Completed Acquisition by JLA New Equityco Limited of Washstation Limited

Response to Issues Statement

1. Introduction

1.1 The -submission sets out the views of JLA New Equityco Limited ("**JLA**") on the Issues Statement relating to its completed acquisition of Washstation Limited ("**Washstation**"), (the "**Transaction**"). Many of the matters raised in the Issues Statement are covered in JLA's response to the Phase 1 Decision (the "**Response**"). This submission therefore summarises JLA's main observations on the Issues Statement and supplements JLA's arguments with new material which has become available since the Response.

1.2 JLA believes that the evidence will show that, on the balance of probabilities, there cannot – on any plausible basis – be a substantial lessening of competition ("**SLC**") or harm to consumers as a result of the Transaction. This includes new evidence that has come to light since the Phase 1 Decision.

1.3 JLA's views on the points identified in the Issues Statement, which are relevant to understanding the competitive dynamic in the market for the supply of commercial laundry services, can be distilled into four main points. They are considered in more detail in the rest of this submission, which also addresses specific points raised in the Issues Statement, but can be summarised as follows:

- **Washstation was a weak competitor and looked increasingly weak going forward.** Any loss of competition is not substantial (and easily replicated). Even prior to its financial difficulties, Washstation did not place a substantial constraint on JLA. It had c. [✂] customers (covering c. [✂] sites) and only 10 employees (of which 6 were engineers). In the period from the beginning of 2015 to the Transaction, Washstation only bid for [✂]% of higher education ("**HE**") sites in respect of which agreements were concluded, and won only [✂]%. In addition, it either significantly delayed, or did not even pay, commissions due to customers. [✂]. Consequently, absent the Transaction, Washstation would have struggled to retain its existing contracts let alone successfully competed for new ones.

- **The business model for managed laundry services is simple.** It requires only laundry equipment (i.e. washing machines and dryers), payment systems and engineers. There is little financial risk, demand is predictable and low capital investment is required. Any business with access to laundry equipment and engineers can compete for managed laundry contracts with customers of any type.

- **A number of competitors have indicated their willingness to expand/enter this sector.** This is not surprising given the low barriers to entry and expansion. The constraint imposed by Washstation (even before its financial difficulties) is easily replicated, especially given Washstation's very small size. Suppliers can enter – as Washstation did – on a small scale, especially for public sector HE contracts which are by definition local (e.g. for a university campus) and widely advertised. Since the Transaction, there have been major developments in the competitive landscape: most significantly, Armstrong has been acquired by Hughes and is actively targeting HE customers in the managed laundry sector.

In addition, JLA very recently became aware that Dishwashers Direct (a company historically active in the catering sector) has launched a laundry offering specifically targeted at the HE sector – https://www.laundryequipment-direct.com/eng/Aquatec/. In any event, given the characteristics of this market, the threat of potential entry is a relevant a constraint on existing players.

- **JLA has strong incentives to maintain high quality and service.** This is because JLA relies on consumers using the machines and if machines are not in working order they do not generate revenue and may push end-consumers towards other options such as laundrettes. Furthermore, any short-term attempt to worsen service or lower commissions will be counter-productive in the medium to long term as customers will not seek to contract with JLA again.

1.4 Each of these factors is alone sufficient to conclude that the Transaction has not (and will not) lead to any SLC. Taken together, these factors are compelling and should lead the CMA to clear the Transaction. In the remainder of this response, we address the areas which the CMA identified in the Issues Statement.

2. The counterfactual

2.1 Absent the Transaction, Washstation would have been a materially weakened competitive force.

2.2 The evidence available – some of which has come to light since the Phase 1 Decision – casts material doubts that the prevailing conditions of competition is the correct counterfactual (or that another party may have acquired Washstation had they known about [✂], cf. para. 25 of the Phase 1 Decision). Instead, the following evidence shows that an alternative counterfactual to the pre-Transaction situation is more plausible.

