

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 28, 2026

**MGP Ingredients, Inc.**

(Exact name of registrant as specified in its charter)

**Kansas**  
(State or other jurisdiction  
of incorporation)

**0-17196**

(Commission  
File Number)

**45-4082531**  
(IRS Employer  
Identification No.)

**Cray Business Plaza  
100 Commercial Street  
Box 130**

**Atchison, Kansas 66002**

(Address of principal executive offices) (Zip Code)

**(913) 367-1480**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| <b>Title of each class</b> | <b>Trading Symbol</b> | <b>Name of each exchange on which registered</b> |
|----------------------------|-----------------------|--------------------------------------------------|
| Common Stock, no par value | MGPI                  | NASDAQ Global Select Market                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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**Item 2.02. Results of Operations and Financial Condition.**

On October 28, 2026, MGP Ingredients, Inc. (the "Company") issued a press release relating to financial results for the third quarter 2026, which ended September 30, 2026. A copy of the press release is being furnished as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| <u>Exhibit Number</u> | <u>Description</u>                                                                                                      |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------|
| 99.1                  | <a href="#">Press release dated October 28, 2026</a>                                                                    |
| 104                   | The cover page from this Current Report on Form 8-K, formatted in iXBRL (Inline Extensible Business Reporting Language) |

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MGP INGREDIENTS, INC.

Date: October 28, 2026

By: /s/ Brandon M. Gall

Brandon M. Gall, Chief Financial Officer



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Atchison, Kansas 66002-0130  
913.367.1480  
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# NEWS RELEASE

## MGP Ingredients Reports Third Quarter 2026 Results

*Company reaffirms full-year 2026 guidance, declares \$0.12 quarterly dividend and will become Sempreon, Inc. (Nasdaq: CASK) on November 2*

**ATCHISON, Kan., October 28, 2026 - MGP Ingredients, Inc. (Nasdaq: MGPI)**, a leading provider of branded and distilled spirits and food ingredient solutions, which will change its name to Sempreon, Inc. and its ticker symbol to CASK on November 2, 2026, today reported results for the third quarter ended September 30, 2026. During the quarter, the company continued to execute against its strategic roadmap, reducing total debt by \$28.4 million and delivering adjusted EBITDA and adjusted basic EPS ahead of its expectations.

### Key Third Quarter Metrics

| <i>US\$M, ex. per share</i>            | <b>2026</b> | <b>2025</b> |
|----------------------------------------|-------------|-------------|
| Consolidated sales                     | \$117.9     | \$130.9     |
| Gross profit                           | \$40.5      | \$49.4      |
| Gross margin                           | 34.3%       | 37.8%       |
| Net income                             | \$6.9       | \$15.4      |
| Adjusted net income                    | \$8.6       | \$18.5      |
| EPS, basic                             | \$0.32      | \$0.71      |
| Adjusted EPS, basic                    | \$0.39      | \$0.85      |
| Adjusted EBITDA                        | \$21.5      | \$32.3      |
| Capital expenditures, YTD              | \$11.0      | \$25.4      |
| Net debt leverage ratio, as of 9.30.26 | 3.6x        | 1.8x        |

"Our third quarter results show that we are doing what we said we would do. Our cash flow from operations was \$32 million during the quarter, and adjusted EBITDA, adjusted basic EPS and ending net leverage each came in better than our expectations. As a result, we are reaffirming guidance," said Julie Francis, president and CEO. "In Branded Spirits, Penelope Bourbon sales grew 12% and our mid-priced brands grew 6%. Distilling Solutions continued to navigate an oversupplied market and Ingredient Solutions grew sales by 5%. As we become Sempreon on November 2, our focus remains on executing our strategic roadmap in each of our three businesses, supported by our financial discipline and our strong right to win."

### Consolidated Results

Third quarter 2026 versus prior year

- Sales decreased by 10% to \$117.9 million, primarily due to expected lower brown goods sales in Distilling Solutions and lower sales of international private label bottled products within the Branded Spirits' other category, partially offset by higher Ingredient Solutions sales.
- Gross profit decreased 18% to \$40.5 million and gross margin declined approximately 350 basis points to 34.3%, as higher waste starch stream costs in Ingredient Solutions, higher costs in Branded Spirits and lower brown goods volume more than offset lower distillation costs in Distilling Solutions.
- Operating income decreased 43% to \$12.0 million. On an adjusted basis, operating income decreased by 44% to \$14.0 million.
- Adjusted EBITDA decreased 33% to \$21.5 million.
- Advertising and promotion expenses decreased 4% to \$6.4 million, reflecting the timing of spend

throughout the year as well as savings resulting from outside agency consolidation.

- Selling, general and administrative expense increased 14%, primarily due to a higher incentive compensation accrual, partially offset by cost savings initiatives. Adjusted SG&A increased 13% and represented 17% of consolidated sales.
- Net income was \$6.9 million and basic EPS was \$0.32. On an adjusted basis, net income and basic EPS were \$8.6 million and \$0.39 per share, respectively.
- Year-to-date operating cash outflows were \$8.9 million, inclusive of \$48.7 million of the Penelope earnout payment classified in operating activities; excluding that payment, year-to-date operating cash inflows were \$39.8 million. The net debt leverage ratio was approximately 3.6x at September 30, 2026.

### **Branded Spirits**

Third quarter 2026 versus prior year

- Sales of \$58.2 million decreased 4% versus \$60.7 million.
- Gross profit of \$29.2 million decreased 9% versus \$32.2 million.
- Gross margin of 50.2% decreased by 280 basis points versus 53.0%.

Key developments versus prior year

- Excluding the other products category, which consists primarily of international sales of private label bottled products, sales were in line with the prior year and were negatively impacted by distributor system cutovers.
- Premium plus sales decreased by 1%. Penelope Bourbon sales increased 12%.
- Combined sales of the mid- and value-priced portfolios improved slightly, with mid-priced offerings growing 6%, led by Ezra Brooks 90 Proof, Exotico tequila and Juarez tequila.

