

**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): March 28, 2016

**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 8.01. Other Events.**

On March 29, 2016, MGP Ingredients, Inc. (the "Company"), will make an investor presentation (the "Investor Presentation") to various investors in New York City. The Investor Presentation includes information regarding the Company's financial performance and market opportunity. A copy of the Investor Presentation is attached hereto as Exhibit 99.1

The information contained in this Current Report on Form 8-K, including the Investor Presentation, shall not be deemed "filed" for purposes of the Securities Exchange Act of 1934, as amended.

This Form 8-K, including the Investor Presentation, may contain "forward-looking statements" within the meaning of the safe harbor provisions of the federal securities laws. These statements are based on the Company's expectations and involve risks and uncertainties that could cause our actual results to differ materially from those set forth in the statements. These risks are discussed in the Company's filings with the Securities and Exchange Commission ("SEC"), including an extensive discussion of these risks in the Company's Annual Report on Form 10-K for the year ended December 31, 2015. Such forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update or revise any forward-looking statement. If the Company does update any forward-looking statement, no inference should be drawn that it will make additional updates with respect to that statement or any other forward-looking statements.

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

- (d) Exhibits
- 99.1 Investor Presentation

**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: March 28, 2016

By: /s/ Thomas K. Pigott

Thomas K. Pigott, Vice President, Finance and Chief Financial Officer



INVESTING FOR GROWTH  
IN PREMIUM SPIRITS  
AND SPECIALTY FOOD INGREDIENTS

MARCH, 2016





## FORWARD LOOKING STATEMENTS

Certain of the comments made in this presentation and in the question and answer session that follows may contain forward-looking statements in relation to operations, financial condition and operating results of MGP Ingredients, Inc. and such statements involve a number of risks and uncertainties. Forward-looking statements are usually identified by or 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.

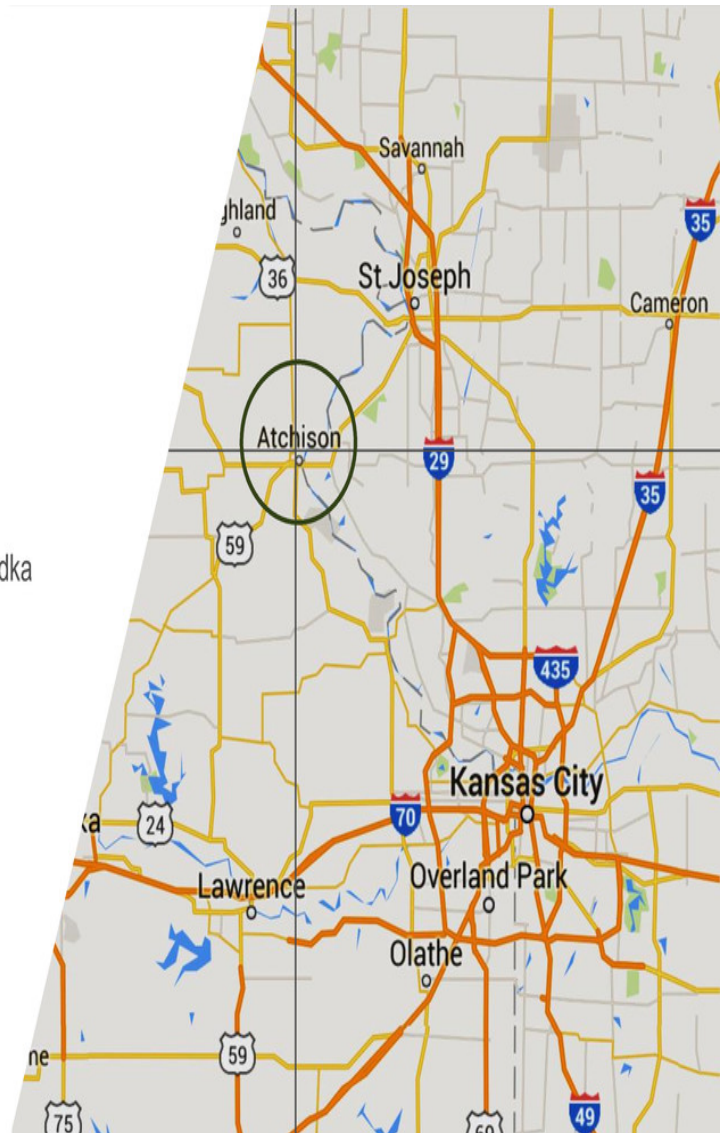
These statements reflect management's views as of today and we do not undertake any obligation to update them. We wish to caution you that these statements are only estimates and that actual results may differ materially from those projected in the forward-looking statements. Important factors that could 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) potential adverse effects to operations and our system of internal controls related to the loss of key management personnel, (vi) the competitive environment and related market conditions, (vii) the ability to effectively pass raw material price increases on to customers, (viii) the positive or adverse impact to our earnings as a result of the ownership of our equity method investment in ICP and the volatility of its operating results, (ix) ICP's access to capital, (x) our limited influence over the ICP joint venture operating decisions, strategies, financial or other decisions (including investments, capital spending and distributions), (xi) our ability to source product from the ICP joint venture or unaffiliated third parties, (xii) our ability to maintain compliance with all applicable loan agreement covenants, (xiii) our ability to realize operating efficiencies, (xiv) actions of governments, (xv) consumer tastes and preferences, and (xvi) the volatility in our earnings resulting from the timing differences between a business interruption and a potential insurance recovery.

