability.

The, the number of breach notices out the door is up

significantly, as you can see there.

And obviously cash has grown. Our EPS has grown.

So, you know, this is a, you know, as, as a kind

of metrics to look at.

It's incredibly positive. Yeah.

And then we break that down by country as well as about

where, where that growth coming from.

I'll just go back to this slide,

but yeah, really the, the focus on that organic piece,

build the sales team, build the strap structure,

build the culture, and then execute.

Yeah. We then look at the second piece,

which we're probably spend another 10% of our time,

which is on new territories, you know,

where else can we pick up our model, you know, and, and,

and utilize our technology to open up a new territory,

open up a new business, and be unique.

And that's really where our, I guess our, our skill lies is,

you know, and the flexibility

and the technology is going to pick up and start again.

Provided we've got the right type of market,

it's got the right, uh, regulatory environment,

the right regulatory framework that allows us

to use our technology and allows us to be different.

So that's, that's the second piece.

And that's, I, I guess this, this level of consistency

that we've, we've demonstrated over the last five,

six years, I think is really important

that shareholders understand that

and the potential shareholders understand that,

that this isn't gonna change, right?

We've got this model running,

we've got this strategy running,

we're executing it, and it's working.

And you can see that in the numbers.

I've just, I'll just interrupt very quickly, Paul.

I, I had a conversation, um, off air with, uh,

a fellow shareholder as well.

And I, I, I can tell you as a bit of feedback that

that is definitely noticed

as anyone who's invested in the A SX for a period

of time will know there's lots of sort of pivots

and re, you know, uh, uh, new business models

and look to, to be fair, you know, as I said to a,

a guest yesterday, experimentation is core to business.

You know, if, if you're not failing in some areas,

you're not trying hard enough.

But, but it is definitely nice when you just see a company

that's hit upon a winning formula and are just executing.

And it doesn't have to be, now we're doing the new thing to,

to sort of try, try and pump the narrative.

So I just as a bit of feedback, that's,

that's the point you're making is definitely been noticed,

You know, and do you know what,

I'm sure we're failing in lots of areas.

In fact, I know we are in some areas,

and we, we do try lots of new things internally,

but I guess the, the actual broad strategy is very, is, is, is solid.

And we're not going to be changing that organic piece,

really focused on that look for areas

where we can increase our addressable markets,

which is really what we're trying to do with,

and build a portfolio of territories, you know,

to reduce risk on any one particular environment.

Yeah. And that, that's worked incredibly well.

And then of course, the third part of

that is augmenting our organic growth with, uh,

with inorganic opportunities with acquisitions.

Yep. Now, most people know that, you know, we made our,

we've made, well, five deals in the last four

and a half, five to five years.

Um, and they've, yeah, probably been very successful.

Now our, the most recent one was our largest to date,

which is in the us.

So entering a brand new market, um,

is the biggest raise we've done, uh,

biggest acquisition we've made.

And it's been very successful.

Um, we've obviously got a great team in place.

The, the vendor has stayed on.

He's, uh, taken a large amount

of script as part of the deal.

Um, he's agreed to an earn out, which ends at the end

of this month, and we're very confident

he's gonna meet that earn out.

Um, and these are things that we're excited about

because, you know, he's completely
aligned with what we're trying to do.
He's got great relationships in the business as well
as in the marketplace, and can see that he can not only, um,
you know, not only has he done well from selling his
business as quite a young individual mm-hmm.
And he is got money in the bank,
but he is also got, you know, 10 million US
of shares essentially, um, uh, in smart parking,
which he believes he can more than double.
Right? Yeah. And that's his focus.
So we, we've, we, we believe we've bought, well,
we believe we've got a great team in place.
We can see now from the acquisition we're executing
and finalized in the 1st of March.
Yeah. That first three months was about integration finance
systems put in place, getting them to go from a, a, um,
uh, yeah.
Small business to a kind of a, being part
of a group which is publicly listed.
So of course, that brings its own challenges, which is,
has been quite new for them.
Um, yes.
But that full integration took place in that first quarter.
And then that second quarter
of operations we've been implementing our technology Right.
And training the team and building that, that process.
And the third quarter up until now,

essentially is execution, winning, winning sites,
installing those locations
with our new technology and running the process.
Yeah. So, so that's, that's, you know, I'm,
I'll be looking forward to updating the market more
of the half year, uh, around how that's really gone.
But also we are, we're excited by the fact
that they should be meeting their earning. So,
Can, can I ask a couple of
quick questions on, on this slide?
Sure. When, when, when you are, when you're looking at, um,
new territories, is that always with a view
of entering via acquisition?
Or will you enter organically in some instances?
Well, actually every, every single market we've gone into,
apart from the US we've entered organically.
So, you know, we found the right individuals.
So if we think about, I mean,
New Zealand was slightly different
'cause we already had an office in New Zealand
because of our technology business space there.
Yeah. Um, so that was kind of a soft landing.
Um, but that said, you know, that, that business has,
has been incredibly successful.
And if you look at this Yeah. Scorecard for the year, right?
So New Zealand now, our first sites went live in March
of 2021.
You know, we've now got, you know, today we've got close
to 270 sites,

or a reasonable two 80 sites, something like that.

Um, obviously did just, you know, seven

and a half million dollars of revenue last year at

43% margin.

