

Business Working Life

'Ocado of laundry' ready to take its chance to clean up

GOING FOR GROWTH

Oxwash, with surprising origins in academia and Nasa, is aiming for the stars, reports Alex Ralph

When trading at Oxwash suddenly dried up after the first lockdown, the three-year-old laundry start-ups prospects briefly tumbled upside down. Established as an environmentally friendly laundry service business,

supplying cafés, bars, gyms and restaurants in Oxford, mass closures in the hospitality and leisure sectors in March hit demand on all sides. Its "time-poor, cash-rich" young professional customers no longer had any need for fresh clothes to attend parties and events and were "all wearing tracksuits or hoodies" as they worked at home, while commercial clients were no longer open or even partly functioning.

Yet Oxwash did not follow suit. The pandemic led to soaring demand for clean clothes in another, increasingly prominent part of the economy. The NHS was "drowning" in laundry from staff instructed to leave uniforms at work and urgently needed sterilised scrubs, gowns and lab coats, creating unexpected opportunities for Oxwash's co-founders Kyle Grant, 30, its chief executive, and Tom de Wilton, 31, chief operating officer.

Care homes, GP surgeries and laboratories, including at the university's Jenner Institute, which is developing the promising Oxford coronavirus vaccine that is in late-stage clinical trials, have become customers since the pandemic began. Washing was collected, too, from three hotels requisitioned in the city for NHS staff to prevent any contamination.

Early in the Covid-19 outbreak, when there were "barely any guidelines", huge uncertainty over transmission of the disease and when personal protective equipment was in high demand, Oxwash had, according to Mr Grant, "delivery bikes cycling around the city in visors and suits because we didn't know how virulent the virus was in the atmosphere. It looked pretty apocalyptic."

Success out of adversity led last month to a strategic partnership with RB Ventures, the investment division of Reckitt Benckiser, the FTSE 100 consumer goods group whose brands include the Dettol and Lysol disinfectants. RB Ventures has backed a £175 million seed-funding round and is providing its "global scale" and expertise. Fabrice Beaulieu, 47, an executive at Reckitt Benckiser, has joined Oxwash's board. Other investors include Biz Stone, a co-founder of Twitter, and Paul Forster, founder of Indeed.com, the jobs site.

Oxwash has sought to differentiate itself by trading on its green credentials of "decarbonising the unsustainable and toxic laundry and washing industries" through a "local, carbon-neutral and tech-enabled washing service". The start-up employs 22 people — "not gig economy workers," it says pointedly — and staff collect laundry on electric cargo bikes, wash it at sites dubbed "lagoons" because of the blue-painted decor and then return it.

Crucial to winning contracts in the NHS was proving that it could halt the spread of Covid-19 on textiles, where studies have suggested that the virus can survive for up to three days. Samples of micro-organisms were



Kyle Grant, left, and Tom de Wilton, two

sent to Oxwash for it to wash and then were sent back to a hygiene laboratory in the Netherlands. "We were able to prove with lab tests that we can disinfect the items that we wash," Mr Grant said.

This was particularly important in the vaccine trial. "The trial in Oxford is relying on volunteers going out and contracting [Covid-19] naturally. If the laundry is not done properly, the virus will spread through all the staff and participants because it's an enclosed space."

Strict regulation of servicing the healthcare industry previously had inhibited Oxwash's entry into that part of the market. "We thought that healthcare would be a market we'd be able to enter in many years' time because of red tape and because the tender process is two years long."

When we were told this red tape was being removed, we jumped on the opportunity."

Beyond its small but significant service to the NHS, Oxwash also happens to be helping to combat the virus in a more direct way. Mr de Wilton and his girlfriend are volunteers in the vaccine trial.

The co-founders, both graduates of Wadham College, Oxford, had met via the entrepreneurs' network in the city. Mr Grant had come to Oxford to study for his doctorate in synthetic

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TIMES PHOTOGRAPHER RICHARD POOLE



graduates of Wadham College, Oxford, below, have big ambitions for their company

biology, focusing on the creation of novel bacterial strains that would promote cereal crop growth in harsh conditions, and his research was part-financed by Nasa. Earlier in his career he had worked for a couple of years at the US space agency in Florida, where he was steeped in the "need to create systems which are as close to self-sustaining" as possible.

