UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended September 30, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number: 0-17196

MGP INGREDIENTS, INC.
(Exact name of registrant as specified in its charter)

Kansas	**45-4082531**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
100 Commercial Street **Atchison, Kansas**	**66002**
(Address of principal executive offices)	(Zip Code)

(913) 367-1480
(Registrant's telephone number, including area code)

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: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. x Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). x Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☐ Large accelerated filer x Accelerated filer
☐ Non-accelerated filer ☐ Smaller reporting company
☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐Yes x No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
21,421,868 shares of Common Stock, no par value, as of October 23, 2026

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METHOD OF PRESENTATION

Throughout this Quarterly Report on Form 10-Q (this "Report"), when we refer to the "Company," "MGP," "we," "us," "our," and words of similar import, we are referring to the combined business of MGP Ingredients, Inc. and its consolidated subsidiaries, except to the extent that the context otherwise indicates. In this Report, for any references to Note 1 through Note 11, refer to the Notes to Unaudited Condensed Consolidated Financial Statements in Item 1.

All amounts in this Report, except for share, par values, bushels, gallons, pounds, mmbtu, proof gallons, 9-liter cases, per share, per bushel, per gallon, per proof gallon, per 9-liter case, and percentage amounts, are shown in thousands unless otherwise noted.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(Unaudited)
(Dollars in thousands, except share and per share amounts)

	Quarter Ended September 30,		Year to Date Ended September 30,	
	2026	**2025**	**2026**	**2025**
Sales	**$ 117,911**	$ 130,912	**$ 348,695**	$ 398,059
Cost of sales	**77,452**	81,479	**228,183**	246,909
Gross profit	**40,459**	49,433	**120,512**	151,150
Advertising and promotion expenses	**6,408**	6,691	**18,282**	21,776
Selling, general, and administrative expenses	**21,520**	18,926	**62,823**	63,287
Provision for credit loss	**—**	—	**2,148**	—
Impairment and other	**514**	—	**180,791**	—
Change in fair value of contingent consideration	**—**	2,800	**—**	25,500
Operating income (loss)	**12,017**	21,016	**(143,532)**	40,587
Interest expense, net	**(3,363)**	(1,739)	**(7,663)**	(5,490)
Other income, net	**281**	428	**530**	957
Income (loss) before income taxes	**8,935**	19,705	**(150,665)**	36,054
Income tax expense (benefit)	**2,047**	4,276	**(34,755)**	9,255
Net income (loss)	**6,888**	15,429	**(115,910)**	26,799
Attributable to noncontrolling interest	**—**	(7)	**3**	25
Net income (loss) attributable to MGP Ingredients, Inc.	**6,888**	15,422	**(115,907)**	26,824
Attributable to participating securities	**(85)**	(190)	**(101)**	(322)
Net income (loss) used in earnings per common share calculation	**$ 6,803**	$ 15,232	**$ (116,008)**	$ 26,502
Weighted average common shares				
Basic	**21,457,947**	21,373,300	**21,427,069**	21,359,051
Diluted	**21,457,947**	21,373,300	**21,427,069**	21,359,051
Earnings per common share				
Basic	**$ 0.32**	$ 0.71	**$ (5.41)**	$ 1.24
Diluted	**$ 0.32**	$ 0.71	**$ (5.41)**	$ 1.24

See accompanying notes to unaudited condensed consolidated financial statements

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Dollars in thousands)

	Quarter Ended September 30,		Year to Date Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss) attributable to MGP Ingredients, Inc.	**$ 6,888**	$ 15,422	**$ (115,907)**	$ 26,824
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on foreign currency translation adjustment	**8**	(244)	**(167)**	711
Unrealized gain on interest rate swaps	**812**	—	**656**	—
Change in Company-sponsored post-employment benefit plan	**(21)**	(21)	**(63)**	(63)
Other comprehensive income (loss)	**799**	(265)	**426**	648
Comprehensive income (loss) attributable to MGP Ingredients, Inc.	**7,687**	15,157	**(115,481)**	27,472
Comprehensive income (loss) attributable to noncontrolling interest	—	7	**(3)**	(25)
Comprehensive income (loss)	**$ 7,687**	$ 15,164	**$ (115,484)**	$ 27,447