So, so it's an incredibly, uh, positive story. Yeah.

And we believe we can get the whole business up to

that sort of 40% plus.

That's, that's what we're going for. Right.

Um, but again, we had the right people in place

and we've managed to grow the team and,

and be, be successful.

Obviously, Germany, we opened on the 1st of January, 2022.

That's been a bit more challenging.

And I think, um, a real learning, I mean,

you mentioned earlier on about, you know, trying things,

failing, that sort of stuff.

And we've definitely had our challenges in Germany,

which have been more, um, personnel led,

which is obviously cultural.

Mm-hmm. Again, you know, we're, we've come from the UK

and we've got Australia and,

and New Zealand have got, you know,

whilst they've all very different people and,

but culturally are, are different,

but broadly similar, if that makes sense.

And we all speak the same language, which helps, um,

but Germany's different.

Right. And there's some different, different people there, and it's been a real learning experience.

Mm. Um, what I'm pleased

to say now is we have a team in place that I'm, uh, I've got

a huge amount of faith and time and respect for, uh,

and a lot of faith in them succeeding.

And I'm, and I truly believe we're gonna have a great

business there, um, in the next sort of, uh,

12 to 24 months.

I mean, we're very close to that break even point.

In fact, we had a break even month in July.

Um, but we've invested further since then.

And obviously, you know, um, to try

and, you know, win more sites,

win more salespeople, those sorts of things.

So we think it's gonna be a positive contribution

for the year, um, yeah. In, in Germany.

Yeah. Just a quick quickly on that, uh, when,

when you sort of say that the cultural differences there, is

that with sort of site operators

or more with the, the regulators?

No, just people that, okay.

People in general, as in,

and I'm talking about internally, so Right.

If we, if we talk now, if we talk to the customers,

the customer's got the same problems.

Right? Right. It doesn't matter whether you are running an

Aldi in Berlin or running a, uh, Asda in London

or a, uh, new World in Auckland, you know,

they're all the same problems, you know?

Yeah. We've got limited space.

We want people to come shopping in our shops,

but we don't want 'em there all day, you know?

Yeah. Turn up, spend an hour, buy, do your groceries, go

for a coffee, enjoy yourself,

but then please leave so that someone else can come in

and utilize aspects.

Right. Yeah. And that's, that's what these,

and of course the, the problem we're solving, remember

what I said a moment ago, the problem we're solving is we,

we ensure there's always a place to partner

with genuine customers.

Yeah. Right? That's what, that's

what our customers want us to do.

We want to, they want us to create compliance. Yeah.

Um, and that's really what we're, what what we're about.

Those problems are the same everywhere we go.

Same in the us same in Switzerland just opened.

Same in Denmark. Um, same in the uk.

The, the challenges i, I was sort of alluding to is,

is really just the, the kind of the work environment,

the personnel, the, um, the people's,

um, how can I put it?

Um, approach to work, I suppose.

You know, I think English people, Aussies,

Kiwis have a different view of work

and approach to work than the Germans do, put it that way.

Okay. And I think there was,

there was a period of adjustment.

Sure. Um,

But, which is funny, right?

Because the Germans have this sort of reputation

for hyper efficiency

and uh, you know, all of that kind of stuff.

But yeah,

Europe's Europe is interesting in a lot of ways. It

It is, it is. But

you know, then you look at Denmark

and they're, they're, they're far more open

and, you know, much more, I wouldn't say relaxed,

but just seem to be open

and up for energy, got more, a much more positive energy.

And I think the Germans are a bit more reserved and,

and I guess, you know Yeah. It, it, oh,

It is what it is. Yeah. It

Is, it's a learning Experience.

Well, that was my question. What, having had that experience

and looking at other, other, uh, territories, h how,

how do you take that lesson and,

and make it a more practical

one for when you're looking at it?

It's just culture is one of those things that's like super,

super important, but very, very hard to define

and very, very hard to measure.

Yeah, it is. I think

I would probably spend a bit more time on the

recruitment process of the leader.

Okay. I think that's very important.
And the leader we have in post now is far more, dare I say,
international and has worked for more kind
of international businesses in Germany and,
and done lots of work around, uh, around Europe
and, um, and Asia in fact.
And he just seems to have a, a mindset
that is much more like ours.
And I, I've always been of the, the theory of, you know,
we try and hire people quickly, let's get on with it, right?
Yeah. Let's not, if you think it's gonna work, go for it.
Uh, and if it doesn't work, then
you have to make the changes fast.
And I'm a believer of that.
And I think, but in Germany, I think, you know,
with hindsight, we probably should have taken a bit more
time thinking about that leadership role
type of person we want.
Um, it's not like we went for the first person we met,
it was very much that this person particularly qualified,
we've got the right attributes, we like go.
Yeah. Um, but you, six to 12 months in
there was obviously challenges culturally, you know,
what my understanding
and my, um, my thought process is probably different
to theirs or what's different to theirs.
So we had to make that leadership change,
um, and look that that happens.

So, and it's certainly not the first time we've had to go

through that process, but I think the ship,

You can, it's like dating, right?

Like, you don't get the full read on the first date.

So, uh, yeah. It, it takes time. Um, it does.

I just, just, sorry, not to, not to derail you,

but just back, back on the, the acquisition piece is, is

because you've got, you've got a very established, fully

featured, uh, technology and process there.

