

JEWELRY

## LVMH makes play for Tiffany as high-jewelry market entices

October 28, 2019



*LVMH makes a move: Tiffany chess set made by master artisans over a year 2019. Image credit: Tiffany*

By STAFF REPORTS

Bernard Arnault's LVMH this morning confirmed that it is in talks to buy storied jeweler Tiffany & Co., whose sale would potentially take off the market one of the few homegrown U.S. luxury brands with global renown.

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

The potential acquisition, first reported Sunday by Bloomberg and valued by media reports at \$14.5 billion, would be LVMH's biggest to date. LVMH did not confirm a price in its statement, but Tiffany said it was \$120 per share.

"In light of recent market rumors, the LVMH Group confirms that it has held preliminary discussions regarding a possible transaction with Tiffany," LVMH said in a statement issued from its Paris headquarters.

Tiffany also confirmed the overture from LVMH.

"While the parties are not in discussions, Tiffany's board of directors, consistent with its fiduciary responsibilities, is carefully reviewing the proposal, with the assistance of independent financial and legal advisors, to determine the course of action it believes is in the best interests of the Company and its shareholders," Tiffany said in a statement.

"Tiffany shareholders need take no action at this time," said.

Centerview Partners and Goldman Sachs are financial advisors to Tiffany for any transaction. Sullivan & Cromwell is Tiffany's legal advisor.

**LVMH** owns 75 brands such as Louis Vuitton, Christian Dior, Celine, Givenchy, Fendi, Loro Piana and Fenty. Its jewelry and watches division includes Hublot, Tag Heuer and Bulgari, whose 2011 is its biggest purchase at \$5.2 billion.

Taking a shine

The past two decades has seen 182-year-old **Tiffany** seesaw through several rounds of brand repositioning and leadership changes.

The New York-based jeweler took a sales hit recently with slackening demand from Chinese customers as the U.S.-China trade war takes its toll on business and tourism. But it is making efforts to up its game.

"Tiffany is successfully executing on its business plan and remains focused on achieving its goal of becoming *The Next Generation Luxury Jeweler*," the retailer stated.

Adding Tiffany to its portfolio would undoubtedly strengthen LVMH's hand in the high-end jewelry business, going head to head with rival conglomerate Richemont's Cartier brand.

One of the few fast-growing sectors, jewelry has become the new focus for luxury groups. Kering recently debuted Gucci's jewelry line and Richemont not too long ago bought the Buccellati jewelry house.

LVMH this month gained unwanted notoriety after President Trump inaugurated its 1,000-person handbag factory in Texas. Media and some designers within the LVMH family objected Mr. Trump and his daughter, Ivanka Trump, cutting the ribbon with Mr. Arnault.

THE TIFFANY news, however, may consign that event to memory. Prices of Tiffany and LVMH shares are already up, even as the French company has said it is not sure if the deal is a done thing.

"There can be no assurance that these discussions will result in any agreement," LVMH stated.

---

© 2020 Napean LLC. All rights reserved.

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