

JEWELRY

Why LVMH's acquisition of Cartier from Richemont is unlikely

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LVMH is reportedly looking to buy Cartier from Richemont but is being met with resistance. Image credit: Cartier

By [Julienna Law](#)

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Rumors are swirling of a major luxury takeover.

According to a report from Swiss newspaper [Finanz und Wirtschaft](#), LVMH is looking to acquire Cartier from Richemont as a complement to Tiffany & Co., acquired in 2021.

According to the report, Johann Rupert, patriarch of the Rupert family which founded Richemont in 1988, has been resistant to giving away control of the company.

The Jing Take: So far, there has been little substantiation that Richemont is selling Cartier. And why would Richemont sell?

The jewelry division, which includes Cartier, accounts for most of its parent company's total sales and performs solidly, growing 8 percent in the three-month period to Dec. 31, 2022.

The buyout would make it more difficult to compete with LVMH, especially after it reported annual revenue of more than **\$83 billion** in 2022, far ahead of Richemont's \$20 billion.

Plus, LVMH does not have a shortage of high jewelry brands in its wheelhouse.

Not only did the French conglomerate acquire American jewelry Tiffany & Co. just two years ago, but it also owns several heritage jewelry names including Chaumet, Bulgari, and Fred all of which are profitable.

In fact, Tiffany boasted a record year in 2022 that saw its high jewelry revenue double and profit exceed 1 billion euros.

But to entertain the idea that this acquisition did proceed: If it is anything like the Tiffany purchase which more than doubled LVMH's watches and jewelry sales after just one year the addition of Cartier could help close the gap between the jewelry division and its frontrunner, the selective retailing division (which includes Sephora and DFS), and put it more on par with the powerful leather goods and bags segment. It could also mean a major makeover for Cartier in order to appeal to younger shoppers.

These are not the only rumors about LVMH's expansion.

In February, the owner of Louis Vuitton and Christian Dior was reportedly toying with the idea of [buying Ralph Lauren](#) to make greater inroads in the United States market.

Earlier this year, LVMH made headlines again for reportedly being at the center of a bidding war with L'Oral [for Aesop](#), an Australian luxury cosmetics label.

Whether any of these rumors come to fruition remains to be seen. However, signs certainly point to LVMH's dominance over the luxury sector and, more crucially, its drive to defend its seat on the throne.

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