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The Auction House Bonhams Has Been Purchased by a London-Based Private Equity Firm

Are the new owners prepared to invest enough to compete with its larger rivals?

Henri Neuendorf, September 4, 2018



Bonham's London headquarters. Photo: courtesy of Bonhams.

Bonhams, the auctioneer known for its sales of art, wine, cars and jewelry, has a new owner. The British auction house has been sold from private shareholders to the London-based private equity firm Epiris, it

was announced Tuesday.

The fund, which specializes in UK businesses valued between £75 million and £500 million, did not disclose financial details of the deal. According to the *Antiques Trade Gazette*, Epiris holds a diverse portfolio of companies, including country club operator the Club Company and the UK branch of magazine publisher Time Inc, which prints titles such as *Wallpaper*, *Ideal Home*, and *Horse & Hound*. The sale comes three-and-a-half months after Bonhams reportedly appointed financial advisory firm NM Rothschild to find a buyer.

Bonhams was previously owned by former race car driver and ex-Christie's executive Robert Brooks and the Dutch Louwmans family, who operate one of the largest auto dealerships in the Netherlands.

Brooks, who sold his stake in the takeover, said in a statement: "We have always had the intention one day to pass on the business to a new owner who shares our long-term vision for Bonhams. I am immensely proud of what we have achieved at Bonhams and look forward to seeing the business continue to thrive under its new owners."

Bonhams's CEO Matthew Girling and chief financial officer Jonathan Fairhurst will remain on board in their current positions, while former Sotheby's chief operating officer Bruno Vinciguerra will join the boardroom as executive chairman. He described the company—which has a devoted following but which has trailed behind rivals Christie's, Sotheby's, and Phillips in its share of the art market—as "a business with great potential and a strong track record."

Today, the house has nine salesrooms in cities including London, New York, Hong Kong, Edinburgh, and Sydney. The company's headquarters in London recently underwent an extensive \$40 million renovation.

According to the FT, Bonhams's turnover last year amounted to £450 million (\$578.5 million), a far cry from Christie's reported \$6.6 billion in revenue. But it is also enjoying an upswing in sales. The firm reportedly made \$6.4 million in profit last year, up from \$2.6 million in 2016.

The board of the 225-year-old auction house has placed the company in the shop window more than once in recent years. In 2014, Bonhams was in advanced talks with Poly Culture Group, China's largest auctioneer, but the board ultimately decided to hold onto the the business.

At this early stage, the new owners have remained tight-lipped about their plans for the house. Epiris partner Owen Wilson called Bonhams "a platform with extensive scope for transformation through investment," but didn't reveal how much money his fund is prepared to put into the business or what strategy it will adopt to transform it. In the ultra-competitive high-end auction market, one thing is for sure: It will take significant resources to compete on a level playing field with Bonhams's larger rivals.