



## KKR Invests in Adopt A Cow

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KKR's latest investment in Asia that supports industry-leading companies enabled by technology

BEIJING--(BUSINESS WIRE)-- Leading global investment firm KKR today announced that KKR has invested in Adopt A Cow, a fast-growing, direct-to-consumer dairy company in China that integrates digital solutions into its core operations. Adopt A Cow's new funding round was co-led by KKR and DCP Capital.

Founded in 2016, Adopt A Cow primarily produces and sells its pure milk, yogurt, cheese sticks and milk power products and has quickly become a trusted high-end dairy brand in China, thanks to its vertically integrated business model covering alfalfa growing, dairy farming, milk processing, and technology-enabled marketing. Over the past five years, the company has become one of the fastest growing direct-to-consumer brands in China, and has accumulated more than 10 million loyal customers.

Adopt A Cow's focus on product quality and safety, and its well-established digital sales strategy – including partnerships with opinion leaders, Tmall and other prominent ecommerce platforms – position it well to benefit from the rapid growth of China's millennial and Generation Z populations. These groups are entering their prime consumption years, digitally savvy and increasingly seeking higher-quality goods and services.

Adopt A Cow will use the new funding to accelerate the construction of modernized dairy farms and smart production factories, bring in high-quality Australian dairy cows and further integrate its digital operation platform to enhance efficiency, improve product quality and brand competitiveness. KKR will support the company's business growth by combining its deep experience investing in China's technology and consumer sectors with its global industry expertise and network of resources.

"Today marks an exciting new chapter for Adopt A Cow as we accelerate our strategy to bring our high-quality dairy products to more consumers in China," said Xu Xiaobo, Founder of Adopt A Cow. "KKR has a proven track record of investing in the dairy sector and providing value-added operational support to homegrown technology champions, and we look forward to working with them to take Adopt A Cow to its next level of success."

"Consumption upgrades and food safety are among the key focused themes for our investments in China. As a traditional industry, the dairy sector in China is going through an exciting period of technological innovation, driven by the fast development of IoT, increasing penetration of Ecommerce and digital marketing, and higher demand for naturally healthy and nutritious products," said Chris Sun, a Managing Director on KKR's China investment team. "We are thrilled to be backing Adopt A Cow and its forward-thinking leadership team as the company carries out its disruptive strategy to change the way dairy is produced, marketed and sold to customers."

"China's economic growth is benefitting from the expansive and rapid adoption of digital technologies that are bringing convenience into people's everyday lives," said Karen Zhang, who leads KKR's technology strategy in China. "This is creating attractive opportunities to support the innovative Chinese companies, like Adopt A Cow, that are transforming their industries for the digital economy."

KKR is making its investment from its Asian private equity fund. This investment in Adopt a Cow builds on KKR's long track record in China's dairy sector, which includes previous investments in China Modern Dairy and Asia Dairy. This is KKR's latest investment that supports industry-leading companies enabled by technology. Recent technology-focused investments for KKR in China include Walnut Programming, a children's programming education company; Huohua Logic, a leading online education platform specializing in mathematics and science for children; and Xingsheng Youxuan, a leading community-based group ecommerce company.

### About Adopt A Cow

Adopt A Cow was founded by Xu Xiaobo with a mission of providing high-quality dairy products to consumers through its vertically integrated business model, covering dairy farming, alfalfa growing, farm visits, feed processing, as well as milk processing and sales. Xu Xiaobo built the company's first large-scale modernized dairy farm in Gucheng, Hebei Province in 2014, before launching the Adopt A Cow brand in October 2016 in Hangzhou, Zhejiang Province. Through crossover collaboration, content co-creation and interactive marketing, Adopt A Cow has become a trusted high-end dairy brand in China.

### About KKR

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people, and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter

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