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## THE REAL DEAL

Made-in-Canada acquisition aims to shake up the *status quo* in global packaging machinery landscape  
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JEREMY PATTEN, PRESIDENT,  
ATS PRODUCTS & FOOD TECHNOLOGY

#PAXIOMLV

Jeremy Patten (left), president of the ATS Products & Food Technology group, joins Paxiom Group's vice president of commercial operations Nick Taraborelli on the floor of Paxiom's flagship Xperience Center and integration facility in Las Vegas, Nev.



# HAPPY TOGETHER

Landmark acquisition sets stage for an exciting future for stalwart Canadian packaging OEM as a core part of a fast-growing global automation powerhouse

**By George Guidoni, Editor**  
**Photos by Pierre Longtin**

If making a whole bigger and better than the sum of its parts is a hallmark of a successful M&A strategy, then the recent acquisition of Canadian packaging machinery stalwart **Paxiom Group** by Cambridge, Ont.-headquartered automation powerhouse **ATS Corporation** could well be the start of an exciting new chapter in the history of both like-minded, globally-operating businesses with stellar reputations for manufacturing excellence and world-class technological competence.

Formally completed this spring, the multimillion-dollar transaction seems to

have no limits to the high expectations and a wealth of new growth opportunities unleashed by this uniquely amicable, made-in-Canada coming together of two undisputed industry leaders in their field.

According to Jeremy Patten, president of ATS Corporation's **Products & Food Technology** group, ATS has always had a strong acquisitive streak in it ever since the company was founded by German immigrant to Canada Klause Woerner in 1978.

This has only accelerated with the introduction of Andrew Hider as the CEO in 2017, having achieved signifi-

cant growth for the TSE (Toronto Stock Exchange) and NYSE (New York Stock Exchange)-listed ATS—both organically and through timely strategic acquisitions—along with a strong international profile and reputation as one of the world’s largest factory automations systems integrators.

That robust market growth and an appetite for deal-making have significantly intensified in recent years, says Patten, who joined the company seven years ago after senior postings at major manufacturing conglomerates **IDEX Corporation** and **Danaher Corporation**.

“Seven years ago we were a \$900-million company with a 10-percent operating profit,” says Patten, “whereas our latest fiscal year has just ended with \$3-billion in sales and just over 13-percent adjusted operating profit.

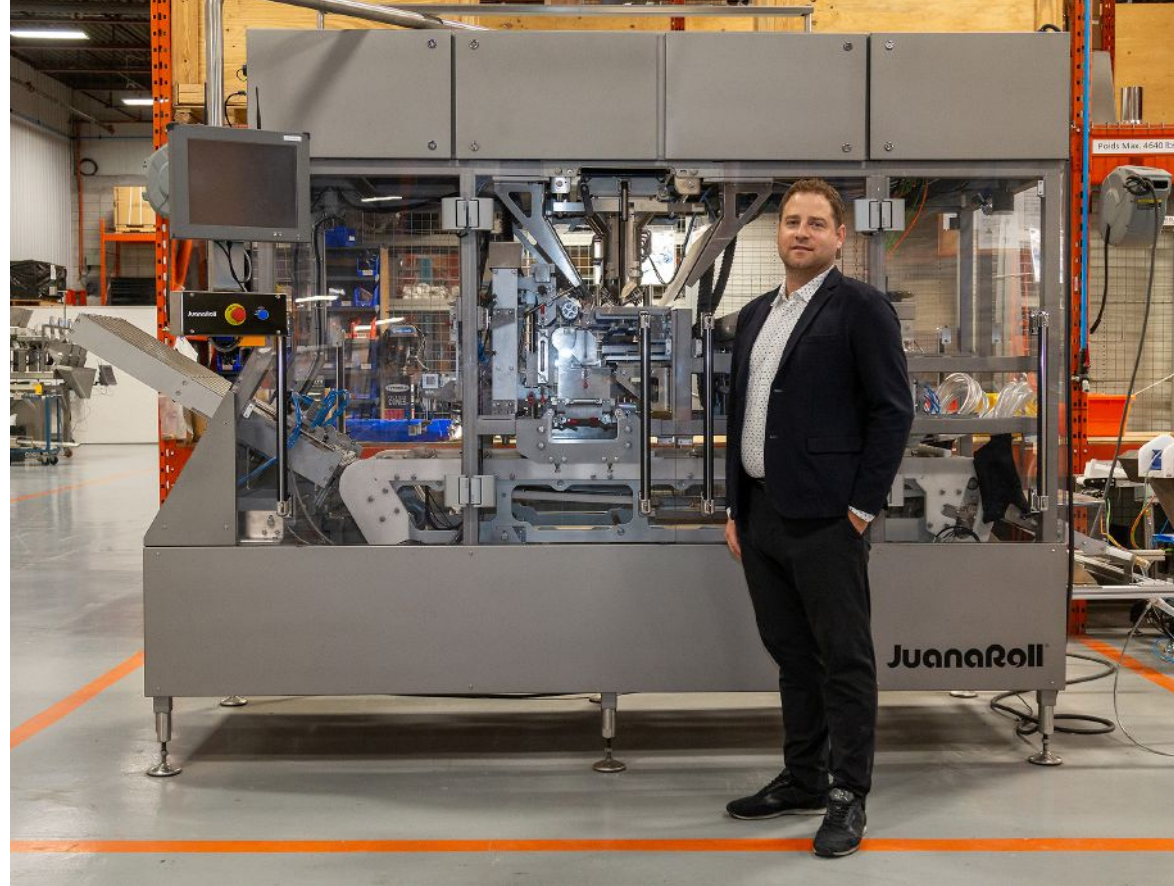
“So it’s been a tremendous growth story, with acquisitions also playing a major part in it.