Additional information concerning factors that could cause actual results to materially differ from those in the forward-looking statements is contained in Item 1A Risk Factors of our Annual Report on Form 10-K for the period ending December 31, 2015.



## AT A GLANCE

- Founded in 1941 by Cloud L. Cray, Sr.
- Headquartered in Atchison, Kansas
- 300 employees
- Leading supplier of premium bourbon, whiskey, distilled gin, and vodka
  - Largest U.S. supplier of rye whiskey
  - Largest U.S. supplier of distilled gin
- Largest U.S. supplier of specialty wheat proteins and starches
- 2015 (3/21/2015) total shareholder return = 49%





## UNIQUE CAPABILITIES AND CAPACITIES

### LAWRENCEBURG, IN DISTILLERY

- . Distilling & Aging
- . Wide Range of Whiskeys
- . Standard & Custom Mash Bills
- . Gins
- . Grain Neutral Spirits/Vodka
- . R&D Lab

### ATCHISON, KS DISTILLERY

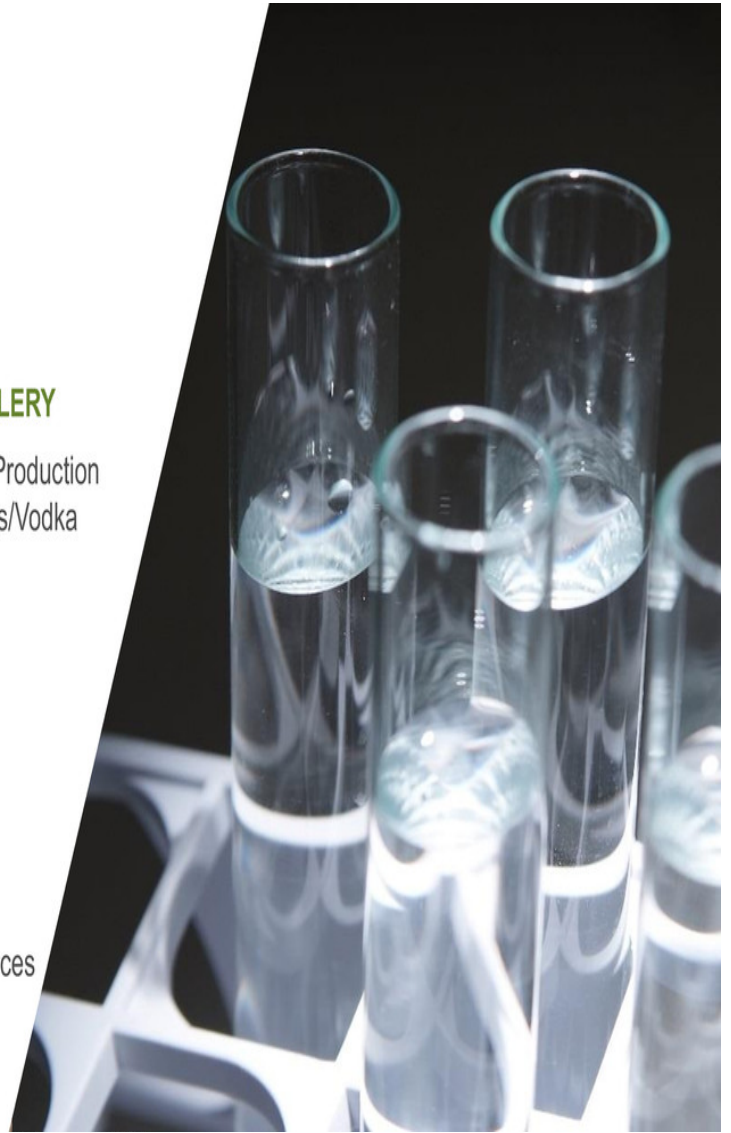
- . High Quality, Efficient Production
  - . Grain Neutral Spirits/Vodka
  - . Gins
  - . Industrial

