



INVESTOR PRESENTATION

MGP Ingredients, Inc. Announces Definitive Merger
Agreement with Luxco, Inc.

January 25th 2021



Create Exceptional™

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 Luxco, Inc. and its affiliates (“Luxco”), and such statements involve a number of risks and uncertainties. The forward-looking statements contained herein include, but are not limited to, statements about the expected effects on the Company of the proposed acquisition of Luxco, the expected timing and conditions precedent relating to the proposed acquisition of Luxco, anticipated earnings enhancements, synergies and other strategic options. 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.

These forward-looking statements reflect management’s current beliefs and estimates of future economic circumstances, industry conditions, Company and Luxco performance, and Company and Luxco financial results and financial condition 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 statements. Important factors that could cause actual results to differ materially from our expectations include, among others: (i) the satisfaction of the conditions to closing the transaction to acquire Luxco in the anticipated timeframe or at all; (ii) the failure to obtain necessary regulatory approvals related to the acquisition of Luxco; (iii) the ability to realize the anticipated benefits of the acquisition of Luxco; (iv) the ability to successfully integrate the businesses; (v) disruption from the acquisition of Luxco making it more difficult to maintain business and operational relationships; (vi) significant transaction costs and unknown liabilities; (vii) litigation or regulatory actions related to the proposed acquisition of Luxco, and (viii) the financing of the acquisition of Luxco. Additional factors that could cause results to differ materially include, among others: (i) disruptions in operations at our Atchison facility or our Indiana facility or Luxco’s facilities, (ii) the availability and cost of grain and flour, and fluctuations in energy costs, (iii) the effectiveness of our grain purchasing program to mitigate our exposure to commodity price fluctuations, (iv) the effectiveness or execution of our 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) our ability to maintain compliance with all applicable loan agreement covenants, (ix) our ability to realize operating efficiencies, (x) actions of governments, and (xi) consumer tastes and preferences.

For further information on these and other risks and uncertainties that may affect our business, including risks specific to our Distillery Products and Ingredient Solutions segments, see Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2019 and Form 10-Q for the quarter ended September 30, 2020.

TODAY'S PRESENTERS



Dave Colo

President and Chief
Executive Officer



Brandon Gall

Vice President of
Finance and Chief
Financial Officer



AGENDA FOR TODAY'S DISCUSSION

- A. Transaction Summary
- B. MGP Overview and Strategic Priorities
- C. Financial Highlights
- D. Q&A

TRANSACTION SUMMARY



TRANSACTION SUMMARY



Addition of significant branded spirits platform

- **MGP Ingredients, Inc. (“MGP” or the “Company”) announces Definitive Merger Agreement with Luxco for \$475 MM¹**
 - Luxco is a leading branded beverage alcohol company across various categories with 60+ years of heritage
 - Purchase price represents 16.9x LTM Oct 2020 Adjusted EBITDA^{2,3,5} and 13.8x LTM Oct 2020 run-rate synergized Adjusted EBITDA^{3,4,5}
- **Increases MGP’s scale and market position in the branded spirits sector and establishes an additional platform for future growth**
 - Luxco represents a unique and attractive independent spirits platform
 - Consistent with MGP’s strategy of shifting into higher value-added products
 - Financially attractive transaction and significantly diversifies the MGP business
- **Transaction expected to be financed with existing credit facilities and issuance of MGP shares**
 - 5.0MM⁶ of common shares to be issued to the current owners of Luxco
 - Luxco shareholders will have the right to nominate up to two of MGP’s nine Board directors, subject to certain conditions
 - Pro forma leverage of ~3.0x at closing⁷, expected to de-lever to 2.5x by the end of year one
- **Anticipated to be completed during the first half of 2021, subject to regulatory approvals and customary closing conditions**

1. See MGP’s January 25, 2021 press releases and Form 8-Ks for further details. Stock consideration value based on a 20-day volume-weighted average price as of January 11, 2021.

2. Multiple of 16.9x represents: (i) purchase price of \$475MM, divided by (ii) Luxco LTM Oct-20 Adjusted EBITDA of \$28MM.

3. All Luxco financials shown throughout this presentation are unaudited.

4. Multiple of 13.8x represents: (i) purchase price, divided by (ii) Luxco LTM Oct-20 Adjusted EBITDA plus \$6.4MM expected run-rate synergies (inclusive of one-time costs to achieve synergies).