### **Distilling Solutions**

Third quarter 2026 versus prior year

- Sales of \$29.0 million decreased 29% versus \$40.9 million.
- Gross profit of \$9.4 million decreased 34% versus \$14.2 million.
- Gross margin of 32.4% decreased by 230 basis points versus 34.7%.

Key developments versus prior year

- As expected, elevated industry-wide barrel inventories resulted in a 47% decline in brown goods sales.
- Sales of white goods and other co-products increased 32% primarily due to higher sales volumes.
- Warehouse services revenue increased 3%.
- Higher white goods production volumes and cost savings initiatives led to lower distillation costs, partially offsetting the impact of lower brown goods sales.

### **Ingredient Solutions**

Third quarter 2026 versus prior year

- Sales of \$30.8 million increased 5% versus \$29.3 million.
- Gross profit of \$1.8 million decreased 39% versus \$3.0 million.
- Gross margin of 6.0% decreased 430 basis points versus 10.3%.

Key developments versus prior year

- Sales growth was driven by higher sales of specialty wheat proteins, including textured proteins, and biofuel and other byproducts, partially offset by lower specialty wheat starch sales volumes primarily due to longer-than-expected downtime following a scheduled plant shutdown.
- Higher waste starch stream costs pressured profitability, partially offset by an initial insurance recovery payment related to a 2025 equipment outage.

## 2026 Financial Outlook

MGP reaffirmed its consolidated guidance for fiscal 2026:

- Sales projected to be in the range of \$480 million to \$500 million.
- Adjusted EBITDA expected to be between \$90 million to \$98 million.
- Adjusted basic EPS expected to be in the \$1.50 to 1.80 range, with weighted average basic shares outstanding of approximately 21.4 million.
- An effective tax rate of approximately 23%.
- Full-year capital expenditures expected to be approximately \$20 million.

## Dividend Distribution

The company's Board of Directors declared a dividend of \$0.12 per share of common stock. The dividend is payable on November 27, 2026, to stockholders of record as of November 13, 2026.

## Corporate Name Change and Ticker Change

As announced on October 15, 2026, the company's name will change to Sempreon, Inc. and its Nasdaq ticker symbol will change to "CASK" effective November 2, 2026. The company's CUSIP number will remain unchanged.

## Conference Call and Webcast Information

MGP Ingredients will host a conference call today at 10 a.m. ET, October 28, 2026, to discuss the results, provide a general business update, and answer questions. Please visit the News and Events section of the company's Investor Relations website to access the webcast. Investors can also dial (844) 308-6398 or (412) 717-9605 (international) to listen to the call. A replay will be available on the company's website approximately 24 hours after the call concludes.

## About MGP Ingredients, Inc.

MGP Ingredients Inc. (Nasdaq: MGPI) has been formulating excellence since 1941 by bringing product ideas to life across the alcoholic beverage and specialty ingredient industries through three segments: Branded Spirits, Distilling Solutions and Ingredient Solutions. MGPI is one of the leading spirits distillers with an award-winning portfolio of premium brands including Penelope, Rebel, Remus and Yellowstone bourbons and El Mayor tequila, under the Luxco umbrella. With distilleries in Indiana and Kentucky; a tequila distillery in Arandas, Mexico; and bottling operations in Missouri, Ohio and Northern Ireland, the company creates distilled spirits for customers including many world-renowned spirits brands. In addition, the company's high-quality specialty fiber, protein and starch ingredients provide functional, nutritional and sensory solutions for a wide range of food products. On November 2, 2026, MGP Ingredients, Inc. will become Sempreon, Inc. To learn more visit [MGPIngredients.com](https://www.MGPIngredients.com).

## Cautionary Note Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation statements about the ability of MGP Ingredients, Inc. (the "Company" or "MGP") to execute its roadmap; and the Company's 2026 outlook, including its expectations for sales, adjusted EBITDA, adjusted basic earnings per share ("EPS"), shares outstanding, tax rate, and capital expenditures. Forward looking statements are usually identified by or are associated with words such as "intend," "plan," "believe," "estimate," "expect," "anticipate," "project," "forecast," "hopeful," "should," "may," "will," "could," "encouraged," "opportunities," "potential," and similar terminology. These forward-looking statements reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance, Company financial results, and Company financial condition and are not guarantees of future performance.

All forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ materially from our expectations include without limitation any effects of changes in consumer preferences and purchases and our ability to anticipate or react to those changes; our ability to compete effectively and any effects of industry dynamics and market conditions; unfavorable economic conditions; damage to our reputation or that of any of our key customers or their brands; failure to introduce successful new brands and products or have effective marketing or advertising; changes in public opinion about alcohol or our products; our reliance on our distributors to

distribute our branded spirits; our reliance on fewer, more profitable customer relationships; interruptions in our operations or a catastrophic event at our facilities; decisions concerning the quantity of maturing stock of our aged distillate; any inability to successfully complete our capital projects or fund capital expenditures or any warehouse expansion issues; our reliance on a limited number of suppliers; work disruptions or stoppages; climate change and measures to address climate change; regulation and taxation and compliance with existing or future laws and regulations; tariffs, trade relations, and trade policies; excise taxes, incentives and customs duties; our ability to protect our intellectual property rights and defend against alleged intellectual property rights infringement claims; failure to secure and maintain listings in control states; labeling or warning requirements or limitations on the availability of our products; product recalls or other product liability claims; anti-corruption laws, trade sanctions, and restrictions; litigation or legal proceedings; limited rights of common stockholders and anti-takeover provisions in our governing documents; the impact of issuing shares of our common stock; higher costs or the unavailability and cost of raw materials, product ingredients, energy resources, or labor; failure of our information technology systems, networks, processes, associated sites, or service providers; inability to successfully implement our strategies; interest rate increases; reliance on key personnel; impairment charges; commercial, political, and financial risks; covenants and other provisions in our credit arrangements; pandemics or other health crises; ability to pay any dividends and make any share repurchases. For further information on these risks and uncertainties and other factors that could affect the Company's business, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2025, and its Quarterly Report on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2026, as well as the Company's other SEC filings. The Company undertakes no obligation to update any forward-looking statements or information in this press release, except as required by law.