### ATCHISON PROTEIN & STARCH

- . Specialty Wheat Proteins  
& Starches
- . Textured Proteins

### RESEARCH & DEVELOPMENT

- . Extensive R&D Resources





**STRONGLY POSITIONED  
TO SERVE GROWING MARKETS**  
DISTILLERY PRODUCTS - 2015 NET SALES \$270MM

**WHISKEY (U.S.)**

- Category:
  - 18.5MM Cases
  - 5% 5 Year CAGR
- MGP Estimated Share = 8%

**RYE WHISKEY (U.S.)**

- Category:
  - 500K Cases
  - 45% 5 Year CAGR
- MGP Estimated Share = 70%

**CRAFT**

- Category:
  - +700 Distilleries
  - 2014 Volume +58%

**GIN (U.S.)**

- Category:
  - 6.3MM Cases
  - (3)% 5 Year CAGR
- MGP Estimated Share = 65%

Note: 2014 data based on internal company estimates of U.S. production





## STRONGLY POSITIONED TO SERVE GROWING MARKETS

INGREDIENT SOLUTIONS - 2015 NET SALES \$57MM

### HIGH FIBER

- Category (N. Amer.) = \$1.3B
- 13% projected 5 year CAGR

### HIGH PROTEIN

- Category (N. Amer.) = \$16B
- 9% projected 5 year CAGR

### NON-GMO

- Category (N. Amer.) = \$0.8B
- 5% projected 5 year CAGR

### PLANT BASED PROTEINS

- Category (N. Amer.) = \$0.6B
- 4% projected 5 year CAGR





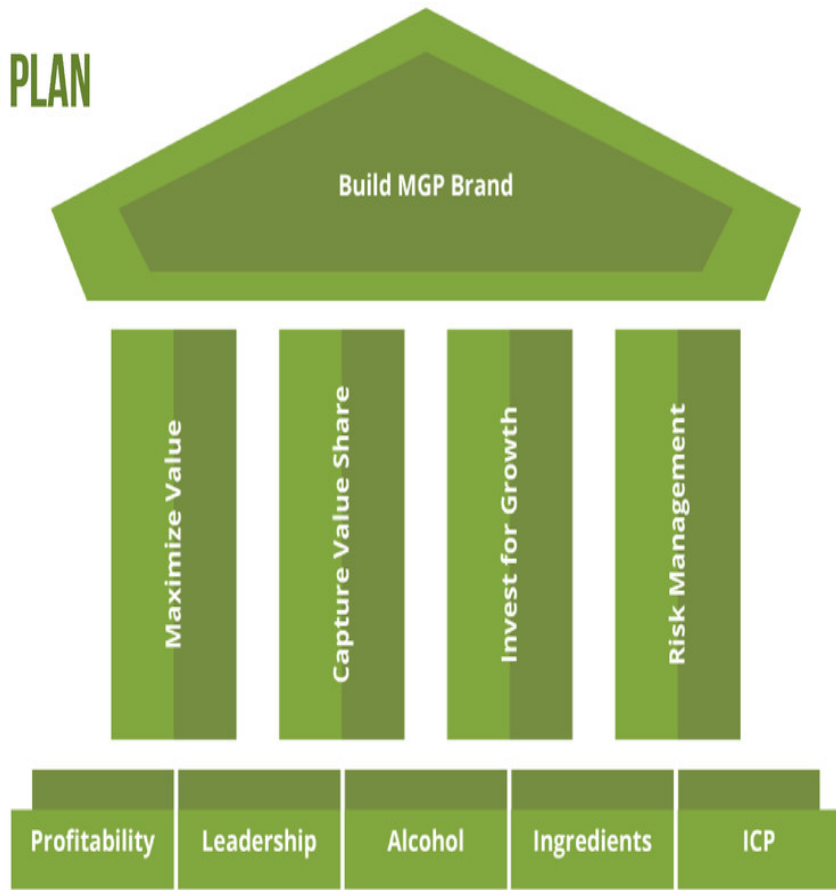


## OUR MISSION

Secure our future by consistently delivering superior financial results by more fully participating in all levels of the alcohol and food ingredients segments for the betterment of our shareholders, employees, partners, consumers, and communities.



# OUR STRATEGIC PLAN





## MAXIMIZING VALUE IN DISTILLERY PRODUCTS



- . Supplying all tiers of the beverage alcohol market
  - . Large multinationals
  - . Bottlers and rectifiers
  - . Craft
- . Supporting changing consumer tastes
  - . Share shift from beer to spirits
  - . Share shift from white goods to whiskey
  - . Growth of rye
  - . Premiumization
- . Mix optimization: customer and product





## MAXIMIZING VALUE IN INGREDIENT SOLUTIONS



- . Focus on MGP proprietary protein and starch products
- . Focusing on large branded players
- . Leveraging macro trends
  - . High fiber
  - . High protein
  - . Non GMO
  - . Plant based proteins
- . Mix optimization: customer and product

