

Aliaxis quadruples stake in Uponor despite rejection by pipe maker



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Uponor Oyj

Uponor polypropylene pipe for large-diameter commercial applications.

Brussels-based Aliaxis SA has continued to buy shares in pipe maker Uponor Oyj despite Uponor's rejection of an unsolicited buyout offer.

Aliaxis, the owner of pipe maker Ipex USA LLC, now owns 20 percent of Finland-based Uponor's shares and its acquisition attempt has attracted other deal makers.

Aliaxis offered 25 euros cash per share last month — worth a total of \$2 billion — and represented 44.6 percent of the April 14 closing price of 16.64 euros (\$17.95) on the Nasdaq Helsinki exchange.

At the time, Aliaxis had a 5 percent stake in Uponor.

Aliaxis officials contend the acquisition would be mutually beneficial in the face of uncertain times in the building and construction market.

With 75 manufacturing operations in more than 40 countries, Aliaxis generated sales of 4.3 billion euros (\$4.67 billion) in 2022. The company operates in North America as Ipex USA LLC, which has estimated sales of \$1.26 billion and is the No. 5 pipe, profile and tubing extruder in North America, according to *Plastics News*' latest ranking.

However, the Uponor board of directors [rejected the unsolicited Aliaxis offer](#) on April 26 with the largest shareholder, Oras Invest, saying it didn't reflect the value of the extruder of high density polyethylene and cross-linked PE (PEX) pipes.

Uponor sales increased 5.6 percent to 1.4 billion euros (\$1.5 billion) in 2022 compared to the prior year. In North America, the company operates as Uponor Inc., which generates estimated sales of \$490 million and is the No. 11 pipe, profile and tubing extruder, according to *PN* data.

Since the first rejection, Aliaxis increased its stake in Uponor to 10.6 percent on April 21 and then to 20.05 percent on May 12, Aliaxis CEO Eric Olsen said in a May 15 news release.

"In less than a month, Aliaxis became Uponor's second largest shareholder. ... This increased investment demonstrates our commitment to act as a long-term industrial investor in Uponor," Olsen said.

The increased investment also has caught the attention of other suitors, according to Hans Sohlström, an Uponor board member chairing an ad hoc deal committee.

"Subsequent to the board's rejection of the current non-binding intention, the company has received indications of interest from other parties in relation to potential strategic transactions. The board is currently assessing whether such approaches could result in outcomes that would be in the best interest of the shareholders of Uponor," Sohlström said in the release.

The Uponor board may opt not to make any deals, Sohlström added.

"The board will evaluate and pursue strategic proposals based on the best interest of Uponor's shareholders," he said. "The board remains focused on pursuing the company's strategy. It believes that Uponor enjoys strong performance under its new management, and, with its recently renewed strategy, has a strong position for future profitable growth, and is assessing strategic alternatives also in this light."

In the meantime, Olsen said Aliaxis officials are being transparent with all shareholders while confirming that there are no ongoing discussions with any Uponor representatives at present.

Despite strong market positions and brands, Aliaxis officials say Uponor is at a crossroads as a medium-sized player that cannot fully leverage the value of its assets due to the lack of scale in a sector in need of significant innovation.

"Our sector is in critical need of significant investment for the benefit of all stakeholders and communities around the world," Olsen said. "At Aliaxis, we remain determined to accelerate access to sustainable water solutions, and we will continue to assess relevant market opportunities as part of our growth strategy."