5. See appendix for GAAP to non-GAAP reconciliations.

6. Based on a 20-day volume-weighted average price as of January 11, 2021.

7. Does not include any synergies.

LUXCO OVERVIEW



An independent branded spirits platform of well-known brands

Company Overview

- Formed in 1958 when Paul A. Lux and David Sherman Sr. established the David Sherman Corporation (“DSC”), which has since grown into a producer, bottler, importer and marketer of a broad portfolio of well-known spirits brands
 - David Sherman was bought out by the Lux family in 2004 and re-branded to Luxco as a tribute to its founder, Paul Lux, in 2006
- Attractive portfolio driven by its fast-growing focus brands and supported by the strong cash flow generating legacy brands
- Offers competitive marketing, new product development, sales and distribution capabilities to grow MGP’s branded business
- Recently opened two new facilities: Lux Row Distillers, a Bourbon distillery in Kentucky, and DGL, the third largest tequila distillery in Mexico
 - Also recently purchased Niche Drinks in Northern Ireland
- Luxco products are sold in all 50 states and internationally, with annual sales of ~4.7 million 9-Liter Cases in 2019



LUXCO BRAND PORTFOLIO



Established portfolio with a strategic approach to growing high potential, high margin Focus Brands

Focus Brands (~46% of LTM Oct 2020 Net Revenue)

BOURBON			TEQUILA	IRISH	WHITE SPIRITS
					
Ezra Brooks	Rebel Yell		Dos Primos	The Quiet Man	Bowling & Burch Gin
					
David Nicholson	Yellowstone		El Mayor	Saint Brendan's	Everclear
					
Blood Oath	Minor Case	Daviess County	Exotico		

Select Other Brands (~54% of LTM Oct 2020 Net Revenue)

BOURBON		TEQUILA		IRISH	WHITE SPIRITS			CORDIALS & RTDS	
									
Bellows	Bourbon Supreme	Azteca	Juarez	Brady's	Pearl	Tvarscki	Wolf-Schmidt	Paramount	Yago

LUXCO OPERATIONAL FOOTPRINT AND SALES NETWORK



Platform with extensive operational capabilities and comprehensive national sales footprint

Operational Capabilities

3

Distilleries



3

Other
Facilities¹



Limestone Distillery
Lebanon, KY



Lux Row Distillery
Bardstown, KY



DGL Distillery (JV)
Arandas, Mexico



Bottling & Distribution
St. Louis, MO



Bottling
Cleveland, OH



Bottling & Blending
Northern Ireland

Distilleries

Extensive operational capacity with plans in place to increase production in 2021

Bottling / Blending

Various bottling lines with cream, spirits and RTD processing capabilities

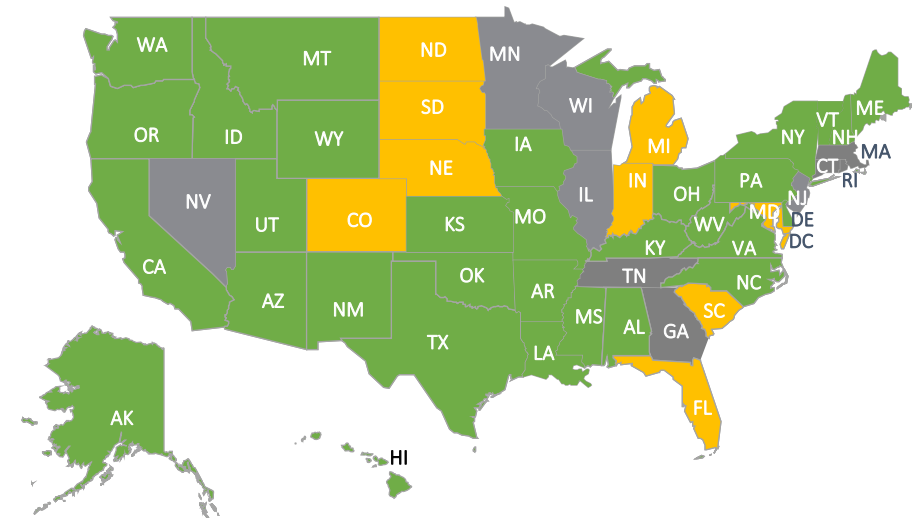
Distribution Center

210,000 square feet with customs bond space in St. Louis

National Sales Platform

- Sales / Distributor representation in every state across the United States and a dedicated international sales team
- Dedicated sales and marketing team of 43 spanning from coast to coast with decades of experience in the liquor industry
- Strong relationships with all major US distributors