#### **Non-GAAP Financial Measures**

In addition to reporting financial information in accordance with U.S. GAAP, the Company provides certain non-GAAP financial measures that are not in accordance with, or alternatives for, GAAP. In addition to the comparable GAAP measures, the Company has disclosed adjusted selling, general, and administrative expenses ("SG&A"), adjusted operating income, adjusted income before income taxes, adjusted net income, adjusted MGP earnings, adjusted EBITDA, net debt, net debt leverage ratio, and adjusted basic and diluted EPS, as well as guidance for adjusted EBITDA and adjusted basic EPS. The presentation of these non-GAAP financial measures should be reviewed in conjunction with SG&A, operating income, income before income taxes, net income, net income used in earnings per common share calculation, debt, and basic and diluted EPS computed in accordance with U.S. GAAP and should not be considered a substitute for the GAAP measure. We believe that the non-GAAP measures provide useful information to investors regarding the Company's performance and overall results of operations. In addition, management uses these non-GAAP measures in conjunction with GAAP measures when evaluating the Company's operating results compared to prior periods on a consistent basis, assessing financial trends, and for forecasting purposes. Non-GAAP financial measures may not provide information that is directly comparable to other companies, even if similar terms are used to identify such measures. The attached schedules provide a full reconciliation of historical non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure. Full year 2026 guidance measures of adjusted EBITDA and adjusted basic EPS are provided on a non-GAAP basis without a reconciliation to the most directly comparable GAAP measures because the Company is unable to predict with a reasonable degree of certainty certain items contained in the GAAP measures without unreasonable efforts. Such items include without limitation, acquisition related expenses, restructuring and related expenses, and other items not reflective of the Company's ongoing operations.

#### **For More Information Contact:**

**For Investor Relations:**  
[investor.relations@mgpi.com](mailto:investor.relations@mgpi.com)

**For Media Inquiries:**  
The Brand Guild  
[mgpcorporate@thebrandguild.com](mailto:mgpcorporate@thebrandguild.com)

**MGP INGREDIENTS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)** (UNAUDITED)  
(Dollars in thousands, except share and per share amounts)

|                                                                        | Quarter Ended September 30, |                  | Year to Date Ended September 30, |                  |
|------------------------------------------------------------------------|-----------------------------|------------------|----------------------------------|------------------|
|                                                                        | 2026                        | 2025             | 2026                             | 2025             |
| Sales                                                                  | \$ 117,911                  | \$ 130,912       | \$ 348,695                       | \$ 398,059       |
| Cost of sales                                                          | 77,452                      | 81,479           | 228,183                          | 246,909          |
| <b>Gross profit</b>                                                    | <b>40,459</b>               | <b>49,433</b>    | <b>120,512</b>                   | <b>151,150</b>   |
| Advertising and promotion expenses                                     | 6,408                       | 6,691            | 18,282                           | 21,776           |
| Selling, general, and administrative expenses                          | 21,520                      | 18,926           | 62,823                           | 63,287           |
| Provision for credit loss                                              | —                           | —                | 2,148                            | —                |
| Impairment and other                                                   | 514                         | —                | 180,791                          | —                |
| Change in fair value of contingent consideration                       | —                           | 2,800            | —                                | 25,500           |
| <b>Operating income (loss)</b>                                         | <b>12,017</b>               | <b>21,016</b>    | <b>(143,532)</b>                 | <b>40,587</b>    |
| Interest expense, net                                                  | (3,363)                     | (1,739)          | (7,663)                          | (5,490)          |
| Other income, net                                                      | 281                         | 428              | 530                              | 957              |
| <b>Income (loss) before income taxes</b>                               | <b>8,935</b>                | <b>19,705</b>    | <b>(150,665)</b>                 | <b>36,054</b>    |
| Income tax expense (benefit)                                           | 2,047                       | 4,276            | (34,755)                         | 9,255            |
| <b>Net income (loss)</b>                                               | <b>6,888</b>                | <b>15,429</b>    | <b>(115,910)</b>                 | <b>26,799</b>    |
| Attributable to noncontrolling interest                                | —                           | (7)              | 3                                | 25               |
| <b>Net income (loss) attributable to MGP Ingredients, Inc.</b>         | <b>6,888</b>                | <b>15,422</b>    | <b>(115,907)</b>                 | <b>26,824</b>    |
| Attributable to participating securities                               | (85)                        | (190)            | (101)                            | (322)            |
| <b>Net income (loss) used in earnings per common share calculation</b> | <b>\$ 6,803</b>             | <b>\$ 15,232</b> | <b>\$ (116,008)</b>              | <b>\$ 26,502</b> |
| <b>Weighted average common shares</b>                                  |                             |                  |                                  |                  |
| Basic                                                                  | 21,457,947                  | 21,373,300       | 21,427,069                       | 21,359,051       |
| Diluted                                                                | 21,457,947                  | 21,373,300       | 21,427,069                       | 21,359,051       |
| <b>Earnings per common share</b>                                       |                             |                  |                                  |                  |
| Basic                                                                  | \$ 0.32                     | \$ 0.71          | \$ (5.41)                        | \$ 1.24          |
| Diluted                                                                | \$ 0.32                     | \$ 0.71          | \$ (5.41)                        | \$ 1.24          |