“We have done 24 acquisitions in the last five years,” says Patten, noting that the ATS Packaging & Food Technology now comprises 13 different but complementary global businesses that include well-known names like **CFT, IWK, Raytec Vision, Co.Mac, NCC Automated Systems, Marco, Siapi** and **Rolec**.

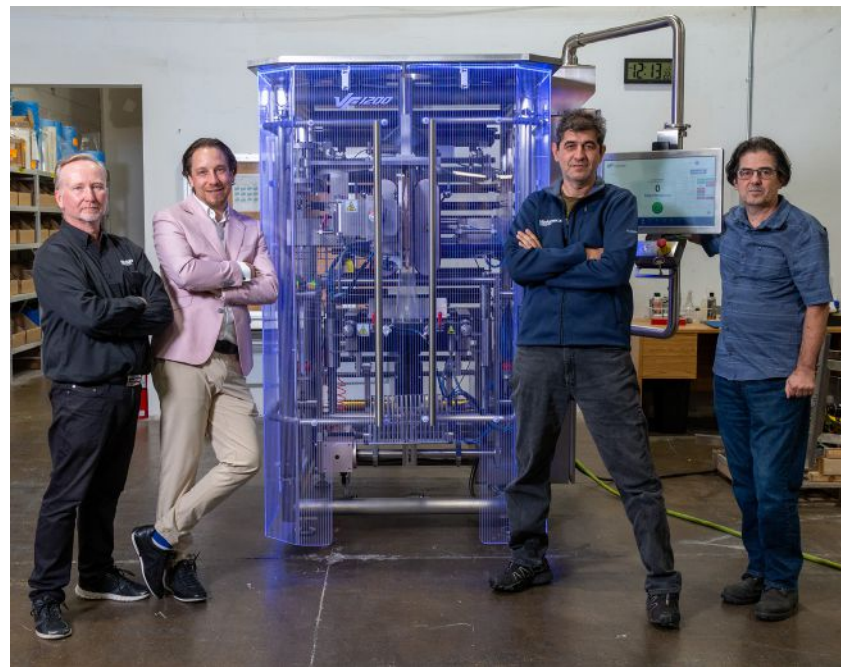
As Patten relates, one of the things that made Paxiom Group a tempting acquisition target was the fact that the family-owned company—founded in Montreal by Louis Taraborelli in 1991—was already a full-fledged total system solutions provider with a global network of manufacturing plants producing high-quality packaging line equipment for food applications.

