What happened inside the Artnet-Artsy merger?

THE GRAY MARKET INVESTIGATES

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TABLE OF CONTENTS

INTRODUCTION

There may not be a better tell for how deep someone is in the professional side of the art world than their knowledge of **Artnet**'s trials and tribulations. For the type of casual art fan who might, say, buy a mass-market t-shirt with a licensed image of a Basquiat painting, Artnet probably means about as much as some kind of ancient Bavarian rune. For anyone involved in the sale, appraisal, or market analysis of artwork, however, Artnet has been an ever-present part of the industry's infrastructure since 1989—first and foremost for its pioneering auction price database, later for its editorial content, gallery network, and online auctions.

But the company's history has often been rocky. Money problems, accusations of self-dealing and mismanagement, a long-running proxy battle aimed at siphoning control away from Artnet founder **Hans Neuendorf** and his family—it made for great drama if you either cared deeply about the inner architecture of the art business, or if you were just willing to ignore that all this messiness was for the sake of a firm that ultimately traded for an average price of around **€8** a share during its final ten years on the public market.

The Artnet odyssey took a different kind of turn in 2025. The board and shareholders accepted a voluntary takeover offer from the private investment firm **Beowolff Capital**, which planned to synergize Artnet with **Artsy**, its younger, more widely recognized online marketplace rival. Beowolff Capital had acquired a controlling stake in the latter earlier the same year.

Many art pros were eyeing the Artsy-Artnet two-step out of genuine business interest; some others were probably clocking it out of a nostalgic thirst for more corporate drama. In either case, the prevailing opinion has been that the saga culminated this April, when the new leadership laid off a then-unspecified number of employees, combined the two companies' operational guts under a single chief executive, and committed to keeping Artnet and Artsy functioning as separate brands with interlocking ambitions.

But my perspective is that those moves were just an act break in a story that now has higher, and clearer, stakes than ever. Why? First, because the news cycle moved on before we got answers to several key questions about the merger itself. And second, because the vision for the conjoined companies can only materialize if the remade Artsy and Artnet do what major industry stakeholders have failed to do for decades: broaden the base of the art market to a transformational extent. If those plans crack up, Artnet and Artsy will become two more scraps of evidence that the size and value of the art business are already near their outer limits.

What follows is the result of interviews with 13 current and former employees of Artsy and Artnet, as well as the top decision-makers at the combined firms. (Disclosure: I was on staff at Artnet News for almost seven years, from January 2018 until August 2023, and worked with several people laid off in the Artsy-Artnet merger.) All employees and ex-employees were granted anonymity so that they could speak without fear of professional or legal repercussions. **Here's the part of the story you haven't heard yet.**

Tim Schneider
Founder, The Gray Market

IN NUMBERS

Data is one of the strongest pillars of Artnet and Artsy's forward-looking strategy, and it also helps quantify the past, present, and future of the combined companies. Below are 9 key figures that stand out from one of the biggest art business mergers in years.

The Financials

€65m

Artnet's valuation in the voluntary takeover offer made by Beowolff Capital

$32.8m

The amount of stock bought in the deal giving Beowolff control of Artsy

$1 billion

The valuation Artnet and Artsy aim to achieve in 5 years, per their new product roadmap

The History

37 years

The time elapsed since Artnet's founding in 1989

17 years

The time elapsed since Artsy's founding in 2009

64 days

The span between the official Artnet-Arsy merger and this report's publication (June 19)

The Consolidation

50+

The rough number of Artnet and Artsy staff members downsized in the merger

4-to-1

The approximate ratio of Artnet employees laid off to Artsy employees laid off

1

The number of offices eliminated in the merger (Artnet's Berlin space)

05

'ROLES THAT WON'T CARRY FORWARD'

On April 15, 2026, all staff members at Artnet received word that an anxious, nearly year-long transition period was finally—if not mercifully—about to end.

"Hi Team, I want to share some important news: Artnet Worldwide Corporation has officially merged with Artsy, Inc.," wrote **Andrew Wolff**, the chairman of both firms and the chief executive of Beowolff Capital Management, in an internal email obtained by The Gray Market. The two freshly combined companies would offer "the widest audience reach in the art market, the most comprehensive marketplace and product tooling supporting collectors and partners, and two editorial brands that reach artists, curators, dealers, and tastemakers around the world," he added.

Then there was the long-feared catch. "Bringing two organizations together means building one go-forward team. That process will result in changes to the combined team structure, including some roles that won't carry forward. We will be communicating those changes tomorrow, in the late morning European time," the email continued.

Based on information from sources with direct knowledge, The Gray Market is the first to report that more than **50** total employees were laid off in the consolidation—around the same number of staff let go by the troubled mega-gallery **Pace** this June.

Although the downsizing knife sliced into both Artnet and Artsy, one cut was far deeper than the other. More than **40** Artnet employees were let go, including **25** from its New York headquarters, a handful working out of **London**, and nearly a dozen others from its **Berlin** office, which was permanently shuttered as a result of the merger.