**MGP INGREDIENTS, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
(Dollars in thousands)

|                                                | September 30, 2026  | December 31, 2025   |
|------------------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                                  |                     |                     |
| Current Assets:                                |                     |                     |
| Cash and cash equivalents                      | \$ 13,601           | \$ 18,460           |
| Receivables, net                               | 94,618              | 116,160             |
| Inventory                                      | 400,979             | 382,741             |
| Prepaid expenses                               | 3,791               | 2,139               |
| Refundable income taxes                        | —                   | 3,209               |
| <b>Total current assets</b>                    | <b>512,989</b>      | <b>522,709</b>      |
| Property, plant, and equipment                 | 578,740             | 594,898             |
| Less accumulated depreciation and amortization | (283,378)           | (266,911)           |
| <b>Property, plant, and equipment, net</b>     | <b>295,362</b>      | <b>327,987</b>      |
| Operating lease right-of-use assets, net       | 10,217              | 13,847              |
| Investment in joint venture                    | 7,001               | 8,211               |
| Intangible assets, net                         | 205,265             | 244,696             |
| Goodwill                                       | —                   | 115,667             |
| Other assets                                   | 3,238               | 2,747               |
| <b>TOTAL ASSETS</b>                            | <b>\$ 1,034,072</b> | <b>\$ 1,235,864</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>    |                     |                     |
| Current Liabilities:                           |                     |                     |
| Current maturities of long-term debt           | \$ 6,400            | \$ 6,400            |
| Accounts payable                               | 42,311              | 54,589              |
| Contingent consideration                       | —                   | 110,800             |
| Federal and state excise taxes payable         | 1,899               | 5,755               |
| Income taxes payable                           | 4,215               | —                   |
| Accrued expenses and other                     | 19,405              | 22,507              |
| <b>Total current liabilities</b>               | <b>74,230</b>       | <b>200,051</b>      |
| Long-term debt, less current maturities        | 138,414             | 49,735              |
| Convertible senior notes                       | 196,422             | 196,183             |
| Long-term operating lease liabilities          | 7,322               | 10,561              |
| Other noncurrent liabilities                   | 3,213               | 2,534               |
| Deferred income taxes                          | 17,497              | 60,010              |
| <b>Total liabilities</b>                       | <b>437,098</b>      | <b>519,074</b>      |
| Total equity                                   | 596,974             | 716,790             |
| <b>TOTAL LIABILITIES AND TOTAL EQUITY</b>      | <b>\$ 1,034,072</b> | <b>\$ 1,235,864</b> |

**MGP INGREDIENTS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)**  
(Dollars in thousands)

|                                                                                          | Year to Date Ended September 30, |                  |
|------------------------------------------------------------------------------------------|----------------------------------|------------------|
|                                                                                          | 2026                             | 2025             |
| Cash Flows from Operating Activities                                                     |                                  |                  |
| Net income (loss)                                                                        | \$ (115,910)                     | \$ 26,799        |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: |                                  |                  |
| Depreciation and amortization                                                            | 19,069                           | 17,824           |
| Goodwill and other long-lived assets impairment                                          | 179,526                          | —                |
| Share-based compensation                                                                 | 4,002                            | 3,320            |
| Equity method investment gain                                                            | (290)                            | (869)            |
| Deferred income taxes, including change in valuation allowance                           | (42,729)                         | (25)             |
| Change in fair value of contingent consideration                                         | —                                | 25,500           |
| Payment of contingent consideration                                                      | (48,700)                         | —                |
| Other, net                                                                               | 803                              | 594              |
| Changes in operating assets and liabilities:                                             |                                  |                  |
| Receivables, net                                                                         | 21,494                           | 41,699           |
| Inventory                                                                                | (18,191)                         | (19,935)         |
| Prepaid expenses                                                                         | (1,419)                          | (163)            |
| Income taxes payable                                                                     | 7,424                            | 1,442            |
| Accounts payable                                                                         | (8,172)                          | (8,446)          |
| Accrued expenses and other                                                               | (2,521)                          | 7,689            |
| Federal and state excise taxes payable                                                   | (3,856)                          | (2,906)          |
| Other, net                                                                               | 610                              | (74)             |
| <b>Net cash provided by (used in) operating activities</b>                               | <b>(8,860)</b>                   | <b>92,449</b>    |
| Cash Flows from Investing Activities                                                     |                                  |                  |
| Additions to property, plant, and equipment                                              | (14,878)                         | (40,674)         |
| Distributions from equity method investment                                              | 1,500                            | —                |
| Other, net                                                                               | 168                              | (14)             |
| <b>Net cash used in investing activities</b>                                             | <b>(13,210)</b>                  | <b>(40,688)</b>  |
| Cash Flows from Financing Activities                                                     |                                  |                  |
| Payment of dividends and dividend equivalents                                            | (7,797)                          | (7,739)          |
| Repurchase of Common Stock                                                               | (921)                            | (1,035)          |
| Loan fees paid related to borrowings                                                     | —                                | (2,712)          |
| Proceeds from long-term debt                                                             | 145,000                          | 28,000           |
| Principal payments on long-term debt                                                     | (56,800)                         | (80,800)         |
| Payment of contingent consideration                                                      | (62,100)                         | —                |
| <b>Net cash provided by (used in) financing activities</b>                               | <b>17,382</b>                    | <b>(64,286)</b>  |
| Effect of exchange rate changes on cash and cash equivalents                             | (171)                            | 699              |
| Decrease in cash and cash equivalents                                                    | (4,859)                          | (11,826)         |
| Cash and cash equivalents, beginning of period                                           | 18,460                           | 25,273           |
| Cash and cash equivalents, end of period                                                 | <b>\$ 13,601</b>                 | <b>\$ 13,447</b> |

**MGP INGREDIENTS, INC.**
**RECONCILIATION OF SELECTED GAAP MEASURES TO ADJUSTED NON-GAAP MEASURES (UNAUDITED)**

(in thousands, except per share amounts)

| Quarter Ended September 30, 2026             |                  |                  |                            |                 |                             |                       |
|----------------------------------------------|------------------|------------------|----------------------------|-----------------|-----------------------------|-----------------------|
|                                              | SG&A             | Operating Income | Income before Income Taxes | Net Income      | MGP Earnings <sup>(a)</sup> | Basic and Diluted EPS |
| <b>Reported GAAP Results</b>                 | \$ 21,520        | \$ 12,017        | \$ 8,935                   | \$ 6,888        | \$ 6,803                    | \$ 0.32               |
| Adjusted to remove:                          |                  |                  |                            |                 |                             |                       |
| Impairment and other <sup>(b)</sup>          | —                | 514              | 514                        | 441             | 436                         | 0.02                  |
| Executive transition costs <sup>(c)</sup>    | (609)            | 609              | 609                        | 523             | 517                         | 0.02                  |
| Professional service fees <sup>(d)</sup>     | (21)             | 21               | 21                         | 18              | 18                          | —                     |
| Restructuring and other costs <sup>(e)</sup> | (821)            | 821              | 821                        | 705             | 696                         | 0.03                  |
| <b>Adjusted Non-GAAP results</b>             | <u>\$ 20,069</u> | <u>\$ 13,982</u> | <u>\$ 10,900</u>           | <u>\$ 8,575</u> | <u>\$ 8,470</u>             | <u>\$ 0.39</u>        |

