Waymo raises $2.5 billion in second external funding round

Waymo just announced a second external funding round, raising $2.5 billion for the continued advancement of its autonomous driving technology.

According to investor website PitchBook, the company is valued at just over $30 billion, though that figure does not include this most recent funding round. (A spokesperson didn't respond to a request seeking clarification.) For years, the company has relied almost exclusively on the largesse of its corporate parent, Alphabet. Then, in March 2020, it announced its first external funding round of $2.5 billion, a figure that grew to $3.2 billion a few months later with the addition of some investors.

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The same groups that participated in Waymo's first external investment are back for this second round, including Waymo's parent company Alphabet, Andreessen Horowitz, AutoNation, Canada Pension Plan Investment Board, Mubadala Investment Company, Perry Creek Capital, Fidelity Management and Research Company, Magna International, Silver Lake, and funds and accounts advised by T. Rowe Price Associates. The two new participants are Temasek, an investment firm owned by the government of Singapore, and Tiger Global.

Waymo says the money will help further its mission to bring its autonomous ride-hailing service to more markets. Currently, the company's robotaxis are only available in to the public in Arizona in an approximately 100-square-mile service area that includes the towns Chandler, Gilbert, Mesa,

and Tempe. Waymo also allows riders to take trips in its fully driverless vehicles without a safety driver in the front seat — though the service area for those vehicles is only about 50 square miles.

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The news follows a string of departures from the company, most notably CEO John Krafcik, who oversaw the transformation of Google's self-driving car division from "Project Chauffeur" to its own standalone company in 2016. He was replaced by Tekedra Mawakana, Waymo's chief operating officer, and Dmitri Dolgov, the company's chief technology officer, who are now serving as co-CEOs of the company.

"Experience has taught us so much, and we agree with those experts who say there's no greater challenge in artificial intelligence than building and deploying fully autonomous technology at scale," Dolgov and Mawakana said in a statement. "But we love a challenge and — thanks to the unmatched talent of our team — the Waymo Driver is already serving thousands of Waymo One riders as they get to work, shop for groceries, bring their kids to school, or just experience the joy of a ride with no human behind the wheel."

Other departures include Waymo's chief financial officer Gerard Dwyer and its head of automotive partnerships and corporate development Adam Frost, both of whom stepped down last May.

It's also the latest news of new cash flowing into the autonomous vehicle space, which has been plagued by missed deadlines and diminished expectations in recent months. Yesterday, Cruise announced that it received a $5 billion line of credit from General Motors' financial division for the purchase of hundreds of fully autonomous shuttles that will go into service starting in 2022.

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