See accompanying notes to unaudited condensed consolidated financial statements

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (Dollars in thousands)

	September 30, 2026	December 31, 2025
Current Assets		
Cash and cash equivalents	**$ 13,601**	$ 18,460
Receivables, net (less allowance for credit loss of $3,338 and $1,190 at September 30, 2026, and December 31, 2025, respectively)	**94,618**	116,160
Inventory	**400,979**	382,741
Prepaid expenses	**3,791**	2,139
Refundable income taxes	**—**	3,209
Total current assets	**512,989**	522,709
Property, plant, and equipment	**578,740**	594,898
Less accumulated depreciation and amortization	**(283,378)**	(266,911)
Property, plant, and equipment, net	**295,362**	327,987
Operating lease right-of-use assets, net	**10,217**	13,847
Investment in joint venture	**7,001**	8,211
Intangible assets, net	**205,265**	244,696
Goodwill	**—**	115,667
Other assets	**3,238**	2,747
Total assets	**$ 1,034,072**	$ 1,235,864
Current Liabilities		
Current maturities of long-term debt	**$ 6,400**	$ 6,400
Accounts payable	**42,311**	54,589
Contingent consideration	**—**	110,800
Federal and state excise taxes payable	**1,899**	5,755
Income taxes payable	**4,215**	—
Accrued expenses and other	**19,405**	22,507
Total current liabilities	**74,230**	200,051
Long-term debt, less current maturities	**138,414**	49,735
Convertible senior notes	**196,422**	196,183
Long-term operating lease liabilities	**7,322**	10,561
Other noncurrent liabilities	**3,213**	2,534
Deferred income taxes	**17,497**	60,010
Total liabilities	**437,098**	519,074
Commitments and Contingencies (Note 8)		
Stockholders' Equity		
Capital stock		
Preferred, 5% non-cumulative; $10 par value; authorized 1,000 shares; issued and outstanding 437 shares	**4**	4
Common stock		
No par value; authorized 40,000,000 shares; issued 23,125,166 shares at September 30, 2026 and December 31, 2025; and 21,418,944 and 21,294,315 shares outstanding at September 30, 2026 and December 31, 2025, respectively	**6,715**	6,715
Additional paid-in capital	**328,831**	330,872
Retained earnings	**321,927**	445,736
Accumulated other comprehensive income (loss)	**53**	(373)
Treasury stock, at cost, 1,706,222 and 1,830,851 shares at September 30, 2026 and December 31, 2025, respectively	**(60,556)**	(64,518)
Total MGP Ingredients, Inc. stockholders' equity	**596,974**	718,436
Noncontrolling interest	**—**	(1,646)
Total equity	**596,974**	716,790
Total liabilities and equity	**$ 1,034,072**	$ 1,235,864

