

# Xeneta rides ocean freight upheaval to new funding round

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**Eric Johnson, Senior Technology Editor** | Jun 17, 2021 11:00AM EDT



Xeneta plans to expand the range of data underpinning its ocean and air indexes, CEO Patrik Berglund said. Photo credit: Shutterstock.com.

Ocean and air freight rate benchmarking platform Xeneta has secured a \$28.5 million funding round from venture investors, with the cash to be used to scale operations, product development, and sales, the Oslo-based technology provider told JOC.com Thursday.

The investment, Xeneta's first round since 2017, brings the total cash invested into the company to \$49 million since its founding in 2012, with a valuation after the investment of \$130 million, the company said.

The current volatile freight rate environment, with ocean pricing at historically high levels, has underscored the need for shippers to have an ongoing sense of not only the lowest rate, but the rate that will get their cargo moved, Xeneta CEO Patrik Berglund told JOC.com.

“Benchmarking is always valuable, but the use case is changing,” he said. “You as a [shipper] might have been more interested in saving money, but now you’re more focused on making internal departments understand why paying a bit more makes sense. Different use cases come with different market dynamics.”

Berglund admitted that 2020 and the COVID-19 pandemic was a roller-coaster ride for the company.

“To be completely honest, the last year, from the point China shut down, that was initially painful for the business,” he said. “The industry was in complete chaos, and it wasn’t about adopting tech at that time. We found ourselves in that bucket. I was super worried — we put in contingency plans, cut costs, and made the business lean.”

But like others, Xeneta was swept up by the rebound in the second half of the year, seeing “healthy growth due to market conditions,” Berglund said.

“Last year was a special case for everybody,” he said. “It started one way and ended another way. We came out of that really strongly, to be honest. We’re a more mature business now, and there’s less risk relative to the earlier days. It was time to use capital to scale what we’re doing.”

## **Expanding ‘in all directions’**

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Xeneta provides cloud-based container and air freight rate benchmarking tools to its shipper and forwarder customers, which include ABB, Electrolux, Continental, Unilever, Nestlé, L’Oréal, and Thyssenkrupp. It also provides a container shipping index with more aggregated, less specific data than is available to subscribers to its platform. In recent months, the company has added General Mills, Volvo, John Deere, Amer Sports, Rockwell Automation, Volvo, and CEVA Logistics as customers. About 85 percent of its customer base is shippers, the company told JOC.com.

Using a crowd-sourced approach to benchmarking, Xeneta gathers contract and spot rates from its customers, anonymizes them, and then enables shippers and forwarders to analyze their ocean and air freight spend relative to peers and to aid creation of their procurement strategies.

The company has set up a range of partnerships with adjacent technology providers and tech-enabled logistics companies, such as rate management systems Catapult and Portrix and digital forwarder Zencargo.

With the new funding, Xeneta will “expand into new regions and build out its in-house data analyst team to provide greater market insights into the ocean and air freight industry to help guide the rebound of global supply chains,” the company said in a statement.

Berglund said that means “more data, deeper data, different types of data, and deploying it to new markets. Nothing will be left untouched. We’ll be pushing in all directions.”

An example of Xeneta’s aspirations for an expanded data footprint is a recent tie-up with CLIVE Data Services, which measures air freight load factors based on the volume and weight of cargo flown and capacity available. The partnership, announced Friday, enables CLIVE’s data to be integrated into Xeneta’s air freight benchmarking tools.

Xeneta currently has 80 employees, a number Berglund said he anticipates growing to 400 to 500 people over the next four to five years.

The funding round was led by New York-based Lugard Road Capital, Xeneta’s first US-based investor, with participation from existing investors Creandum and Investinor. Among Xeneta’s other earlier investors were London-based Smedvig Capital, Point Nine Capital, and Alliance Venture.

“Xeneta is addressing a critical and immediate need for better freight rate data insights,” Doug Friedman, partner at Lugard Road Capital, said in a statement. “We are confident that Xeneta’s intelligent ocean and air freight market data platform will provide immediate actionable insights to an industry currently experiencing historical supply chain disruptions.”

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