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Independent Third-Party Research Report

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EQUITY RESEARCH

UPDATED

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Nuro

TEAM

Jan-Erik Asplund
Co-Founder
jan@sacra.com

Marcelo Ballve
Head of Research
marcelo@sacra.com

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Nuro

Autonomous vehicle fleet for last-mile delivery of groceries, meals, and packages

#robotics

[Visit Website](#)

Details

HEADQUARTERS

Mountain View, CA

CEO

Jiajun Zhu



VALUATION

\$8,600,000,000

2025

FUNDING

\$2,130,000,000

2025

Valuation

Nuro has raised approximately \$2.13 billion over multiple funding rounds. Its latest funding was a \$600 million Series D round in November 2021, which valued the company at \$8.6 billion. Notable investors include Tiger Global Management, Google, SoftBank Vision Fund, T. Rowe Price, Fidelity Investments, Baillie Gifford, and Greylock.

Product

Nuro was founded in 2016 by Dave Ferguson and Jiajun Zhu, two former engineers from Google's self-driving car project. In January 2018, they unveiled their first product, R1, an electric self-driving delivery vehicle designed specifically for transporting goods without human occupants.

Nuro's autonomous delivery vehicles are purpose-built "zero-occupant vehicles" that operate without drivers or passengers. These compact electric vehicles navigate roads using a sophisticated array of sensors including radar, thermal imaging, and 360-degree cameras. The vehicles travel at lower speeds (up to 25 mph) to prioritize safety while delivering goods.

When a customer places an order through one of Nuro's retail partners like Kroger or Domino's, the autonomous vehicle picks up the items and navigates to the delivery address. Upon arrival, customers receive a notification with an access code for their smartphone, which they enter on the vehicle's touchscreen to unlock the appropriate temperature-controlled compartment and retrieve their order.

Nuro has evolved its product through multiple generations. The R2, introduced in 2020, featured doubled cargo capacity and became the first autonomous vehicle to receive a regulatory exemption from the U.S. Department of Transportation. The R3, unveiled in 2023, further increased cargo capacity to 500 pounds and improved energy efficiency.

In 2024, Nuro expanded its offering to include licensing its autonomous driving technology to other companies.

Business Model

Nuro generates revenue through multiple streams. When operating direct delivery services, it charged delivery fees to consumers and established revenue-sharing agreements with retail partners like Kroger, Walmart, and Domino's. Under its current technology licensing model, Nuro likely charges licensing fees for its autonomous driving software with tiered pricing based on autonomy levels (offering both "Driver Assist Level 2++" and "Driver Level 4" options).

What distinguishes Nuro is its purpose-built approach to autonomous vehicles. Unlike competitors that retrofit existing vehicles, Nuro designed custom delivery robots with pedestrian-protecting features, narrower profiles, and temperature-controlled compartments. This specialized design earned Nuro the first-ever regulatory exemption from the U.S. Department of Transportation for an autonomous vehicle.

Nuro's technology stack flexibility represents another competitive advantage. The company can offer both complete vehicle solutions and underlying technology as licensable software, allowing it to adapt to market demands across goods delivery and mobility services.

Through partnerships with major retailers and restaurants, Nuro has validated its market approach while collecting valuable data on traffic patterns, delivery preferences, and autonomous vehicle performance. This data creates additional potential revenue opportunities through enhanced service offerings and optimization capabilities for partners.

Competition

Nuro operates in a market that includes autonomous delivery vehicles, traditional delivery services, and autonomous technology providers. The company's recent pivot from focusing solely on delivery robots to licensing its autonomous driving technology has expanded its competitive landscape.

Purpose-built autonomous delivery vehicles

In the specialized autonomous delivery vehicle space, Nuro faces competition from several players with different approaches. Starship Technologies focuses on smaller sidewalk robots for last-mile delivery, operating at lower speeds than Nuro's road vehicles and targeting a different segment of the delivery market.

Gatik takes a different approach, focusing on B2B middle-mile logistics with autonomous box trucks for retail logistics, primarily serving retailers like Walmart with larger vehicles designed for higher-volume transportation between distribution centers and stores.

Einride, a Swedish company, develops autonomous electric transport vehicles primarily for freight and logistics. Their "Pods" are designed for larger-scale freight transport rather than small-scale consumer deliveries.

Traditional delivery services and tech giants

Traditional delivery services represent significant indirect competition. Companies like DoorDash, Uber Eats, and Instacart rely on human drivers but compete for the same delivery partnerships and consumer spending that Nuro targets.

Amazon poses a formidable challenge with its extensive logistics network and experiments with drone delivery (Amazon Prime Air) and sidewalk robots (Amazon Scout). Amazon's scale and resources allow it to invest heavily in autonomous delivery technologies.