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Arise<sup>®</sup>

FiberSym<sup>®</sup> RW

FiberRite<sup>®</sup> RW

MIDSOL<sup>™</sup>

Optein<sup>®</sup>

PREGel<sup>™</sup>

TruTex<sup>®</sup>

Kellogg's

Hormel  
Foods

ConAgra  
Foods  
Food you love

Kraft Heinz



## CAPTURING A GREATER VALUE SHARE



- Metze's Select - first MGP brand
- Showcasing MGP's range of expertise and strengthening our reputation with trade and consumers
  - Received an "Outstanding!" rating by *Whisky Advocate*
- Valuable opportunity to learn

“

Old school spicy nose, almost archetypal scents of sweet teaberry, cinnamon, and spearmint hard candy, with a firm, warm alcohol backing...I'd marry it.

- Lew Bryson, *Whisky Advocate*

It's a more delicate bourbon, light and sweet with notes of citrus and caramel. It's a great, sippable spirit, and the best of what Indiana may have to offer.

- G. Clay Whittaker, *Men's Journal*

”

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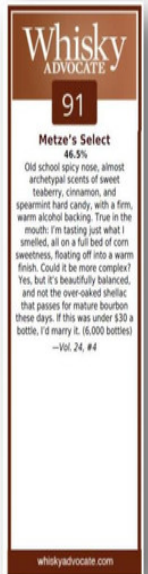


LIMITED EDITION  
6,000  
BOTTLES

LAUNCHED  
Q3 2015

\$75  
SRP

UTILIZED 3RD PARTY  
SALES AND MARKETING





## INVESTING TO GROW



- . Expanding barrel warehouse capacity - \$20MM investment
- . Building our barreled whiskey inventory
  - Investment up \$17MM vs. 2014 to \$28MM
  - Potential uses:
    - Support own brands
    - Strategic partnerships
    - Sell on open market – potential value 3X
- . Attracting and developing talent





## MANAGING RISK



- . Mix shift to higher value products will reduce overall impact of commodity prices
- . Disciplined approach to managing commodity costs
  - Formula-driven pricing
  - Locking in margins
  - Passing through significant swings in cost
- . Strengthened supplier partnerships





## BUILDING THE MGP BRAND



- . Named Distiller of the Year by Whiskey Advocate
- . Joined The Distilled Spirits Council
- . Added to the Russell 2000 and the Russell 3000 index funds
- . Received “Circle of Champions” award for the diversity represented on our Board of Directors
- . Honored as Large Business of the Year in Lawrenceburg, Indiana, and Business of the Year in Atchison, Kansas



