

**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): May 7, 2015

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

On May 7, 2015, MGP Ingredients, Inc. (the "Company") issued a Press Release relating to financial results for the first quarter of 2015, which ended March 31, 2015 (the "Press Release"). The Press Release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference. The Press Release is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition," Item 7.01, "Regulation FD Disclosure" and Item 9.01, "Financial Statements and Exhibits."

The information in Item 2.02 of this Current Report, including in 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, or otherwise subject to the liabilities of that section. Such information shall not be deemed incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, except to the extent expressly incorporated by specific reference contained in such filing or document.

**Item 7.01. Regulation FD Disclosure.**

Attached as Exhibit 99.1, and incorporated into this Item 7.01 by reference, is the Press Release relating to the Company's financial results for the first quarter of 2015, which ended March 31, 2015.

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

(d) *Exhibits.*

**99.1\*** Press Release dated May 7, 2015 furnished solely for the purpose of incorporation by reference into Items 2.02, 7.01 and 9.01.

\*Filed herewith

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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: May 7, 2015

By: /s/ Donald Tracy  
Donald Tracy, Chief Financial Officer



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# NEWS RELEASE

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## **MGP INGREDIENTS REPORTS STRONG FIRST QUARTER 2015 RESULTS** *Gross Profit doubles, driving Operating Income to \$6.9M*

**ATCHISON, Kan., May 7, 2015 - MGP Ingredients, Inc. (Nasdaq/MGPI)**, a leading supplier of premium distilled spirits and specialty wheat proteins and starches, today reported results for the first quarter period ended March 31, 2015.

"We are very pleased with our first quarter results, which are early evidence of the traction we are gaining against our new strategic plan," said Gus Griffin, president and CEO of MGP. "MGP Ingredients' first quarter performance demonstrates significant progress in shifting our product mix and driving the growth of our higher value products."

### First Quarter 2015 Highlights (vs. first quarter 2014)

- Gross profit increased by \$6.6 million to \$13.4 million
- Gross margin improved 8.0 percentage points to 16.6%
- Operating income increased by \$5.2 million to \$6.9 million
- ICP joint venture contributed \$1.3 million to pretax income, down from \$3.2 million a year ago
- Net income rose by 6.0% to \$5.1 million (note that 2014 results benefited from a low effective tax rate)
- Earnings per share (EPS) rose by \$0.02 per share to \$0.28 per share

### **Distillery Products Segment -- Gross Profit Rises 91%**

For the quarter, gross profit for the Distillery Products segment rose to \$11.5 million, or 17.4% of net sales, compared with \$6.0 million, or 9.3% of net sales in the first quarter of 2014. The primary driver of the improvement in gross profit was an improved mix of product and favorable pricing compared to commodity cost.

Griffin noted, "Consistent with our new strategy, we remain focused on maximizing the value of our production, as evidenced by the positive mix shift in food grade alcohol sales toward higher margin vodkas, gins, and whiskeys. In addition to improving margin, we expect that over time this shift will lead to a lessening of the historical correlation between product pricing and input costs, and give the company additional insulation from external factors such as swings in energy costs and commodity prices."

## **Ingredient Solutions - Specialty Products support stronger margin performance**

For the first quarter of 2015, gross profit for the Ingredient Solutions segment increased to \$1.9 million, or 13.1% of net sales, compared with \$789,000, or 5.6% of net sales in the first quarter of 2014.

The segment's focus remains on the production and commercialization of specialty ingredients, with 83.9% of total segment net sales in specialty products, up from 78.7% in the first quarter of 2014. For the first quarter of 2015, sales revenue of specialty starches rose 18.6% from the first quarter of 2014. Average pricing for the Ingredient Solutions segment declined less than one percent, while flour prices declined 5.8% versus the prior year period.

Griffin added, "We are very pleased to see the strong growth in our specialty starches. It is clear that the industry is reacting favorably to the unique benefits that our products offer. Additionally, the favorable mix shift towards specialty products is further evidence of our focus on maximizing the value of our production and helped us achieve strong pricing relative to flour costs. We continue to be confident in our plans to realize the long-term potential of this business segment."

## **Other**

Corporate selling, general and administrative expenses were \$6.5 million for the first quarter of 2015 compared to \$5.1 million in the comparable 2014 period, primarily due to greater performance-based compensation accruals in the first quarter.

