

**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): July 12, 2023

MGP Ingredients, Inc.

(Exact name of registrant as specified in its charter)

0-17196

(Commission
File Number)

45-4082531

(IRS Employer
Identification No.)

Kansas
(State or other jurisdiction
of incorporation)

**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:

Title of each class	Trading Symbol	Name of each exchange on which registered
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.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On July 12, 2023, the Board of Directors of MGP Ingredients, Inc. (the “Company”) approved the decision to close the Company’s distillery located in Atchison, Kansas (the “Atchison Distillery”). The anticipated closure date is January 2024. The decision to close the Atchison Distillery is consistent with the Company’s plan to address profitability headwinds associated with its white goods and industrial alcohol products within its Distilling Solutions segment.

The Company currently expects to incur one-time aggregate pre-tax charges of approximately \$23.0 to \$31.0 million in fiscal year 2023 in connection with the closure of the Atchison Distillery. This is expected to include approximately \$17.0 to \$21.0 million in non-cash restructuring expenses for asset impairments (fixed assets, inventory, and leases), and approximately \$2.0 to \$4.0 million in cash expenses for items such as severance costs, contract termination fees, and consulting fees. In addition to these expenses, the Company expects to incur approximately \$4.0 to \$6.0 million in capital expenditures in connection with decoupling the Atchison Distillery from the Company’s Ingredient Solutions facility, also located in Atchison, Kansas.

The estimates of the charges, expenses, and expenditures that the Company expects to incur, and the timing of such charges, expenses, and expenditures, are subject to a number of assumptions and actual amounts may differ from these estimates. In addition, the Company may incur other charges, expenses, or expenditures not currently contemplated due to unanticipated events that may occur as a result of or in connection with the planned closure of the Atchison Distillery.

Item 2.06. Material Impairments.

The information contained in Item 2.05 of this Current Report is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

The closure of the Atchison Distillery is expected to reduce the Company’s consolidated net sales in 2024 as compared to prior periods; however, it is also expected to be accretive to consolidated gross margin percentage beginning in 2024. Additional information will be provided when the Company releases its financial results during the rest of the year, as more information becomes available.

On July 13, 2023, the Company issued a press release relating to the planned closure of the Atchison Distillery. A copy of this press release is being furnished as Exhibit 99.1 and is incorporated herein by reference.

The information contained in this Item 7.01, 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.

Forward-Looking Statements

This Current Report may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements about expected charges, expenses, expenditures, and financial impacts from the planned closure of the Atchison Distillery, including sales and gross margin impacts. 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, and Company financial results and financial condition and are not guarantees of future performance. All forward-looking statements are subject to certain 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, disruption to the Company’s business and operations as a result of the planned Atchison Distillery closure; unanticipated costs that may be incurred, or events that may occur, as a result of or in connection with the

planned Atchison Distillery closure; and any inability to successfully achieve the expected benefits from the planned Atchison Distillery closure.

For further information on these and other risks and uncertainties that may 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, 2022 and its Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2023 filed or to be filed with the SEC, as well as the Company's other SEC filings. The Company undertakes no obligation to update any forward-looking statements made in this press release to reflect future events or developments, except as required by law.

Because it is not possible to predict or identify all such factors, this list cannot be considered a complete set of all potential risks or uncertainties.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated July 13, 2023
104	The cover page from this Current Report on Form 8-K, formatted in iXBRL (Inline Extensible Business Reporting Language)

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: July 13, 2023

By: /s/ Brandon M. Gall
Brandon M. Gall, Vice President, Finance and Chief Financial Officer



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NEWS RELEASE

MGP INGREDIENTS ANNOUNCES PLANNED CLOSURE OF GRAIN NEUTRAL SPIRITS AND INDUSTRIAL ALCOHOL DISTILLERY IN ATCHISON, KANSAS

ATCHISON, Kan., July 13, 2023 - MGP Ingredients, Inc. (Nasdaq: MGPI), a leading provider of distilled spirits, branded spirits, and food ingredient solutions, today announced the planned closure of its distillery in Atchison, Kansas, with the anticipated closure date estimated to be January 2024. The distillery is responsible for producing grain neutral spirits and industrial alcohol products as well as their related co-products.