Manufacturing well over 400 machines per year, Paxiom’s impressive product portfolio includes **WeighPack, EndFlex, ValTara, Kang Di**, and Paxiom’s flagship **Xperience Center** and integration facility in Las Vegas, Nev.

Critically for ATS, Paxiom Group’s



**Above**  
Paxiom’s vice-president of operations Justin Taraborelli in front of Paxiom’s fully-automatic JuanaRoll cannabis machine.



**Left**  
Paxiom’s vice-president of innovation James Taraborelli (second from left) joins his team by the WeighPack VF 1200 vertical bagging machine.

**“With much of Paxiom’s sales being based here in North America, there is a natural geographic synergy for us to share customers and to grow the business across two opposite geographies.”**

strength and high profile in the North American markets perfectly complements its own leading presence in the European markets with hardly any product overlap or duplication worth mentioning, as Patten points out.

“Prior to Paxiom, none of our Packaging and Food Technology group of companies actually manufactured in Canada,” Patten points out, “so there are some really exciting new synergies for us to explore.”

Says Patten: “With much of Paxiom’s sales being based here in North America, and our food businesses having such a strong market penetration and great customer relationship throughout Europe, there is a natural geographic synergy for us to share customers and to

grow the business across two opposite geographies.”

Paxiom’s familiarity and good standing with the North American food business was also a highly appealing reason for the acquisition for a company making a concerted effort to grow its global food and packaging business, according to Patten.

“From an ATS perspective, our four criteria for looking at acquisitions starts out by evaluating how attractive the market is,” Patten explains, “and we like the food and packaging market precisely because it is not highly cyclical and is also recession-proof, to an extent.

“Our second criteria is whether the acquisition is strategic—whether one plus one equals more than two, and that we can do thing better together than independently,” he explains.

“We also look at the company’s operational fit in terms of being adaptable to our ‘ATS business model’ of lean manufacturing and continuous improvement,” says Patten, citing the company’s ‘decentralized’ approach to day-to-day management.

“So we had to look at the strength of the leadership team,” Patten says, “and we found that the three Taraborelli brothers who helped family patriarch Louis build up a world-class business—Justin, James and Nick—would fit in perfectly with the ATS work culture that values autonomy and innovative thinking.

“And lastly, being a public company that must provide a return on investment for our shareholders, we had to make sure that the deal would make business sense for them.

“After a lot of due diligence and a lot of travel, it became very clear that Paxiom ticked off all four of the boxes,” Patten says, adding that he expects things to run “business as usual” for the Paxiom operations going forward.

Naturally, this respectful and thoughtful on-boarding process helped to ease any anxiety among Paxiom’s 300-strong workforce.

As Paxiom’s vice-president of operations Justin Taraborelli explains, “ATS is a globally respected technology company that values exceptional products.

“As a product-driven company ourselves we see immense potential in collaborating with ATS to deliver seamless turnkey solutions and leverage the ATS ecosystem for enhanced collaboration across all entities,” he states.

“The decentralized business model fosters entrepreneurship and deep commitment within each entity, while ATS’s support empowers us to drive significant growth and innovation.

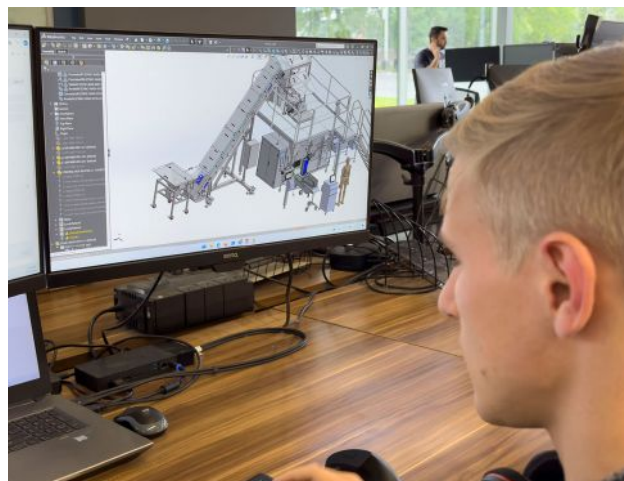
Adds Justin: “ATS is led by a dynamic, leadership team that deeply values decentralized ownership, even at the



**A bird's-eye view of the extensive range of high-performance packaging machinery displayed on the plant-floor of Paxiom's Xperience Center facility in Las Vegas for customer demonstrations and trial runs.**



**Paxiom's director of operations and service Mark Conforti (foreground) with the customer service and technical support team.**



**An engineer looking over the CAD image of a turnkey Paxiom packaging line design on his desktop computer screen.**

employee level.