So I assume it's not really looking for not in always,

there'll be new bits of kit and, and ins, um, and,

and I guess, uh, uh, technology

that you can always integrate,

but is it essentially a, a way

to accelerate the land grab in the new territory?

Is that what you're really looking for?

Someone with the, the, the right breadth of sites?

Yeah, I mean the, yes.

From a, like for example, the, the, the

Businessly acquired in the US peak parking,

they were growing very well.

They had 130 plus locations

that were traditional parking management.

So this is where boom gates and those sorts of things. Yeah.

And of course, what we are looking

for is sites without boom gates, you know,

we want free flow, we wanna be able

to utilize our technology,

have the cameras watching cars come and go.

And then the, the, the platform, smart cloud platform,
which is what you see here that does all the work
to match the plates, match the, the payments with that plate
or the permits and so on and so forth. Yeah.
Yep. Um, so of course if we,
if we can find other assets that have those sorts
of locations or,
or, I mean, what we loved about peak parking was they
had a good number of locations.
They were growing very well, um,
and growing well over the last sort of five years.
But in particular, they, they didn't, they, they sat there
and said that we don't have any of our own technology.
Right. So we, we've got great relationships
or great customers, good earnings,
good quality revenues, all these kind of things.
But we are buying tech off the shelf
and we're utilizing vendors from all over the place.
Yep. And we don't have an enforcement product. Yeah.
And so of course, when I'm sitting
and say, well, I tell you what, I've got great technology,
I've got the products you want, I can control
that end-to-end technology journey for you,
but you've just gotta go and sell it.
Right? Yeah. And so that, it's almost like
a perfect match, really.
So nice. We've managed
to enter the largest parking management market in the world.

We've entered it with a product that makes us different.

And that's, I'm a big believer, you've gotta have some sort

of point of difference as as to what people want.

Mm-hmm. But the real thing that, that people,

I think the market hasn't really understood

yet about this acquisition is we think about our, the,

the type of sites that we want to manage.

Two thirds of everything we do in our biggest market in the

UK right, is time limited parking.

Mm-hmm. So it is basically free

to park in a particular place,

but for a limited period of time for what, an hour

and a half or two hours or whatever it may be.

Mm. So there's no payment required

in the us Every single site we manage today is paid parking.

Right. But there's this massive area of the market

that no one's touching this free time,

this time, limited parking.

And if you leave our office in Austin, right?

Just go for a walk for 10 minutes, you'll fine.

15, 20 locations where there might be, um,

just a regular kind of piece

of land which people are parking cars on, it's free.

Or there might be a, a bar with a, you know, 30, 40 spaces

or a restaurant or a gym or a fast food one.

It's free parking and all,

all it's got on the wall is a sign

saying customer parking only.

Uh, if you're not a customer, you'll be towed. Yeah.

That's it. Right.

So, but where happens, you see a tow truck, you're done.

Yeah. So, of course people will leave

their cars wherever they want.

And, um, and that, that is the, the sort of size

of the opportunity that we see today.

When, when we were running through the,

the acquisition process with, uh, with the vendor mm-hmm.

We talked about is technology.

You could almost see the penny drop.

Like, you know, I'm selling this too cheap.

Um, But he was, he was, he sat he sat there

and thought, this, this is, this is massive.

Yeah. This can be huge. Yeah.

Um, and we've had many other conversations in the US

with other potential vendors,

and they all say the same thing.

Right. This is massive. But of course.

And then there's other companies out there

that buy a similar sort of technology suites,

but they're, they're technology vendors.

They're not operators. Yep.

So, of course, the operator then has to acquire the tech or,

or lease it or rent it,

and they're paying 10, 20, $30,000 a month.

Right. Right. Right. Well, I don't have to do that.

I've built that. I've already got,

I've built on boat round my business, which is what you're seeing on, on the screen here.

Yeah. So I think that that's the piece piece we're,

we're genuinely excited about.

Um, and we've spent, it feels like we've spent a long time

you installing technology and testing it in the us mm-hmm.

In reality, it's been three, four months, right? Yes.

It's not been that long. Yes.

Um, but we now have a number of sites live.

They're issuing a number of breaches, which are, you know,

and that contravention rate's quite high.

Yeah. As in the number

of people breaching is a, is a high number.

Yep. Um, and starting to see payments come through.

So, so tested the technology, tested the process,

we're now running the process and we're collecting money.

Um, so it's, we're we're excited by

what we can achieve over the next sort of 12, 24, 36 months.

This might be a good, um, point to, to, uh, go to one

of the questions just 'cause it's in

relevance to, to peak parking.

This is from Mike Brizi.

He's asked, um, peak parking's legacy business model

indicates the US market is perhaps a bit different to,

to the other markets you're in.

How has the A NPR automated number plate recognition

technology resonating with customers in the current states?

And what is your view today of the potential now

that you've been operating in the us You, you've,

you've already mostly answered that question, but I just wanted to put it to you in case there's a more

thorough, thorough answer you wanted to give.

Yeah. The, you're right.

The, the, the, the market is different.

There's, there's no two ways about it.

And the, it most operators, parking operators only want

to deal with paid parking sites.