The company's ICP joint venture, which produces high quality food grade alcohol, chemical intermediates and fuel, generated a positive contribution to MGP's net income in the first quarter of 2015. Solid operational results led to joint venture equity method investment earnings of \$1.3 million for the quarter, which were below the 2014 first quarter results of \$3.2 million due to lower sales volume and lower average sales price compared to the same quarter a year ago.

## **Conclusion**

"Overall, we are very pleased with the gross profit gains reported in both Distillery Products and Ingredient Solutions," said Griffin. "Despite our higher tax rate and lower contribution from our ICP joint venture, our improved operating income results were able to drive growth in net income and EPS (Results of Operations table attached). We are off to a strong start to the year, and we are encouraged by the outlook for the remainder of 2015."

## **Annual Meeting**

The company's annual meeting of shareholders is scheduled for May 21 at the Ferrell Academic Center of Benedictine College in Atchison, Kansas. At the meeting, Griffin is expected to provide reviews of 2014 results and the five key strategies of the 5-year strategic plan, which was announced in February.

The strategies include:

1. Maximizing the value of the company's current production volumes
2. Capturing a larger share of the value chain
3. Investing to support growth
4. Continuing strong risk management discipline
5. Building the MGP brand

Operating income is the key metric for measuring the successful implementation of the strategic plan. The goal is to grow adjusted operating income by a multiple of four over the 2014-2019 five-year period.

## **About MGP Ingredients, Inc.**

MGP is a leading supplier of premium distilled spirits and specialty wheat proteins and starches. Distilled spirits include bourbon and rye whiskeys, gins and vodkas, which are carefully crafted through a combination of art and science and backed by over 150 years of experience. The company's proteins and starches are created in the same manner and provide a host of functional, nutritional and sensory benefits for a wide range of food products. MGP additionally is a top producer of high quality industrial alcohol for use in both food and non-food applications. The company is headquartered in Atchison, Kansas, where distilled alcohol products and food ingredients are produced. Premium spirits are also distilled and matured at the company facility in Lawrenceburg, Indiana. For more information, visit [mgpingredients.com](http://mgpingredients.com).

## **Cautionary Note Regarding Forward-Looking Statements**

This news release contains forward-looking statements as well as historical information. All statements, other than statements of historical facts, included in this Quarterly Report on Form 10-Q regarding the prospects of our industry and our prospects, plans, financial position and business strategy may constitute forward-looking statements. In addition, forward-looking statements are usually identified by or are associated with such words as "intend," "plan," "believe," "estimate," "expect," "anticipate," "hopeful," "should," "may," "will," "could," "encouraged," "opportunities," "potential" and/or the negatives or variations of these terms or similar terminology. They reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance, and Company financial results and are not guarantees of future performance. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others: (i) disruptions in operations at our Atchison facility, Indiana facility, or at the Illinois Corn Processing, LLC ("ICP") facility, (ii) the availability and cost of grain, flour, and barrels, and fluctuations in energy costs, (iii) the effectiveness of our corn purchasing program to mitigate our exposure to commodity price fluctuations, (iv) the effectiveness or execution of our five-year strategic plan, (v) the competitive environment and related market conditions, (vi) the ability to effectively pass raw material price increases on to customers, (vii) the positive or adverse impact to our earnings as a result of the high volatility in our equity method investment's, ICP's, operating results, (viii) ICP's access to capital, (ix) our limited influence over the ICP joint venture operating decisions, strategies or financial decisions (including investments, capital spending and distributions), (x) our ability to source product from the ICP joint venture or unaffiliated third parties, (xi) our ability to maintain compliance with all applicable loan agreement covenants, (xii) our ability to realize operating efficiencies, (xiii) actions of governments, (xiv) consumer tastes and preferences, and (xv) the volatility in our earnings resulting from the timing differences between a business interruption and a potential insurance recovery. For further information on these and other risks and uncertainties that may affect our business, including risks specific to our Distillery and Ingredient segments, see Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2014.