| Quarter Ended September 30, 2025                      |                  |                  |                            |                  |                             |                       |
|-------------------------------------------------------|------------------|------------------|----------------------------|------------------|-----------------------------|-----------------------|
|                                                       | SG&A             | Operating Income | Income before Income Taxes | Net Income       | MGP Earnings <sup>(a)</sup> | Basic and Diluted EPS |
| <b>Reported GAAP Results</b>                          | \$ 18,926        | \$ 21,016        | \$ 19,705                  | \$ 15,429        | \$ 15,232                   | \$ 0.71               |
| Adjusted to remove:                                   |                  |                  |                            |                  |                             |                       |
| Executive transition costs <sup>(c)</sup>             | (1,143)          | 1,143            | 1,143                      | 895              | 885                         | 0.04                  |
| Fair value of contingent consideration <sup>(g)</sup> | —                | 2,800            | 2,800                      | 2,192            | 2,169                       | 0.10                  |
| <b>Adjusted Non-GAAP results</b>                      | <u>\$ 17,783</u> | <u>\$ 24,959</u> | <u>\$ 23,648</u>           | <u>\$ 18,516</u> | <u>\$ 18,286</u>            | <u>\$ 0.85</u>        |

| Year to Date Ended September 30, 2026        |                  |                         |                                   |                   |                             |                       |
|----------------------------------------------|------------------|-------------------------|-----------------------------------|-------------------|-----------------------------|-----------------------|
|                                              | SG&A             | Operating Income (loss) | Income (loss) before Income Taxes | Net Income (loss) | MGP Earnings <sup>(a)</sup> | Basic and Diluted EPS |
| <b>Reported GAAP Results</b>                 | \$ 62,823        | \$ (143,532)            | \$ (150,665)                      | \$ (115,910)      | \$ (116,008)                | \$ (5.41)             |
| Adjusted to remove:                          |                  |                         |                                   |                   |                             |                       |
| Impairment and other <sup>(b)</sup>          | —                | 180,791                 | 180,791                           | 138,594           | 138,594                     | 6.47                  |
| Executive transition costs <sup>(c)</sup>    | (1,314)          | 1,314                   | 1,314                             | 1,194             | 1,194                       | 0.06                  |
| Professional service fees <sup>(d)</sup>     | (271)            | 271                     | 271                               | 246               | 246                         | 0.01                  |
| Restructuring and other costs <sup>(e)</sup> | (3,062)          | 3,062                   | 3,062                             | 2,781             | 2,781                       | 0.13                  |
| Income tax items <sup>(f)</sup>              | —                | —                       | —                                 | 747               | 747                         | 0.03                  |
| <b>Adjusted Non-GAAP results</b>             | <u>\$ 58,176</u> | <u>\$ 41,906</u>        | <u>\$ 34,773</u>                  | <u>\$ 27,652</u>  | <u>\$ 27,554</u>            | <u>\$ 1.29</u>        |

| Year to Date Ended September 30, 2025                 |                  |                  |                            |                  |                             |                       |
|-------------------------------------------------------|------------------|------------------|----------------------------|------------------|-----------------------------|-----------------------|
|                                                       | SG&A             | Operating Income | Income before Income Taxes | Net Income       | MGP Earnings <sup>(a)</sup> | Basic and Diluted EPS |
| <b>Reported GAAP Results</b>                          | \$ 63,287        | \$ 40,587        | \$ 36,054                  | \$ 26,799        | \$ 26,502                   | \$ 1.24               |
| Adjusted to remove:                                   |                  |                  |                            |                  |                             |                       |
| Fair value of contingent consideration <sup>(g)</sup> | —                | 25,500           | 25,500                     | 18,947           | 18,736                      | 0.88                  |
| Professional service fees <sup>(d)</sup>              | (382)            | 382              | 382                        | 284              | 281                         | 0.01                  |
| Executive transition costs <sup>(c)</sup>             | (1,825)          | 1,825            | 1,825                      | 1,356            | 1,341                       | 0.06                  |
| Restructuring and other costs <sup>(e)</sup>          | (613)            | 613              | 613                        | 455              | 450                         | 0.02                  |
| <b>Adjusted Non-GAAP results</b>                      | <u>\$ 60,467</u> | <u>\$ 68,907</u> | <u>\$ 64,374</u>           | <u>\$ 47,841</u> | <u>\$ 47,310</u>            | <u>\$ 2.21</u>        |

**MGP INGREDIENTS, INC.**  
**DESCRIPTION OF NON-GAAP ITEMS**

- (a) MGP Earnings is defined as "Net income used in Earnings Per Common Share calculation," which accounts for the impacts of the earnings attributable to noncontrolling interest and earnings attributable to participating securities.
- (b) Impairment and other relates to the first quarter of 2026 write-down of goodwill, indefinite-lived intangible assets and other long-lived assets as well as expenses incurred related to the idled Kentucky facilities. It is included in the Condensed Consolidated Statement of Income (Loss) as a component of operating income and relates to the Branded Spirits segment.
- (c) The executive transition costs are included in the Condensed Consolidated Statement of Income (Loss) within the selling, general, and administrative line item. The adjustment includes costs related to the transition of certain executive and board of director positions.
- (d) The professional services fees are included in the Condensed Consolidated Statement of Income (Loss) within the selling, general, and administrative line item. The adjustment includes costs related to professional services in conjunction with the goodwill and indefinite-lived intangible assets impairment valuation.
- (e) The restructuring and other costs are included in the Condensed Consolidated Statement of Income (Loss) within the selling, general, and administrative line item. The adjustment includes special one-time severance costs related to the reduction in force that occurred during the period and other special project costs related to the corporate name change.
- (f) Income tax items are included in the Condensed Consolidated Statement of Income (Loss) within the income tax expenses. The adjustment relates to the impacts of state law changes on the Company's deferred tax balances.
- (g) Fair value of contingent consideration relates to the quarterly adjustment of the contingent consideration liability related to the acquisition of Penelope Bourbon LLC. It is included in the Condensed Consolidated Statement of Income (Loss) as a component of operating income and relates to the Branded Spirits segment.

