

PRIVATE EQUITY IN ACTION - CASE STUDY

Lautsprecher Teufel



Country	Germany
Region	Berlin
Investor	The Riverside Company

When the founder of 'Lautsprecher Teufel', the German loudspeaker designer and manufacturer, decided it was time to step away from his day-to-day role after more than 25 years, he identified private equity firm Riverside Europe as the ideal partner to take the company forward.

Riverside quickly identified a new CEO and built the board - all industry experts who could share their experiences and networks to support the growth of the business. During the four-year investment period, Teufel grew at three times the rate of the overall German audio market, and became one of the most successful investments in Riverside's history. Riverside sold the business in 2010.

What did the business need?

- Development of management and board
- Professionalisation of marketing activities
- Continuous development and release of new products
- Penetration into international markets
- Improvement of processes and operational stability

How did private equity backing create lasting value?

- Cultural change from a patriarchal to a team-oriented culture
- Expansion of product portfolio into integrated systems, with 20 new products introduced in 2010, compared with 14 in 2009 and 8 in 2008
- Development of new website to enhance sales, as well as launch

6.5x

gross return to investors

72

staff numbers at exit, from 26 at entry



The past decade has been an exciting time in the company's history. We have grown much faster than would have been possible without the Riverside Company.

THORSTEN REUBER
CEO
Teufel

of English language website to boost penetration of the UK market

- Implementation of new enterprise resource planning system to offer additional possibilities to optimise the business
- Ability to draw on “Riverside Toolkit” - a panel of top international experts

What outcomes did private equity investment achieve?

- Staff numbers roughly tripled from 26 to 72 during the investment
- Gross cash-on-cash return of 6.5x and a 61.6% gross IRR achieved
- Revenue rose to €41m, from €16m, and EBITDA reached €11m, up from €4m

More information

[Lautsprecher Teufel](#)

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