Yep. Right. Where you can actually generate revenue,

take a share of that revenue, you know, you say

to the customer, Hey, I'll generate

a million dollars a year out of this site for you,

which can keep everything,

every million dollars I keep, right?

Yep. And so they generate two happy days.

You've got a great site.

Um, and that tends to be most of the way, you know,

these sites operate, but none

of these operators are looking at that, that unpaid

or the free parking locations.

Mm-hmm. Um, and of course when you go

and see these customers say, look,

of course our model are a bit different to

what you see in the us in, in most cases, the, the customer

or the landowner will pay for the technology.

Mm-hmm. They'll pay for the boom gate system going in,

they'll pay for the payment kiosks, they'll pay

for a particular service,

and it'll just be a management fee

that's levied, you know, from the operator.

Yeah. Whereas we go to the customer

and say, look, hey, we'll install our technology.

We'll do that at, at our cost.

Where's the, well this one here, this one here,

we'll do it at our cost.

We'll, we'll install in the average site costs $18,000.

You know, um, but we take all the money from the parking

breach notices and Yeah.

But we'll generate footfall, we'll generate speed of,

you know, um, of your cars through your location

to generate more footfall into your particular venue

or your, your facility that you want managed.

Yeah. And that, that's the, the, the pitch we offer,

which is why we're able to get longer

term contracts as well.

'cause in the US term is hard getting,

uh, getting any long term.

'cause if the customer owns a technology, then they,

they want to, they basic sit there

and say, well, look, I'll give you,

it's a three year contract, but I've got 30 day terms

so they can see, cancel the contract in 30 days.

Yeah. Um, and that's everywhere in the us whereas

under this model, we say to people, look, if they try

and put that on us, we'll say, well look,

but you can pay for the cameras if you want.

But really, what are you gonna do with,

because the, the cameras aren't the clever bit, the clever bit is, is this bit here Yeah.

Is the actual, the platform itself. Right.

So, which of course, we're never

selling, that's always ours.

That's our proprietary technology. Mm-hmm.

Um, so I think we're in a position in the US and,

and the customer feedback so far is,

okay, so what's the catch?

You're putting gear? What, what, what, what, what do I get?

Yeah. Well, you get footfall, you get speed

of operation through your location.

Um, and, and I think I've said to you

before, Andrew, we've got a number of customers,

like in these types of sites, these three, you know,

time limited parking locations, a lot of our customers say

to us, since you've been on site, I'm 30% up in the till

in my shop because people would now find a place to park.

Yeah. Whereas before they couldn't

'cause the car was being abused.

So that's the, that's the kind of upside,

if you like, for the customer.

Um, I mean, we're still very early days into this,

into this project, but from what we can see, so on so far,

you know, with the sites we've got installed in, in Austin,

in, in Houston so far,

we've actually got some going live in Atlanta.

Um, yeah.

We're excited by, well, what's in front of us. Very much

So. Yeah. Yeah. It's

interesting

because you, you, you would very much think that the upside,

at least from a, from a, you know,

perhaps a more naive perspective, it's just like, well, I,

okay, I, I can, I can get some, some fine revenue.

Uh, but it's not, it's kind of, well, it's sort of yes.

But also the, it's, it's the, as you say, the,

the increased turnover at the till.

So it's, it's a lovely, it's a lovely win-win.

Um, do you mind if we just, I'll go through some questions.

Just, we've got about 20 minutes left or so, just

'cause I wanna make sure we get to them and I'll,

and I'll, I'll having had a squeeze through them all.

Um, these pretty much rely, I, I think the, the main area

of interest is, is sort of that regulatory sort

of dimension on things.

Because key to the model here is access to, uh, various, uh,

governmental department, um, databases that allow you

to match a number plate with the,

with the driver's details such that the fine can be issued.

Um, yeah. So, so I'm just gonna, everyone,

I'm just gonna go top to bottom here.

Remember, you can vote up or down if, if you want me

to change the order here, but I'll just go top to bottom.

Uh, what's the likelihood

that the standard parking charge cap will be reduced

to 50 pounds for minor or routine cases?

And how would this impact revenue?

So I guess, uh, in reference to the uk

The uk, um, I would say it is very low.

Very, very, very low risk of that.

Now, I mean, some you might remember some years ago ago was

there's been, there's been this kind of conversation

with government that's been running since 2019 when

there was a, a private members bill put forward

to government by an MP course to Greg Knight,

who basically said, look, we want,

and this whole thing was we wanna raise standards in the

private party industry, right.

Which is what us

and some of the larger operators

all said, yeah, we agree with you.

It's a great idea. There's too many people, operator,

industry don't do things correctly.

Right. And so when that was put forward,

it was actually really positive.

It was good vibe to the industry.

But when they first came out and talked about it and,

and sent like a consultation paper,

which the industry was asked to, to comment on,

they didn't have this thing in there.

Well, the, the, the,

the parking charge should be the same value

as local government parking charges.

Right. Okay. Which meant it is you 50 pounds

or 70 pounds, right?

