

Meal-kit delivery unicorn Gousto cuts valuation in latest funding

Gousto, the meal-kit delivery service, has cut its valuation after raising tens of millions of pounds in additional funding to steer it through a volatile economic period.

Sky News has learnt that Gousto, which is backed by the celebrity fitness trainer Joe Wicks, tapped existing investors in recent weeks for \$50m in the form of a share sale.

Sources close to the company said the funding round, which has not been publicised, took place at a “significant” discount to the \$1.7bn valuation at which it raised funds just over a year ago.

Founded in 2012, Gousto sells subscriptions to recipe boxes and markets itself as offering healthy meals at value-for-money prices.

It has drawn investment from the SoftBank Vision Fund 2, the world’s largest technology company backer, Unilever’s ventures arm, Fidelity International, the railways pension scheme Railpen and Grosvenor Food & AgTech, an arm of the Duke of Westminster’s vast business portfolio.

A \$100m primary fundraising in January 2022 was followed by a \$230m secondary share placing which allowed existing investors to reduce their holdings.

SoftBank invested at a significant premium to the valuation that saw Gousto become a “unicorn” – companies worth at least \$1bn (£739m) – in November 2020, meaning it is now likely to be sitting on a paper loss on its stake.

The size of the discount to the last funding round was unclear

on Monday, with shareholders expected to receive a formal update from the company shortly.

“The raise will provide the cash headroom required as the company enters a volatile period,” one insider said on Monday.

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Gousto benefited from a surge in demand during the pandemic, and had said it aimed to double its workforce to 2,000 and open two further distribution warehouses.

The company was founded by Timo Boldt and James Carter, two former investment bankers, with the former winning the accountancy firm EY’s prestigious Entrepreneur of the Year award in 2022.

Mr Boldt quit his previous job at the age of 26 to set up Gousto.

Despite the fall in its valuation, his stake is likely to be worth hundreds of millions of pounds.

In its 2020 financial year, Gousto saw revenue more than double to £189m, up from £83m during the prior 12 months.

It also reported underlying earnings before interest, tax, depreciation, and amortisation in 2020 of £18.2m, against a loss of £9m in 2019.

In 2021, the company named Katherine Garrett-Cox, a prominent City figure, as its chairman, an appointment that was interpreted as a clear sign that it was preparing to go public.

Ms Garrett-Cox became a well-known figure in the City during her tenure as chief executive of Alliance Trust, from which she was ultimately ousted by the activist investor Elliott Advisors.

Bankers at Rothschild have been retained to work on a

flotation, although that is unlikely to take place for some time.

“All four investors recognise the growth that Gousto has achieved and the opportunities ahead for the company as we embark on our next stage of growth and accelerate towards our goal to become the UK’s most-loved way to eat dinner,” Mr Boldt said last February.

Gousto declined to comment on the latest injection of capital.