

ARTS AND ENTERTAINMENT

Sotheby's to be acquired in \$3.7B deal

June 17, 2019



Exterior of Sotheby's New York galleries. Image credit: Sotheby's

By STAFF REPORTS

Auction house Sotheby's has entered into a merger agreement with BidFair USA, in an acquisition move that will take the company private under its new ownership.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Owned by art collector and telecommunications entrepreneur Patrick Drahi, BidFair USA is purchasing Sotheby's in a deal valued at \$3.7 billion. Sotheby's has been a public company for about three decades, but the firm sees potential in shifting its ownership model.

"Following a comprehensive review, the board enthusiastically supports Mr. Drahi's offer, which delivers a significant premium to market for our shareholders," said Domenico De Sole, chairman of Sotheby's board of directors, in a statement. "After more than 30 years as a public company, the time is right for Sotheby's to return to private ownership to continue on a path of growth and success."

Going private

For 31 years, Sotheby's has traded on the New York Stock Exchange.

Sotheby's current shareholders will be paid \$57 in cash for each share they own. This purchase price is a 61 percent premium compared to Sotheby's share price at closing on June 14.

The transaction is set to close in the fourth quarter of this year, and is subject to shareholder approval of the deal and regulatory clearances.

Mr. Drahi is the founder of telecommunications company Altice, which owns cable, marketing and media companies.

"Patrick Drahi is one of the most well-regarded entrepreneurs in the world, and on behalf of everyone at Sotheby's, I want to welcome him to the family," said Tad Smith, CEO of Sotheby's, in a statement. "Known for his commitment to innovation and ingenuity, Patrick founded and leads some of the most successful telecommunications, media and digital companies in the world.

"He has a long-term view and shares our brand vision for great client service and employing innovation to enhance the value of the company for clients and employees," he said. "This acquisition will provide Sotheby's with the

opportunity to accelerate the successful program of growth initiatives of the past several years in a more flexible private environment.

"It positions us very well for our future and I strongly believe that the company will be in excellent hands for decades to come with Patrick as our owner."



Sotheby's is being acquired. Image credit: Sotheby's

Recently, there has been a trend of companies seeking to take their firms private, removing the pressure of posting quarterly gains for shareholders.

For instance, jeweler Damiani was taken private after trading on Milan's Borsa Italiana for approximately a decade.

According to a report from Reuters, the Damiani family's holding company Leading Jewels launched a takeover deal that will buy the shares of both its namesake label and the other brands within the Casa Damiani group. Other luxury brands have sought to privatize previously public companies to gain more control ([see story](#)).

Other companies including Nordstrom and Tesla looked into privatization, but did not ultimately delist.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.