

Uponor rejects sweetened offer from Aliaxis



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Ipex Inc.

Aliaxis SA's Ipex business is already a top maker of PVC pipe. It is looking to extend its market base with a proposed acquisition of Uponor.

Uponor Oyj has rejected a sweetened buyout offer from Brussels-based Aliaxis SA.

Aliaxis, which owns Pineville, N.C.-based pipe extruder Ipex USA LLC, announced May 22 that it was offering 25.75 euros per share for Uponor. That's up from the April 17 offer of 25 euros per share.

Vantaa, Finland-based Uponor immediately rejected the higher

bid, which valued the company at 1.87 billion euros (\$2.06 billion).

"The board unanimously concludes Aliaxis' current offer is insufficient in light of the company's value and its future prospects," Hans Sohlström, an Uponor board member chairing an ad hoc deal committee, said.

"As we have mentioned previously, the board has received other indications of interest and is currently investigating the company's strategic alternatives in this regard. We are looking to secure the best outcome for the company's shareholders," Sohlström said.

The higher bid came a week after Aliaxis announced that it now owns 20 percent of Uponor, which extrudes high density

polyethylene and cross-linked PE (PEX) pipe.

While the latest offer price is 3 percent higher, it is below the May 19 closing price of 26.38 euros for Uponor shares on the Nasdaq Helsinki, Uponor officials said.

Aliaxis' pursuit of Uponor has generated interest from other potential buyers and partners, according to Sohlström.

Uponor's largest shareholder, Oras Invest, has about a 25.7 percent stake in the company.

The latest proposal represents a premium of about 54.7 percent to Uponor's closing price on April 13, according to Aliaxis officials.

"We believe the offer will be successful," Aliaxis CEO Eric Olsen said in a news conference, saying the price takes into account the combined value that Aliaxis and Uponor could generate together.

"I view this as a friendly offer to Uponor shareholders. This is well above what we believe any private equity company would be able to offer," he added.

Aliaxis officials contend a deal would be mutually beneficial to offer a wider range of products to modernize water infrastructure while facing uncertainty in the building and construction market.

Aliaxis has 75 manufacturing operations in more than 40 countries that generated sales of 4.3 billion euros (\$4.67 billion) in 2022. The company operates in North America as Ipex, 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.

Uponor posted 2022 sales of 1.4 billion euros (\$1.5 billion). In North America, it 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.