

JEWELRY

Tiffany to open books to LVMH after acquisition bid raised to \$16B: Reuters report

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Will LVMH and Tiffany say "I do"? Image credit: Tiffany & Co.

By STAFF REPORTS

Tiffany & Co. will open its books to suitor LVMH after the French luxury conglomerate upped its bid for the U.S. jeweler to close to \$16 billion, people familiar with the issue told Reuters.

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LVMH will be able to undertake due diligence after weeks of negotiations stalled over Tiffany's rebuff of the initial \$120-per-share, all-cash offer, per Reuters.

The same report, citing undisclosed sources, said that LVMH raised its offer close to \$130 per share, thus inciting Tiffany to give access to its numbers.

Deal or no deal

The sources told Reuters that Tiffany plans to fight for a better offer, with no certainty of a deal being reached.

Reuters first reported on the LVMH interest in Tiffany in late October, with a confirmation a few days later from the French company that owns Louis Vuitton, Dior and Bulgari. However, Tiffany felt the offer was undervaluing the company ([see story](#)).

Buying Tiffany would give LVMH heft in the bridal, jewelry and diamonds businesses in the United States ([see story](#)).

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.

LVMH's serious foray into watches and jewelry is recent. That division last year accounted for 9 percent of LVMH's revenue and 7 percent of its earnings, which is a fifth the size of fashion and handbag segment.

Reuters said LVMH is continuing negotiations and readying up another offer, although the precise numbers are not

known.

Tiffany may seek \$140 per share, a level it reached last year, according to Reuters.

Reuters was asked not to identify its sources since the negotiations are confidential.

Rise and shine

Jewelry is one of the strongest-performing segments of the luxury business. Bain & Co. forecasts that jewelry sales will grow 7 percent this year to \$20 billion.

Tiffany is one of the few major homegrown U.S. luxury brands.

Under CEO Alessandro Bogliolo, the New York-based jeweler has rebounded its sales, grown its ecommerce business and wooed new shoppers with more affordable earrings, pendants and new designs.

SOURCES EARLIER TOLD Reuters that LVMH believes that Tiffany needs to spend more on reinventing and marketing its brands and can do this only as a division of the French company.

Tiffany & Co.'s holiday 2019 campaign - Tiffany T True

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