See accompanying notes to unaudited condensed consolidated financial statements

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Year to Date Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities		
Net income (loss)	**$ (115,910)**	$ 26,799
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	**19,069**	17,824
Goodwill and other long-lived assets impairment	**179,526**	—
Share-based compensation	**4,002**	3,320
Equity method investment gain	**(290)**	(869)
Deferred income taxes, including change in valuation allowance	**(42,729)**	(25)
Change in fair value of contingent consideration	**—**	25,500
Payment of contingent consideration	**(48,700)**	—
Other, net	**803**	594
Changes in operating assets and liabilities:		
Receivables, net	**21,494**	41,699
Inventory	**(18,191)**	(19,935)
Prepaid expenses	**(1,419)**	(163)
Income taxes payable	**7,424**	1,442
Accounts payable	**(8,172)**	(8,446)
Accrued expenses and other	**(2,521)**	7,689
Federal and state excise taxes payable	**(3,856)**	(2,906)
Other, net	**610**	(74)
Net cash provided by (used in) operating activities	**(8,860)**	92,449
Cash Flows from Investing Activities		
Additions to property, plant, and equipment	**(14,878)**	(40,674)
Distributions from equity method investment	**1,500**	—
Other, net	**168**	(14)
Net cash used in investing activities	**(13,210)**	(40,688)
Cash Flows from Financing Activities		
Payment of dividends and dividend equivalents	**(7,797)**	(7,739)
Repurchase of Common Stock	**(921)**	(1,035)
Loan fees paid related to borrowings	**—**	(2,712)
Proceeds from long-term debt	**145,000**	28,000
Principal payments on long-term debt	**(56,800)**	(80,800)
Payment of contingent consideration	**(62,100)**	—
Net cash provided by (used in) financing activities	**17,382**	(64,286)
Effect of exchange rate changes on cash and cash equivalents	**(171)**	699
Decrease in cash and cash equivalents	**(4,859)**	(11,826)
Cash and cash equivalents, beginning of period	**18,460**	25,273
Cash and cash equivalents, end of period	**$ 13,601**	$ 13,447

See accompanying notes to unaudited condensed consolidated financial statements

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For Year to Date Ended September 30, 2026
(Unaudited)
(Dollars in thousands)

	Capital Stock Preferred	Issued Common	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interest	Total
Balance, December 31, 2025	$ 4	$ 6,715	$ 330,872	$ 445,736	$ (373)	$ (64,518)	$ (1,646)	$ 716,790
Comprehensive loss:								
Net loss	—	—	—	**(134,804)**	—	—	**(3)**	**(134,807)**
Other comprehensive loss	—	—	—	—	**(265)**	—	—	**(265)**
Dividends declared[(a)]	—	—	—	**(2,625)**	—	—	—	**(2,625)**
Share-based compensation	—	—	**1,434**	—	—	—	—	**1,434**
Stock shares awarded, forfeited, or vested	—	—	**(3,827)**	—	—	**3,827**	—	—
Stock shares repurchased	—	—	—	—	—	**(886)**	—	**(886)**
Balance, March 31, 2026	**4**	**6,715**	**328,479**	**308,307**	**(638)**	**(61,577)**	**(1,649)**	**579,641**
Comprehensive income:								
Net income	—	—	—	**12,009**	—	—	—	**12,009**
Other comprehensive loss	—	—	—	—	**(108)**	—	—	**(108)**
Dividends declared[(a)]	—	—	—	**(2,636)**	—	—	—	**(2,636)**
Share-based compensation	—	—	**1,907**	—	—	—	—	**1,907**
Stock shares awarded, forfeited, or vested	—	—	**(773)**	—	—	**773**	—	—
Exchange of non-controlling interest	—	—	**(1,649)**	—	—	—	**1,649**	—
Balance, June 30, 2026	**4**	**6,715**	**327,964**	**317,680**	**(746)**	**(60,804)**	**—**	**590,813**
Comprehensive income:								
Net income	—	—	—	**6,888**	—	—	—	**6,888**
Other comprehensive income	—	—	—	—	**799**	—	—	**799**
Dividends declared[(a)]	—	—	—	**(2,641)**	—	—	—	**(2,641)**
Share-based compensation	—	—	**1,150**	—	—	—	—	**1,150**
Stock shares awarded, forfeited, or vested	—	—	**(283)**	—	—	**283**	—	—
Stock shares repurchased	—	—	—	—	—	**(35)**	—	**(35)**
Balance, September 30, 2026	**$ 4**	**$ 6,715**	**$ 328,831**	**$ 321,927**	**$ 53**	**$ (60,556)**	**$ —**	**$ 596,974**

(a) Dividends and dividend equivalents were $0.12 per common share, per restricted stock unit, and per performance stock unit for the quarters ended March 31, 2026, June 30, 2026, and September 30, 2026.

