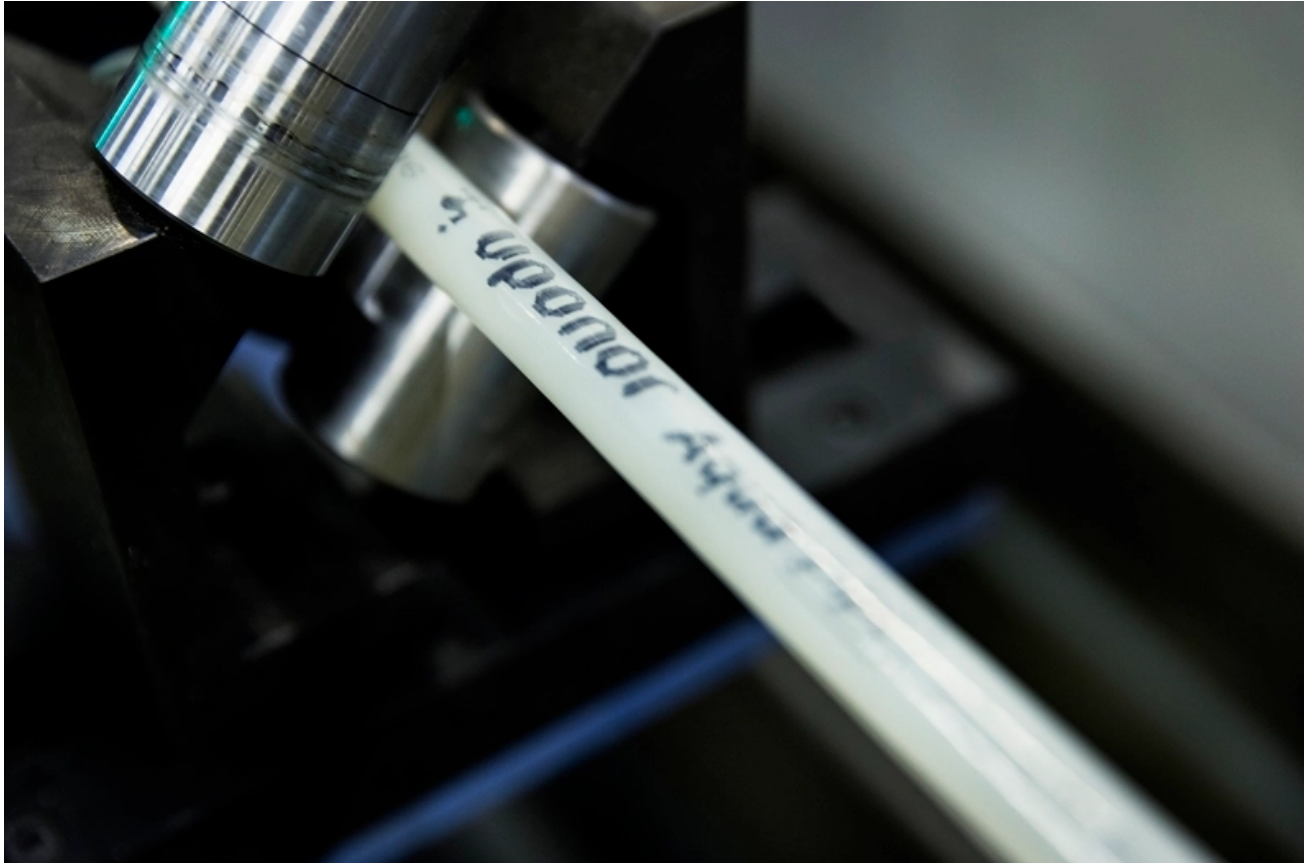


# Ipex owner Aliaxis offers \$2B to buy Uponor



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Uponor Oyj

Uponor is a maker of high density polyethylene and cross-linked polyethylene pipe.

Brussels-based plastics pipe manufacturer Aliaxis SA has offered to buy Finland's Uponor Oyj for \$2 billion in another play to combine operations and strengthen its position as a leader in water management solutions.

Aliaxis officials have asked Uponor's board directors and shareholders to consider "this attractive opportunity" that brings complementary market positions, limited overlap and synergies that could be achieved mainly from cross-selling.

[Aliaxis](#) owns Ipex USA LLC of North Carolina, one of the five largest pipe, profile and tubing makers in North America.

However, the potential offer — following up on an earlier offer that was rejected in 2022 — may not succeed, as Uponor's largest shareholder says it doesn't reflect the full value of the manufacturer of high density polyethylene and cross-linked polyethylene (PEX) pipes.

The Aliaxis offer price of 25 euros cash for outstanding shares would value Uponor at 1.82 billion million euros (\$2 billion), which represents 44.6 percent of the April 14 closing price of 16.64 euros on the Nasdaq Helsinki.

The purchase offer falls short for officials of Oras Invest, which owns 25.7 percent of Uponor, according to Ville Kivelä, chief investment officer of Oras Invest, who points to Uponor's "capable management" and recently renewed strategy to drive profitable growth.

"An offer by a qualified industrial company like Aliaxis highlights the strong performance and further potential of Uponor," Kivelä said in a news release. "However, Oras Invest believes that the company is on track to further deliver considerable value to its shareholders as an independent company and continuing to support Uponor as a long-term shareholder is in line with our ownership strategy. Therefore, Oras Invest will not accept the potential offer by Aliaxis, which in our opinion does not reflect the full value potential of Uponor."

Aliaxis officials, however, believe the offer is in the best interests of Uponor and its shareholders and said they look forward to engaging with Uponor's board to further the proposal, according to Aliaxis CEO Eric Olsen.

"Our potential offer would represent a highly attractive opportunity for Uponor's shareholders to lock in a significant derisked upside despite significant headwinds, including the ongoing downturn in the residential construction markets in Europe and the U.S.," Olsen said in a news release.

"The proposed combination would not only accelerate the growth of our complementary brand portfolios and international footprint, but it would also preserve our strong heritage in Europe and provide multiple opportunities for employees, customers and stakeholders of both Uponor and Aliaxis," he added.

With operations in more than 40 countries, Aliaxis generated sales of 4.3 billion euros in 2022. The company operates in North America as Ipex USA LLC, and 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.

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

Despite strong market positions and great brand recognition, 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.

They contend Uponor could benefit from scale advantages while accessing a much wider playing field, in terms of both products and geographies.

In describing some of the strategic rationale, they said combining Aliaxis and Uponor's market presence, industrial know-how, R&D, operational capabilities and investment capacities would accelerate the development of innovative solutions and optimize the product offering for all customers.

Uponor officials confirmed receipt of Aliaxis's nonbinding intention to make an all-cash public tender offer and also indicated that earlier discussions had been terminated in May 2022.

"The board, together with its advisers, will assess the new nonbinding intention to make an offer and whether it is in the best interest of shareholders of the company. At this time, Uponor has made no decisions in respect of the potential offer," Hans Sohlström, Uponor's board member chairing the board ad hoc committee, said in a news release.

If negotiations were to get on track and advance quickly, Aliaxis officials estimate the potential offer could be firmed up and announced within a few weeks. If a deal is pursued, it could be completed during the third or fourth quarter of 2023.