Yep. So, of course, we sat
and said, well, that's, that's not right.
It shouldn't come down if anything should go up,
because if you want to increase compliance,
you've gotta just make the deterrent bigger.
Anyway, so it kind of came outta left field in,
back in 2019, that particular piece of it.
And it was never to Greg Knight's
intention actually to, to do that.
It was all about raising standards,
not playing with, with prices.
Yeah. So what's happened since then, there's been three
or four consultations that have come out to the industry
and we've been asked to comment on and respond to.
And when the first one came out, we responded
and basically they didn't do anything with it.
The second one came out, we, and the same sort of thing.
We responded and they said,
and we also challenged 'em legally said, by the way, you,
this is not a good idea.
And they withdrew it immediately
and said, yeah, we agree with you.
Right. They came out with another consultation in 2022,
which had a different range
of parking charges going from 50 pounds to 130 pounds,
depending on where you were in the country, depending on
the type of contravention, those sorts of things.
Incredibly confusing.
And again, the industry said this, and we said,

and the industry and a whole bunch of us,

so this is bad idea.

You should stick with a hundred pounds, a hundred to,

with 40% discount.

And these are the reasons that we,

and we, we put a lot of time

and effort into that consultation process.

Um, anyway, they came out and said, no, we're gonna do it.

This is what it is. So we challenged 'em legally again,

and we actually initiated, initiated a judicial review,

and then they withdrew it in June of 2022.

Yep. We then, had, we rolled forward, we then had a call

for evidence, right.

Which was tell us why you think this is the case, right?

Mm-hmm. This is government at its best, right? Mm-hmm.

So huge amounts of time, effort, cost involved in responding

to these, these things.

Um, and again, nothing happened until 2024.

There's a bit more kind of consultation done

and corporate, corporate evidence made,

and then it all stopped 'cause there was an election,

and then of course the Tories got kicked out.

Mm-hmm. And then labor have come in

and it's different again.

Now we've just gone through another consultation process,

which finished in, uh, in September.

And it's interesting

'cause if you read, these are public

documents that you can get online, right.

If you read the, the original consultation documents,

they talk about, you know,

we think the punk choice should be lower in line

with local government, yada, yada, yada yada.

Mm. Whereas the rhetoric in this latest consultation was

the, the first question was,

do you think the parking shi should be

capped at a hundred pounds?

Mm. So of course they've changed that and, and

because changing in minister changing personnel Yeah.

They actually sit there and say, well, we get it.

We understand that private land, private landowner need

to go to protect their land.

Yeah. And that law that allows us to act

as the keeper details was put in place in 2012 under the

Protection Freedoms Act.

And so I think, I think we've, we've,

we've gone past the point back

to the original question, will it go to 50 parents?

We've gone past that point.

Now, I don't think that's gonna happen. Yeah.

There might be other things that happen

as part of this consultation.

They might come out with a new code of practice that says,

okay, it's, it's a hundred pounds,

but the debt recovery fee might, may come down a bit as in

what we can, the debt recovery process.

I don't think that's gonna happen. But that,

that's been talked about.

Um, they might state, say, the statute of limitations for

how long you can chase these tickets might change

to go from six years to three years.

You know, these are things that they sort of socialize.

So we don't really know what's gonna happen yet.

But personally, you know, from where we were four years ago,

with a far better, stronger position

where the government understands actually the,

the deterrent has to be in place.

And the other thing is, the trend is,

is is our friend at the moment in that, you know,

local government tickets have been increased, you know, in,

in Scotland and also in London.

They've just gone through a process in the south

of England in a place called Bournemouth,

where they put their parking judges up on street

for the summer season because they said it

was, it was carnage down.

People don't care. 50 pounds is not enough. Yeah, right.

To, to deter someone from leaving

their car where they wanna leave it.

Yeah. And so that they're going to a hundred pounds.

So the, so the feedback from

that has been incredibly positive.

Yeah. So I think I, I I'm not,

I'm not worried about the parking charge value.

Um, I do think about how they might change some of the rhetoric in the kind of practice,

but that's kind of where it is.

So Yeah. So to to, to pick on that, that pull on

that thread rather, that if, if there are changes, they,

they're unlikely in your view to be sort of existential, uh,

more that, you know, it might,

it might move things at the edges,

but it's not gonna fundamentally change the

opportunity in the business model.

Correct. Correct.

And one thing I, I will finish on just on that point,

what data tells us, it's really,

this is a really important point when,

when you re re reduce the parking charge from 100 pounds

to 70 pounds, so rather than issuing a hundred,

you are issuing a 70 non-compliance on those sites

doubles. Mm-hmm.

Which Means you're gonna issue twice as many tickets.

Mm. Right. So we just sort of, I'll leave

that hanging in the balance there, but so it just, and,

and we've told government this, we said, look, you know,

the, the whole thing is, well,

we're issuing a lot of tickets.

Well, yeah, we are, because there's a lot

of contraventions, you know?

Yeah. That's, that's what happens. Yeah.

Um, So yeah.

But, um, it's an interesting point,

but, um, I don't see it

as being the challenge at the moment.

That's fairs that's, that, that's, that's really valuable.

I, I'll, I'll put this one to you.

Uh, I think you've just answered it,

but just in case there's anything more to say,

the next question is, is there a risk

that debt recovery fees, such

as the 70 pound add-ons will be banned

or severely restricted as demanded

by the consumer advocacy groups?

Um, but, but,

but if to your, to, to, to follow on from your point, maybe,

but not in a dramatic way. Would that be fair?

I don't think, I mean, it's interesting

that these consumer groups are the're.