NATIONAL DISTRIBUTOR ALIGNMENT



SGWS: 31 Markets

RNDC: 9 Markets

All Others: 10 Markets

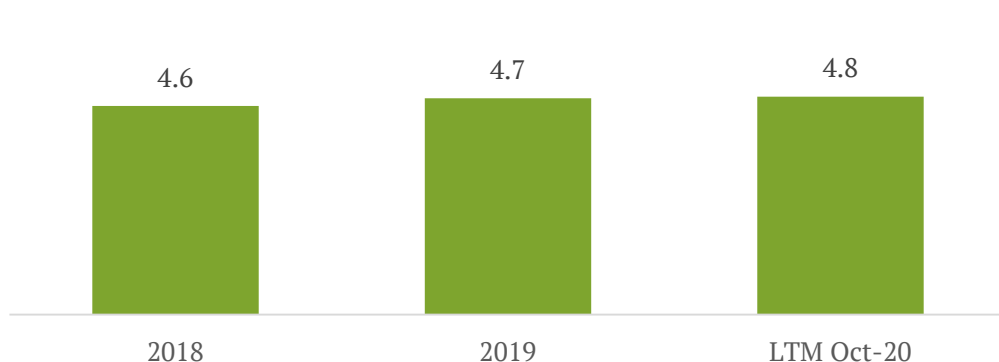
1. Other Facilities include bottling, blending, distribution and others.

LUXCO FINANCIAL OVERVIEW

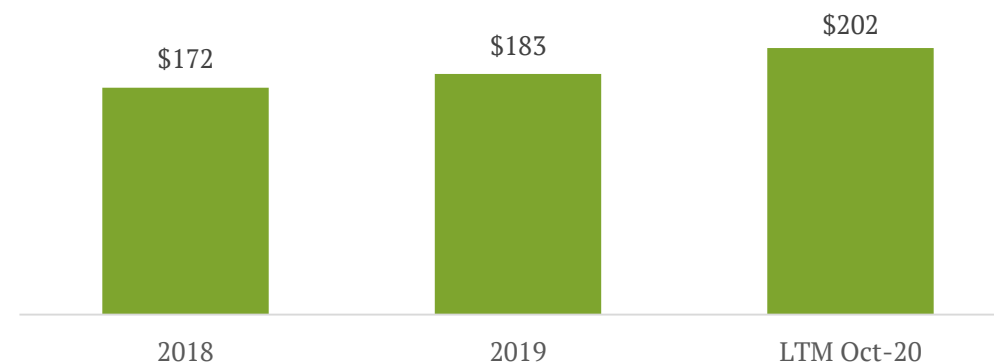


Stable and cash generative business with track record of consistent performance. Margin improvement driven by operational efficiencies and business mix shifts towards higher margin focus brands

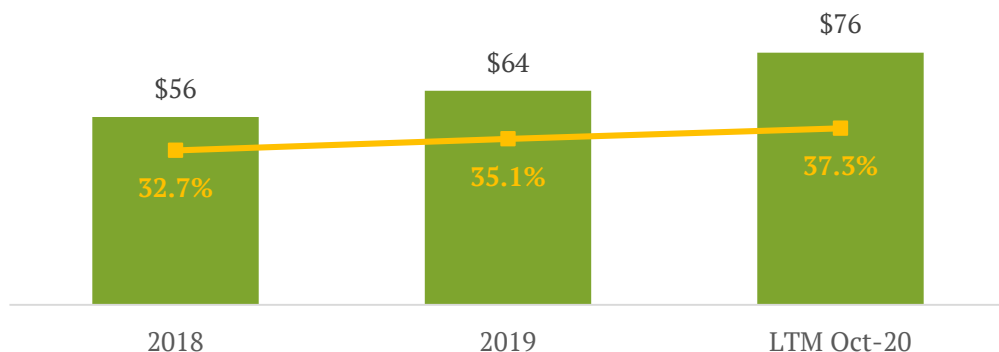
Adjusted Shipment Volume¹ (MM 9-Liter Cases)