See accompanying notes to unaudited condensed consolidated financial statements

MGP INGREDIENTS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For Year to Date Ended September 30, 2025
(Unaudited)
(Dollars in thousands)

	Capital Stock Preferred	Issued Common	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Non-controlling Interest	Total
Balance, December 31, 2024	$ 4	$ 6,715	$ 332,195	$ 563,929	$ (658)	$ (68,019)	$ (1,623)	$ 832,543
Comprehensive loss:								
Net loss	—	—	—	(3,024)	—	—	(33)	(3,057)
Other comprehensive income	—	—	—	—	296	—	—	296
Dividends declared[(a)]	—	—	—	(2,578)	—	—	—	(2,578)
Share-based compensation	—	—	524	—	—	—	—	524
Stock shares awarded, forfeited, or vested	—	—	(3,784)	—	—	3,784	—	—
Stock shares repurchased	—	—	—	—	—	(1,035)	—	(1,035)
Balance, March 31, 2025	4	6,715	328,935	558,327	(362)	(65,270)	(1,656)	826,693
Comprehensive income:								
Net income	—	—	—	14,426	—	—	1	14,427
Other comprehensive income	—	—	—	—	617	—	—	617
Dividends declared[(a)]	—	—	—	(2,599)	—	—	—	(2,599)
Share-based compensation	—	—	991	—	—	—	—	991
Stock shares awarded, forfeited, or vested	—	—	(670)	—	—	670	—	—
Balance, June 30, 2025	4	6,715	329,256	570,154	255	(64,600)	(1,655)	840,129
Comprehensive income:								
Net income	—	—	—	15,422	—		7	15,429
Other comprehensive loss	—	—	—	—	(265)		—	(265)
Dividends declared[(a)]	—	—	—	(2,603)	—	—	—	(2,603)
Share-based compensation	—	—	849	—	—	—	—	849
Stock shares awarded, forfeited, or vested	—	—	(43)	—	—	43	—	—
Balance, September 30, 2025	$ 4	$ 6,715	$ 330,062	$ 582,973	$ (10)	$ (64,557)	$ (1,648)	$ 853,539

(a) Dividends and dividend equivalents were $0.12 per common share, per restricted stock unit, and per performance stock unit for the quarters ended March 31, 2025, June 30, 2025 and September 30, 2025.

See accompanying notes to unaudited condensed consolidated financial statements

Note 1. Accounting Policies and Basis of Presentation

The Company. MGP Ingredients, Inc. ("MGP" or the "Company") is a Kansas corporation headquartered in Atchison, Kansas and is a leading producer of branded and distilled spirits, as well as food ingredient solutions. The Company has an extensive award-winning global portfolio of its own high quality branded spirits, which are produced through its distilleries and bottling facilities and sold to distributors. The Company's branded spirits products account for a range of price points from value products through premium plus brands. Distilled spirits include premium bourbon, rye, and other American whiskeys ("brown goods") and grain neutral spirits ("GNS"), including vodka and gin. The Company's distilled spirits are either sold directly or indirectly to manufacturers of other branded spirits. The Company's protein and starch food ingredients are predominantly wheat based and provide a host of functional, nutritional, and sensory benefits for a wide range of food products to serve the consumer packaged goods industry. The ingredient products are sold directly, or through distributors, to manufacturers and processors of finished packaged goods or to bakeries.

On October 15, 2026, the Company announced that effective November 2, 2026, its corporate name will change from "MGP Ingredients, Inc." to "Sempreon, Inc." and its Nasdaq ticker symbol will also change from "MGPI" to "CASK".

The Company reports three operating segments: Branded Spirits, Distilling Solutions, and Ingredient Solutions.