Hilarious. Right? They, they, they'd sit there

and shank from the sidelines

and say, oh, you should do, you should do that.

And the same consumer group that they were talking about,

who's the both most vocal was the AA and the,

and the RAC, it's the RAC foundation

and the aa And these are two companies

that recently have been, um, pulled up.

Although the AA has been pulled up, uh,

by the com competition

and markets authority for underhand practices

in their driving schools. Right.

And So, and they're, they're the ones shouting, oh, these guys are cowboys.

You know, it's like, well get your own house in order first.

Yes. Anyway, to to, to the point about debt recovery, um,

it's been a lot of talk in the consultation

about the debt recovery fee.

And again, we, it is the same,

the same as the parking charge.

If you remove the deterrent, then

what's the reason someone pays?

You have to have some sort of level of deterrent there.

Yeah. Um, and I think

what we've been quite successful is arguing that if,

if you look at a local government ticket, if you get issued,

gets issued at 50 pounds, then it might get reduced

by 50% if you pay within 14 days, if you don't pay

and it goes to debt recovery,

they can add in the local government point,

they can add two 50.

Right now we issue a hundred. Yeah.

But at 20, if you don't pay, we can, we can up it

to one 70 mm.

Right. Of course we share that 70 pounds

with the debt debt resolution provider.

Mm. So of course, already we're behind, significantly

behind local government.

So we are trying to work out, and,

and also if you still don't pay that, that can go up

to 500 pounds and they can send a bailiff to your house.

Right. Right. We can't do that. Yeah.

And so there's, there's, it's sort, it's not a fair
or level playing good, if you like.
So I think, I think the, the changes, I think there's a,
There's A, how can I put this?
There's a better or higher risk of change in the length
of time you can chase a ticket rather than the actual value
of the, of the, of the ticketing
Makes Interesting.
I think that might, there's where they're gonna go
with it is rather than six years
of statute limitations, it's gonna be three.
Yeah. Um, and I, I think that might be one of the things
that they're, they're gonna look at changing.
But to tell you truth, we,
we've heard nothing back from the government since we,
since we, um, um, put this consultation in in September.
There's been no feedback at all.
And the government of the UK at the moment is in disarray.
It feels like there's a, it is a bit of a mess over Richard
and over there, you know, 10 days ago.
It's, um, yeah, it's, things are, uh,
things are interesting to say the least.
I've, I've had the same feedback actually.
It's, I was gonna say interesting.
Maybe depressing is the better word to use. Yes.
Um, um, um, may, maybe this is one, Richard,
I'll bring you into the conversation here.
Uh, what, with what, um, Paul's saying there in terms

of maybe a three year

to six year change in the period there internally,

when do you guys look at a debt as, uh,

you know, worth writing off?

No, we never actually write them off.

So what we do at the end of every month, we,

we look at the book of unpaid tickets

and we estimate what we think is gonna

get collected in the future.

And I guess we've been doing it for a very, very long time.

And so we're pretty good at predicting

what we're gonna collect.

So, you know, effectively we've, we've already built in

what we think will be rush off. Yeah.

Right, right. Okay. And we

Actually, we get, it's amazing. It

still blows me away.

We get people paid tickets

that were issued four or five years ago.

Oh, really? Yeah. Yeah.

Actually, my, my assumption was gonna be, it's sort

of like three to six years doesn't sound like a big deal.

I mean, it's double the length,

but it's kind of like, in one hand, if you haven't done it

after three years, you're probably never gonna do it anyway.

But, but that's interesting.

But you to say that people do,

so that's, that's fascinating.

Um, uh, next question.

How much of the proposed mandatory code, such
as grace periods, transparency reporting
and appeals process, is smart parking already
voluntarily complying with
All All of it? Yeah,
all of it. So that's, we get audited by the, uh,
the trade association, the IPC
and the BPA every year, you know,
three times a year we get audited four times a year
by the DBLA, um, you know, drive a vehicle license agencies
to make sure we're handling data correctly and,
and managing appeals correctly, those sorts of things.
But yeah, that level of transparency, you know, we share
with, with the trade association, everything, right.
If they say to us, okay,
you can give us a quarterly update on
how many tickets issued where,
how many appeals you've answered, and so on
and so forth, they get that immediately.
Um, so yeah, we we're, we are already a, I mean,
to be fair, like to, in, in, in the UK industry,
we're the only publicly listed organization.
Mm-hmm. So, okay.
Whilst we operate in a really transparent fashion
with the trade associations
and also our customers, we're also incredibly transparent
to the world in that Yeah,
everybody knows everything about us

because they just go online and like you guys and Yep.

And see what we do, how many tickets we issue,

how much money we make, how much I get paid,

and all these kind of things.

Right, yeah. Around there for the world to see. Yep.

So yeah, that, that level

of transparency is already in place

and, um, we're already doing, already operating to

that high, high standard.

Okay. Great. Thank you. Um, I, I might just skip over some

of these questions here, uh, everyone just

because I, I think Paul

and Richard have already answered them.

Um, but the next one is an interesting one.

It, it, it's sort of more of a hypothetical,

but it says, if the strictest consumer advocacy demands are

adopted, capped fines, banned fees, et cetera,

what do you think the material impact

to the business would be?

The worst case scenario?

Yeah, the worst. I mean, look, the worst case scenario is

to say, right, you can only shoot tickets 50

pounds, um, right.

