

MGP INGREDIENTS ACQUIRES LUXCO

MGP Ingredients, Inc. (Nasdaq:MGPI), a leading supplier of premium distilled spirits and specialty wheat proteins and starches, has signed a definitive merger agreement with Luxco, Inc., a leading branded beverage alcohol company across various categories, with a more than 60-year business heritage. This transaction will immediately increase MGP's scale and market position in the branded-spirits sector, along with strengthening its platform for future growth of higher value-added products.

The combination with Luxco presents an excellent opportunity to take a material step towards realizing the Company's long-term strategy, as well as adding a strong national sales platform that distributes across all 50 states. Luxco presents a unique opportunity which significantly expands MGP's product line, while also providing enhanced new product development, sales and distribution capabilities.

TRANSACTION OVERVIEW

- Reflects a total enterprise value of **\$475 million** and is expected to be financed by a **\$238 million** stock issuance with the remainder payable in cash
- Transaction expected to be **immediately accretive** to gross margins, EPS and free cash flow generation, excluding one-time transaction expenses
- Transaction expected to be completed during the **first half of 2021**, subject to regulatory approvals and customary closing conditions

ABOUT LUXCO



Leading branded beverage alcohol company across various categories



Annual sales of approximately \$202 million and 4.8 million 9-LTR cases*



- Expanded operational capabilities:
- Missouri & Ohio bottling facilities
 - Kentucky distilleries (Bourbon & Whiskey)
 - Mexico JV distillery (Tequila)



Attractive portfolio of premium brands



60+ years of heritage



Products sold in all 50 states

LUXCO BRAND PORTFOLIO



*For the twelve-month period ended October 31, 2020.

STRATEGIC RATIONALE

- **Secures** significant diversification into higher value-added products
- **Provides** immediate scale and infrastructure to MGP's Branded Spirits business
- **Integrates** experienced team to support long-term growth
- **Presents** additional upside from potential cost and revenue synergies
- **Creates** financially attractive combination



OPERATIONAL CAPABILITIES

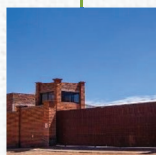
3 distilleries



Limestone Distillery
Lebanon, KY



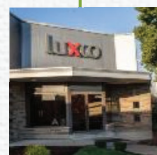
Lux Row Distillery
Bardstown, KY



DGL Distillery (JV)
Arandas, Mexico



3 other facilities



Bottling Facility
& Distribution
St. Louis, MO

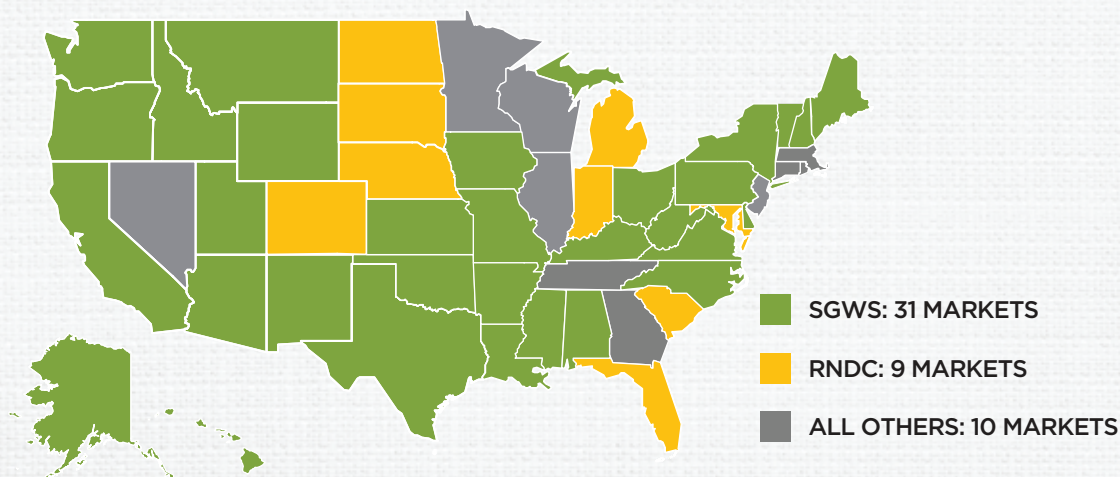


Bottling Facility
Cleveland, OH



Niche Drinks,
Northern Ireland

National Distributor Alignment



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

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 news release regarding the prospects of our industry and our prospects, plans, financial position, business strategy, guidance on changes in operating income, sales, gross margin, and future effective tax rate 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. The forward-looking statements contained herein include, but are not limited to, statements about the expected effects on MGP Ingredients, Inc. ("the Company") of the proposed acquisition of Luxco, Inc. and its affiliates ("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.