2015  
RESULTS





## NET SALES MIX SHIFT TO HIGHER VALUE PRODUCTS

### NET SALES

YEAR ENDED 12/31/2015

	Fav / (Unfav) vs Prior Year		
	<u>SMM</u>	<u>SMM</u>	<u>%</u>
Distillery Products	\$270.2	\$13.7	5.3%
Ingredient Solutions	57.4	0.5	0.9%
Total	\$327.6	\$14.2	4.5%

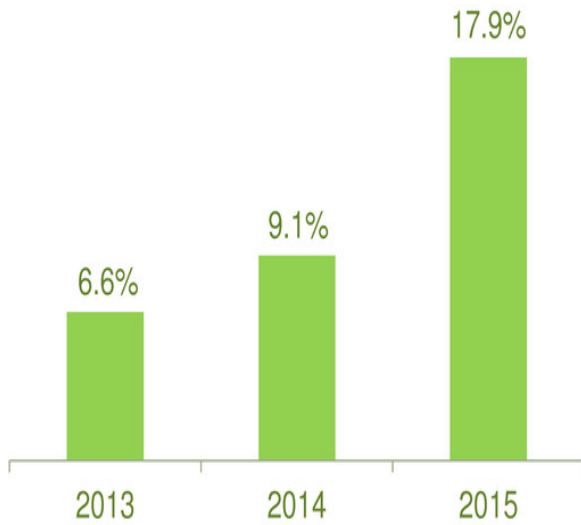
### KEY DRIVERS

- Both segments contributing to growth
- Distillery products growth driven by food grade alcohol, +10.5%
- Ingredient solutions growth driven by specialty wheat starches, +6.3%



## GROSS PROFIT MARGINS EXPANDING

### GROSS PROFIT MARGINS ANNUAL PERCENT OF NET SALES



### KEY DRIVERS

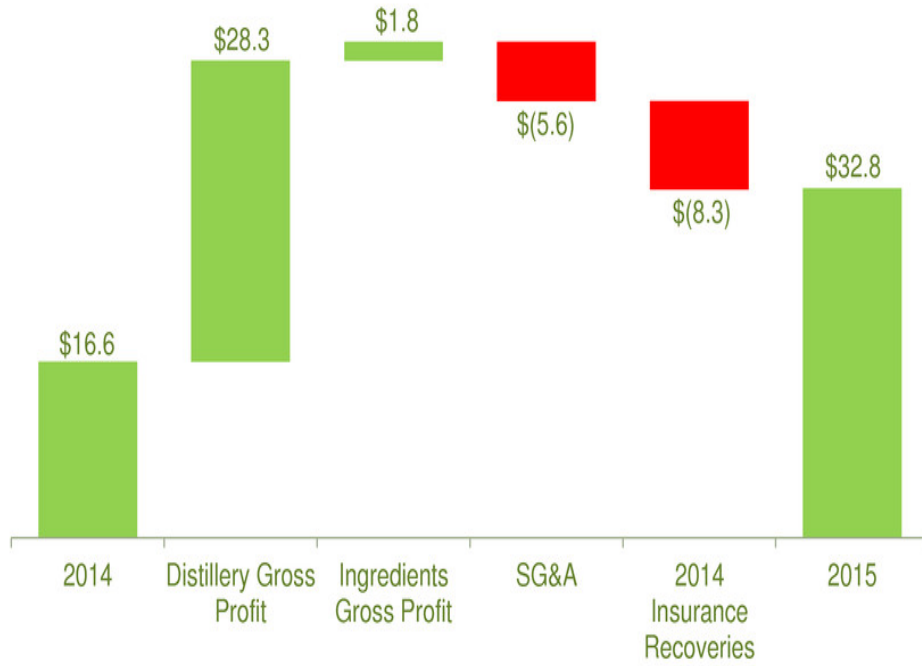
- Net Sales shift to more profitable products
- Effective price management during commodity declines
- Improved plant efficiencies



