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Trelleborg acquires stake in Pipe Seal Company to gain market-leading position in North America

Trelleborg has, through its business area Trelleborg Industrial Solutions, signed an agreement to acquire a 51-percent stake in the North American group, Max Seal, which develops and manufactures polymer-based sealing systems for various types of pipes deployed in water and wastewater systems.

Mikael Fryklund, President of the Trelleborg Industrial Solutions business area, says: “This jointly owned company provides us with a broader customer base, an extensive and competitive product mix, and improved geographic presence. Trelleborg commands a strong position in pipe seal systems in the European market, and we can now offer our customers enhanced global support, which will create new potential for expansion. Max Seal has extensive experience in the field of pipe seals and is highly regarded, with leading-edge expertise particularly in product development and manufacturing of molded seals, which we will be able to leverage in other parts of our operations.”

The acquisition will create a market-leading position in North America, while complementing Trelleborg's existing range and presence in the U.S. It will also provide access to the rapidly growing markets in Latin America.

Bill Hagenberg, of the Trelleborg pipe seals operation, commented: “The strategic JV between Trelleborg and Max Seal will give our pipe seals operation important worldwide expansion allowing it to better serve its increasingly global customer base. Jointly, Trelleborg and Max Seal will provide a strong portfolio of products, combining Trelleborg's smaller sized offering with Max Seal's larger pipe diameters. Our Powerlock is a superior product for integrated sealing of PVC pipes especially up to 400mm.

“We believe our combined expertise in the plastic pipe industry and in designing solutions for challenging structural wall pipe applications will prove of great value to our customers. The JV will also give us the chance to optimize our production and manufacture in the Americas for local consumption. This fits perfectly with the Trelleborg strategy of creating market leading positions globally and servicing customers locally.

“The relationship between Trelleborg and Max Seal began in 2011 when the two companies successfully entered the Mexican market together. Customers welcomed the combination of the solid Trelleborg Group and the Max Seal team, with its strong experience in the pipe industry.



Trelleborg and Max Seal have an excellent working relationship and we believe by investing in the Max Seal business, we will be an outstanding supplier to pipe producers in the Americas.”

Alan Guzowski, Max Seal Group and managing director of the newly created joint venture, says: “We strongly believe that customers in both North and South America will benefit from the cooperation and JV between Max Seal and Trelleborg. It enables us to invest heavily in our joint future and offer high quality products to the Americas.

“Jointly we have a wealth of knowledge in pipe sealing, which we will use to the benefit of our customers. Max Seal and our customers will benefit from Trelleborg’s involvement and the polymer knowledge it can provide. Since we began our activities in the U.S. in 2008, Max Seal has grown to hold a solid position in the PVC pipe sealing market and has been warmly welcomed by our customers as a reliable, service-orientated partner. With the JV, we can now take our association with Trelleborg to the next level, to service customers in Latin America as well as in the U.S.”

Trelleborg Pipe Seals, also known under the Forsheda brand, holds a strong position on the European market and supplies superior integrated and non-integrated sealing solutions for plastic pipes. Max Seal, a relatively young company but with a management that has a strong heritage in the plastic pipe industry, builds on its strong position in the U.S. and Mexican market for PVC pipes seals.

Max Seal has its main facility in Tijuana, Mexico, and a sales company in the U.S. Net sales in 2013 amounted to approximately SEK 80 M. The transaction is expected to be finalized during the first quarter of 2014.

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About Trelleborg Industrial Solutions, the pipe seals operation and Trelleborg Group:

The Trelleborg pipe seals operation is part of Trelleborg Industrial Solutions business areas that focuses on providing critical polymer-based solutions in such industrial areas as fluidhandling solutions, industrial antivibration solutions and selected industrial sealing systems. The business area aims to accelerate its customers’ businesses by providing complete product and solution packages, supplied globally and supported locally.

The pipe seals operation develops, manufactures and markets polymer based sealing solutions for water, drainage and sewerage pipeline systems. It offers highly specialized solutions to create added value for customers under the world renowned brand Forsheda and has pioneered many new sealing systems including integrated seals. The operation is a partner to all leading pipe manufacturers in the world. www.trelleborg.com/Pipe-Seals



Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative engineered solutions accelerate performance for customers in a sustainable way. The Trelleborg Group has annual sales of about SEK 21 billion (EUR 2.5 billion, USD 3.3 billion) in over 40 countries. The Group comprises five business areas: Trelleborg Coated Systems, Trelleborg Industrial Solutions, Trelleborg Offshore & Construction, Trelleborg Sealing Solutions and Trelleborg Wheel Systems. In addition, Trelleborg owns 50 percent of TrelleborgVibracoustic, a global leader within antivibration solutions for light and heavy vehicles, with annual sales of approximately SEK 15 billion (EUR 1.7 billion, USD 2.3 billion) in about 20 countries. The Trelleborg share has been listed on the Stock Exchange since 1964 and is listed on NASDAQ OMX Stockholm, Large Cap. www.trelleborg.com