

Intel buys Moovit app for \$900M to boost bet on robotic cars

May 4 2020, by Michael Liedtke



In this Nov. 14, 2009 file photo, an ultra-Orthodox Jewish man is seen next to Intel's office building in Jerusalem. Intel said Monday, May 4, 2020, that it has purchased Israeli urban mobility startup Moovit for \$900 million. The California-based chipmaker said the purchase buttresses its plan to become a "complete mobility provider. (AP Photo/Bernat Armangue, File)

Intel is buying transportation-planning service Moovit for \$900 million as the world's largest computer chip maker moves further down the road in its effort to build self-driving cars.

The deal announced Monday gives Intel another tool to use in its push to become a major player in the race to create the technology needed to build fleets of taxis that will be able to transport passengers without a human driver behind the wheel.

Moovit, an 8-year-old company based in Israel, makes an app that compiles data from public transit systems, ride-hailing services and other resources to help its 800 million users plan the best ways to get around. Intel plans to combine Moovit with Mobileye, a self-driving car specialist that Intel bought for about \$15 billion in 2017.

Since that deal, Mobileye's revenue has ballooned from \$210 million in 2017 to \$879 million last year. That's a reflection of the big bets being placed on automated driving by both major technology companies, such as Google spinoff Waymo and Apple, and automakers such as General Motors and Toyota.

"Intel's purpose is to create world-changing technology that enriches the lives of every person on earth," said the company's CEO Bob Swan.



In this March 13, 2017 file photo the Mobileye logo appears on a screen at the post where it trades on the floor of the New York Stock Exchange in New York. Intel said Monday, May 4, 2020 that it has purchased Israeli urban mobility startup Moovit for \$900 million. Intel Corp. paid \$15 billion in 2017 for Mobileye, an Israeli company at the forefront of autonomous vehicle technology. (AP Photo/Richard Drew, file)

Despite its rapid growth, Mobileye still only accounts for a sliver of Intel's annual revenue of \$72 billion.

Intel, which is based in Santa Clara, California, is upping its ante on self-driving cars at a time when many other companies are bracing for an extended economic downturn that already has thrust more than 30 million people into the unemployment lines.

But the stay-at-home orders imposed as part of the global pandemic have only made people more aware of how dependent they are on technology, including the Intel Corp. chips inside personal computers and a wide range of other devices.

While the recession will take a bite out of the technology industry too, the long-term picture for the biggest companies still looks bright. Deep-pocketed companies such as Intel, which is sitting on \$11.4 billion cash, are expected to forge ahead with their investments in fields they believe will turn into gold mines.



In this Oct. 3, 2018, file photo the Intel logo appears on a screen at the Nasdaq MarketSite, in New York's Times Square. Intel said Monday, May 4, 2020 that it has purchased Israeli urban mobility startup Moovit for \$900 million. The California-based chipmaker said the purchase buttresses its plan to become a

"complete mobility provider." The acquisition deepens Intel's reach in Israel, where the company has spent billions buying other companies, and where it has a chip-making factory. (AP Photo/Richard Drew, File)

Intel already acquired a stake in Moovit in 2018 when it was among a group of investors who injected \$50 million into the startup. Since its inception, Moovit had raised more than \$130 million from venture capitalists and other investors.

After Intel invested in Moovit, Mobileye CEO Amnon Shashua joined the startup's board of directors as an observer. Shashau will now oversee Moovit's roughly 200 employees including its co-founder and CEO Nir Erez, who will become an executive vice president within the Mobileye group.

Intel's stock gained 52 cents Monday to close at \$57.99. The shares have fallen by about 16% from their 52-week high reached in January.

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