

## LVMH Seals Tiffany Deal for \$16B



**RAPAPORT...** LVMH Moët Hennessy Louis Vuitton is set to acquire Tiffany & Co. for \$16.2 billion, strengthening the Paris-based luxury group's position in the global jewelry market and increasing its US presence.

"Tiffany [is] a company with an unparalleled heritage and unique position in the global jewelry world," LVMH CEO Bernard Arnault said Monday. The deal will transform LVMH's watches and jewelry division, the company added.

LVMH first made an unsolicited offer to purchase Tiffany for \$14.5 billion, or \$120 per share, last month. However, Tiffany felt the offer undervalued it, and asked LVMH to raise its bid. The new deal values the US jeweler at \$135 per share.

"Following a strategic review that included a thoughtful internal process and expert external advice, the board has concluded that this transaction with LVMH provides an exciting path forward with a group that appreciates and will invest in Tiffany's unique assets and strong human capital, while delivering a compelling price with value certainty to our shareholders," explained Roger Farah, chairman of Tiffany's board of directors.

Acquiring Tiffany will help LVMH compete against rivals

Kering and Richemont in the luxury-jewelry sector, RBC analyst Rogerio Fujimori was quoted in media reports as saying.

LVMH

is also home to jewelry and watch brands Bulgari, Chaumet and TAG Heuer. The move would mark a return to LVMH for Tiffany CEO Alessandro Bogliolo, who previously held senior positions at Bulgari and Sephora, another LVMH label.

“Tiffany has been focused on executing on our key strategic priorities to drive sustainable long-term growth,” said Bogliolo. “This transaction...will provide further support, resources and momentum for those priorities as we evolve towards becoming the next-generation luxury jeweler.”

*Image: Tiffany’s Fifth Avenue flagship store in New York. (Shutterstock)*