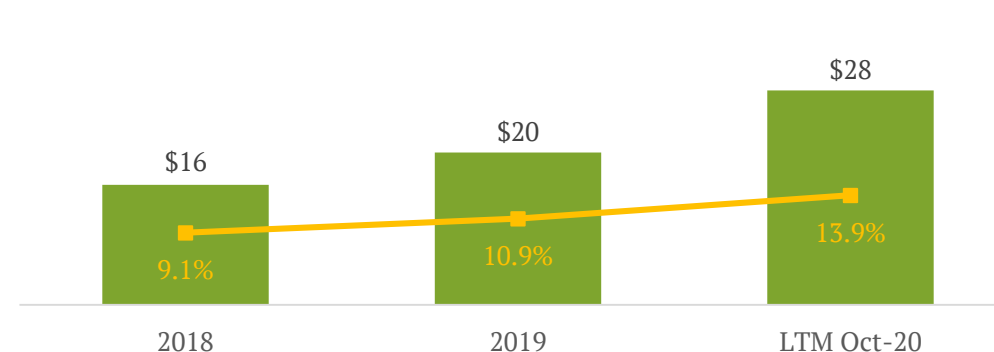
Adjusted Net Revenue¹ (\$MM)



Adjusted Gross Profit¹ (\$MM) and Margin (%)



Adjusted EBITDA¹ (\$MM) and Margin (%)



1. Adjustments relate to exceptional items, impact from MGP ownership, COVID impact and others; Refer to GAAP to non-GAAP reconciliations in the appendix.

TRANSACTION RATIONALE



The proposed transaction is attractive and consistent with MGP's strategy



1

SIGNIFICANT DIVERSIFICATION INTO HIGHER VALUE-ADDED PRODUCTS



Transaction is consistent with MGP's strategy of shifting its business mix toward higher value-added products

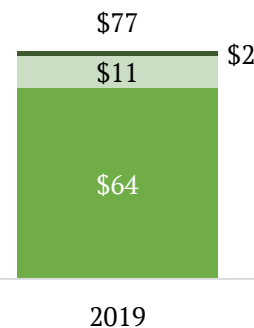
Move Up the Gross Profit Ladder



MGP Portfolio Diversification



2019 Gross Profit of
\$77MM



Combined 2019 Adj. Gross
Profit of \$141MM



■ Distillery Products
 ■ Ingredient Solutions
 ■ Branded Spirits

PROVIDES IMMEDIATE SCALE AND INFRASTRUCTURE TO MGP'S BRANDED SPIRITS BUSINESS

Luxco provides MGP's branded spirits business with a step change in scale and a stable platform for future growth

Established Branded Spirits Platform

~4.7MM

9-Liter Cases Sold
in PF 2019

25+

Complementary
Main Brands
Portfolio

~\$186MM

Combined Adj. Net
Revenue in 2019

Strong

Relationship with
the 2 largest
distributors: SGWS
and RNDC

3

Distilleries and
Additional
Blending and
Bottling Facilities

Brands sold in
50 States

40+

Dedicated Sales
and Marketing
Workforce

R&D

Capabilities for
Product
Development

Growing
International
Footprint

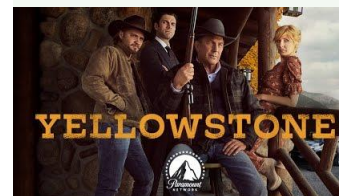
Proven Brand Building Capability



IN-HOUSE MARKETING
TEAM MANAGING
WEBSITE, SOCIAL MEDIA
AND DIGITAL MEDIA
ADVERTISING CONTENT



TRACK RECORD OF
DEVELOPING
INNOVATIVE, PREMIUM
PACKAGING



COMMITTED TO
CONTINUING ITS
INVESTMENT IN TV
ADVERTISING



PROGRAMS IN PLACE TO
OPTIMIZE ON AND OFF-
PREMISE DISPLAY WITH
ACCOUNTS



TASTINGS AND
PROMOTIONS AT
VARIOUS EVENTS AND
VENUES

EXPERIENCED TEAM TO SUPPORT LONG-TERM GROWTH

Luxco team to remain involved and continue to drive the performance of the business

Board Member



Donn Lux – Chairman of Luxco

- Longstanding tenure within Luxco
 - Oversees strategy, works closely with the President and represents Luxco on industry and trade relationships

Management



David Bratcher – President of Luxco

- Appointed to current role in 2013
 - Oversees all day-to-day business of Luxco, including sales, marketing, operations, IT and finance