# GROSS PROFIT GROWTH DRIVING OPERATING INCOME

## OPERATING INCOME DRIVERS

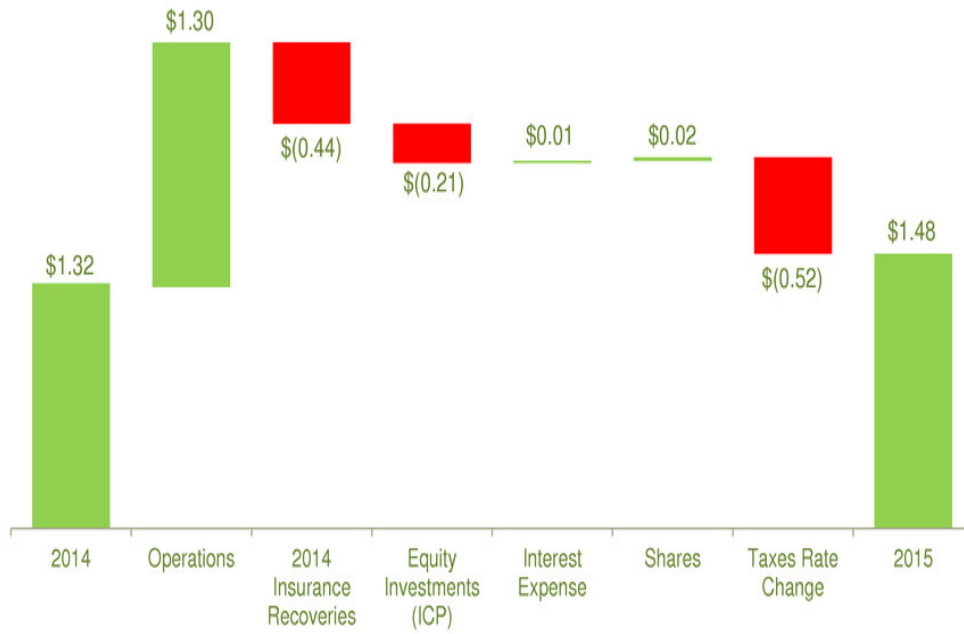
2014 TO 2015 - \$MM





2015 EPS  
UP 12%

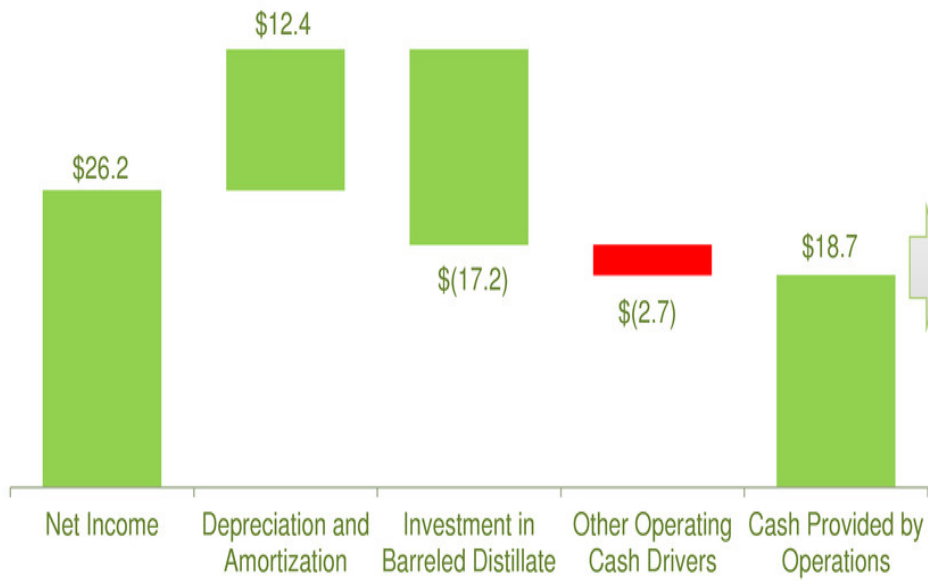
### EARNINGS PER SHARE DRIVERS 2014 TO 2015





