

APPAREL AND ACCESSORIES

## Richemont shares rise after reportedly rejecting Kering offer

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Richemont saw a 3.8 percent increase in shares on Monday morning. Image credit: Image credit: Cartier

By LUXURY DAILY NEWS SERVICE

Swiss luxury group Richemont saw a spike in shares on Monday after reports surfaced that the company had been approached by French conglomerate Kering with an acquisition offer.

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Paris-based luxury blog *Miss Tweed* reported that Kering CEO Francois-Henri Pinault made a direct cash and shares proposal to merge the groups in January, but Richemont rejected the offer. Richemont's shares were 3.8 percent higher Monday morning, while Kering's shares fell 1.4 percent.

On the rise

In response to the news, *Nasdaq* commented that, if the merger were to occur, it would be the biggest deal ever in the luxury sector, as Kering has a market capitalization of \$88 billion and Richemont has \$50.8 billion.



Kering owns luxury brands such as Gucci, Saint Laurent and Bottega Veneta. Image credit: Gucci

Swiss investment bank *UBS Group* noted that a deal between Kering and Richemont would make sense from a strategic point of view and create a luxury powerhouse capable of challenging LVMH's dominance in the market.

Discussion about a possible deal between the companies have been circulating for a few years now, but accelerated recently when LVMH finalized its acquisition of U.S. jeweler Tiffany for \$15.8 billion at the end of 2020 ([see story](#)).

Richemont saw double-digit growth in online sales, as its recovery continued into the third quarter of its fiscal year. Its sales for the third quarter totaled 4.186 billion euros, or \$5.069 billion as current exchange rate ([see story](#)).

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