Experienced sales and marketing organization with national footprint



Seasoned operational team provides infrastructure to support growth



Well-established supply chain team with track record of manufacturing and customer service excellence



ADDITIONAL UPSIDE FROM POTENTIAL COST AND REVENUE SYNERGIES

Expected run-rate synergies of approximately \$6.4MM by the third fiscal year post-closing

Revenue Synergies

- Incremental sales by expanding MGP brands through Luxco's distribution channel
- Incremental sourced sales due to addition of Luxco bottling capabilities

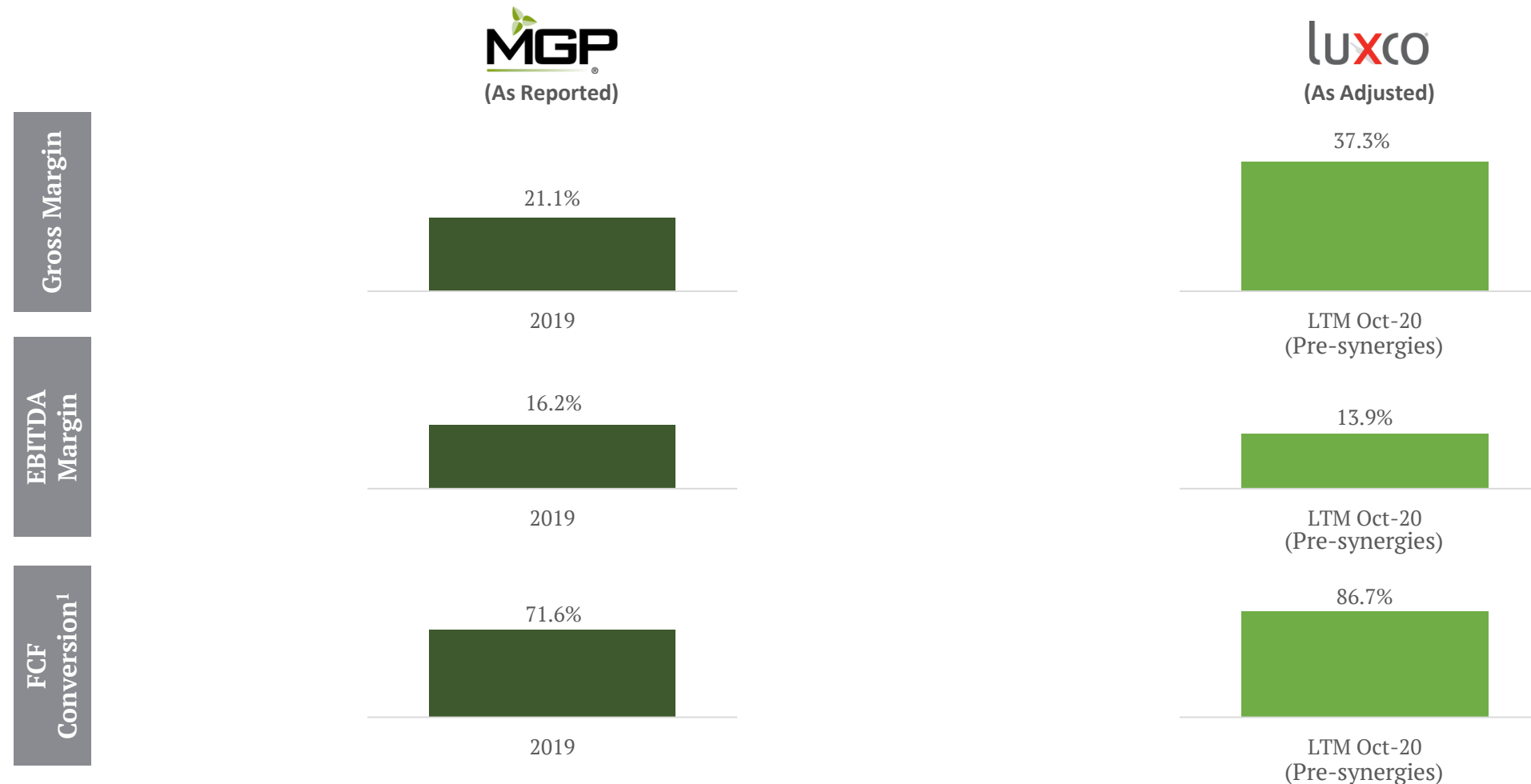
Cost Synergies

- Back office functions and warehousing savings on MGP brands
- Bottling savings for MGP brands
- Dry Goods savings for MGP brands
- Other savings related to duplicative services and functions

FINANCIALLY ATTRACTIVE COMBINATION

Transaction generates value for MGP's shareholders across a range of metrics

Enhances Profitability and Improves Cash Flow



1. FCF Conversion calculated as (EBITDA – Capex) / EBITDA.

MGP OVERVIEW AND STRATEGIC PRIORITIES



MISSION STATEMENT

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.