2.3 Alistair Copley, the owner of Washstation, approached JLA about a possible transaction. As due diligence progressed it became increasingly clear to JLA that: (i) [✂]; and (ii) the competitive constraint Washstation may have imposed would be materially weaker in the future had Washstation remained an independent business.

2.4 Due diligence, in particular, revealed that many customers were not being paid commissions when due. [✂].

2.5 - At the time of the Transaction [✂].

2.6 [✂] was clearly resulting in sub-optimal customer service with many customers complaining to Washstation. <u>Annex 1</u> sets outs various e-mails from customers complaining about the non-payment of commission. [✂].

2.7 - [✂].

2.8 These financial difficulties mean that there is no reasonable prospect that Washstation would have been able to bid for future contracts in the same way as it had done in the year or two prior to the Transaction.

2.9 Consequently, the counterfactual (i.e. what is likely to have happened absent the Transaction) is not the pre-Transaction situation. Rather, the correct counterfactual is that Washstation would have been a materially weakened competitive force. This is based on evidence from Washstation's internal documents that has become available since the Decision which corroborates JLA's views, contrary to the comments in para. 24 of the Issues Statement.

3. Product scope

3.1 The Parties overlap in the supply of managed laundry services through variable rental agreements, primarily to HE customers. The Issues Statement notes (at para. 18) that the CMA will investigate the extent to which other types of agreement are alternatives to variable rental agreements for HE customers. Whilst many HE customers use variable rental agreements, they can and do consider alternative solutions[1]. Each option only requires laundry equipment and engineers to service and maintain the installed machines – with any ancillary services (such as online services or cashless payment solutions) used for variable rental agreements widely available at low cost.

3.2 In any event, assessing customers' willingness to consider alternatives can only be done by taking into account the ease of entry/expansion (which is addressed in section 5 below), and JLA notes the comment at para. 20 of the Issues Statement that the CMA will investigate whether the product frame of reference should be widened on the basis of supply-side substitution.

3.3 Whatever the precise scope of the type of agreement HE customers can or do use, a detailed assessment of the supply-side constraints demonstrates the ease of expansion/entry and means that the Transaction has not led (and will not lead) to any SLC in any market in the UK. See section 6 below.

3.4 Para. 5.2.17 of the CMA's Merger Assessment Guidelines is particularly pertinent here. It states that "*[t]he boundaries of the relevant product market are generally determined by reference to demand-side substitution alone. However, there are circumstances where the [CMA] may aggregate several narrow relevant markets into one broader one on the basis of considerations about the response of suppliers to changes in prices*". Whatever the position on the demand side, the product market is broader than the supply of managed laundry services to HE customers on a variable rental basis because: (i) the assets used to supply such customers can also be used to supply customers outside the HE sector, and with other types of agreement, and vice versa; (ii) it is easy for suppliers to shift supply between types of customer; and (iii) the ease of expansion means there will be no short-term supply constraints.

4. Geographic scope

4.1 The Issues Statement (para. 21) states that the CMA's starting point for the assessment of the geographic frame of reference will be a national geographic market of the whole of the UK.

4.2 There are elements of the geographic market that are local and national. However, whether the scope of the geographic market is national or narrower does not affect the substantive analysis. The impact of the Transaction on competition and the ease of entry/expansion are unaffected by the geographic scope of the market.

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1 See, for example, [✂].

4.3 Nonetheless, understanding the way in which supply and demand operate in a geographic context may help to frame the assessment. Whilst demand is predominantly local, on the supply side any supplier can operate across the UK from a single location with engineers available in different regions, as was clearly demonstrated by the example of Washstation itself with only 10 employees (of which 6 were engineers). Other suppliers like Thain Commercial, or any commercial laundry distributor in the UK could easily cover a wider area by sub-contracting one or more engineers as needed.