And there's no debt recovery fee.

But if that's the case, then of course that that's, that's,

you know's, a big hit to our business.

Clearly. Yeah.

Um, the, the likelihood of is just so Mike, uh, yeah.

You know, yeah. Really low, low likelihood and, but let's not, let's not forget, right.

One of the reasons why we, if we look at this slide here,

this sort of, the changes in our business in the last five

years are because of, well, many things, right?

Back in 2019, we had this kind of thing happening.

So all, we've got a lot of risks sitting in one place,

which is the uk Yeah.

So how do we diversify that?

You, you move away from the UK

and you start operating in lots of different areas.

Yeah. You reduce the risk. Yeah.

I clearly, the UK is still the biggest revenue generators

today, but I believe in the next 12 to 24 months, you know,

the US is gonna overtake that, right.

In terms of revenue generation.

That's interesting. We've Got another massive market

we're in, which is Germany, right?

Yeah. So the, the, the potentially in Germany

to be a much larger market, uh, than the UK is also there.

So I think, you know, with every, with every year that goes

by the re the risk on the UK is reducing

because we're adding more to our portfolio.

Yes. Um, but I think as to Rich's point that the likelihood

of a 50 pound ticket

and no debt recovery is, is incredibly low.

Yeah. Like in single low single digits, I would say. So.

Uh, so I don't, I don't, I,

it is not something I spend time at night thinking about or doesn't, I don't do sleep over it.

Yeah. To be, uh, be frank.

Yep. No, fantastic.

Um, answered that one answered that one.

I might get the viewers here if you wanted just

to highlight the ones that you really

think haven't been addressed.

I think the guys have pretty much touched on most of these,

and we're, we're sort of asking the same

question in di in different angles here.

So what I might do is, is, is pivot

to a new line of inquiry?

'cause you've only got a few minutes left.

In fact, I'll, I'll, I'll ask this, uh, Jen, as, as more

of an open-ended question.

You know, I think people are

pretty familiar with the business.

I think you've, you've done a good job

of outlining the strategy, the opportunity, um, and,

and talking about some of the risks.

What haven't we talked about

that you think is important to understand?

And, and I'm always interested to ask, when you are speaking

with various stakeholders

and investors, you know, what are the questions no one asks

that you think is strange that they don't ask?

Um, I think that it's interesting, isn't it? Yeah.

Because we're talking about investing,

we're talking about money, right?

And of course, money has different meanings to lots

of people, but of course, risk is the biggest word

that comes up when you talk about money, right?

Yep. Uh, what, what, what if it doesn't?

What if this, what if the,

the part ticket level drops, blah.

So we talked a lot about just one market rather than the

opportunity in the other markets.

And I think it's really important that we, uh,

not this one skip, sorry, I lemme go back to this one here.

It's really important that we look at, uh,

if you can see my cursor on the screen,

but you know, the, the, the addressable markets of

where we already operate, right?

So between, um, you UK

and New Zealand, Germany, Denmark, I mean the US difficult

to quantify because there's no actual research that tells us

how many off street parking sites there are.

But there is research to tell us

how many parking spaces there are in, in America,

which pwc have done, and ey, which is 2 billion, right?

So, right. If you take, you have to take something from

that, which is, it's a massive market, right?

Let's just start there. Um,

and you're probably 10 times what the UK is Yeah.

Is what what I would say interesting.

And then you've got Switzerland as well,

which we believe is similar to Denmark.

So, you know, from, if we look at that, right?

We just say, lemme we just pull up, pull the number out

and say, look, there's 300,000 sites here.

Have we had the opportunity of having a crack at? Mm.

And we've got just under 2000.

So the, the, the, the, the important thing

to highlight is this is a long term growth runway, you know?

Yeah. And, you know, internally, we, you know, we,

we talk a lot internally about

what are our objectives, what are our aspirations?

But we want to get to 10 territories all

with a thousand locations, right?

So if you, if you do that, it gets 10 territories, all

with a thousand locations, um, you know,

10,000 sites all doing 42

and a half thousand dollars a year.

Well, that's a pretty decent sized business, isn't it?

Mm-hmm. Yeah. Yep. We're $400 million of revenue plus, um,

at 30% margin.

Well, you know what? That, that's a, that's a great business

that's got, again, the ability to grow

and be sustainable over a long period of time.

And, you know, we, you mentioned at the top

of the call about doing new things

and doing, you know, pivoting and that sort of stuff.

Well, there, there is lots

of adjacent markets with what we do.

You know, there's obviously speed enforcement,

there's red light enforcement, there's Mm.

