Instacart Announces $265 Million In New Funding From Existing Investors

March 2, 2021

New Financing Round Led By Andreessen Horowitz, Sequoia Capital, D1 Capital Partners, Fidelity Management & Research Company LLC, and T. Rowe Price Associates, Inc.

SAN FRANCISCO, March 2, 2021 /PRNewswire/ — Instacart, the leading online grocery platform in North America, today announced it has raised $265 million as part of a new financing round led by existing investors including Andreessen Horowitz, Sequoia Capital, D1 Capital Partners, Fidelity Management & Research Company LLC, and T. Rowe Price Associates, Inc. This investment comes as the adoption of online grocery has accelerated and consumer demand for Instacart's delivery and pickup services continues to grow. Today's announcement increases the company's valuation to $39 billion.

"Today's fundraising reflects the strength of Instacart's business, the growth our teams have delivered and the incredible opportunity ahead," said Nick Giovanni, Chief Financial Officer for Instacart. "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. As online grocery penetration increases over the coming years, we'll continue to invest in our people, products and partners to support all of the communities we serve."

Instacart expects to deploy the new capital in a number of ways, including increasing its corporate headcount by 50% in 2021, as well as further investing in several key areas such as the Instacart Marketplace, which connects customers and retailers; Instacart Advertising, which enables Consumer Packaged Goods (CPG) companies of all sizes to reach customers shopping online; and Instacart Enterprise, which supports the entire grocery ecosystem by offering end-to-end ecommerce solutions for retailers.

"The Instacart team unlocked one of the most operationally complex industries and brought it online to the benefit of the entire grocery ecosystem. As a long time investor, we've been incredibly impressed by the team's resilience and how they met the moment of 2020," said Jeff Jordan, Managing Partner at Andreessen Horowitz. "We believe this is just the beginning for online grocery and Instacart is well-positioned to continue to lead in this emerging space."

"Sequoia has been a consistent investor in Instacart since 2013 when we formed our original partnership and the online grocery market was still in its infancy," said Michael Moritz, Partner at Sequoia Capital. "Now, eight years later, Instacart, which has delivered groceries and goods for millions of customers across North America, is the category leader and fulfilling its role as a vital service for consumers, a reliable partner for retailers and an effective platform for advertisers."

"We were impressed with Instacart's ability to meet surging demand in 2020 and are excited to further invest," said Dan Sundheim, Founder of D1 Capital Partners. "We remain bullish about the future of the online grocery space and believe the opportunity in front of Instacart is significant, particularly as the company scales its Instacart Advertising and Instacart Enterprise offerings to help serve its grocery partners."

"Instacart has clearly proved its value for millions of customers, thousands of shoppers, and hundreds of retailers," said Andrew Davis, Director of Private Investments at T. Rowe Price. "We are pleased to continue to invest in Instacart to scale its growth plans and bring more benefits to the grocery e-commerce ecosystem."

Today, Instacart partners with nearly 600 national, regional and local retailers, including unique brand names, to offer delivery and pickup services from more than 45,000 stores to over 85% of U.S. households and 70% of Canadian households. In 2020, the company added more than 200 new retailers and more than 15,000 new store locations to the Instacart marketplace. The company also expanded its same-day delivery and pickup offering across several new categories, including prescriptions and over-the-counter medications, office supplies, electronics, health, beauty and wellness, home decor, sports equipment, and more.

About Instacart
Instacart is the leading online grocery platform in North America. Instacart shoppers offer same-day delivery and pickup services to bring fresh groceries and everyday essentials to busy people and families across the U.S. and Canada. Instacart has partnered with nearly 600 beloved national, regional and local retailers, including unique brand names, to deliver from more than 45,000 stores across more than 5,500 cities in North America. Instacart's delivery service is available to over 85% of U.S. households and 70% of Canadian households. The company's cutting-edge enterprise technology also powers the ecommerce platforms of some of the world's biggest retail players, supporting their white-label websites, applications and delivery solutions. Instacart offers an Instacart Express membership that includes reduced service fees and unlimited free delivery on orders over $35. For more information, visit www.instacart.com. For anyone interested in becoming an Instacart shopper, visit https://shoppers.instacart.com/.

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