

JEWELRY

Tiffany, LVMH may cut sales price in new round of acquisition talks

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LVMH hesitates to put the ring on the Tiffany finger. Image credit: Tiffany for T1

By LUXURY DAILY NEWS SERVICE

U.S. jeweler Tiffany & Co. has resumed indirect sales discussions with French luxury conglomerate LVMH Mot Hennessy Louis Vuitton, according to multiple media reports.

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CNBC reports that the companies may be looking to cut the price of LVMH's acquisition of Tiffany & Co., which was originally set to be a \$16.2 billion deal. Scheduled to be completed in August, LVMH backed out of the deal in early September, citing potential tariffs leading to a flurry of lawsuits from both parties.

High stakes

In November 2019, it was announced that LVMH would acquire New York-based Tiffany for \$16.2 billion in cash. Shareholders of Tiffany & Co. overwhelmingly approved the sale to LVMH in early February ([see story](#)).

Less than two months later, the coronavirus pandemic had shut down the global economy. Luxury brands, including Tiffany & Co. as well as LVMH's portfolio, have struggled as a result.

In June, LVMH tried to tamp down the speculation around the fate of its planned acquisition of Tiffany & Co. At the time, media reports hinted at a possible renegotiation of the all-cash, \$16.2 billion deal due to the jeweler's financial struggles ([see story](#)).



Exterior rendering of the renovated Tiffany & Co. flagship on Fifth Avenue. Image courtesy of Tiffany & Co.

By Sept. 9, the deal had seemingly fallen apart ([see story](#)). LVMH and Tiffany & Co. spent the rest of the month filing lawsuits and countersuits against each other.

Among Tiffany's accusations was that the French conglomerate had not been assertive about receiving governmental approvals for the deal, including from the European Union. Meanwhile, LVMH claimed that the "highly profitable" jeweler it had planned to purchase "no longer exists" due to mismanagement during the pandemic ([see story](#)).

However, as of Oct. 26, Tiffany & Co. says it has received all of the regulatory approvals needed to complete its acquisition.

With talks tentatively resuming, at stake is whether the sale price will be negotiated down or become a tender offer. The next court hearing between the two parties is scheduled for Jan. 5 in Delaware.