MGP STRATEGY



MGP's vision is to build on its core strengths to generate long-term shareholder value



MGP OVERVIEW¹



Post-transaction, MGP will have a portfolio of highly attractive business units centered around its historic core

DISTILLERY PRODUCTS

Sales: \$294MM
(54% of Total)
GP Margin: 22%



- Leading supplier of distilled spirits, facilitating the creation of bourbons, rye whiskeys, distilled gins and vodkas
- Continued strategic position within MGP as legacy producer of food grade alcohol
- Capacity and capability provide key competitive advantage
- Shifting business mix towards higher margin opportunities as a supplier to our increasingly diverse range of customers
- Becoming a “solutions provider” to our customers

BRANDED SPIRITS

Adj. Sales: \$186MM
(34% of Total)
Adj. GP Margin: 35%



- Attractive and growing portfolio of spirit brands in fastest growing categories
- A natural evolution to leverage MGP’s expertise in production to target the highly attractive branded spirits market
- Combination with Luxco provides step change in scale and a platform
- Core portfolio positioned at affordable price points and provides stable cash flows
- Award winning premium and super premium brands offer a significant long-term upside

INGREDIENT SOLUTIONS

Sales: \$66MM
(12% of Total)
GP Margin: 16%



- Largest U.S. supplier of specialty wheat proteins and starches
- Rapidly growing category with significant long-term upside
- Aligned with several important consumer trends (e.g. clean label, better for you)
- Particular focus on specialty starches and proteins
- MGP’s history affords unique know-how in the specialty ingredient category and we are widely regarded as experts in the industry

1. All financials based on pro forma combined 2019 results.

EXPANSIVE BRAND FAMILY



Highly complementary fit between Luxco brands and MGP's premium spirits portfolio

ST. BRENDAN'S
Irish Cream
SRP: \$13.99

EVERCLEAR
Clear Grain Spirit
SRP: \$18.29

EZRA BROOKS
Straight Rye Whiskey
SRP: \$21.99

DAVID NICHOLSON
Straight Bourbon Whiskey
SRP: \$22.99

EXOTICO
Blanco Tequila
SRP: \$24.99

EL MAYOR
Blanco Tequila
SRP: \$26.99

GREEN HAT
Distilled Gin
SRP: \$29.99

EIGHT & SAND
Blended Bourbon Whiskey
SRP: \$29.99

THE QUIET MAN
Irish Whiskey
SRP: \$32.99

BOWLING & BURCH
Distilled Gin
SRP: \$33.99

YELLOWSTONE
Blended Bourbon Whiskey
SRP: \$39.99

ROSSVILLE UNION
Master Crafted Straight Rye Whiskey
SRP: \$39.99

GEORGE REMUS
Straight Bourbon Whiskey
SRP: \$39.99

MINOR CASE
Straight Rye Whiskey
SRP: \$49.99

ROSSVILLE UNION
Barrel Proof Straight Rye Whiskey
SRP: \$69.99

REMUS REPEAL RESERVE
Straight Bourbon whiskey
SRP: \$84.99

REMUS VOLSTEAD RESERVE
Straight Bourbon whiskey
SRP: \$199.99

FINANCIAL HIGHLIGHTS



FINANCING OVERVIEW



Prudent transaction financing with subsequent deleveraging anticipated

Transaction Financing Summary

- Anticipated financing is expected to be comprised of \$246MM drawn on the existing revolving credit facility and assumed debt, and \$238MM common equity issuance
- MGP currently has \$300MM of availability under its existing revolving credit facility
- Pro forma leverage of ~3.0x at closing¹, expected to de-lever to 2.5x by the end of year one
- MGP is expected to remain in compliance with the requirements and covenants of its Credit Agreement
- The transaction is not subject to financing conditions

