



By Maura Maxwell

Wednesday 12th October 2016, 9:08 GMT

Tomra to buy Compac in NZ\$70m deal



Deal will strengthen both companies' presence in key markets and sectors, Tomra said

Tomra Systems has signed an agreement to acquire New Zealand sorting machine manufacturer Compac for NZ\$70m (US\$49.5m). The deal is expected to take place during the first quarter of 2017, subject to regulatory approval.

Tomra's president and CEO Stefan Ranstrand said the move would consolidate its position within the food segment, making it the first player to offer its customers both line and bulk sorters for fresh and processed foods.

"The food market is large and continuously growing with requirements around food safety and quality becoming increasingly more stringent," the company said.

"Food producers are also consolidating, becoming larger, more sophisticated and more global. As a leading technology supplier into this industry we see clear advantages in mirroring this trend."

Compac is a New Zealand-based provider of post-harvest solutions and services to

the global fresh produce industry. It specialises in the sorting of apples, kiwifruit, cherries, avocados and citrus. The company designs, manufactures, sells and services packhouse automation systems that sort fresh produce based on weight, size, shape, colour, surface blemishes and internal quality.

Established in 1984, the company employs approximately 700 people across locations in New Zealand, Australia, the US, China, Latin America, South Africa, Spain and Italy. About 6,000 Compac sorting lanes have been sold worldwide in over 40 markets.

"Market forces have driven double-digit growth at Compac over recent years, and we have rapidly become a global business from humble New Zealand roots," said Compac CEO Mike Riley.

"Joining forces with Tomra will enable us to continue to meet the increasing demands for our products and services in a more scalable and operationally efficient manner."

Tomra Sorting Food designs and manufactures sensor-based sorting machines for the food industry. Over 5,900 systems are installed at food growers, packers and processors worldwide.

The company provides high-performance optical sorters, graders, peeling and process analytics systems for nuts and seeds, dried fruits, potato products, fruits, vegetables, meat and seafood.

"Compac serves complimentary food sorting markets, which is a very welcome addition to the Tomra Sorting food business," said executive vice president and head of Tomra Sorting Volker Rehrmann.

"We see our customers' needs evolving and with our complementary solutions and an increased ability to leverage our combined food sorting technologies, we are ready to meet future customer needs."

Ranstrand added: "We will strengthen

each other's presence in key markets, as well as consolidate and leverage our global operations. We will continue to invest in Compac's Auckland-based R&D activities as our centre of excellence for

lane sorting for Tomra worldwide. Compac and Tomra share common values of customer satisfaction and lasting partnerships. Under the new umbrella, customers will benefit

from the shared focus of both companies on food safety, food quality, improved yield and productivity. “

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