4.4 As for demand, most HE customers are universities that operate in a specific area (e.g. University of Leeds, University of Southampton, etc.) for whom a local supplier able to provide managed laundry services will be more than capable of servicing their requirements. This is evident from the example of Thain Commercial (a distributor in Scotland) cited in the Decision – of a similar size to Washstation. For such customers, local suppliers can readily compete for contracts and the ability to offer national coverage is not necessary to compete effectively.

4.5 There are few customers whose demand is more geographically spread (essentially a handful of private sector accommodation providers such as [✂]). However, in most cases, they do not contract for all sites at the same time, thereby diminishing the importance of national coverage. In any event, to the extent such customers operate nationally, a supplier can compete with only a small number of engineers. This is exactly what Washstation did, with only 6 engineers ([✂]). In addition, OEMs often operate through a distributor network and can offer national coverage in that way.

5. Expansion and entry

5.1 The Issues Statement notes that in Phase 1 a "*number of competitors indicated their willingness to expand/enter this sector*"[22]. This is not surprising given the low barriers to expansion and entry. This is because there are low risks or hurdles to providing variable rental managed laundry services to HE customers, and scale is not needed to be an effective competitor (as Washstation itself showed).

5.2 The reasons barriers to expansion and entry are low can be summarised as follows:

5.2.1 machines, engineers and (where needed) payment systems are common to all types of customer;

5.2.2 revenues are predictable and comfortably pay for machines over the duration of a typical contract;

5.2.3 tenders and other opportunities are easy to identify;

5.2.4 suppliers can make use of leasing arrangements to de-risk capital investment; and

5.2.5 any specific requirements for HE customers, such as online services and cashless payment mechanisms are easy to supply can be sourced from third parties at minimal cost.

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2 Paragraph 38.

5.3 These points were covered in section 6 of the Response (which should be read with this submission) but are expanded upon below as they are very relevant in assessing barriers to entry in this case. All these factors show that replicating any competitive constraint imposed by Washstation is simple, inexpensive and achievable within a short period of time, even for a new entrant – especially as Washstation only had c. [✂] customers (covering c. [✂] sites).

Same equipment and engineers

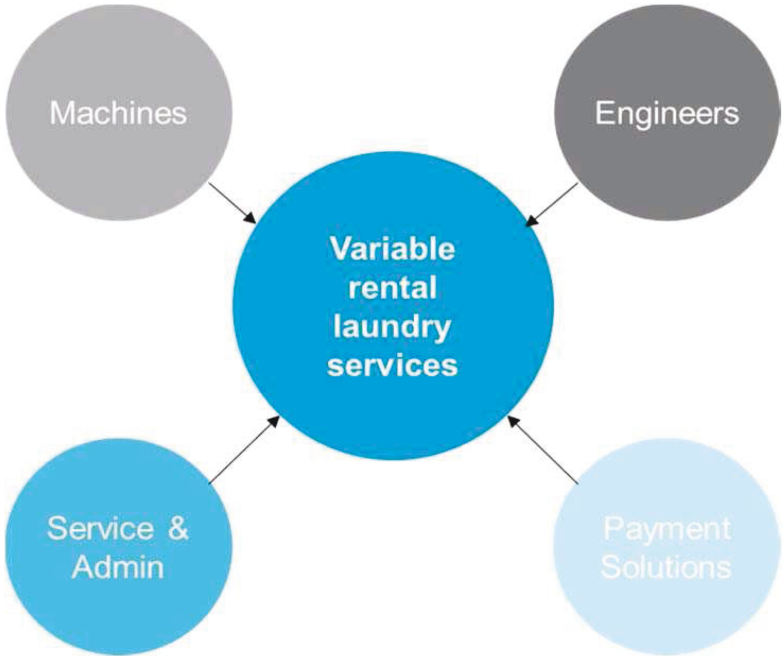
5.4 The same commercial laundry machines are used across the entire commercial laundry market, regardless of type of customer (e.g. HE or other), or type of agreement (e.g. fixed rental, variable rental or outright sale of equipment). For example, the JLA98 machine (manufactured by Alliance) which represents around [✂]% of Circuit's installed base is used at sites of customers across HE, leisure, keyworker and private rented sector ("**PRS**") accommodation (i.e. those sectors that typically use a variable rental model) as well as most other sectors that use different types of agreement. There is no difference between machines or the cashless payment systems used in the HE and others sectors; and the latter can be easily fitted (by the OEM or retro-fitted by the supplier) at minimal cost. A wide variety of machines is available from multiple sources, including OEMs and their distributors. The JLA98 machine, manufactured by Alliance, is readily available from multiple distributors in the UK under various brands names,including Speed Queen, Primus, Domus, IPSO and Huebsch .