**MGP INGREDIENTS, INC.**  
**RECONCILIATION OF NET INCOME (LOSS) TO ADJUSTED EBITDA (UNAUDITED)**  
(in thousands)

|                                         | Quarter Ended September 30, |                  | Year to Date Ended September 30, |                  |
|-----------------------------------------|-----------------------------|------------------|----------------------------------|------------------|
|                                         | 2026                        | 2025             | 2026                             | 2025             |
| <b>Net income (loss)</b>                | <b>\$ 6,888</b>             | <b>\$ 15,429</b> | <b>\$ (115,910)</b>              | <b>\$ 26,799</b> |
| Interest expense                        | 3,363                       | 1,739            | 7,663                            | 5,490            |
| Income tax expense (benefit)            | 2,047                       | 4,276            | (34,755)                         | 9,255            |
| Depreciation and amortization           | 6,418                       | 6,186            | 19,069                           | 17,824           |
| Share based compensation <sup>(a)</sup> | 1,388                       | 1,057            | 3,629                            | 3,087            |
| Equity method investment gain           | (140)                       | (375)            | (290)                            | (869)            |
| Executive transition costs              | 609                         | 1,143            | 1,314                            | 1,825            |
| Restructuring and other costs           | 821                         | —                | 3,062                            | 613              |
| Impairment and other <sup>(b)</sup>     | 71                          | —                | 180,053                          | —                |
| Professional service fees               | 21                          | —                | 271                              | 382              |
| Fair value of contingent consideration  | —                           | 2,800            | —                                | 25,500           |
| <b>Adjusted EBITDA</b>                  | <b>\$ 21,486</b>            | <b>\$ 32,255</b> | <b>\$ 64,106</b>                 | <b>\$ 89,906</b> |

(a) This amount excludes share based compensation related to executive transition costs and one-time severance costs (benefits).

(b) This amount excludes depreciation expense related to the idled facility as it is included in depreciation and amortization expense.

The non-GAAP adjusted EBITDA measure is defined as earnings before interest expense, income tax expense (benefit), depreciation and amortization, share based compensation, equity method investment gain, executive transition costs, restructuring and other costs, impairment and other, fair value of contingent consideration, and professional service fees.

See "Reconciliation of selected GAAP measure to adjusted non-GAAP measures" for further details on selected non-GAAP items.

**MGP INGREDIENTS, INC.**  
**NET DEBT LEVERAGE RATIO (UNAUDITED)**  
(in thousands)

|                                              | Quarter Ended<br>December 31,<br>2025 | Quarter Ended<br>March 31,<br>2026 | Quarter Ended<br>June 30,<br>2026 | Quarter Ended<br>September 30,<br>2026 | TTM <sup>(a)</sup><br>September 30, 2026 |
|----------------------------------------------|---------------------------------------|------------------------------------|-----------------------------------|----------------------------------------|------------------------------------------|
| Net income (loss)                            | \$ (134,631)                          | \$ (134,807)                       | \$ 12,009                         | \$ 6,888                               | \$ (250,541)                             |
| Interest expense                             | 1,554                                 | 1,421                              | 2,879                             | 3,363                                  | 9,217                                    |
| Income tax expense (benefit)                 | (1,773)                               | (39,865)                           | 3,063                             | 2,047                                  | (36,528)                                 |
| Depreciation and amortization                | 6,262                                 | 6,265                              | 6,386                             | 6,418                                  | 25,331                                   |
| Share based compensation <sup>(c)</sup>      | 1,129                                 | 923                                | 1,318                             | 1,388                                  | 4,758                                    |
| Equity method investment loss (gain)         | (318)                                 | 19                                 | (169)                             | (140)                                  | (608)                                    |
| Impairment and other <sup>(d)</sup>          | 152,622                               | 179,526                            | 456                               | 71                                     | 332,675                                  |
| Professional service fees                    | 113                                   | —                                  | 250                               | 21                                     | 384                                      |
| Executive transition costs                   | 953                                   | 333                                | 372                               | 609                                    | 2,267                                    |
| Restructuring and other costs                | 190                                   | 1,197                              | 1,044                             | 821                                    | 3,252                                    |
| <b>Adjusted EBITDA</b>                       | <b>\$ 26,101</b>                      | <b>\$ 15,012</b>                   | <b>\$ 27,608</b>                  | <b>\$ 21,486</b>                       | <b>\$ 90,207</b>                         |
| Total debt                                   |                                       |                                    |                                   |                                        | \$ 341,236                               |
| Cash and cash equivalents                    |                                       |                                    |                                   |                                        | 13,601                                   |
| <b>Net debt</b>                              |                                       |                                    |                                   |                                        | <b>\$ 327,635</b>                        |
| <b>Net debt leverage ratio<sup>(b)</sup></b> |                                       |                                    |                                   |                                        | <b>3.6</b>                               |

(a) TTM is defined as trailing twelve months.

(b) Net debt leverage ratio is defined as net debt divided by adjusted EBITDA.

(c) This amount excludes share based compensation related to executive transition costs and one-time severance costs (benefits).

(d) This amount excludes depreciation expense related to the idled facility as it related to depreciation and amortization expense.

See "Reconciliation of selected GAAP measure to adjusted non-GAAP measures" for further details on selected non-GAAP items.