“We’ve fostered an ‘owner-driven’ mindset among our employees, enabling us to seize complex opportunities while maximizing profitability,” he relates.

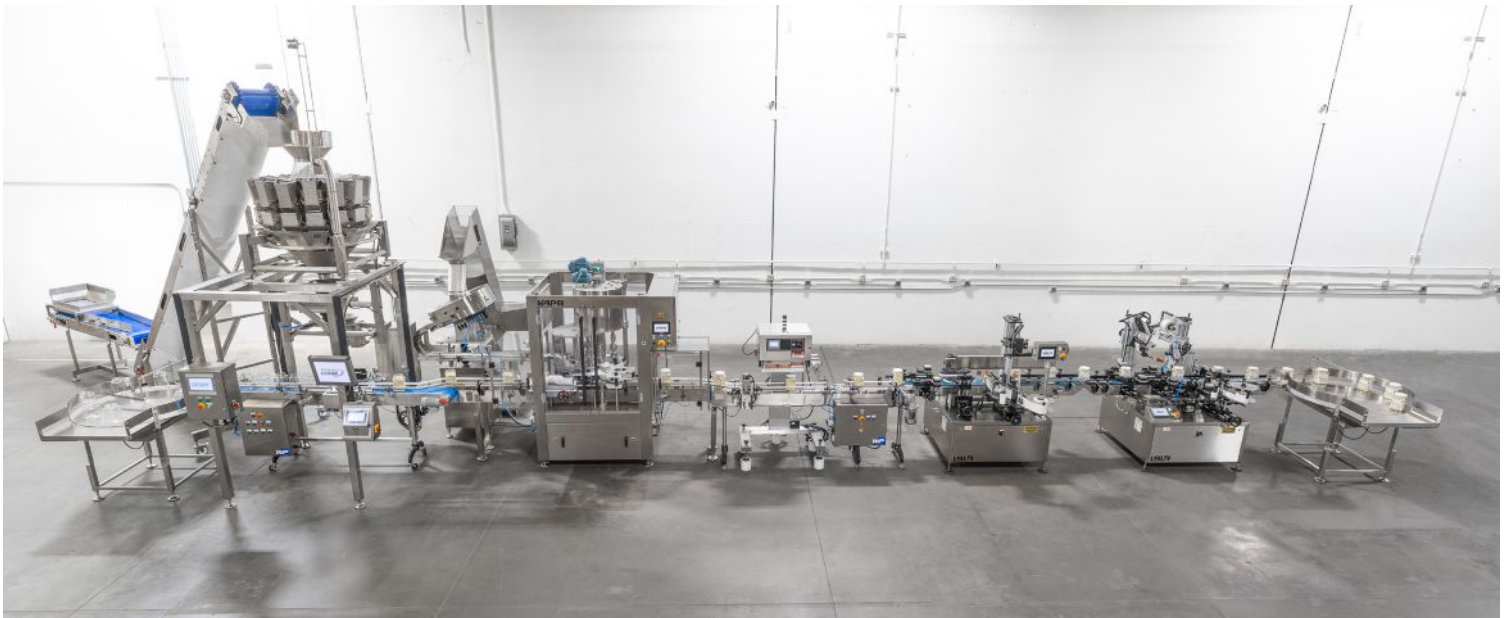
“We believe that ATS will not only invest in our operations but also support our autonomy—allowing us to continue growing while maintaining our entrepreneurial spirit.”

As Paxiom’s director of operations and service Mark Conforti concurs, “The acquisition of Paxiom Group by ATS Automation is a hugely exciting development for both organizations and customers.

