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Kroger Acquires Meal Kit Startup for \$200M

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Image via Home Chef

By Courtney Gabrielson

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Cincinnati's Kroger, the largest grocery retailer in the country, has announced it will buy Chicago-based meal delivery kit company Home Chef for \$200 million, Chicago Inno [reports](#). Home Chef is the third-largest company of its kind in the country, and Kroger's move is seen as one that's "taking advantage of a fast-growing consumer trend," [according to](#) the Cincinnati Business Courier, which adds that the deal could be worth as much as \$700 million, should the meal kit company accomplish certain milestones.

"Customers want convenience, simplicity and a personalized food experience," [said](#) Yael Cosset, Kroger's chief digital officer. "Bringing Home Chef's innovative and exciting products and services to Kroger's customers will help make meal planning even easier and mealtime more delicious. This merger will introduce Kroger's 60 million shoppers to Home Chef, enhance our ship-to-home and subscription capabilities and contribute to Restock Kroger."

The move follows Home Chef's 150 percent growth in 2017, where it brought in an \$250 million in revenue. The 2013 born-company raised \$57 million in venture capital, Chicago Inno reports, and its [investors](#) include L Catterton, Shining Capital and Guild Capital.

"We're excited about what this planned merger with Kroger means for our future and look forward to adding even more options to help you make mealtime better," Home Chef said in a [press release](#).

Specifically, that means Home Chef meals coming to Kroger stores, like Fry's, Mariano's, Kroger and Ralph's. HC and Kroger will also work together to "develop new, innovative meal solutions to make your cooking experience easier," the company added.

The deal is expected to close in the second quarter. Afterwards, the company will keep its Chicago headquarters and operate as a Kroger subsidiary.

Kroger's merger is a part of a larger trend of meal kit startup exits.

"Blue Apron went public last year and has faced a [turbulent few months on the public market](#)," Chicago Inno states. "German meal kit delivery company HelloFresh also went public in 2017. Plated was acquired by grocery chain Albertsons for \$200 million."

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