Basis of Presentation and Principles of Consolidation. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned and majority owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation. These unaudited condensed consolidated financial statements as of and for the quarter and year to date ended September 30, 2026, should be read in conjunction with the consolidated financial statements and notes thereto in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the Securities and Exchange Commission (the "SEC"). The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal and recurring adjustments) necessary to fairly present the results for interim periods in accordance with U.S. generally accepted accounting principles ("GAAP"). Pursuant to the rules and regulations of the SEC, certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted.

On April 1, 2026, the Company entered into a membership interest purchase agreement and acquired the remaining 40 percent non-controlling interest in Dos Primos Tequila, LLC ("Dos Primos"), making it a wholly-owned subsidiary of the Company. Prior to the agreement, the Company held a 60 percent interest in Dos Primos. The Company consolidated Dos Primos activity on its financial statements and presented the 40 percent non-controlling interest portion on a separate line prior to the purchase agreement.

Use of Estimates. The financial reporting policies of the Company conform to GAAP. The preparation of unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The application of certain of these policies places demands on management's judgment, with financial reporting results relying on estimation about the effects of matters that are inherently uncertain. For all of these policies, management cautions that future events may not develop as forecast and estimates routinely require adjustment and may require material adjustment.

Inventory. Inventory includes finished goods, raw materials in the form of agricultural commodities used in the production process as well as bottles, caps, and labels used in the bottling process, and certain maintenance and repair items. Bourbons, ryes, and other whiskeys, included in inventory, are normally aged in barrels for several years, following industry practice; all barreled bourbon, rye, and other whiskeys are classified as a current asset. The Company includes warehousing, insurance, and other carrying charges applicable to barreled whiskey in inventory costs.

Inventories are stated at the lower of cost or net realizable value on the first-in, first-out, or FIFO, method. Inventory valuations are impacted by constantly changing prices paid for key materials. Inventory consists of the following:

	September 30, 2026	December 31, 2025
Finished goods	**$ 40,550**	$ 42,263
Barreled distillate (bourbons and other whiskeys)	**320,556**	301,665
Raw materials	**26,741**	25,534
Work in process	**2,714**	2,782
Maintenance materials	**9,380**	9,097
Other	**1,038**	1,400
Total	**$ 400,979**	$ 382,741

Revenue Recognition. Revenue is recognized when control of the promised goods or services, through performance obligations by the Company, is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for the performance obligations. The term between invoicing and when payment is due is not significant and the period between when the entity transfers the promised good or service to the customer and when the customer pays for that good or service is generally one year or less.

Revenue is recognized for the sale of products at the point in time finished products are delivered to the customer in accordance with shipping terms. This is a faithful depiction of the satisfaction of the performance obligation because, at the point control passes to the customer, the customer has legal title and the risks and rewards of ownership have transferred, and the customer has a present obligation to pay.

The Distilling Solutions segment routinely enters into bill and hold arrangements, whereby the Company produces and sells aged and unaged distillate to customers, and the product is barreled at the customer's request and warehoused by the Company for an extended period of time in accordance with directions received from the Company's customers. Even though the aged and unaged distillate remains in the Company's possession, a sale is recognized at the point in time when the customer obtains control of the product. Control is transferred to the customer in bill and hold transactions when the customer acceptance specifications have been met, legal title has transferred, the customer has a present obligation to pay for the product, and the risks and rewards of ownership have transferred to the customer. Additionally, all of the following bill and hold criteria have been met in order for control to be transferred to the customer: the reason for the bill and hold arrangement is substantive, the customer has requested the product be warehoused, the product has been identified as separately belonging to the customer, the product is currently ready for physical transfer to the customer, and the Company does not have the ability to use the product or direct it to another customer.