5.5 Similarly, as the same machines are used across many customer and contract types there are no specific or unique capabilities required for engineers to service HE customers and/or those using variable rental agreements. Indeed, JLA uses the same network of engineers across all customer types. This is due to the simple fact that, from the engineer's perspective, repairing laundry equipment is wholly independent of either the customer type or the sales proposition by which the machine had been supplied to the customer: it is just a washing machine or a dryer. Therefore, any business already supplying or servicing commercial laundry equipment will have the necessary technical expertise.

5.6 In addition, a large engineer network is not required – even to service national customers. This has been shown by Washstation itself, which serviced HE customers across the UK with just 6 engineers. It was able to call on outsourced engineers if ever required, [✂]. Outsourced engineers do not impose any cost burden on a supplier, unless and until required – [✂]. Engineers are readily available and can be employed as and when a contract is won. It is not necessary to employ an additional engineer until additional contracts justify it. This means that engineer costs vary with contracts and are not a fixed cost. It should also be noted that new machines breakdown on average 1.5-2 times per year, which is another reason why a large engineer network is not required for a new entrant and why new entry could credibly occur with outsourced engineers called upon as and when required. Even though a supplier could, like Washstation, offer a national service with only a handful of engineers there is no need to have a national offering at the outset as a contract with, say, a university would by definition be local.

5.7 It is also notable that the threat of potential entry is present and remains credible post-Transaction as there are no material sunk costs for prospective entrants, and such entry could happen within a year because set up costs and time are minimal and there are readily available opportunities to win contracts (with some £[✂]million of annual revenue from existing HE contracts expiring in the next two years, as well as new build student accommodation blocks and contracts in the growing PRS sector)[3]. Once an entrant has won its first contract, the merged firm would face an effective competitor over the long term. This is because the new entrant would commit to be in the market for at least 6-8 years (to serve the customer that it has won) and over that time period would undoubtedly look to win further contracts.

5.8 The simplicity of the managed laundry model is reflected in the diagram below, which shows that all that is needed is: machines (which are readily available from OEMs and distributors), engineers (which can be outsourced), a payment system (of which several are readily available) and a back-office function:



Predictable revenues / certainty of opportunity

5.9 Revenues in the HE sector are predictable with a high degree of accuracy because HE customers invariably provide details of the revenues generated by existing machines, and prospective suppliers can also make a number of calculated assumptions based upon the number of beds and occupancy rates, the machine-to- beds ratio and average usage. These calculations would inform any new supplier with regard to expectations of the revenues that will be generated and it is in the interest of customers to share this information with suppliers to ensure bidders are informed. This substantially limits the degree of risk a supplier would take on.

5.10 An investment in providing a variable rental contract (including in machines installed) will typically be recouped within a short period of time (c. [✂] years). With the knowledge that the contract will continue for several years thereafter it is easy to ensure that any proposal can be guaranteed to be profitable. This visibility on revenues removes any risk or uncertainty for prospective suppliers.

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3 - See paragraphs 18-20 of Case No. M.2821 (2002) *Hitachi//IMB Harddisk Business* wherein the European Commission held that the threat of entry, particularly from entities active in other sectors in the same general market – i.e. other segments of the commercial laundry market so far as this case is concerned – was sufficient to effectively constrain the merged entity due to similar low barriers to entry.