Cruise (GM) and Waymo Via have expanded beyond their initial focus on robotaxis to include autonomous delivery capabilities. Cruise has announced a partnership with Walmart for grocery delivery, directly competing with some of Nuro's partnerships.

Autonomous technology providers

Following Nuro's pivot to technology licensing, it now competes with established autonomous driving technology providers. Companies like Mobileye, Aurora, and Argo AI offer autonomous driving systems to vehicle manufacturers and mobility platforms.

This segment is becoming increasingly competitive as automotive companies develop their own autonomous technology stacks. Traditional automakers like Ford, GM, and Toyota are investing heavily in autonomous technology and have the manufacturing scale to potentially enter the delivery market quickly.

Nuro's differentiation in this space comes from its experience building purpose-built delivery vehicles and its regulatory progress, having been the first company to receive a regulatory exemption from the U.S. Department of Transportation for an autonomous vehicle.

TAM Expansion

Nuro has tailwinds from the growing autonomous delivery market and has the opportunity to expand into adjacent markets beyond last-mile delivery through its recent pivot to technology licensing.

Autonomous technology licensing

Nuro's September 2024 pivot from focusing solely on delivery robots to licensing its autonomous driving technology ("Nuro Driver") represents a massive TAM expansion. The global autonomous vehicle technology market is projected to reach \$556.67 billion by 2026, far exceeding the \$18.7 billion last-mile delivery market where Nuro initially operated.

By offering both "Nuro Driver Assist Level 2++" and "Nuro Driver Level 4" options, the company can serve multiple segments of the automotive industry. This includes not just delivery services but also ride-hailing platforms and passenger vehicle manufacturers seeking to incorporate autonomous capabilities.

The technology licensing model eliminates the capital-intensive aspects of manufacturing and operating delivery fleets while allowing Nuro to monetize its core technological advantage. This shift mirrors successful transitions seen in other technology sectors where software licensing provides higher margins than hardware operations.

Vertical expansion in delivery logistics

Even as Nuro expands horizontally through technology licensing, significant growth opportunities remain in delivery verticals beyond groceries and restaurants. The company can leverage its purpose-built delivery expertise to target specialized high-value delivery segments.

Prescription medication delivery represents a particularly promising opportunity, with the pharmaceutical delivery market expected to grow significantly as regulations around telehealth continue to evolve. Similarly, medical supply transport offers premium pricing potential due to time-sensitivity and specialized handling requirements.

Senior citizen assistance services align perfectly with Nuro's safety-focused approach and could address growing needs in aging populations. With 10,000 Americans turning 65 daily, services supporting independent living represent a massive growth market.

Data monetization and analytics

Nuro's vehicles collect valuable data about traffic patterns, delivery efficiency, and consumer behavior. This creates opportunities for data-as-a-service offerings to urban planners, retailers, and logistics companies.

The company could develop analytics products that help businesses optimize delivery routes, predict demand patterns, or improve inventory management. With the global logistics analytics market projected to reach \$29.9 billion by 2027, this represents a natural extension of Nuro's core capabilities.

As autonomous vehicles become more widespread, the value of Nuro's proprietary data sets will increase, potentially creating a significant recurring revenue stream that complements its technology licensing business.

Risks

Business model pivot execution risk: Nuro's September 2024 pivot from building delivery robots to licensing its autonomous driving technology represents a fundamental shift requiring different capabilities. The company must now compete with established autonomous technology providers like Mobileye and Aurora in a crowded market, while simultaneously managing the transition from a hardware-focused to a software-licensing business model that demands different sales approaches, technical support systems, and partnership structures.

Regulatory uncertainty: As the first company to receive a regulatory exemption for autonomous vehicles, Nuro operates in a constantly evolving regulatory landscape. Different states and countries have varying approaches to autonomous vehicle regulation, potentially limiting Nuro's ability to scale geographically. Any safety incidents involving autonomous vehicles (even competitors') could trigger regulatory backlash affecting the entire industry.

Capital intensity vs. revenue timeline mismatch: Despite raising over \$2.1 billion, Nuro faces the challenge of sustaining its capital-intensive technology development while revenue from its new licensing model may take years to materialize at scale. The company must manage this cash burn while competitors with deeper pockets like Waymo (backed by Alphabet) can potentially outlast them in the race to widespread autonomous technology adoption.

Funding Rounds

Series E		
Share Name Series E	Issue Price \$12.79	Issued At Apr 2025
Series D		
Share Name Series D	Issue Price \$20.85	Issued At Nov 2021
Series C		
Share Name Series C	Issue Price \$13.05	Issued At Mar 2021
Series B		
Share Name Series B	Issue Price \$8.25	Issued At Feb 2019
Series A		
Share Name Series A-1	Issue Price \$1.90	Issued At Jun 2017
Series A	\$1.00	Jun 2017
Figures sourced from the latest Certificate of Incorporation we have available.		

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