He stumbled from academia and Nasa into the "very unsexy space of laundry". At Oxford, when washing his university rugby kit in the college laundry room, he had "thought there's got to be a better way of doing it" to minimise the amount of energy and water. That led to Oxwash, which initially was backed with £100,000 from Aron D'Souza, another Oxford graduate and his business mentor, and further funding emerged via connections at the Oxford Foundry, founded by the university's Saïd Business School to build new ethical ventures.

A "pre-seed" round raised £300,000, including from Ben Legg, former chief operating officer of Google Europe, and was enough to expand in Oxford and to build its first site from scratch to prove the viability of the concept. Thus it entered a fragmented industry, one that ranges from large chains, such as Johnsons, to various laundry app services. According to Mr Grant, "the best way to describe Oxwash is we are much more like Ocado than a street corner grocer. We own the whole process."

Oxwash uses water reclamation tanks and other processes to reuse 60 per cent of the water per wash cycle and says that it removes harmful chemicals traditionally used in commercial laundry, such as

phosphates that typically are used to boost the efficacy of detergents. It also uses dissolvable laundry bags to reduce waste and its electric cargo bikes are designed to limit congestion and pollution. The majority of items are washed at 20C, to reduce energy consumption. It promises 99.5 per cent on-time collections and deliveries within an hour slot, "all with zero emissions". It is targeting driving net zero carbon emissions across its whole business.

Meanwhile, its prospects have never looked so bright. The lifting of the first lockdown led to a "phenomenal bounce back" in demand from customers in the hospitality industry, including via Airbnb, and led to record revenue in September. The site in Oxford is on the cusp of turning profitable and revenue is said to be growing by 20 per cent month-on-month.

The latest funding has helped the opening of a site in Battersea, south London, and there are plans to expand in North America and Europe in the next 12 to 18 months, targeting cities such as New York, San Francisco, Amsterdam and Paris. The company opened its second site in Cambridge in June.

Plans to expand the business include potentially launching a franchise model that will allow the shipping of container-like sites to be opened nimbly near to customers, rather than buying commercial units.

"It's been a wild ride," Mr Grant aid, "but it's very much just the beginning. We've enjoyed the challenge of being agile and rising to the challenge of Covid. The lessons we've learnt we want to bring to everyone at home, not just to our healthcare customers."

A fund of support for university spin-offs ... and other Oxford businesses

While not technically a university spin-out, Oxwash has benefited from its association with the City of Dreaming Spires, including by making connections with investors via the Oxford Foundry, the university's entrepreneurship centre (James Hurley writes).

Last week, a ranking of UK universities' prowess in commercialising promising research placed Oxford in seventh place, up two positions compared with a year previously.

The research from

Octopus Ventures, the venture capital division of Octopus, the investment and energy group, said that Oxford had enjoyed an "outstanding year", earning £23.8 million from sales of shares in spin-out companies.

Matt Perkins, 58, chief executive at Oxford University Innovation, which works on applying and commercialising promising research, believes that the growth in the availability of funds to give early support to spin-

outs has been critical. In the Octopus report, he points to Oxford Sciences Innovation, a £600 million business that invests in commercial spin-offs from the university. The largest fund of its kind, its backers include Google Ventures, Tencent, the giant Chinese technology group, and Sequoia, the American venture capital firm.

The fund had been the "key influencing factor which has spurred us on", Mr Perkins said. "That also encourages other investors to come in and support

these spin-outs. In the last 12 months, Oxford spin-outs have received around £750 million of investment."

Recent successes include Nightstar Therapeutics, a gene therapy company focused on treatments for rare inherited eye diseases, which was acquired for \$800 million last year.

Oxford Foundry provides working space, tailored support and introductions to help young companies to grow, including those not directly connected with the university or its research.

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