Warehouse services revenue is recognized over the time that warehouse services are rendered and as they are rendered. This is a faithful depiction of the satisfaction of the performance obligation because control of the aging products has already passed to the customer and there are no additional performance activities required by the Company, except as requested by the customer. The performance of the service activities, as requested, is invoiced as satisfied and revenue is concurrently recognized. Contract bottling is recognized over the time contract bottling services are rendered and as they are rendered.

Sales in the Branded Spirits segment reflect reductions attributable to consideration given to customers in incentive programs, including discounts and allowances for certain volume targets. These allowances and discounts are not for distinct goods and are paid only when the depletion volume targets are achieved by the customer. The amounts reimbursed to customers are determined based on agreed-upon amounts and are recorded as a reduction of revenue.

Excise Taxes. The Company is responsible for compliance with the Alcohol and Tobacco Tax and Trade Bureau of the U.S. Treasury Department (the "TTB") regulations, which include making timely and accurate excise tax payments. The Company is subject to periodic compliance audits by the TTB. Individual U.S. states also impose excise taxes on alcohol beverages in varying amounts. The Company calculates its U.S. federal and state excise tax expense based upon units shipped and on its understanding of the applicable excise tax laws. Excise taxes that are both imposed on and concurrent with a specific revenue-producing transaction, and that are collected by the Company from a customer, are excluded from revenue and expense.

Income Taxes. The Company accounts for income taxes using an asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. A valuation allowance is recognized if it is more likely than not that at least some portion of the deferred tax asset will not be realized.

Earnings Per Common Share ("EPS"). Basic and diluted EPS is computed using the two-class method, which is an earnings allocation formula that determines net income per share for each class of the Company's common stock, no par value ("Common Stock") and participating securities according to dividends declared and participation rights in undistributed earnings. Basic EPS amounts are computed by dividing net income attributable to common shareholders by the weighted average shares outstanding during each period. Diluted EPS is computed using the if-converted method by dividing the net income attributable to common shareholders by the weighted average shares outstanding, inclusive of the impact of potentially dilutive items such as the Convertible Senior Notes or stock options, except for where the result would be anti-dilutive as of the balance sheet date.

Translation of Foreign Currencies. Assets and liabilities of Niche Drinks Co Ltd ("Niche"), a wholly-owned subsidiary of the Company whose functional currency is the British pound sterling, are translated to U.S. dollars using the exchange rate in effect at the condensed consolidated balance sheet date. Results of operations are translated using average rates during the period. Adjustments resulting from the translation process are included as a component of accumulated other comprehensive income.

Allowance for Credit Losses. On July 26, 2026, one of the Company's significant customers filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code. As a result, during the second quarter of 2026, the Company recognized a provision for credit loss of $2,148. The credit loss was recorded in provision for credit loss on the Condensed Consolidated Statements of Income (Loss) for the year to date ended September 30, 2026 and in allowance for credit loss on the Condensed Consolidated Balance Sheets as of September 30, 2026. The allowance for credit loss was recorded within the Branded Spirits segment. The Company evaluates its credit losses periodically and as circumstances warrant which may result in changes to the credit loss allowance. The Company is evaluating the impact of the bankruptcy on future cash collections and sales, and the ultimate amount recoverable may differ from current estimates.

Goodwill and Indefinite-Lived Intangible Assets. The Company records goodwill and indefinite-lived intangible assets in connection with various acquisitions of businesses and allocates the goodwill and indefinite-lived intangible assets to its respective reporting units. All goodwill and indefinite-lived intangible assets included in the Condensed Consolidated Balance Sheets are related to the Branded Spirits reporting unit. The Company evaluates goodwill for impairment at least annually, in the fourth quarter, or on an interim basis if events and circumstances occur that would indicate it is more likely than not that the fair value of a reporting unit is less than the carrying value. To the extent that the carrying value exceeds fair value, an impairment of goodwill is recognized. Judgment is required in the determination of reporting units, the assignment of assets and liabilities to reporting units, including goodwill, and the determination of fair value of the reporting units. The Company separately evaluates indefinite-lived intangible assets for impairment. See Note 3, Goodwill and Other Intangible Assets for more information.

