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LVMH admits discussing impact of pandemic on Tiffany, but not buying shares on open market

June 4, 2020



Will LVMH put a ring on Tiffany's finger? Image credit: Tiffany & Co.

By LUXURY DAILY NEWS SERVICE

French luxury conglomerate LVMH is trying to tamp down the speculation around the fate of its planned acquisition of Tiffany & Co. that was agreed by the U.S. jeweler's shareholders in February.

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Rumors maybe even trial balloons in media vehicles hinted at a possible renegotiation of the all-cash, \$16.2 billion deal that was initially signed off in November. Sources told WWD that LVMH was rethinking the deal or even punting for a lower price as the Tiffany stock sank way below its \$135-per-share agreed price.

"The board of directors of LVMH Mot Hennessy Louis Vuitton, met on Tuesday, June 2nd, 2020 and notably focused its attention on the development of the pandemic and its potential impact on the results and perspectives of Tiffany & Co. with respect to the agreement that links the two groups," LVMH said in a terse statement.

"Considering the recent market rumors, LVMH confirms, on this occasion, that it is not considering buying Tiffany shares on the market."

Still sparkling?

So here are two things that stand out: **LVMH** is not buying cheaper **Tiffany** shares on the open market, and it did discuss Tiffany and the impact of the COVID-19 coronavirus pandemic on the New York company's finances.

The United States has been the hardest hit with the spread of COVID-19, even as the China the source of the virus has seemingly rebounded and emerged largely unscathed except in the central Chinese city of Wuhan and its surrounding Hubei province where the outbreak originated.

Tiffany's retail operations in the U.S. are shuttered, while stores are set to reopen in some overseas markets. Ecommerce sales are ongoing, but the true picture of Tiffany's performance over the last quarter will emerge June 9 when it publishes its earnings statement.

The company is the crown jewel of U.S. luxury brands and would be the biggest acquisition in the LVMH portfolio

should the deal go ahead.

LVMH has 75 brands such as Louis Vuitton and Dior with stores worldwide, most of them affected by the COVID-19 lockdowns mandated by governments. Italy's Bulgari is the biggest jeweler in the LVMH family, bought in 2011 for \$5.2 billion.

Founded in 1837, Tiffany has a global network of more than 300 retail stores, an ecommerce business that was thriving before the pandemic lockdowns 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, including London and China.

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Tiffany & Co. (@TiffanyAndCo) [May 29, 2020](#)