# CASH INVESTED TO GROW

## CASH FLOW DRIVERS YEAR ENDED 2015 – \$MM



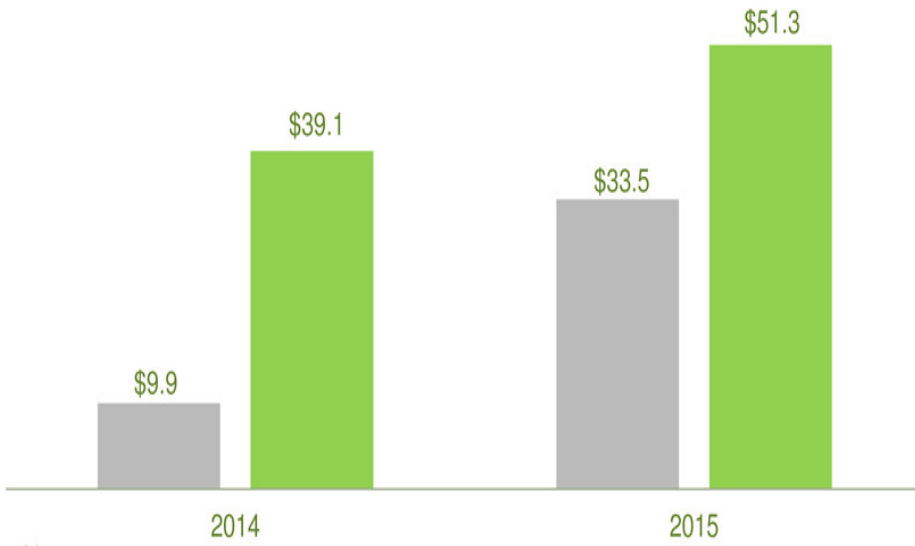
Source / (Use)	Amount
Capital Ex.	\$(30.5)
Dividends	(1.1)
Share Repurchases	(15.4)
Financing/Other	28.3
Total	\$(18.7)



# BALANCE SHEET IS STRONG

## DEBT TO EBITDA – \$MM

■ Debt ■ EBITDA



2015 YE Debt to EBITDA Ratio of .65

\$33MM Available on Credit Facility at 12/31/15



## GUIDANCE

### 2016 and Long Term Guidance :

- . Operating income is expected to increase by a compound annual growth rate in the ten to fifteen percent range over the next three years.
- . 2016 net sales percentage growth is expected to accelerate into the high single digits.
- . 2016 gross margin gains are expected to be moderate following strong 2015 improvement.
- . 2016 effective tax rate is forecast to be 35% and shares outstanding are expected to be approximately 16.7 million, reflecting the benefit of the 2015 share repurchase.
- . Due to challenging and volatile conditions in the fuel ethanol market, ICP's 2015 level of profitability may not be sustainable in 2016.





## SUMMARY

- . Long-term strategy in place
- . Turnaround well underway
- . Mix and investment driving long-term growth
- . Well positioned against macro trends





## APPENDIX

. GAAP to Non GAAP Reconciliations

. Cash flow details



## RECONCILIATION OF GAAP TO NON GAAP

### Reconciliation of GAAP to Non GAAP Measures

#### EBITDA

(Dollars in Thousands)

	<u>2015</u>	<u>2014</u>
Net Income	\$ 26,191	\$ 23,675
Interest	534	816
Taxes	12,227	2,265
Depreciation / Amortization	<u>12,382</u>	<u>12,325</u>
EBITDA	\$ 51,334	\$ 39,081
Total Debt (See Note 4 of 10K)	\$ 33,460	\$ 9,899
Debt to EBITDA	0.65	0.25



## CASH FLOW DETAILS

Cash Flow Detail  
Year ended 2015

### Other Operating Cash Flow

	<u>\$M</u>	<u>\$M</u>
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Share based compensation	\$ 1,414	
Excess tax benefits	453	
Equity method investment (earnings) loss	(6,102)	
Deferred income taxes, including change in valuation allowance	1,349	
Changes in operating assets and liabilities		
Receivables, net	2,002	<u>\$ 28,359</u>
Inventory	(24,260)	
Less Inventory change in barreled distillate	17,164	
Prepaid expenses	117	
Refundable income taxes	1,073	
Accounts payable	3,653	
Accounts payable to affiliate, net	(1,042)	
Accrued expenses	2,351	
Deferred credits	(697)	
Accrued retirement health and life insurance benefits, pension obligations, and other noncurrent liabilities	(703)	
Other	481	
	<u>\$ (2,747)</u>	

### Financing Other

Loan fees incurred with borrowings	\$ (348)
Principle payments on long-term debt	(1,641)
Proceeds on long-term debt	2,700
Proceeds from credit facility	26,092
Principle payments on credit facility	(3,338)
(Increase) decrease in cash	4,894



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[mgpingredients.com](http://mgpingredients.com)*