**MGP INGREDIENTS, INC.**  
**OPERATING SEGMENT RESULTS (UNAUDITED)**  
(Dollars in thousands)

| <b>BRANDED SPIRITS</b>                  |                             |                  |                                                     |                               |
|-----------------------------------------|-----------------------------|------------------|-----------------------------------------------------|-------------------------------|
|                                         | Quarter Ended September 30, |                  | Quarter versus Quarter Change Increase/(Decrease)   |                               |
|                                         | 2026                        | 2025             | \$ Change                                           | % Change                      |
| Premium plus                            | \$ 31,871                   | \$ 32,119        | \$ (248)                                            | (1)%                          |
| Mid                                     | 15,661                      | 14,835           | 826                                                 | 6                             |
| Value                                   | 7,612                       | 8,170            | (558)                                               | (7)                           |
| Other                                   | 3,054                       | 5,624            | (2,570)                                             | (46)                          |
| <b>Total Branded Spirits Sales</b>      | <b>\$ 58,198</b>            | <b>\$ 60,748</b> | <b>\$ (2,550)</b>                                   | <b>(4)%</b>                   |
| <b>Gross profit</b>                     | <b>\$ 29,219</b>            | <b>\$ 32,220</b> | <b>\$ (3,001)</b>                                   | <b>(9)%</b>                   |
| <b>Gross margin %</b>                   | <b>50.2 %</b>               | <b>53.0 %</b>    |                                                     | <b>(2.8) pp<sup>(a)</sup></b> |
| Operating income                        | \$ 15,128                   | \$ 14,751        | \$ 377                                              | 3 %                           |
| Depreciation and amortization           | \$ 2,145                    | \$ 2,157         | \$ (12)                                             | (1)%                          |
| <b>DISTILLING SOLUTIONS</b>             |                             |                  |                                                     |                               |
|                                         | Quarter Ended September 30, |                  | Quarter versus Quarter Change Increase/(Decrease)   |                               |
|                                         | 2026                        | 2025             | \$ Change                                           | % Change                      |
| Brown goods                             | \$ 14,976                   | \$ 28,512        | \$ (13,536)                                         | (47)%                         |
| Warehouse services                      | 8,266                       | 8,052            | 214                                                 | 3                             |
| White goods and other co-products       | 5,718                       | 4,317            | 1,401                                               | 32                            |
| <b>Total Distilling Solutions Sales</b> | <b>\$ 28,960</b>            | <b>\$ 40,881</b> | <b>\$ (11,921)</b>                                  | <b>(29)%</b>                  |
| <b>Gross profit</b>                     | <b>\$ 9,394</b>             | <b>\$ 14,200</b> | <b>\$ (4,806)</b>                                   | <b>(34)%</b>                  |
| <b>Gross margin %</b>                   | <b>32.4 %</b>               | <b>34.7 %</b>    |                                                     | <b>(2.3) pp<sup>(a)</sup></b> |
| Operating income                        | \$ 8,723                    | \$ 13,304        | \$ (4,581)                                          | (34)%                         |
| Depreciation and amortization           | \$ 1,748                    | \$ 2,041         | \$ (293)                                            | (14)%                         |
| <b>INGREDIENT SOLUTIONS</b>             |                             |                  |                                                     |                               |
|                                         | Quarter Ended September 30, |                  | Quarter versus Quarter Change Increase / (Decrease) |                               |
|                                         | 2026                        | 2025             | \$ Change                                           | % Change                      |
| Specialty wheat starches                | \$ 14,888                   | \$ 16,965        | \$ (2,077)                                          | (12)%                         |
| Specialty wheat proteins                | 10,278                      | 8,905            | 1,373                                               | 15                            |
| Commodity wheat starches                | 2,663                       | 2,317            | 346                                                 | 15                            |
| Commodity wheat proteins                | 924                         | 993              | (69)                                                | (7)                           |
| Biofuel and other                       | 2,000                       | 103              | 1,897                                               | 1,842                         |
| <b>Total Ingredient Solutions Sales</b> | <b>\$ 30,753</b>            | <b>\$ 29,283</b> | <b>\$ 1,470</b>                                     | <b>5 %</b>                    |
| <b>Gross profit</b>                     | <b>\$ 1,846</b>             | <b>\$ 3,013</b>  | <b>\$ (1,167)</b>                                   | <b>(39)%</b>                  |
| <b>Gross margin %</b>                   | <b>6.0 %</b>                | <b>10.3 %</b>    |                                                     | <b>(4.3) pp<sup>(a)</sup></b> |
| Operating income                        | \$ 1,131                    | \$ 1,809         | \$ (678)                                            | (37)%                         |
| Depreciation and amortization           | \$ 2,167                    | \$ 1,635         | \$ 532                                              | 33 %                          |

<sup>(a)</sup> Percentage points ("pp").