Impairment of Long-Lived Assets. The Company reviews long-lived assets for impairment when events or changes in circumstances indicate the carrying amount of the asset group may not be fully recoverable. The Company determines the carrying amount of the asset group compared to the future projected undiscounted cash flows as well as quantitative and qualitative factors. An impairment loss is recognized when the carrying value exceeds the fair value of the asset group.

The Company committed to a plan to abandon a long-lived asset at its distillery located in Bardstown, Kentucky, which was temporarily idled beginning in May 2026. The Company has not placed the equipment, a feed dryer not used in the distillation process, into service and does not intend to sell it. As a result, during the first quarter of 2026, the Company recorded a $26,869 impairment of assets, which was recorded in impairment and other on the Condensed Consolidated Statement of Income (Loss). The impaired assets were recorded within the Branded Spirits segment. Additionally, during the quarter and year to date ended September 30, 2026, the Company recorded $514 and $1,265, respectively, of costs related to the idled Kentucky facilities, which were recorded in impairment and other on the Condensed Consolidated Statement of Income (Loss).

Derivative Instruments. The Company enters into derivative contracts to manage risk exposure to interest rate fluctuations. The Company records derivative instruments on the balance sheet at fair value in accordance with GAAP. See Note 5, Derivative Instruments and Hedging Activities for additional information regarding derivative financial instruments and hedging activities.

Fair Value of Financial Instruments. The Company determines the fair values of its financial instruments based on a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy is broken down into three levels based upon the observability of inputs. Fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability. Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value in its entirety requires judgment and considers factors specific to the asset or liability.

The Company's short-term financial instruments include cash and cash equivalents, accounts receivable, and accounts payable. The carrying value of the short-term financial instruments approximates the fair value due to their short-term nature. These financial instruments have no stated maturities or have short-term maturities that approximate market.

The fair value of the Company's debt is estimated based on current market interest rates for debt with similar maturities and credit quality. Excluding the impact of the conversion feature of the Convertible Senior Notes and using the stated maturity of 2041, the fair value of the Company's debt was $262,663 and $195,527 at September 30, 2026 and December 31, 2025, respectively. The financial statement carrying value of total debt (net of unamortized loan fees) was $341,236 and $252,318 at September 30, 2026 and December 31, 2025, respectively. These fair values are considered Level 2 under the fair value hierarchy.

The fair value calculation of contingent consideration associated with the acquisition of Penelope Bourbon LLC ("Penelope") uses unobservable inputs, such as estimated net sales over the term of the earn-out period, discount rates, and volatility rates. The contingent consideration is measured using the Monte Carlo simulation approach. The inputs used in the calculation of the contingent consideration liability are considered Level 3 under the fair value hierarchy due to the lack of relevant market activity. There was no adjustment to the fair value of the contingent consideration liability during the quarter and year to date ended September 30, 2026, as the Company achieved the maximum net sales target as defined in the Penelope acquisition agreement during the third quarter of 2025. During the quarter and year to date ended September 30, 2025, there was $2,800 and $25,500 in adjustments to the fair value measurement of the contingent consideration obligation which was included in the change in fair value of contingent consideration on the Condensed Consolidated Statements of Income.

The fair value of the Company's contingent consideration liability was $110,800 at December 31, 2025. The amount payable is based upon achievement of certain net sales targets between the acquisition date and December 31, 2025. The Company paid the full contingent consideration of $110,800 on April 28, 2026.

Fair value disclosure for deferred compensation plan investments is included in Note 9, Employee and Non-Employee Benefit Plans. Fair value disclosure for interest rate swaps is included in Note 5, Derivative Instruments and Hedging Activities.

