



Telemos Capital completes first UK investment with controlling stake purchase in Lovehoney

15.06.2018 – London: Telemos Capital (“Telemos”), an evergreen investment company, has completed its acquisition of a majority stake in Lovehoney, a leading online retailer of sexual happiness products. The transaction is Telemos’ first investment in the UK. Financial details have not been disclosed.

Established in Bath in 2002 by Richard Longhurst and Neal Slateford, Lovehoney is a market-leading pure e-commerce retailer, focusing on women and couples. Selling a mix of own label and third-party products Lovehoney has grown into an international success, delivering record sales in the region of £100 million for the year ended March 31, 2018. 60% of sales came from the UK, with the remainder from Europe, US and Australia, all of which have achieved significant growth in recent years. The business delivered strong compound annual sales growth of circa 30% in the last three years. In recognition of its achievements Lovehoney received the Queen's Award for Enterprise in 2016.

Telemos comprises a team of highly experienced investment professionals that combine the best of private equity and permanent growth capital. Telemos identifies and supports exceptional management teams in consumer goods and services, healthcare services and business services to help them realise their long-term objectives. As a flexible and nimble investor, Telemos’ distinct structure and expertise makes it a leading, new generation European private equity firm, looking to identify and unlock growth opportunities which may be overlooked by traditional investors.

With the backing of Telemos, Lovehoney will accelerate its plans for international expansion, tapping into fragmented and underdeveloped markets and building on its strong consumer engagement. Lovehoney will invest in new technology and marketing, allowing the business to raise its profile in new geographies, and to continue to evolve its excellent customer service, online content, community and innovative new products.

The partnership with Telemos illustrates the achievements of the Lovehoney management team which has consistently challenged the market while delivering innovative, high-quality products and exceptional top-line growth. Following the investment, Lovehoney co-founders Richard Longhurst and Neal Slateford will continue to lead day-to-day operations with Telemos’ Executive Chairman Philippe Jacobs and Chief Investment Officer Jacob Polny joining the Lovehoney board.

Neal Slateford, Co-Founder of Lovehoney, said: *“We’re excited to be partnering with Telemos as we continue our strategy to grow Lovehoney into the world’s leading sexual happiness retailer. This investment shows the strength of online retail and will allow us to break into new markets globally.”*

Richard Longhurst, Co-Founder of Lovehoney, said: *“This is the culmination of 16 years of hard work by our brilliant teams in Bath and our offices worldwide. It has been a phenomenal journey for Neal and I and we’re beyond excited at our future plans for Lovehoney.”*

Philippe Jacobs, Executive Chairman of Telemos, commented: *“We are delighted to have made this investment which demonstrates our differentiated thinking and approach. Richard and Neal have created a great company. We are excited to partner with founders with long-term growth aspirations and a desire for a flexible and nimble investor.”*

Jacob Polny, Chief Investment Officer of Telemos, added: *“We were attracted to Lovehoney’s category leadership, the strong own brand portfolio and the combination of customer service, community and content that truly differentiates the proposition. We look forward to working with Lovehoney’s founders and management team to grow the business in the UK and internationally in the years to come.”*

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About Lovehoney

Founded in 2002, Lovehoney is a multi-award winning manufacturer and distributor of pleasure products. Its focus on exceptional customer service, product innovation, and creative marketing has placed Lovehoney at the forefront of developments in the sexual wellbeing market. In 2016, Lovehoney won the Queen's Award for Enterprise - International Trade, the highest accolade in British business. Please visit www.lovehoney.co.uk for more information.

About Telemos Capital

Telemos is a private investment firm founded in 2017 with a sector focus on business services; consumer; and healthcare services. Geographically the investment mandate is pan-European. The Telemos team consists of an internationally diverse group of experienced investors, based in London, UK. Telemos is also the controlling shareholder of MedEuropa, which is building a group of radiotherapy clinics in continental Europe. Telemos is actively working to build its portfolio of attractive investments in European growth companies. Please visit www.telemoscapital.com for more information.