5.11 Although contracts tend to be medium to long-term, each year a material amount of new business is tendered, either because an existing contract is coming to an end or because new accommodation blocks are opening (as noted by many independent third party reports).

5.12 JLA estimates that over the next two years, JLA and Washstation contracts worth c. £[✄] million in annual revenue after commission payment will come up for renewal (with the figures being c. £[✄] million to the end of 2020, and c. £[✄] million by 2022). In addition, there will be opportunities relating to the growth in student accommodation, all of which means there is ample opportunity to enter or expand into the HE sector. Entry or expansion is viable through winning a very small number of contracts, and would replicate the way Washstation entered the market.

Tenders and other opportunities are easy to identify

5.13 Many opportunities are widely publicised by HE customers (especially in the public sector), with details being posted on procurement and tender portals, to which prospective suppliers can sign up at little (or no) cost.

5.14 Furthermore, there are many other ways in which prospective suppliers can become aware of new opportunities, such as through planning leads (e.g. Glenigans or Barbour ABI) or easily accessible market reports in exactly the same way as JLA does.

5.15 These factors mean that even a new entrant has the same visibility of opportunity as existing suppliers – and there are very low search costs to become aware of these opportunities. Furthermore, there are industry forums which can be used to identity and meet prospective customers – e.g. ASRA, which is one way Washstation identified leads[4].

Low capital outlay

5.16 The machines (and associated payment mechanisms) are not expensive. In any event, the machines can be readily acquired on hire purchase terms, as Washstation often did.

5.17 Similarly, a large engineer network is not required (with engineers being employed as and when contracts are won). Put simply, these costs are not incurred until revenues are already guaranteed.

Additional requirements are readily available and inexpensive

5.18 Online services to allow end-users to check on the availability of machines and monitor the progress of a laundry cycle remotely can be sourced "off-the-shelf" for a minimal hosting fee (JLA pays c. £[✄] per year). Laundry Equipment Direct have very recently (i.e. since the Decision so far as JLA is aware) launched their own monitoring system targeted at the HE sector[5]. The systems are not proprietary; neither JLA nor Washstation own the systems or any related IP or have any exclusive or long-term right to use them. The system only requires a small piece of hardware to be installed on each machine (at a total cost of £[✄] per site,

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[4] See, for example, [✄].

[5] https://www.laundryequipment-direct.com/eng/Aquatec/. For end-users (i.e. students) the system offers machine availability notification, machine reservation, end-of-cycle notification, payment options etc.

not per machine); on the basis that there is an average of 6-8 machines per site, that translates into c. £[✂] per machine.

5.19 Such services are already offered by competitors such as Hughes/Armstrong and Goodman Sparks, and others could easily do so if they so wished given their low costs and ready availability.

5.20 Furthermore, an app allowing end users to top-up their payments and manage the use of the machines with their phones (which Washstation did not have and had no plans to develop) is also readily available from several third parties. Greenwald developed the app for JLA [✂], with Greenwald already advertising the solution on its website – see <u>Annex 5.</u>

<u>*Evidence of ease of entry and expansion*</u>

5.21 As noted above, the Issues Statement notes (at para. 38) that in Phase 1 a "*number of competitors indicated their willingness to expand/enter in this sector*". Whilst the Decision cites an insufficiency of evidence as being a reason why such views were not accepted, the very fact that third parties indicated such a willingness is in itself significant. The views of such parties, active in the commercial laundry (or adjacent) market, reflect and confirm the ease of expansion/entry described above. This has also been affirmed by the entry of Dishwashers Direct, originally from the catering sector, into the HE sector with the launch of Aquatec from Laundry Equipment Direct.

5.22 The merger of Hughes and Armstrong has created a materially stronger competitor than Washstation was. Hughes developed from being a supplier of domestic electrical equipment by becoming a Miele commercial laundry dealer in Cambridgeshire in 2013. It has since expanded rapidly and is now the second largest supplier of commercial laundry equipment in the UK having acquired Armstrong in February 2018. It is aggressively bidding for HE contracts to a far greater extent than Armstrong did ([✂]). Therefore, to the extent the CMA finds the Transaction may lead to an SLC (which is denied) – any such loss of competition will more than compensated for by the presence of the merged Hughes/Armstrong on the market. In other words, competition to JLA is stronger now that it was pre-Transaction (especially in light of the financial difficulties Washstation was facing at the time).

