

Aliaxis \$2 Billion Uponor Approach Rebuffed by Main Owner

- Belgian company signals intention to offer €25 a share in cash
- Uponor shares rose as much as 45% to €24.98 following the news


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[Uponor Oyj](#)'s biggest shareholder rejected a hostile approach by Belgium's [Aliaxis SA](#) to acquire the Finnish plumbing-equipment maker for €1.8 billion (\$2 billion) in cash.

[Oras Invest Oy](#) said the indicative offer, expected to be priced at €25 a share, "does not reflect the full value of Uponor" and that its "intention is therefore not to accept the potential offer." The family office of the Paasikivi family holds more than a quarter of Uponor's stock.

Brussels-based Aliaxis initially approached Uponor about a possible bid last May and has since attempted to negotiate a potential tender offer with the board, but made little headway, it [said](#)  Monday. That's why it decided to make its intentions public.

The deal would combine two companies with highly complementary piping and plumbing product ranges, Aliaxis said, adding that it would be hard for Uponor to face expected economic headwinds as a standalone player.

"At the moment, and despite the strong market positions, great brand recognition and achievements in sustainability, we consider that Uponor is at the cross roads," Aliaxis Chief Executive Officer Eric Olsen told reporters. "As a medium-sized player, it's hard to fully leverage the value of its assets in a sector in need of significant investment and innovation. Together with Aliaxis, Uponor would reach critical mass instantly."

The indicative offer represents a 45% premium to Uponor's closing price on Friday. The Finnish company's shares rose as high as €24.98 in Helsinki after an initial trading halt.

The logic of the combination stems from the companies' product portfolios, Olsen said. "We make completely different products and when you put them together, we have a more compelling way to market overall."

'More Pressure'

Uponor's top shareholder was unconvinced.

"Oras Invest believes that the company is on track to further deliver considerable value to its shareholders as an independent company," the firm said. "Continuing to support Uponor as a long-term shareholder is in line with our ownership strategy."

Still, Oras' approval wouldn't be needed for the deal to pass, given Aliaxis said it would be ready to set the acceptance threshold at more than 60% of shares. It already holds a stake of about 5%. The decision to launch the potential offer has not yet been taken, according to the Belgian company.

"There's now more pressure on the Uponor board to negotiate because the offer is public, but the result can go either way," said Juho Saarinen, an analyst at OP Group in Helsinki. "The offer was a surprise for me, but of course quality companies like Uponor are always targets for bigger companies."

(Updates with Oras Invest comment from lead, shares in fourth paragraph)