06

07

PAST PROBLEMS, PRESENT CONSEQUENCES

08

11

'WE WORK FOR A TECH COMPANY NOW'

12

13

CEREBRAL VS. EMOTIONAL

15

16

AI-POWERED OR 'AI-PILLED'?

17

18

U-TURNING THE NEWS

19

21

THE ROUTE TO THE SUMMIT

22

ABOUT

The Gray Market (TGM) is a weekly editorial project by **Tim Schneider**, a writer, analyst, and private consultant for artists and businesses in the cultural field.

TGM maps the forces shaping the business of contemporary art and collectibles, from inside and out, while keeping one eye trained on how unrepentantly absurd the results can be. Tim especially focuses on how surrounding elements—from adjacent markets like film, music, and fashion to larger industries like finance, tech, and law—impact the art ecosystem just as much as the trade itself.

You're currently reading an edition of **The Gray Market Investigates**, a monthly deep dive into a subject that deserves multiple weeks of reporting, thinking, analysis, occasional doodling, and probably a little humor. The goal is to be smart without being boring. Because this stuff is important, but it's also usually a little bit ridiculous, too.

Tim's bylines can be found at *The New York Times, Financial Times*, Business of Fashion, The Art Newspaper, and more. You can subscribe to TGM at **thegraymarket.substack.com** or learn more about Tim at **timfschneider.com**

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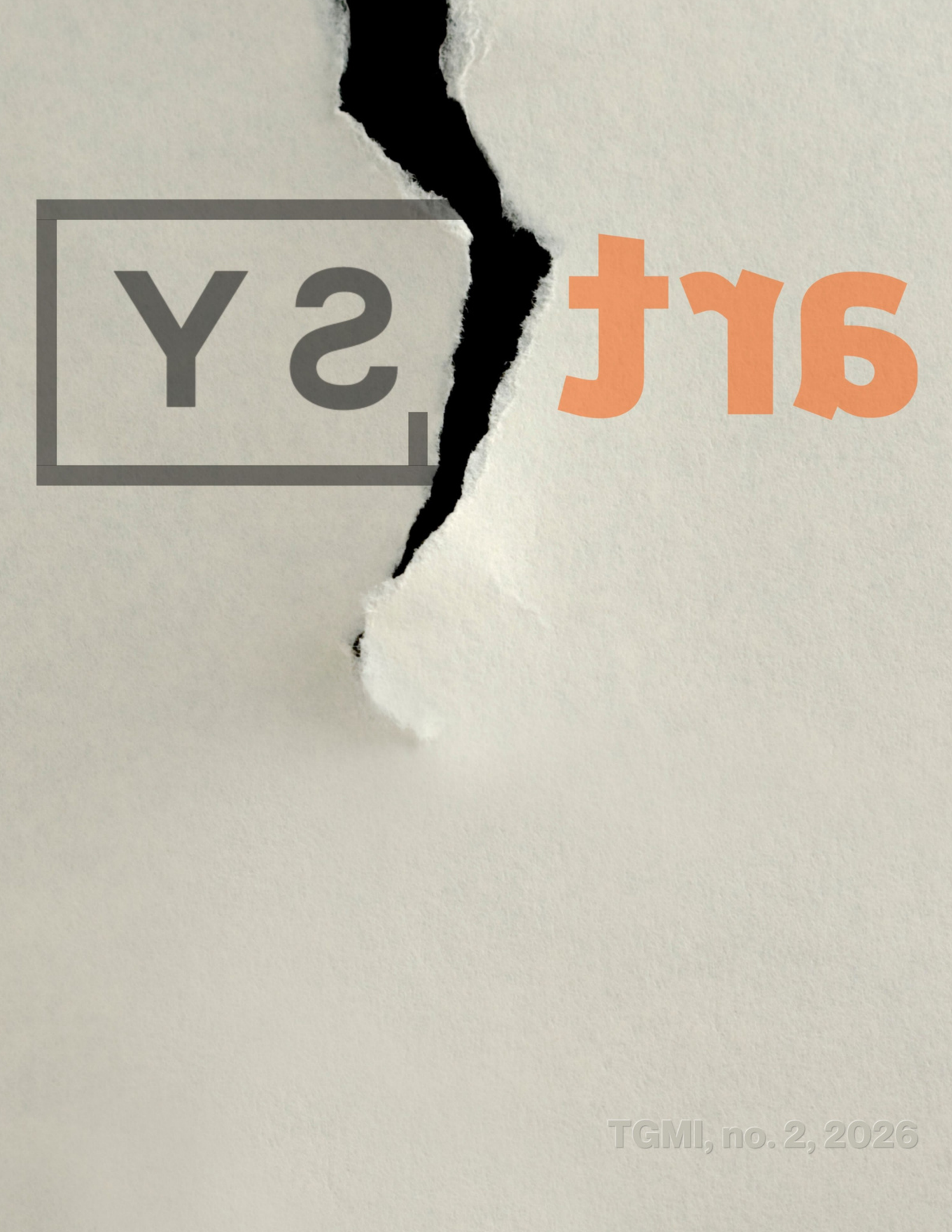
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