“Combining the operational strengths of both companies has already led to synergies that are driving innovation which ultimately will benefit our customer base with a wider range of high-quality automation solutions,” he says, “expanding Paxiom’s global presence with enhanced support, tools and service network to ensure a quicker response time and better customer service experience at a global level.

“With ATS being one of the largest integrators in the automation industry and their ‘customer first’ culture, they can leverage Paxiom Service’s established support systems including knowledge base, instructional videos and FAQs (frequently asked questions) as a platform to gain deeper insights into customer needs and preferences—enabling a more personalized and effective experience across all ATS North American companies,” he elaborates.

“Such partnerships are essential for driving growth, improving customer



The full side view of a fully-integrated turnkey packaging line, consisting almost entirely of Paxiom-built machinery, at a customer's facility.

***“In today’s fast-paced environment, it is crucial to create machinery that enables operators and maintenance teams to ensure seamless operation and prevent production downtime.”***

satisfaction, and achieving a better future for our industry,” Conforti asserts.

For Paxiom’s vice-president of innovation James Taraborelli, the landmark acquisition is in many ways a validation and endorsement of the company’s flair for design and manufacturing innovation that played a large role in Paxiom becoming a major player in the cannabis industry through stunning market success of the company’s fully-automatic *JuanaRoll* cannabis flower pre-roll machines, along with continuous improvement of all its other major product offerings.

“Over the past several years, we have been dedicated to reshaping our product line to ensure we’re well-positioned for continued growth in targeted global

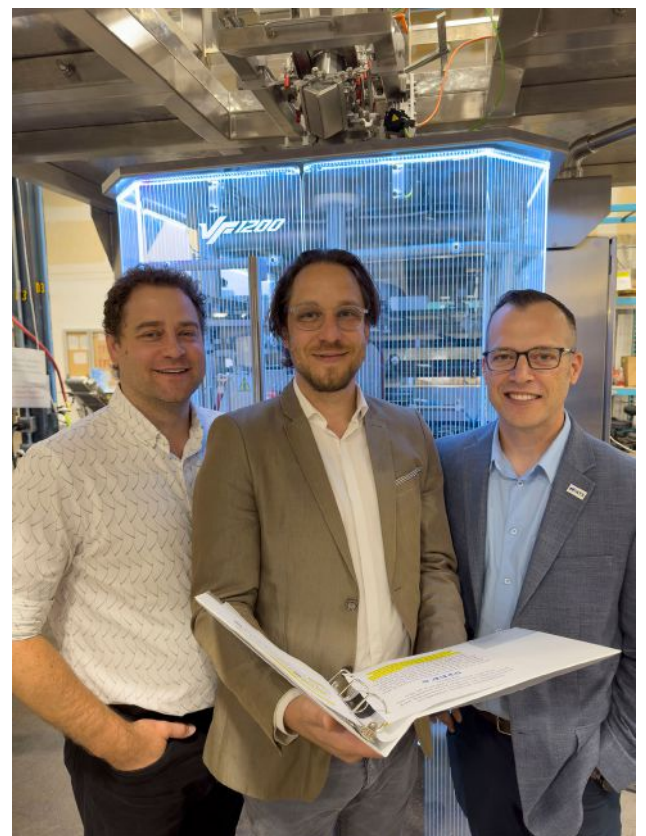
markets,” he states.

“The key products in this evolution include our high-speed vertical bagger-family (VF Series), bag insertion and un-cuffer systems (BI, BU, BUSV), our Delta Robot (PKR), and the continuous expansion of our offerings dedicated to the cannabis industry.”

Says James: “Our team is focused on developing new and enhanced features, such as high-pressure washdown capabilities and preventative and predictive maintenance systems.

“These innovations empower our customers to address potential issues before they arise,” he states.

“In today’s fast-paced environment, it is crucial to create machinery that enables operators and maintenance teams



to ensure seamless operation and prevent production downtime.”

For Patten, such sentiments offer compelling proof of a “great alignment between both companies’ respective work cultures and values.

“Our core values are simple: people, process and performance, in that order,” Patten states.