## **For More Information**

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**MGP INGREDIENTS, INC.**  
**RESULTS OF OPERATIONS**

	<b>\$ (thousands)</b>
<b>Net income for the quarter ended March 31, 2014</b>	<b>\$ 4,785</b>
<i>Improved by:</i>	
Increased gross profit from distillery products segment	5,475
Increased gross profit from ingredient solutions segment	1,112
Other	66
<i>Reduced by:</i>	
Decreased earnings from equity method investments	(1,982)
Increase in income taxes	(2,978)
Increased selling, general, and administrative expenses	(1,408)
<b>Net income for the quarter ended March 31, 2015</b>	<b>\$ 5,070</b>

**MGP INGREDIENTS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

(Dollars in thousands, except per share)	<b>Quarter Ended</b>	
	<b>March 31, 2015</b>	March 31, 2014
Sales	<b>\$ 84,864</b>	\$ 84,582
Less: excise taxes	<b>4,451</b>	5,586
Net sales	<b>80,413</b>	78,996
Cost of sales	<b>67,025</b>	72,195
<b>Gross profit</b>	<b>13,388</b>	6,801
Selling, general and administrative expenses	<b>6,480</b>	5,072
<b>Income from operations</b>	<b>6,908</b>	1,729
Interest expense, net	<b>(131)</b>	(197)
Equity method investment earnings	<b>1,352</b>	3,334
<b>Income before income taxes</b>	<b>8,129</b>	4,866
Provision for income taxes	<b>3,059</b>	81
<b>Net income</b>	<b>5,070</b>	4,785
Other comprehensive loss, net of tax	<b>(72)</b>	(175)
<b>Comprehensive income</b>	<b>\$ 4,998</b>	\$ 4,610
<b>Basic and diluted earnings per share</b>	<b>\$ 0.28</b>	\$ 0.26
<b>Dividends and dividend equivalents per common share</b>	<b>\$ 0.06</b>	\$ 0.05



**MGP INGREDIENTS, INC.**  
**CONSOLIDATED BALANCE SHEET (UNAUDITED)**

(Dollars in thousands)	March 31, 2015	December 31, 2014	(Dollars in thousands)	March 31, 2015	December 31, 2014
<b>ASSETS</b>			<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Assets:			Current Liabilities:		
Cash and cash equivalents	\$ 6,391	\$ 5,641	Current maturities of long-term debt	\$ 2,567	\$ 2,613
Receivables	32,866	32,672	Accounts payable	16,539	16,076
Inventory	37,654	34,441	Accounts payable to affiliate, net	4,018	3,333
Prepaid expenses	1,743	1,179	Accrued expenses	7,848	8,010
Deferred income taxes	6,524	7,924	Income taxes payable	574	—
Refundable income taxes	—	388	Other current liabilities	725	716
<b>Total Current Assets</b>	<b>85,178</b>	<b>82,245</b>	<b>Total Current Liabilities</b>	<b>32,271</b>	<b>30,748</b>
Property and equipment			Other Liabilities:		
	202,850	198,176	Long-term debt, less current maturities	7,652	7,670
Less accumulated depreciation and amortization	(137,306)	(134,295)	Revolving credit facility	14	—
			Deferred credit	3,939	4,099
<b>Net Property, Plant and Equipment</b>	<b>65,544</b>	<b>63,881</b>	Accrued retirement, health and life insurance benefits	4,305	4,420
Equity method investments	13,673	12,373	Deferred income taxes	9,924	9,297
Other noncurrent assets	2,192	2,100	<b>Total Liabilities</b>	<b>58,105</b>	<b>56,234</b>
<b>TOTAL ASSETS</b>	<b>\$ 166,587</b>	<b>\$ 160,599</b>	Stockholders' equity	108,482	104,365
			<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 166,587</b>	<b>\$ 160,599</b>
<b>Capital Structure</b>					
Net Investment in:			Financed By:		
Working capital	\$ 52,907	\$ 51,497	Long-term debt*	\$ 7,666	\$ 7,670
Property, plant and equipment	65,544	63,881	Deferred liabilities	18,168	17,816
Other noncurrent assets	15,865	14,473	Stockholders' equity	108,482	104,365
<b>Total</b>	<b>\$ 134,316</b>	<b>\$ 129,851</b>	<b>Total</b>	<b>\$ 134,316</b>	<b>\$ 129,851</b>

\*Excludes short-term portion. Short-term portion is included within working capital.