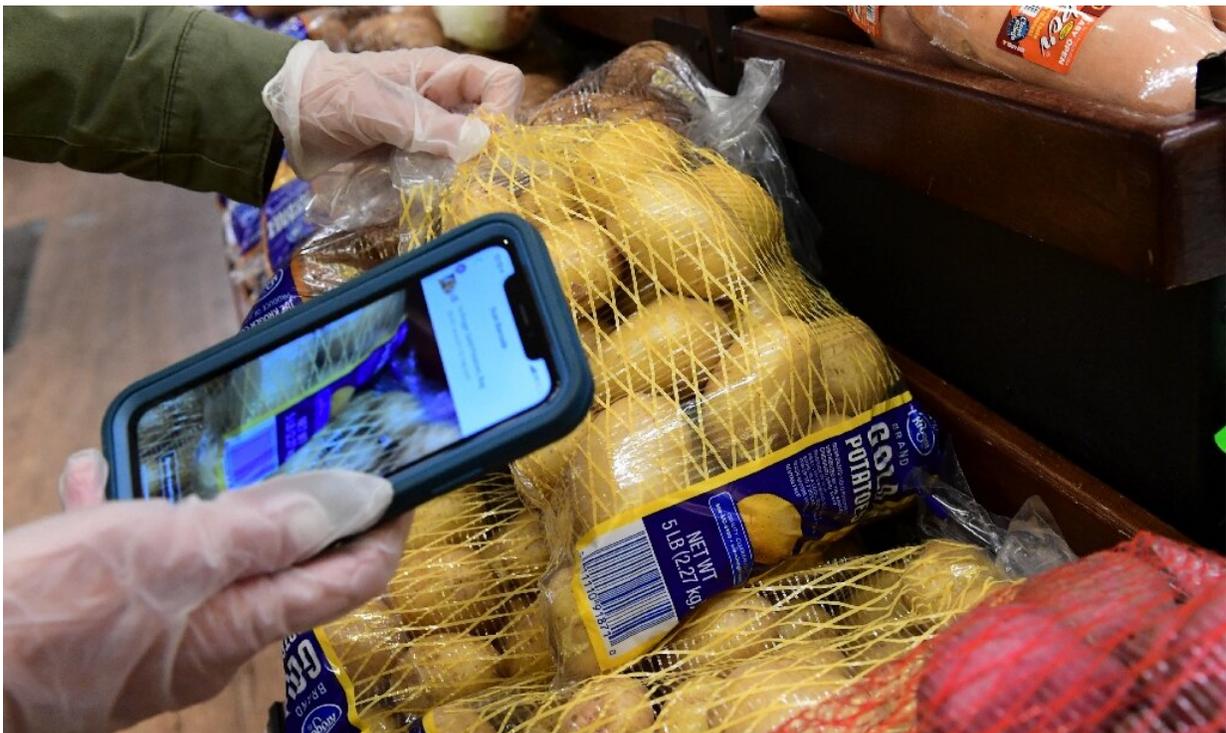


Delivery startup Instacart valued at \$39 bn in new funding round

March 2 2021



Online grocery delivery has seen dizzying growth during the pandemic, helping lift the value of sector leader Instacart to a whopping \$39 billion

Instacart announced a new investment round Tuesday which values the fast-growing grocery delivery startup at \$39 billion—more than double the valuation of just five months earlier.

The California startup said the coronavirus pandemic has highlighted the value of its service which is partnered with hundreds of retailers in the United States and Canada.

The latest funding round of \$265 million comes from existing investors including Andreessen Horowitz, Sequoia Capital, D1 Capital Partners, Fidelity Management & Research Company LLC, and T. Rowe Price Associates.

"Today's fundraising reflects the strength of Instacart's business, the growth our teams have delivered and the incredible opportunity ahead," said chief financial officer Nick Giovanni.

"This past year ushered in a new normal, changing the way people shop for groceries and goods. While grocery is the world's largest retail category with annual spend of \$1.3 trillion in North America alone, it's still in the early stages of its digital transformation."

Instacart said it expects to boost the number of employees by some 50 percent this year and invest in services such as the Instacart Marketplace, which connects customers and retailers, as well as in its platforms for advertising and for [grocery](#) retailers to boost their own e-commerce.

Instacart currently works with some 600 national, regional and local retailers representing 45,000 stores across North American reaching more than 85 percent of US households and 70 percent of Canadians.

Neil Saunders of the research firm GlobalData said Instacart has been well-positioned for growth during the pandemic.

"The pandemic has been extremely advantageous for Instacart. The rise of online sales has forced many traditional retailers to expand their digital presence and to find new ways of getting products to customers

buying remotely," Saunders said in a research note.

"For many, Instacart has been the ideal partner as the platform provides a solution that can be implemented quickly and without vast amounts of capital expenditure."

In October, Instacart raised \$200 million in a funding round that valued it at \$17.7 billion.

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