“So we’re going to want to recruit, retain, develop the best people,” he asserts, “because it is those people that are going to drive the process, discipline, the

**From left Justin and James Taraborelli join ATS Food & Technology group’s president Jeremy Patten for a group shot at WeighPack’s manufacturing facility in Montreal.**



Paxiom Group's WeighPack manufacturing facility in Montreal is one of the company's biggest production sites worldwide.

continuous improvement mindset, that ATS business model, and the overall continuous improvement that's going to yield long term performance for the organization."

Says Patten: "We're really excited to have them (Paxiom) as a part of the organization because in addition to the great alignment, they offer a great growth story.

"It is our goal is to help support and drive profitable growth for their business so that we can the next chapter of the Paxiom Group by continuing to see its trajectory and its growth potential fully realized," he states.

As Patten explains, "You can't be an expert in everything, and by joining a group that has such a diverse amount of technology and geographic focus areas you don't have to be.

"You can just be an expert in your space, but you can also leverage existing built-in partnerships to find ways to drive synergy to improve your expertise even further.

"The way that technology moves these days, it is hard to do everything by yourself," says Patten, adding the company has no plans for any major rebranding overhaul for any of Paxiom's core brands or product lines.

"The Taraborelli family has done a tremendous amount of work to build brand equity and the organization's credibility," he says, "so the last thing we would want to do is anything that potentially disrupts that credibility and brand recognition.

"We should only be adding to it, not taking away from it," says Patten. "Our job is to help them grow into other markets and other spaces.

***"You can just be an expert in your space, but you can also leverage existing built-in partnerships to find ways to drive synergy to improve your expertise even further."***



**Close-up of the PKR Delta pick-and-place robot incorporated inside the ValTara case-packing machinery for gentle high-speed loading of pouches and other packaging formats inside shipping trays and/or cases.**

"They already have the technology and the know-how," he concludes, "and it is now our job is to figure out how to unlock all that potential to help them grow into other new markets and geographic locations."

For vice-president of commercial operation Nicholas Taraborelli, the ATS acquisition is a truly milestone game-changing event in Paxiom's already successful history.

"We accomplished so much in this industry in a short amount of time, having built a tremendous business with manufacturing facilities in four countries and an incredibly diverse, deep and innovative portfolio of products," he states.

Says Taraborelli: "We were trailblazers in so many respects including joining PMMI as a Canadian company in the '90s, the first packaging machinery company in Las Vegas over 22 years ago and the first to widely promote showrooms with our Xperience Center, establishing in China over 20 years ago, and the first packaging OEM to enter the cannabis market.

"These are experiences that I can look back upon fondly and tell my kids about," Taraborelli extols.

"I am appreciative of our incredible employees—past and present—my family, my friends, and our loyal customers who had supported that scrappy hard-working company on William Street in 1991 to the equally hard-working multinational that we had become," Taraborelli concludes.

"We now celebrate the future with ATS—a world-class organization with significant resources to propel Paxiom even further to the benefit of its employees and valued customers."



PACKAGING & FOOD  
TECHNOLOGY

# OUR PURPOSE

Creating Solutions that Positively  
Impact Lives Around the World.

In support of the ATS purpose, our solutions impact lives across every geography and a multitude of industries. Leaders innovate – and our mission is to drive continuous improvement for our employees, customers, and shareholders. We accomplish this through a clear commitment to employee engagement programs, continuous improvement, innovation, world-class service and support, and the highest quality, productivity, and sustainability standards.



# ATS PACKAGING & FOOD TECHNOLOGY BUSINESS UNITS

## PAXIOM GROUP



Customer Xperience Center & team dedicated to first class customer service, sales, and systems integration



Primary packaging automation including filling, bagging, wrapping, conveying and turn-key systems.



Secondary packaging and end of line automation including case/tray forming, packing & palletizing.



Flow wrapping and delta robotic case packing.

## CFT GROUP



Global leader in Primary Processing Automation and Packaging for Food, Liquid Food, & Beverage



Beer and Carbonated Beverage Bottling, Canning, and Kegging



Leading technology in high speed Optical Sorting & X-Ray Inspection



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