

Car subscription company Drover announces £20.5M in funding

Today Drover, the European leader in car subscriptions, announces a £20.5M investment. The investment has been co-led by new investors Target Global, RTP Global and Autotech Ventures.

Additional new investors are Channel 4 Ventures and Rider Global. Existing investors Cherry Ventures, BP Ventures, Partech, Version One and Forward Partners also participated in the round.

Temps de lecture : minute

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The COVID-19 pandemic has accelerated the shift towards a 'digital-first' mentality in the automotive industry and is fundamentally changing the way cars are consumed and sold. As appetite for flexible solutions grows, Drover is shaping the future of car retailing by building a new type of 'car-as-a-service' platform that streamlines the traditionally fragmented and dealership-based process of buying, financing and insuring a car into a simple online transaction.

Drover has delivered record results in its consumer business during a period when traditional car sales had nearly halted completely. While in May only 13,000 new personal cars were registered in the UK, down 89% from last year, Drover more than doubled the number of new subscriptions sold compared to a year ago - finishing Q2 with a record high in revenue. Drover's completely digital model has been particularly appealing as customers are looking for a more flexible, modern alternative to car ownership in a time of significant uncertainty and a deep economic downturn.

Drover will be using the new capital to scale its 'car-as-a-service' business

across the UK, where it launched initially, and France, where it launched earlier this year. The company will invest further into its technology platform and into nationwide marketing campaigns to turn Drover into a leading car retail brand.

For one flat monthly payment, Drover customers can get a car with everything included, for a duration of one month to two years, without the need to take on debt. Instead of steep upfront payments, lengthy credit checks, and hours spent in dealerships, Drover has created a frictionless, fully digital transaction process: users simply create a profile, upload a photo of their driver's licence, browse a selection of cars tailored to their location and budget, then personalise their subscription package based on their preferred term time, mileage and insurance options, and checkout with the same convenience people use when buying everything else online. Drover then delivers the car to their door in as little as 72 hours, customers pay monthly throughout their subscription, and Drover takes the car back at the end of the term.

“The car market is one of the last retail categories that has yet to shift online, with online penetration of car sales being still below 1%, while 20% of all UK retail sales are now online. Drover’s digital ‘cars-as-a-service’ model is the right approach to truly build the ‘Amazon of Cars’ as it lends itself much better to an online model than does the long-term commitment, high ticket size type transaction of buying a car with cash or on finance. The Drover team has been agile through COVID-19 and that has enabled us to continue to

show fantastic growth in a challenging time. The need for a simpler, more flexible model for car ownership is only accelerating and we're proud to be leading that journey in the UK and France and in hopefully many more markets in the future." - Felix Leuschner, Founder and CEO of Drover

Ben Kaminski, Partner at Target Global, added: *"By tapping into ongoing digitalisation and on-demand trends in tandem, Felix and his team are well poised to aggressively seize market share from traditional car retailers. This new capital injection is a testament to both the team and the tech behind Drover which is disrupting the car-ownership model for the better. We're excited to offer our support as Drover continues to scale throughout Europe."*

Daniel Hoffer, Managing Director at Autotech Ventures said: *"After studying the European landscape closely, we believe that Drover's unique focus on a next-generation customer experience enabled by an asset-light approach has the potential to revolutionize how Europeans relate to car ownership. Bolstered by strong execution, Drover is poised to emerge stronger as a result of Covid-19 and recession-driven changes to consumer preferences in the ground transportation domain."*

Anton Inshutin, Partner at RTP Global said: *"Drover offers an attractive and affordable alternative to car ownership, which has proven to be extremely robust during the recent CoVID-19 crisis with record-high subscriber bookings. We fully share in Felix's vision for Drover as the future European leader in the car-as-a-service market, and offered our support to the company in both Series A and Series B financings."*

Drover's mission is to transform the way people buy and own cars in the

UK and Europe through its fully digital 'car-as-a-service' model. Customers can get a car from 1-24 months with the car, maintenance and insurance included - for one simple monthly subscription payment and without the need to take on debt. Drover was founded in 2016 and has been serially backed by some of the world's top VCs including Cherry Ventures, Target Global, RTP, Partech and Autotech Ventures.

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