The decision to close this distillery is consistent with the Company's plan to address profitability headwinds associated with its grain neutral spirits and industrial alcohol products within its Distilling Solutions segment. The Company will continue to operate and invest in its Ingredient Solutions business located in Atchison, Kansas, including the previously announced \$16.7 million-dollar texturized protein facility that is scheduled to be completed by the end of the year. The Company will also continue to operate and invest in its Lawrenceburg, Indiana distillery operations.

"After careful deliberation, we have concluded that the closure of our Atchison distillery is a necessary step to further align the product categories we participate in and their supporting operations, consistent with our long-term strategic objectives," said David Colo, President and CEO of MGP Ingredients, Inc. "The additional supply of grain neutral spirits and industrial alcohol that has entered the market during the past few years has had a meaningful and structural impact on the market. Combining these market factors with the increase in local corn basis costs during this same time frame has resulted in these product lines no longer being economically viable for the Company. The decision to close the Atchison distillery unfortunately represents the best path forward. We are grateful for the unwavering support and contributions of our distillery employees, customers, suppliers, and the people of Atchison. We are committed to ensuring a smooth transition as we wind down operations at the distillery between now and the end of the year, and we look forward to continuing to support the Atchison community."

Please refer to the Form 8-K filed by the Company today for further information. In addition, management will be discussing the planned Atchison distillery closure when the Company releases its financial results during the rest of the year, as more information becomes available.

About MGP Ingredients, Inc.

MGP Ingredients, Inc. (Nasdaq: MGPI) is a leading producer of premium distilled spirits, branded spirits, and food ingredient solutions. Since 1941, we have combined our expertise and energy aimed at formulating excellence, bringing product ideas to life collaboratively with our customers.

As one of the largest distillers in the U.S., MGP's offerings include bourbon and rye whiskeys, gins, and vodkas, which are created at the intersection of science and imagination, for customers of all sizes, from crafts to multinational brands. With distilleries in Kentucky, Indiana, and Kansas, and bottling operations in Missouri, Ohio, and Northern Ireland, MGP has the infrastructure and expertise to create on any scale.

MGP's branded spirits portfolio covers a wide spectrum of brands in every segment, including iconic brands from Luxco, which was founded in 1958 by the Lux family. Luxco is a leading producer, supplier, importer and bottler of beverage alcohol products. Our branded spirits mission is to meet the needs and exceed the expectations of consumers, associates and business partners. Luxco's award-winning spirits portfolio includes well-known brands from four distilleries: Bardstown, Kentucky-based Lux Row Distillers, home of Ezra Brooks, Rebel, Blood Oath, David Nicholson and Daviess County; Lebanon, Kentucky-based Limestone Branch Distillery, maker of Yellowstone Kentucky Straight Bourbon Whiskey, Minor Case Straight Rye Whiskey and Bowling & Burch Gin; Jalisco, Mexico-based Destiladora González Lux, producer of 100% agave tequilas, El Mayor, Exotico and Dos Primos; and the historic Ross & Squibb Distillery in Lawrenceburg, Indiana, where Penelope Bourbon, Remus Straight Bourbon Whiskey and Rossville Union Straight Rye Whiskey are produced. The innovative and high-quality brand portfolio also includes Everclear Grain Alcohol, Pearl Vodka, Green Hat Gin, Saint Brendan's Irish Cream, The Quiet Man Irish Whiskey and other well-recognized brands.

In addition, our Ingredient Solutions segment offers specialty proteins and starches that help customers harness the power of plants and provide a host of functional, nutritional, and sensory benefits for a wide range of food products.

The transformation of American grain into something more is in the soul of our people, products, and history. We're devoted to unlocking the creative potential of this extraordinary resource. For more information, visit 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 impact and timing of the planned closure by MGP Ingredients, Inc. (the "Company" or "MGP") of its Atchison distillery and the Company's operations and investment in its Ingredients Solutions business and Lawrenceburg, Indiana distillery. 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, and Company financial results and financial condition and are not guarantees of future performance. All forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially.

For information on risks and uncertainties that may 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 Dec. 31, 2022 and its Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2023, filed or to be filed with the SEC, as well as the Company's other SEC filings. The Company undertakes no obligation to update any forward-looking statements made in this press release to reflect future events or developments, except as required by law. Because it is not possible to predict or identify all such factors, this list cannot be considered a complete set of all potential risks or uncertainties.

For More Information

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