5.23 Only a small operation is needed to replicate the constraint exerted by Washstation (notwithstanding the fact that that constraint was weakening for the reasons noted above). The size of Washstation needs to be put into context: it only had 10 employees (of which 6 were engineers), and c. [✂] customers (covering c. [✂] sites). It is important to recognise that entry on a small scale would be profitable. Indeed, covering the upfront costs of entry would require winning less than 25 sites (i.e. c. 8 sites per year over a three year period) as explained in response to Q45 of the Market & Financial Questionnaire.

5.24 The Issues Statement states (at para. 36(b)) that the CMA will seek evidence on customers' propensity to use providers with limited or no previous experience. That assessment must, in particular, take account of the following:

5.24.1 Washstation itself successfully won variable rental contracts from scratch, having only begun operating in 2008;

5.24.2 suppliers active in fixed rental of commercial laundry will have a proven record in the commercial laundry market (such as Maxwell Adams which has recently begun to approach HE customers); and

5.24.3 whilst a track record in variable rental is not essential to win a contract/tender (see, e.g., Thain Commercial), acquiring a bad reputation from the poor service delivery of a past contract (as had become increasingly common for Washstation) is very likely to result in a supplier not being successful on a re-tender.

5.25 This last point is also pertinent to the counterfactual (discussed above) as well as the assessment of the ability and incentives of JLA to worsen the competitive offering post-Transaction, which is addressed in the next section.

6. No prospect of SLC

6.1 Notwithstanding the arguments on the counterfactual and low barriers to entry set out above, there is no plausible mechanism by which customers or end consumers can suffer material harm as a consequence of the Transaction. This means there is no prospect of an SLC.

6.2 Variable rental agreements align supplier and customer interests: there is no incentive to worsen quality and service under variable rental contracts because supplier income (like customer income) is dependent on the machines working. The contracts only provide the supplier with the right to install and operate a managed laundry facility; they do not guarantee any revenue whatsoever. Therefore, the supplier must ensure the machine is working to generate revenue (for both the customer and itself).

6.3 In other words, the longer a machine is out of action the less revenue it will generate for both the supplier and customer under the variable rental model. This creates a strong incentive for JLA to ensure that machines are properly serviced and fixed as soon as possible. Evidence of a supplier's incentive to maintain a high level of service can be seen in an e-mail from a customer complaining about service at a Washstation site stating that "*You are starting to lose business as the students have started going to the local laundrette which is just round the corner*". Similarly, another e-mail chain states – in the context of a customer instructing JLA to reduce the vend price – that "*the current price level is driving tenants to the laundrette across the road*" and "*the tenants complained and left to our competitors*"[6].

6.4 Furthermore, a badly maintained machine will in the long run cost more to repair – and such costs are borne solely by the supplier. In addition, the supplier will incur additional costs if extra visits are needed to a site to repair and maintain machines. For this reason too, JLA as a supplier of managed laundry services under variable rental agreements has every incentive to ensure a very high "first time fix" rate.

6.5 Furthermore, as service calls for all JLA customers are handled by one team (covering all customers and types of agreement) with jobs allocated to ensure the most effective repair and maintenance schedule, it would not be possible to reduce service level performance to variable rental customers without adversely affecting the entire JLA customer base, with the vast majority of commercial laundry customers being non-HE customers.

