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\$100m aim for 'retail's best kept secret'

Headed by Richest 250 member Fung Lam, New Aim is an Australian e-commerce success story, which is seeking external capital for the first time to bolster growth.

By JOHN STENSHOLT

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Macquarie has been hired by one of Australia's most successful private e-commerce firms to raise up to \$100m to bolster growth plans, but also shore up its balance sheet after its founder parted ways with his business partner last year.

New Aim, founded by 40-year-old Fung Lam – on [The List – Australia's Richest 250](#) – is a little known but previously highly profitable powerhouse behind the local e-commerce industry.

[So quickly has New Aim grown in recent years](#) that it has gone from one warehouse with 11,000sq m of space in 2013 to selling 6000 products. Its annual revenue is around \$300m.

New Aim has high hopes for its drop-ship wholesaler and supplier DropShipZone, aiming to roll out the service to small and medium-sized businesses around the country.

Macquarie has recently sent a teaser document to prospective investors spruiking New Aim and the potential of the DropShipZone division, as well as its proprietary technology that uses artificial intelligence to improve procurement processes, and is likely seeking a capital injection of about \$50m-\$100m for an undisclosed stake.

Sources have indicated Macquarie will likely target private equity investors and should a deal eventuate it would be the first external funding Lam has taken in New

Aim, based in Melbourne, after founding it in 2005 after graduating from university.

The teaser, dubbed Project Hawkeye and seen by The Australian, describes New Aim as "Retail's best kept secret" and said the company's revenue was projected to reach about \$400m in the 2023 financial year.

The document says New Aim's blue chip customer base, including the likes of David Jones, Myer, Big W, Harvey Norman and Costco Wholesale, represents more than 60 per cent of Australia's retail sales.

"New Aim is Australia's leading all-in-one, mission critical e-commerce specialist," the Macquarie document says.

It forecasts the local online shopping industry to reach \$61bn by 2025 and outlines how New Aim is integrated with 35 online marketplaces and retailer online channels across Australia and New Zealand.

New Aim's most recent financial report lodged with the corporate regulator for the year to June 30, 2021, shows the company made a \$39m net profit from \$343m revenue. It reported pre-tax profits of more than \$62m.

[Mr Lam, who debuted on The List in March with estimated wealth of \\$944m](#) based on his New Aim ownership, gained full control of the company last year after a legal battle with co-owner Werner Liu, who will receive about \$101m after the pair split.

The Australian understands concerns about New Aim's debt levels as a result of borrowing to fund the settlement led to advisory firm McGrathNicol recently being called into New Aim.

Macquarie was subsequently hired to seek external funding.

Mr Lam started in business by buying goods in bulk from two-dollar discount shops and selling them on eBay for profit.

"I think the best deal I did then was buying a laminating machine for \$40 and then selling it again online for \$80, including postage," he told The Australian in an interview this year.

New Aim still has a big presence on eBay with its OzPlaza store, and also has links with more than 400 factories in China that manufacture the company's own product lines, including home decor brand Artiss, Devanti appliances, Gardeon outdoor furniture and Giselle Bedding.

New Aim claims to have delivered to about half the households in Australia over the past four years, through a combination of online retail and wholesale businesses, and a unique "dropshipping" delivery mode that is the quiet yet effective backbone of many e-commerce sites.

In 2021, New Aim delivered about four million parcels.

The company also trades products it sources itself, mostly from China, where it has more than 100 employees, on marketplaces such as eBay, Amazon, Catch of the Day and Kogan.com.

New Aim says it has developed its own technology that uses AI to improve supply chain management and integrate with sales processes, which the company claims enables it to use and manage its warehouses more efficiently. The technology, New Aim management told The Australian this year, allows the business to deliver

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different parcels to different postcodes and use the lowest rate across five to six courier companies.

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John Stensholt joined The Australian in July 2018. He writes about Australia's most successful and wealthy entrepreneurs, and the business of sport. Previously John worked at The Australian Financial Review and ... [Read more](#)



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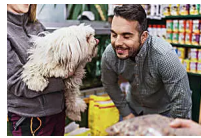
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