

JEWELRY

## LVMH denies open-market purchase of Tiffany shares

March 23, 2020



*Designed by chief artistic officer Reed Krakoff, this assortment of rings from the Extraordinary Tiffany: High Jewelry Collection Spring 2020 honors Tiffany's longstanding tradition of incorporating yellow diamonds in creative jewelry design. Image credit: Tiffany & Co.*

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate LVMH Mot Hennessy Louis Vuitton SE has put the kibosh on rumors that it was buying U.S. jeweler Tiffany & Co.'s shares on the open market as the stock took a major beating last week.

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The Paris-based owner of Louis Vuitton and Dior took the unusual step of denying the alleged share purchase in a terse two-paragraph official statement. U.S. news reports suggested that a trader's departure from Chicago-based Citadel Investment and the subsequent liquidation of his position in Tiffany triggered the steep fall in the share price last week.

"Rumors circulated recently indicating that LVMH would consider buying Tiffany shares on the open market," LVMH said in the statement.

"These rumors lead LVMH to recall that, in accordance with the agreement concluded with Tiffany in November 2019, LVMH is currently committed not to buy Tiffany shares."

Tiffany's shares nosedived March 18 to \$109.56 from crossing \$133 two weeks prior 19 percent less than the \$135-per-share that LVMH had agreed to pay for Tiffany. It was back up to \$125.44 at the time of this writing pre-market opening Monday, March 23.

Deal, not steal

The denial comes seven weeks after shareholders of Tiffany at a special meeting Feb. 5 overwhelmingly approved its sale to French luxury conglomerate LVMH ([see story](#)).

Both parties had announced Nov. 25 that LVMH would acquire New York-based Tiffany for \$16.2 billion in cash.

The Tiffany acquisition strengthens LVMH's presence in jewelry, coming nine years after the Paris-based company bought Roman jeweler Bulgari for \$5.2 billion.

"This approval is a significant milestone as we move closer to completing our acquisition of Tiffany, an iconic

company with a rich heritage and unique positioning in the global luxury jewelry market," said Bernard Arnault, chairman/CEO of LVMH, in a statement at the time.

"A globally recognized symbol of love, Tiffany will be an outstanding addition to our unique portfolio of luxury brands," he said.

"We look forward to welcoming Tiffany into the LVMH family and helping the brand reach new heights as an LVMH maison."

Jewel in the crown

LVMH, owner of brands such as Dior, Louis Vuitton and Sephora, is not required to hold a vote of its stockholders to approve the merger agreement.

Mr. Arnault, via his holding company, is the largest shareholder in LVMH, a company whose brands will grow to 76 with Tiffany's purchase.

The transaction is expected to close midyear, subject to the receipt of regulatory approvals and satisfaction or waiver of other customary closing conditions.

The **Tiffany** acquisition is a major feather in the cap for LVMH.

Founded in 1837, Tiffany has a global network of more than 300 retail stores, a thriving ecommerce business and 14,000 employees, including 5,000 artisans who cut diamonds and make jewelry.

THE COMPANY'S flagship store on Fifth Avenue in New York a huge tourist draw for the city opens next year after a major renovation.

Tiffany is also expanding its Blue Box Caf restaurant concepts to other markets worldwide as part of its experiential offerings.

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