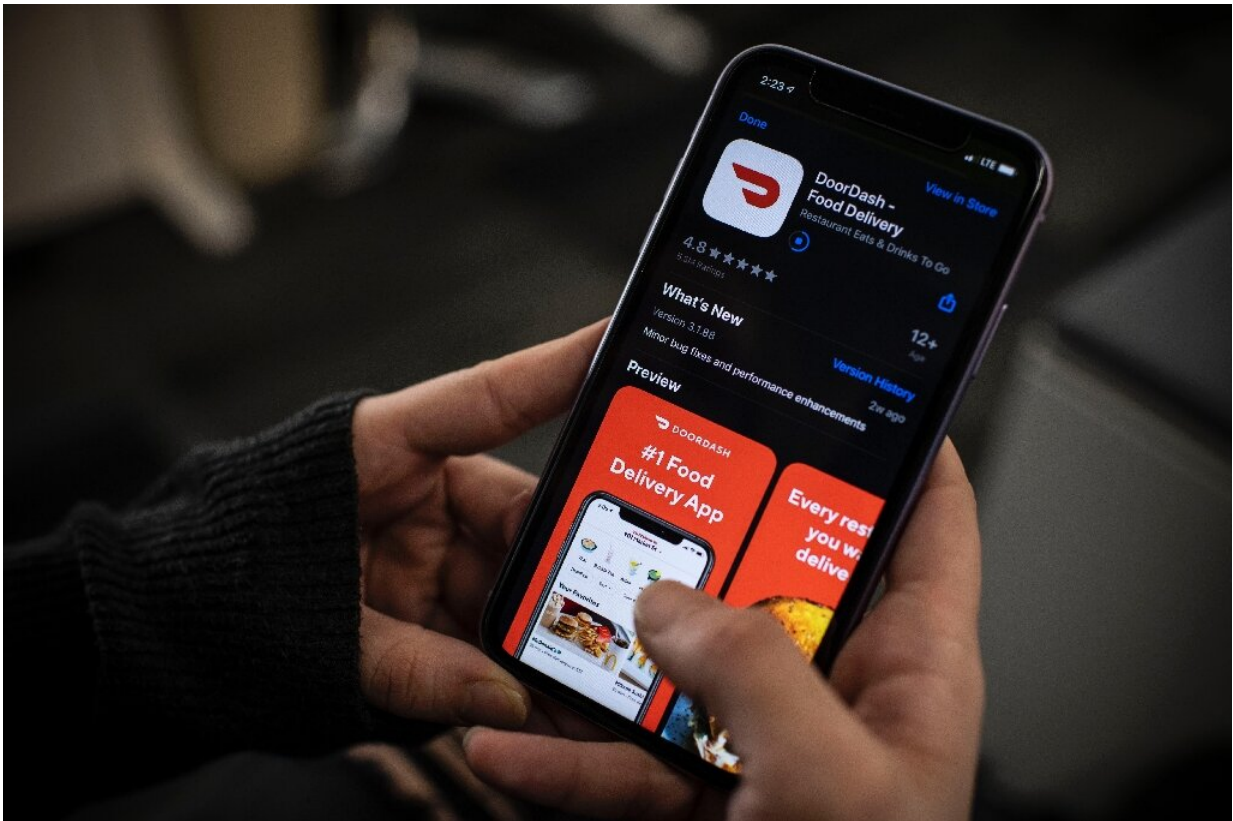


DoorDash valued at nearly \$16 bn in funding round

June 18 2020



DoorDash, which has seen its food delivery business surge in the pandemic, raised \$400 million in a funding round

US delivery startup DoorDash said Thursday it raised \$400 million from investors in a financing round valuing the company at nearly \$16 billion.

The funding round comes with DoorDash and other food [delivery](#) services taking on new importance for consumers sheltering in place due to the coronavirus pandemic.

"DoorDash understands that the world has changed. We continue to have a responsibility to the communities we serve—it's one we take seriously each and every day," the company said in a statement announcing the funding.

"This capital will support new products and services that help our merchants manage the changed operating environment, offer customers convenient and safe ways of ordering and shopping, and enable Dashers to continue making meaningful, flexible income when they need it most."

The financing comes from investment firms Durable Capital Partners LP and Fidelity Management & Research Co., along with current stakeholders and accounts advised by T. Rowe Price Associates, DoorDash said.

DoorDash is the leading restaurant delivery [service](#) in the US with some 44 percent market share in May, according to research firm Second Measure.

The second largest with 23 percent is GrubHub, which agreed this month to be acquired for \$7.3 billion by Anglo-Dutch company Just Eat Takeaway, which outbid US-based Uber which sought to boost its Uber Eats service.

According to Second Measure, 29 percent of American consumers ordered from one of the services in May, up from 23 percent a year ago.

San Francisco-based DoorDash is facing a lawsuit in California, where

authorities say the [company](#) is improperly classifying [gig workers](#) who handle deliveries for the startup on-demand as contractors.

The California law in question affects a number of "gig economy" firms including Uber and is being challenged in the courts.

DoorDash had begun the process of a stock market listing earlier this year before the virus hit the United States.

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