**MGP INGREDIENTS, INC.**  
**OPERATING SEGMENT RESULTS (UNAUDITED)**  
(Dollars in thousands)

| <b>BRANDED SPIRITS</b>                  |                                  |                   |                                                                   |                               |  |
|-----------------------------------------|----------------------------------|-------------------|-------------------------------------------------------------------|-------------------------------|--|
|                                         | Year to Date Ended September 30, |                   | Year to Date versus Year to Date Sales Change Increase/(Decrease) |                               |  |
|                                         | 2026                             | 2025              | \$ Change                                                         | % Change                      |  |
| Premium plus                            | \$ 87,167                        | \$ 85,536         | \$ 1,631                                                          | 2 %                           |  |
| Mid                                     | 45,129                           | 43,355            | 1,774                                                             | 4                             |  |
| Value                                   | 22,439                           | 24,447            | (2,008)                                                           | (8)                           |  |
| Other                                   | 7,330                            | 16,157            | (8,827)                                                           | (55)                          |  |
| <b>Total Branded Spirits Sales</b>      | <b>\$ 162,065</b>                | <b>\$ 169,495</b> | <b>\$ (7,430)</b>                                                 | <b>(4)%</b>                   |  |
| <b>Gross profit</b>                     | <b>\$ 81,951</b>                 | <b>\$ 86,402</b>  | <b>\$ (4,451)</b>                                                 | <b>(5)%</b>                   |  |
| <b>Gross margin %</b>                   | <b>50.6 %</b>                    | <b>51.0 %</b>     |                                                                   | <b>(0.4) pp<sup>(a)</sup></b> |  |
| Operating income (loss)                 | \$ (142,038)                     | \$ 14,342         | \$ (156,380)                                                      | (1,090)%                      |  |
| Depreciation and amortization           | \$ 6,448                         | \$ 6,442          | \$ 6                                                              | — %                           |  |
| <b>DISTILLING SOLUTIONS</b>             |                                  |                   |                                                                   |                               |  |
|                                         | Year to Date Ended September 30, |                   | Year to Date versus Year to Date Sales Change Increase/(Decrease) |                               |  |
|                                         | 2026                             | 2025              | \$ Change                                                         | % Change                      |  |
| Brown goods                             | \$ 44,145                        | \$ 97,225         | \$ (53,080)                                                       | (55)%                         |  |
| Warehouse services                      | 25,180                           | 24,130            | 1,050                                                             | 4                             |  |
| White goods and other co-products       | 16,855                           | 16,469            | 386                                                               | 2                             |  |
| <b>Total Distilling Solutions Sales</b> | <b>\$ 86,180</b>                 | <b>\$ 137,824</b> | <b>\$ (51,644)</b>                                                | <b>(37)%</b>                  |  |
| <b>Gross profit</b>                     | <b>\$ 29,321</b>                 | <b>\$ 51,692</b>  | <b>\$ (22,371)</b>                                                | <b>(43)%</b>                  |  |
| <b>Gross margin %</b>                   | <b>34.0 %</b>                    | <b>37.5 %</b>     |                                                                   | <b>(3.5) pp<sup>(a)</sup></b> |  |
| Operating income                        | \$ 27,143                        | \$ 48,927         | \$ (21,784)                                                       | (45)%                         |  |
| Depreciation and amortization           | \$ 5,313                         | \$ 6,121          | \$ (808)                                                          | (13)%                         |  |
| <b>INGREDIENT SOLUTIONS</b>             |                                  |                   |                                                                   |                               |  |
|                                         | Year to Date Ended September 30, |                   | Year to Date versus Year to Date Sales Change Increase/(Decrease) |                               |  |
|                                         | 2026                             | 2025              | \$ Change                                                         | % Change                      |  |
| Specialty wheat starches                | \$ 52,193                        | \$ 51,292         | \$ 901                                                            | 2 %                           |  |
| Specialty wheat proteins                | 35,735                           | 28,865            | 6,870                                                             | 24                            |  |
| Commodity wheat starches                | 7,950                            | 8,097             | (147)                                                             | (2)                           |  |
| Commodity wheat proteins                | 1,383                            | 2,383             | (1,000)                                                           | (42)                          |  |
| Biofuel and other                       | 3,189                            | 103               | 3,086                                                             | 2,996                         |  |
| <b>Total Ingredient Solutions Sales</b> | <b>\$ 100,450</b>                | <b>\$ 90,740</b>  | <b>\$ 9,710</b>                                                   | <b>11 %</b>                   |  |
| <b>Gross profit</b>                     | <b>\$ 9,240</b>                  | <b>\$ 13,056</b>  | <b>\$ (3,816)</b>                                                 | <b>(29)%</b>                  |  |
| <b>Gross margin %</b>                   | <b>9.2 %</b>                     | <b>14.4 %</b>     |                                                                   | <b>(5.2) pp<sup>(a)</sup></b> |  |
| Operating income                        | \$ 6,768                         | \$ 9,107          | \$ (2,339)                                                        | (26)%                         |  |
| Depreciation and amortization           | \$ 6,244                         | \$ 4,213          | \$ 2,031                                                          | 48 %                          |  |

<sup>(a)</sup> Percentage points ("pp").

**MGP INGREDIENTS, INC.**  
**DILUTIVE SHARES OUTSTANDING CALCULATION (UNAUDITED)**

|                                      | Quarter Ended September 30, |                | Year to Date Ended September 30, |                |
|--------------------------------------|-----------------------------|----------------|----------------------------------|----------------|
|                                      | 2026                        | 2025           | 2026                             | 2025           |
| Principal amount of the bonds        | \$ 201,250,000              | \$ 201,250,000 | \$ 201,250,000                   | \$ 201,250,000 |
| Par value                            | \$ 1,000                    | \$ 1,000       | \$ 1,000                         | \$ 1,000       |
| Number of bonds outstanding (a)      | 201,250                     | 201,250        | 201,250                          | 201,250        |
| Initial conversion rate              | 10.3911                     | 10.3911        | 10.3911                          | 10.3911        |
| Conversion price                     | \$ 96.23620                 | \$ 96.23620    | \$ 96.23620                      | \$ 96.23620    |
| Average share price (b)              | \$ 16.55156                 | \$ 28.99063    | \$ 18.98037                      | \$ 30.67755    |
| Impact of conversion (c)             | \$ —                        | \$ —           | \$ —                             | \$ —           |
| Cash paid for principal              | (201,250,000)               | (201,250,000)  | (201,250,000)                    | (201,250,000)  |
| Conversion premium                   | \$ —                        | \$ —           | \$ —                             | \$ —           |
| Average share price                  | \$ 16.55156                 | \$ 28.99063    | \$ 18.98037                      | \$ 30.67755    |
| Conversion premium in shares (d) (e) | —                           | —              | —                                | —              |

- (a) Number of bonds outstanding is calculated by taking the principal amount of the bonds divided by the par value.
- (b) Average share price is calculated by taking the average of the daily closing share price for the period. If the average share price is less than the conversion price of \$96.23620 per share, the impact to EPS is anti-dilutive and therefore the shares were excluded from the diluted EPS calculation.
- (c) Impact of conversion is calculated by taking the number of bonds outstanding multiplied by the initial conversion rate multiplied by the average share price. If the average share price is less than the conversion price then the impact of conversion is zero.
- (d) The impacts of the Convertible Senior Notes are included in the diluted weighted average common shares outstanding if the impact is dilutive. The Convertible Senior Notes would only have a dilutive impact if the average market price per share during the quarter exceed the conversion price of \$96.23620 per share.
- (e) Conversion premium in shares is calculated by taking the conversion premium divided by the average share price. If the average share price is less than the conversion price, then the conversion premium in shares is zero.