Credit Highlights






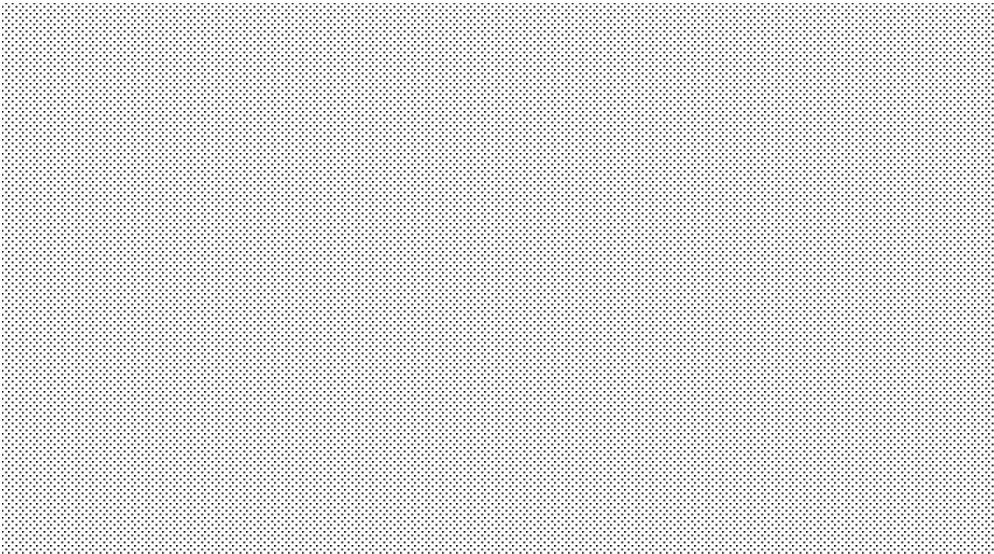
- Transaction supports MGP's plan to expand its Branded Spirits business and to move up the margin ladder
- Luxco provides a national platform with strong go-to-market and branding capabilities for MGP to leverage for its existing brands as well as significant potential cost saving opportunities through shared resources
- Provides material diversification benefits across customers, channels and categories
- Strong expected free cash flow generation will support deleveraging post-transaction
- Plans to maintain current dividend levels

1. Does not include any synergies.

COMBINED FINANCIAL HIGHLIGHTS



Illustrative overview of MGP financials and reporting segments (pre-synergies)

					
(\$MM)	DISTILLERY PRODUCTS	BRANDED SPIRITS	INGREDIENT SOLUTIONS	Pro Forma PF MGP (Combined)	MGP (Standalone)
2019A PF Net Sales	\$294.2	\$185.7	\$65.5	\$545.5	\$362.7
<i>% of Total Net Sales</i>	<i>53.9%</i>	<i>34.0%</i>	<i>12.0%</i>		
2019A PF Gross Profit	\$64.4	\$65.7	\$10.6	\$140.7	\$76.5
<i>% Margin</i>	<i>21.9%</i>	<i>35.4%</i>	<i>16.2%</i>	<i>25.8%</i>	<i>21.1%</i>
2019A SG&A				\$81.1	\$29.3
<i>% of Sales</i>				<i>14.9%</i>	<i>8.1%</i>
2019A PF Operating Income				\$59.6	\$47.2
<i>% Margin</i>				<i>10.9%</i>	<i>13.0%</i>
2019A PF EBITDA				\$79.6	\$58.8
<i>% Margin</i>				<i>14.6%</i>	<i>16.2%</i>
2019A PF Adjusted EBITDA				\$78.7	\$58.8
<i>% Margin</i>				<i>14.4%</i>	<i>16.2%</i>
2019A Capex				\$19.9	\$16.7
<i>% of Sales</i>				<i>3.7%</i>	<i>4.6%</i>

CONCLUDING REMARKS



The combination with Luxco is in line with the core MGP strategy and represents an important step for the business

Strategic

- Meaningful branded spirits business which provides scale and infrastructure to MGP
- Vertical integration opportunities with white goods and brown goods, accelerating the development of new products
- Ability to meet customers' requests for bottling capability and brand needs
- Establishes a branded platform for future M&A opportunities

Operational

- Significant brand portfolio with track record of growth in priority Focus Brands
- New platform for growth with new product innovations and brand launches
- Extensive direct-to-consumer expertise with social media and e-commerce presence
- Increased operating leverage through MGP's existing distillery, blending and warehousing footprint

