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# MGP Ingredients' Management Articulates Five-Year Strategic Plan

## Highlights New Initiatives and Comments on Long-Term Performance Objective

ATCHISON, Kan., Feb. 5, 2015 (GLOBE NEWSWIRE) -- At internal meetings this week, the executive leadership of **MGP Ingredients, Inc.** (Nasdaq:MGPI) is discussing plans recently approved by the company's board of directors to drive MGP's long-term growth in both its distillery and food ingredients businesses.

"MGP is an innovative leader in the development, production, and marketing of alcohol products and food ingredients," commented Gus Griffin, who became president and CEO of MGP in July 2014. "Since joining the company, I have worked with leaders across the organization to assess how we can best build on MGP's proud heritage to deliver superior financial results and benefit all of our stakeholders."

Griffin noted, "MGP has a long history in the distilling industry. Our Lawrenceburg, Indiana, facility was founded in 1847 and our Atchison, Kansas, facility was opened in 1941. Through these two distilleries, we are involved in producing some of the finest vodkas, gins, and whiskeys in the world. Likewise, our history in the food ingredient business stretches back more than 60 years and our ingredient solutions segment provides specialty protein and starch innovations to the bakery, consumer products, and fast food industries.

"Together, these businesses give MGP a strong foundation, and in 2014 we strengthened that foundation with the addition of new leadership at both the board and executive level. We also strengthened our ICP joint venture, which produces high quality food grade alcohol, chemical intermediates and fuel grade alcohol," Griffin said.

"The long-term growth potential of MGP is exciting," Griffin stressed. "Looking out five years, the primary financial metric to measure the success of the implementation of our new strategic plan will be operating income. Our goal is to increase our operating income four-fold over 2014 (adjusted for any non-recurring items)."

## Profit Growth Initiatives Leverage Strengths and Market Opportunities

Griffin described how the company's new strategic plan is designed to leverage the company's history and strengths. "First, we intend to maximize the value of our current production volumes. In particular, we want to take advantage of favorable macro trends, such as the growth of the American whiskey category. This category includes bourbon, rye and Tennessee whiskeys and has been expanding at more than a 4.5 percent compound

annual rate over the past five years.

"Our expertise and capabilities have already allowed us to begin to reap rewards from the growth of that category, and we see additional potential," stressed Griffin. "Our ingredients solutions segment is seeing similar opportunities from the high fiber, high protein and non-GMO trends. We intend to focus on those opportunities that will allow us to achieve the highest value from our current production facilities."

Griffin described a second strategy that is a logical extension of the first, "As we focus our production on higher value products, we will work to develop partnerships to support brand creation and long-term growth. In that way, we believe we will be able to realize full value for our operational capacity, quality and commitment."

### **Investing in Reliability and Risk Management Support Profit Growth Plans**

Griffin noted that the growth plans are complemented by planned investments in operations and by an emphasis on risk mitigation, "We expect capital expenditures largely to focus on improving operational reliability and reducing risk. In addition, we also plan to build our aged whiskey inventory. As needed to support our plans, we will add staff and capabilities in sales and marketing, as well as research and development."

### **Strategy Offers Value for All Stakeholders**

Griffin closed, "Management and the board remain focused on building MGP's brand across all of our markets and on meeting the company's commitments to all of the company's stakeholders, including shareholders, employees, business partners, consumers and our communities. Our plan seeks to leverage the positive macro trends we see in the industries where we compete while providing better insulation from outside factors, including swings in commodity pricing. We believe strong profit growth will create a 'win-win' for all of our stakeholders and we look forward to reporting on our progress."

### **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. 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 of these terms or

variations of them or similar terminology. They reflect management's current beliefs and estimates of future economic circumstances, industry conditions, Company performance and 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. Investors should not place undue reliance upon forward-looking statements and the Company undertakes no obligation to publicly update or revise any 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 or Indiana Distillery, or at the Illinois Corn Processing, LLC ("ICP") facility, (ii) the availability and cost of grain and flour and fluctuations in energy costs, (iii) the effectiveness of our hedging strategy and effectiveness of our corn purchasing program to mitigate our exposure to commodity price fluctuations, (iv) the competitive environment and related market conditions, (v) the ability to effectively pass raw material price increases on to customers, (vi) the volatility in operating results of the ICP joint venture, (vii) ICP's revolving credit agreement with an affiliate of SEACOR Holdings Inc. (our greater than 9 percent equity owner and the parent company of ICP Holdings, LLC, who is our 70 percent joint venture partner in ICP), (viii) our ability to maintain compliance with all applicable loan agreement covenants, (ix) our ability to realize operating efficiencies, (x) actions of governments, (xi) and 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 and Ingredient segments, see *Item 1A. Risk Factors* of our Annual Report on Form 10-K for the year ended December 31, 2013, as updated by *Item 1A. Risk Factors* of our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2014, June 30, 2014 and September 30, 2014.

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