6.6 Customers with existing contracts are, in any event, wholly unaffected by the Transaction as they are protected by their existing contracts which cannot be

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6 See Annex 6 for further details

varied unilaterally mid contract (other than in very limited circumstances, such as closure of a site). As the vast majority of customers have contracts that run for at least another two years, by the time (which is denied) any hypothetical harm could occur expansion/entry is likely to have taken place so customers will have sufficient choice when their contracts come up for renewal. As for the HE customers whose contracts are due for renewal over the next few months JLA has no incentive to damage long term contractual relationships with its customers through reduced service delivery or unjustified price increases (i.e. reductions in commission)[7]. On the contrary, JLA has a strong incentive to maintain a positive relationship, or risk other bidders – such as Hughes/Armstrong – being preferred at contract renewal. It is not in JLA's long-term interest to jeopardise its relationships with its customers, and the possibility of winning the contract tender at renewal (and also the possibility of selling other solutions to the same customer such as catering, heating or fire safety), for short- term financial gain on the laundry offering.

7. Buyer power

7.1 Universities run competitive tender processes and dictate the terms on which they seek managed laundry services. Contracts are typically awarded on a customer's terms and conditions. They are sophisticated purchasers with sophisticated procurement departments dealing with all their procurement needs covering millions of pounds and use that experience and power when procuring managed laundry services.

7.2 Universities are also often members of buying groups and purchasing consortia such as the Southern Universities Purchasing Consortium, North Eastern Universities Purchasing Consortium, London Universities Purchasing Consortium, Higher Education Purchasing Consortium Wales, North West Universities Purchasing Consortium, APUC (Scotland) and Excellence in Estates and Facilities.

7.3 Private sector accommodation providers have leverage as contracts cover potentially thousands of students' beds, which suppliers such as JLA, Hughes/Armstrong, Goodman Sparks, Brewer & Bunney and others compete for aggressively. This strong buyer power also means they could sponsor entry from a supplier already active in the commercial laundry market (e.g. fixed rental) or in an adjacent sector, and could do so by promising a single contract which could then be leveraged with other customers.

7.4 All HE customers consider managed laundry as a cash-generating activity (for which they make no capital outlay), and have an incentive to extract the best possible deal and to ensure tender and contract awards are well competed for. The extent of this buyer power across all HE customers in variable rental agreements is reflected by the fact that the average commission paid to customers is c. [✄]%, yet of the [✄]% retained by JLA, it only earns c. [✄]% after costs. HE customers in particular, who are experienced procurers of services, dictate the terms.

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7 From an end-user perspective, neither the service nor the vend price (which is set by the customer (e.g. HE institution and set out for the term of the contract) will be affected. Vend prices, as set by the customer, are wholly unaffected by the Transaction

8. Benefits of the Transaction

8.1 As a direct result of the Transaction, Washstation customers have been paid their overdue commission [✂]). Washstation was very small in relation to JLA and so its addition to JLA could easily be accommodated with JLA's infrastructure (meaning no need for overheads that Washstation needed to incur). In addition, they are now being paid their commissions when due. In some cases, this has led to payments being accelerated [✂] (to the extent they were even paid by Washstation).

8.2 Washstation customers also now benefit from JLA's broader network of engineers which means they are receiving a better and speedier maintenance and repair function. This is because, whereas Washstation's 6 engineers visited sites on a "milk round" basis JLA's service function (covering its entire business) is able to dispatch engineers much more quickly as and when needed, and prioritises calls received from its fixed and variable rental customers.

8.3 This means that engineers are dispatched when needed ensuring a minimum downtime for machines which are repaired more quickly than would have been the case with Washstation. This has a knock-on effect in that end-users are better off (as more machines are in working order), and customers are also better off (as the machine will begin to generate revenue again after a fault). In other words, following the Transaction, repairs and maintenance to Washstation customers has improved considerably as a result of JLA's operational systems. These customer benefits have been Transaction-specific, immediate and are verifiable.[8]

25 May 2018

8 - Washstation did not systematically log customer fault calls and response times, but anecdotal evidence clearly shows that repair times and service calls for Washstation customers have materially improved since the Transaction. That is hardly surprising given that JLA has 170 laundry engineers who service all its fixed and variable rental contracts as well as servicing third-party owned machines.