Financial

- Strong financial track record provides a solid platform
- Improves customer, channel and category diversification and lowers risk profile
- Potential revenue and cost synergies resulting in opportunity for further margin uplift
- Expected to enhance the free cash flow profile and be accretive by low to mid-single digits percentage to EPS in first full year following transaction¹
- Substantial free cash flow generation for deleveraging

1. Excludes one-time transaction expenses.



Q&A

APPENDIX



TRANSACTION SOURCES & USES



Sources & Uses (\$MM)

Sources	Amount	%
Drawdown on Revolving Credit Facility	\$243	50.3%
Assumption of Luxco Debt	3	0.6%
New MGP Equity	238	49.2%
Total Sources	\$483	100.0%

Uses	Amount	%
Purchase Price	\$475	98.3%
Transaction Fees and Expenses	8	1.7%
Total Uses	\$483	100.0%

Financing Overview

- \$246MM drawn on the existing revolving credit facility and assumed debt
 - Full \$300MM currently available from the credit facility with \$100MM incremental accordion feature
- 5.0MM¹ shares of common stock issued to sellers

1. Based on a 20-day volume-weighted average price as of January 11, 2021.

RECONCILIATION OF GAAP TO NON-GAAP



Luxco Reconciliation of GAAP to Non GAAP Measures (Unaudited)

<i>(Dollars in Thousands)</i>	2018	2019	LTM Oct-20
Net Income	\$6,862	\$7,380	\$24,188
<i>% of Revenue</i>	4.0%	4.0%	12.0%
Income Tax Expense	\$52	\$619	\$619
Net Interest (Income) / Expense	\$3,063	\$3,434	\$2,629
EBIT	\$9,977	\$11,432	\$27,436
<i>% of Revenue</i>	5.8%	6.3%	13.6%
Depreciation & Amortization	\$4,905	\$9,363	\$9,141
EBITDA	\$14,882	\$20,795	\$36,577
<i>% of Revenue</i>	8.6%	11.4%	18.1%
Adjusted to remove:			
One-time Non-recurring Items ¹	\$852	(\$856)	(\$8,485)
Adjusted EBITDA	\$15,735	\$19,939	\$28,092
<i>% of Revenue</i>	9.1%	10.9%	13.9%
Capital Expenditures	(\$8,327)	(\$3,208)	(\$3,738)
Free Cash Flow	\$7,408	\$16,731	\$24,354
<i>% Free Cash Flow Conversion</i>	47.1%	83.9%	86.7%

1. Adjustments relate to exceptional items, impact from MGP ownership, COVID impact and others.

RECONCILIATION OF GAAP TO NON-GAAP (CONT'D)



MGP Reconciliation of GAAP to Non GAAP Measures

<i>(Dollars in Thousands)</i>	2019
Net Income	\$38,792
<i>% of Revenue</i>	<i>10.7%</i>
Income Tax Expense	\$7,144
Net Interest (Income) / Expense, Non-Operating Items	\$1,305
EBIT	\$47,241
<i>% of Revenue</i>	<i>13.0%</i>
Depreciation & Amortization	\$11,567
EBITDA	\$58,808
<i>% of Revenue</i>	<i>16.2%</i>
Capital Expenditures	(\$16,730)
Free Cash Flow	\$42,078
<i>% Free Cash Flow Conversion</i>	<i>71.6%</i>

RECONCILIATION OF GAAP TO NON-GAAP (CONT'D)



<i>(Dollars in Thousands)</i>	2019
PF Combined Net Income	\$46,172
<i>% of Revenue</i>	<i>8.5%</i>
Income Tax Expense	\$7,763
Net Interest (Income) / Expense	\$4,739
PF Combined EBIT	\$58,673
<i>% of Revenue</i>	<i>10.8%</i>
PF Combined Depreciation & Amortization	\$20,930
PF Combined EBITDA	\$79,603
<i>% of Revenue</i>	<i>14.6%</i>
Adjusted to remove:	
One-time Non-recurring Items ¹	(\$856)
PF Combined Adjusted EBITDA	\$78,747
<i>% of Revenue</i>	<i>14.4%</i>
PF Net Debt	\$279,042
Expected Run-Rate Synergies	\$6,442
PF Combined Adjusted Synergized EBITDA	\$85,189
<i>% of Revenue</i>	<i>15.6%</i>

1. Adjustments relate to exceptional items, impact from MGP ownership, COVID impact and others.