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Perth family-run Catalano Seafood turns to sharemarket with ASX listing

By **CLIONA O'DOWD**, JOURNALIST

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For most families, salmon, bonito and prawn are a seafood feast. For the Catalano family, it's big business. Since 1969 – starting as a fish shop in Perth – Francesco Catalano and his sons have bought, sold and processed seafood.

Next month, they will become the newest – perhaps the most peculiar – additions to the ASX. Run by Francesco's son Nick, the business is attempting to raise up to \$6m to upgrade its processing facilities in Bassendean, Perth.

“The vision of growth really came from myself and (brother) Paul,” Nick Catalano says.

“As youngsters involved in private enterprise you become ambitious and I think in the early 80s we built a processing facility to go into wholesale ... we've been innovators in the retail industry.

But why float the family business, especially now? “Well, you get to a point where you have to take a giant step ... you can’t go back and become smaller and you can’t stay the way you are,” Catalano tells *The Australian*.

“Listing and having this capital injection will enable us to achieve some of our goals that relate to the real growth plan.

“After 50 years, customers have supported us for all that time and we need an opportunity for the customers to reinvest in the company if they want to do so.”

According to prospectus, Catalano Seafood employs 80 staff and has 60 customers and distribution through Metcash, the operator of IGA supermarkets.

Plans to significantly expand distribution into Malaysia, first raised in 2020, have so far come to naught although there are some exports to Asia, although they are “not material”, it notes.

The money raised through the float will allow Catalano Seafood to increase its processing capacity and expand its operations – it distributes prawns, oysters, salmon, snapper, barramundi and other fish – to Australia’s east coast.

It is also not without ASX-listed peer. Tassal, which has been listed in 2003, may be focused on salmon farming but has been involved with the seafood processing business in a large way since purchasing De Costi – founded in 1981 at the Sydney Fish Market – for more than \$50m in 2015.

At listing – expected on February 24 – Catalano will have a market value of around \$17m.

It has, however, recorded losses in recent years. In the financial year to June 30 – off \$17m in sales – Catalano lost \$500,000. It also posted losses of \$461,000 in 2020 and \$864,000 in 2019, according to figures in the prospectus.

Beyond its wholesale seafood business, the company runs three stores in Perth, has three Catalano-branded IGA projects and operates six unbranded shopfronts.

Its products, Catalano says, is in over 50 supermarkets.

“We’ve been in growth mode now for a couple of years,” says Catalano. “And particularly in the last year, year and a half. We’ve now got an office in Melbourne and as a matter of fact, just before Christmas, we put some of our frozen products into the Lorenz group – they’ve got four supermarkets there, IGAs.”

The capital raise will allow the company to buy equipment – portioning and packing machines – Catalano says.

But the main drawcard will be work on what the company describes as its “seafood management system” – a turnkey fish market that can be installed at any independent supermarket.

“They don’t really have a solution, so that is what we are offering, we are giving them the opportunity to have seafood as part of their range of sales,” Catalano says. “We’ve only just started out plan of expansion, we’ve been waiting to be listed so we’re a bit more comfortable financially.

“The next stage in Melbourne will be a pilot sometime though January or February.

“We hope over the next two years we would have at least 40 independent IGA outlet with our brand in it,” Catalano says. All the fish comes from Western Australia, South Australia and Tasmania, he adds, although the plan is to begin some processing in Malaysia in the future.

The listing is being managed by RM Corporate Finance and Auspac Financial Advisory.

Despite the listing, the Catalano family will remain heavily involved in the business.

“Going back to the late 1960s, early 1970s, with the ethnic background it was just a natural thing for us to do – work as a family and try to build a decent backbone for the future of the family,” he says.

“It was quite natural.”

“I was fortunate enough to have three boys and my sister was also a part of our business for a long time and her son, my nephew, is also with us, so, you know, the kids are very involved from when they were very young, working on holidays, following dad around and so, once again, they grew into it,” he says.

“One of them actually did marine biology and aquaculture and learnt a little bit more about the industry, and knowing where the business might go in the future, so yes, they’re all still here.”

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Cliona O'Dowd joined The Australian in 2016 and writes on financial services. She was previously the editor of business news and commentary website Business Spectator. Before moving into journalism she spent a ... [Read more](#)



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