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Borden Dairy Approved for Sale to Capitol Peak Partners and KKR

A new, solvent Borden will continue employment for employees and service for customers

DALLAS – June 26, 2020 – [Borden](#), one of America’s favorite dairy companies founded in 1857, today announced the start of a new chapter with Capitol Peak Partners and its affiliates acquiring substantially all Borden assets following completion of a court-supervised sale process. Capitol Peak will assume majority ownership of the new company, and KKR, an existing lender to Borden, will be a minority investor. Following the transaction, Borden will be appropriately capitalized, and the business will remain intact, including all plants, branches, routes and the Borden brand. The newly reorganized Borden will be able to continue employment for approximately 3,300 Borden employees and service for Borden customers.

“Borden received strong investor interest and multiple bids throughout this sale process, which is a testament to the terrific work the people of Borden have done to build a valuable and enduring 163-year-old brand,” said Borden CEO [Tony Sarsam](#). “Despite being in the midst of Chapter 11 and a global pandemic, our team managed to generate positive cash flow, grow our customer footprint and maintain an uninterrupted food supply to nourish American families. We are exiting Chapter 11 as a thriving company that is meeting and exceeding its performance forecasts, making our outlook very promising.”

Borden initiated voluntary reorganization proceedings on Jan. 5, 2020, to pursue a financial restructuring designed to reduce its current debt load, maximize value and position the company for long-term success. Today, the court granted approval of the approximately \$340 million sale. Upon closing of the transaction, Borden’s former controlling and majority equity holders, ACON Investments and Grupo Lala, respectively, will no longer have ownership interest in the business. Capitol Peak and KKR will establish a new board of directors.

“Borden has a rich history of partnering with America’s dairy farmers and leading retailers to provide wholesome nutrition for American consumers and families,” said Capitol Peak’s Founder and Managing Partner [Gregg Engles](#), who brings extensive dairy industry experience as the former Chairman and CEO of both Dean Foods and WhiteWave Foods. “The Capitol Peak team is excited by this unique opportunity to work alongside KKR and build this iconic dairy company.”

Throughout its reorganization process and the COVID-19 pandemic, Borden has upheld its high level of service to customers. Last month, the U.S. Department of Agriculture [awarded](#) Borden the largest contract through its [Farmers to Families Food Box Program](#) as part of the Coronavirus Farm Assistance Program. The contract enables Borden to supply 700 million servings of fresh fluid milk for free to qualifying 501(c)3 organizations across the country.



“Borden has a long and proud history as a dairy industry leader. We are pleased to join Capitol Peak in supporting Borden and its many dedicated employees through a restructuring that cleans the slate for Borden to start a new chapter,” said KKR Managing Director Lauren Krueger.

The transaction, which is subject to certain closing conditions, including the entry of a final order, is expected to be finalized in mid-July. KKR’s investment is held by business development companies co-managed by KKR Credit. For additional information about the Borden reorganization, visit bordenfinancialreorg.com.

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About Capitol Peak Partners

Capitol Peak Partners is a middle market private equity firm focused on consumer businesses in North America. Capitol Peak is composed of seasoned operators and business builders with a 30-year track record of extraordinary value creation at companies like Dean Foods and WhiteWave Foods, where they partnered with talented managers to generate exceptional risk-adjusted returns for investors. As a partnership of operators, Capitol Peak contributes more than just capital to help companies grow, including leveraging an extensive network of operators when appropriate. For more information, visit capitolpeakpartners.com.

About KKR

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR’s investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR’s website at kkr.com and on Twitter @KKR_Co.

About Borden

Founded in 1857 by Gail Borden, Jr., Borden is a heritage American brand that produces more than 35 wholesome and delicious products enjoyed by millions of people every day. Borden was the first company to develop a patent for the process of condensing milk, as well as the first company to use glass milk bottles. In 1936, Elsie became America’s favorite spokes-cow, and was recognized in 2000 by AdAge as one of the top 10 advertising icons of the 20th century. Today, Borden is headquartered in Dallas and operates 12 milk processing plants and nearly 100 branches across the U.S. that produce and distribute nearly 500 million gallons of milk annually for customers in the grocery, mass market, club, food service, hospitality, school and convenience store channels. The company’s People First culture has inspired decades of loyal tenure among the 3,300 people Borden employs. In 2019, Borden landed the No. 16 spot on Forbes’ list of America’s Most Reputable Companies, highlighting the company’s well-earned trust amongst consumers. For more information, visit bordendairy.com.