Um, there's other parking, you know, management opportunity.
There's, uh, facilities management, there's, there's lots
of things in the same kind of spectrum of what we do today.
Mm. So I think the, the thing
that people don't really appreciate is size of market, size
of opportunity, and also the length
of time at which we can continue to grow.
And that's, that's the bit that excites me.
This is a long-term, you know, um, growth runway ahead
of us across multiple jurisdictions.
And if we can get that right, which I believe we're on,
well on track to do you 10 locations
or delivering, you know, profitable outcomes, um, you know,
we can be profitable
and growing for a very long period of time.
And I think that's the bit that
people don't quite appreciate.
Yeah. I I love that.
The optionality is an interesting angle too.
Let me sneak one more question in,
because it just, you, you raised something
that's really interesting here,
and it, it's, it's a, it's a,
it's one I often ask our guests
and it's, it's sort of, um, a grade, a dilemma to have.
But when you sit, where you sit with a proven model
with a huge addressable market,
and let's face it, other people out there chasing the same

opportunity, there's this natural tension between,
well, what do we do?
'cause there is a, in your position, particularly
as a listed company, you could do a, a,
a huge capital raising,
you could lever up the balance sheet.
And I know that people get a bit nervous about that,
but I, I think that the more sophisticated investors
understand it's not so much about debt or equity raising,
but more the return on incremental
capital invested that matters.
As long as the mass makes sense,
that always is a good thing to do.
If I'm, you are gonna get an incredible margin on,
on every dollar sort of spent, then, you know,
at the same shareholder should be take more of my money.
Right? Of course that does,
it does elevate the risks at the same time, the other side
of it is, is that you go too slow and,
and yes, you're far more cash generative
and you're less reliant on, on,
on capital markets and debt markets.
But perhaps you, you, you miss miss the opportunity,
particularly when you've got such a sticky kind of product.
There's no right or wrong answer in this,
but I'm just, I'm keen to, to, to understand
how you guys sort of think about where is the right part
of the spectrum to sort of sit there in terms of gunning
for absolute strongest growth that you possibly can or, or,

or being, you know, very, very, very conservative
and perhaps leading a lot of money on the table.
Yeah, I think it's a good question.
I mean, I, I think naturally we're quite conservative
anyway, as a board.
We're quite conservative. And I think
that comes from a place where if we are honest
with ourselves, you know, I, I've been in this role
for 13 years, nearly it'll, next month it'll be 13 years.
Mm. Congrats. And, you know, Richard's been, been
with us longer, right?
Yeah. In the business. Nice.
We've come from a place where we were burning cash in many
parts of the world, had issues
with our technology issues legally all over the place,
you know, with previous acquisitions,
lots and lots and lots of challenges.
People people, yeah.
And I think we've come from that place,
and we've built this, you know, over many years to a point
where we're now got a great opportunity in front of us,
huge runway for growth.
We are generating great revenues,
we're growing fast 40% a year,
and we're phenomenally profitable.
Right. So are,
Are you not entertained? Yeah. Well,
Yes, exactly.

But I guess the, the, the point is we, we want to do more.

We want to keep growing. We want

to be growing 20% plus year on year.

Right? That's Yeah. Top and bottom line.

But it's gotta be sustainable. Yeah. Right.

And I think we just keep coming back to that point.

And particularly when we talk about m and a,

'cause it's really easy to get carried away

with m and a and Yeah.

In the just chasing growth through acquisition,

which is exciting and cool and all that kind of good stuff.

But is it the, are they the right deals?

And we pa we look at a lot of things

and we pass on a lot of things.

'cause we, they don't stack up to the, is it, will it,

will it make us better or can we make it better or both?

Right? Yeah. And if we can do those things great.

We should, we should push harder on it

and try and make the deal happen.

If not, you've gotta keep walking. Right? Yeah.

Um, and I think the, the dangers going too slow.

I think that dangers there.

Yeah, you can definitely be too conservative.

And we have some in this room, right?

We have some really robust conversations in the board, uh,

about what we wanna do and how fast we want to go.

And, you know, we've got some, you know,

excitable people in the room, like me

and the chairman who's,

who's obviously done been there before.

And then we've got some other non-exec in the room who will,

who'll be a bit more, you know, okay,

let's think about this, that this steps

step through that can, it's

A good, a good tension to have. Yeah.

Yeah. And I think, I think it's a good place to be.

So, so I think right now we're going at the right pace.

Can we go faster? Of course we can.

Um, and could we go slow

or just, like you say, count the money?

Of course we can, but no, that's not very exciting.

People won't get, you know,

people won't leave their money with us.

So, you know, we're doing that. So I think the next three

years for us, you know, I, I believe we can get

to a billion dollar market cap in the next three years.

I think, um, you know, beyond that, it's,

there's a few other exciting

things that could happen with us.

Um, but I think, um,

I think right now we've got the right balance.

Do I want to go faster? Of course I do. Uh, of course we do.

As, as a business in my management team are all pumps are

excited about, you know, what can happen next?

Um, but it's gotta be sustainable. Okay.

We don't, we don't want to sort of go

and shoot the lights out one year,

then have a terrible year the next, you know,

because we've screwed a few things up, whatever.

So let's, um, yeah, let's do things right.

Do it, do it conservatively. Yes.

But how can I, how can I put this?

Uh, we need to be excited, excitedly conservative. Nice.

Nice. Makes sense. Yeah,

I mean that, that, that makes, that makes perfect sense.

Um, Jen, I won't push my luck any further.

I'm, I'm sorry, I have, I have gone a little bit over time

here, but, um, just quickly to say, uh, thank you so much

for, for your, uh, time and,

and repeatedly coming back to speak to us.

As I say, you've got a lot of fans, uh, here, uh,

understandably so.

Um, nothing left to say other than keep up the great work

and I hope you both have a, a good Christmas

and, and get a bit of time off.

Wonderful. Thanks Andrew. Appreciate it your time.

Alright, bye-bye. Thank you. Bye.