

TECH

SoftBank Invests \$940 Million in Nuro for Driverless Deliveries

Startup is building robotic vehicles to deliver groceries and other items from the street



Nuro has built about six self-driving delivery cars so far and plans to use the influx of money to create more. PHOTO: NURO

By Tim Higgins

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SoftBank Group Corp. [9984 -2.70% ▼](#)'s giant tech fund is investing almost \$1 billion in a robotic-delivery vehicle startup, a hefty injection of capital that could help accelerate the race to put driverless vehicles on the road.

Nuro Inc. raised \$940 million from SoftBank's nearly \$100 billion tech-focused Vision Fund, the startup said Monday. Founded in 2016, Nuro is now valued by investors at \$2.7 billion.

The Mountain View, Calif., startup has plotted a different path in the development of driverless vehicles from its competitors, focused on creating its own electric vehicles specially made for in-town deliveries, rather than robot taxis or long-haul trucking.

Nuro's vehicle is about half as wide as a compact sedan and shorter than most compact cars. The boxy vehicle has no side windows or room inside for people; instead, the two side doors open to reveal special compartments for groceries and other items. The vehicle navigates the roads using

Nuro's software along with sensors and lasers.

Nuro has built about six of these vehicles so far and plans to use the influx of money to create more. It is also testing software and hardware on about 50 standard cars on the roads in California, Texas and Arizona with safety operators behind the wheel by the end of this quarter.

The company is in talks with auto makers about possible partnerships that might include sharing technology for manufacturing might, said Dave Ferguson, Nuro's co-founder and president. "For us it's really about trying to build business at city-scale, and this funding will accelerate our ability

to do that," he said.

In June, Kroger Co., the largest U.S. supermarket chain by sales and stores, said it would work with Nuro to test a driverless grocery delivery service. Nuro is charging \$5.95 for deliveries in the Scottsdale, Ariz., area for groceries from Kroger's Fry's Food. Forrester found last year in a survey of 4,504 adults that almost a third said they didn't do more grocery shopping online because of costs including delivery charges.



Nuro is charging \$5.95 for deliveries in the Scottsdale, Ariz., area for groceries from Kroger's Fry's Food. PHOTO: NURO

Nuro
joins
SoftBank's
stable
of
investments
that are
pursuing
technology
and
business

models that look to upend the traditional world of personal transportation. SoftBank has been building a network of investments in the mobility space, from ride-hailing company Uber Technologies Inc. to General Motors Co.'s driverless unit, GM Cruise.

While Cruise is focused on robot taxis for dense urban environments, Nuro sees a business in making deliveries cheaper, especially in suburban areas where the traffic is less complex and customers already own cars to commute around town.

Startups are challenged to scale the technology against deep-pocketed companies that are building out the operational infrastructure required to manage growing fleets of test cars and eventually commercially deployed vehicles.

Aptiv PLC, for example, has opened a large command center in Las Vegas where it is monitoring 30 autonomous test vehicles deployed through Lyft Inc.'s app for picking up passengers on the Strip. Waymo, the self-driving unit of Alphabet Inc., has signed deals that could be worth more than \$3 billion to acquire tens of thousands of vehicles from Jaguar and Chrysler to expand its fleet of robot taxis.

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- [GM, DoorDash to Test Autonomous Food Deliveries \(Jan. 4\)](#)

While Nuro has kept a lower profile than others, its team consists of some of the field's pioneers, including Mr. Ferguson and co-founder Jiajun Zhu who were part of the Google self-driving car effort that led to Waymo's eventual

creation. Nuro has roughly 200 employees and 100 contract workers.

The infusion of money in Nuro pits it against two other Silicon Valley startups that have high-profile talent and raised lots of money but have different strategies for deploying.

Aurora Innovation Inc., led by former Google self-driving car head Chris Urmson, said last week that it raised more than \$530 million, including from Amazon.com Inc. The startup had earlier signed partnerships with Volkswagen AG and Hyundai Motor Co. to eventually install its technology in their vehicles.

Zoox Inc. last August raised \$500 million to help fund its efforts to create both self-driving software and an entirely new electric vehicle for a robot taxi service. Zoox named veteran Intel Corp. executive Aicha Evans as CEO last month after co-founder Tim Kentley-Klay was ousted last year.

Other competitors, such as May Mobility and Optimus Ride, have raised far less money and are focusing on using less-costly, slow-moving vehicles to deploy as shuttles in confined areas, such as ferrying riders from the office to their parking lots.

Corrections & Amplifications

Nuro Inc.'s robotic delivery vehicle has two side doors. An earlier version of this article incorrectly stated the vehicle has four side doors. (2/11/2019)

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