Equity Method Investments. The Company holds 50 percent interests in DGL Destiladores, S.de R.L. de C.V. ("DGL") and Agricola LG, S.de R.L. de C.V. ("Agricola" and together with DGL, "LMX"), which are accounted for as equity method investments and are considered affiliates of the Company. The investment in LMX, which is recorded in investment in joint venture on the Condensed Consolidated Balance Sheets, was $7,001 and $8,211 at September 30, 2026 and December 31, 2025, respectively. During the quarter and year to date ended September 30, 2026, the Company recorded income of $140 and $290, respectively, from its equity method investment. During the quarter and year to date ended September 30, 2025, the Company recorded income of $375 and $869, respectively, from its equity method investment. Income from the equity method investment is recorded in other income, net on the Condensed Consolidated Statements of Income (Loss). Additionally, during the year to date ended September 30, 2026, the Company received a $1,500 distribution payment from LMX.

During the quarters ended September 30, 2026 and 2025, the Company purchased $5,891 and $5,753, respectively, of finished goods from LMX and bulk beverage alcohol from the other 50 percent owner of DGL. During the year to date ended September 30, 2026 and 2025, the Company purchased $9,481 and $16,319, respectively, of finished goods from LMX and bulk beverage alcohol from the other 50 percent owner of DGL.

Recently Adopted Accounting Standard Updates. ASU 2024-04, *Induced Conversions of Convertible Debt Instruments,* clarifies the requirement for determining whether certain settlements of convertible debt instruments should be accounted for as induced conversions or extinguishments. This ASU is effective for annual periods beginning after December 15, 2025. Early adoption is permitted and can be applied either on a prospective basis or retrospective basis. The Company adopted this ASU during the first quarter of 2026, and it had no impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements. ASU 2024-03, *Disaggregation of Income Statement Expenses*, requires disaggregated disclosures in the notes to the consolidated financial statements of certain categories of expenses that are included in expense line items on the Consolidated Statements of Income. This ASU is effective for annual periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The guidance is required to be applied on a prospective basis with the option to apply retrospectively to all prior periods presented in the consolidated financial statements. The Company expects this ASU to impact the notes to the financial statements with no material impacts on the Company's consolidated financial statements.

ASU 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software,* amends certain aspects of the accounting for software costs, including removing software development project stages and requiring companies to capitalize software costs when both of the following occur: (1) management authorizes or commits to funding a software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. This ASU is effective for annual periods beginning after December 15, 2027 and interim periods within those fiscal years. Early adoption is permitted and can be applied prospectively, retrospectively, or utilizing a modified transition approach. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

ASU 2025-11, *Narrow-Scope Improvements (Topic 270 - Interim Reporting),* clarifies the current interim reporting requirements and the form and content of the interim reporting requirements, and includes a disclosure principle that requires companies to disclose material events since the end of the last annual reporting period. This ASU is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on the Company's consolidated financial statements.

Note 2. Revenue

The Company generates revenue from the Branded Spirits segment by the sale of products and by providing contract bottling services. The Company generates revenue from the Distilling Solutions segment by the sale of products and by providing warehouse services related to the storage and aging of customer products. The Company generates revenue from the Ingredient Solutions segment by the sale of products. Revenue related to sales of products is recognized at a point in time, whereas revenue generated from warehouse services and contract bottling services are recognized over time. Contracts with customers include a single performance obligation (either the sale of products or the provision of warehouse services and contract bottling services).

Disaggregation of Sales. The following table presents the Company's sales disaggregated by segment and major products and services:

	Quarter Ended September 30,		Year to Date Ended September 30,	
	2026	**2025**	**2026**	**2025**
Branded Spirits				
Premium plus	**$ 31,871**	$ 32,119	**$ 87,167**	$ 85,536
Mid	**15,661**	14,835	**45,129**	43,355
Value	**7,612**	8,170	**22,439**	24,447
Other	**3,054**	5,624	**7,330**	16,157
Total Branded Spirits	**58,198**	60,748	**162,065**	169,495
Distilling Solutions				
Brown goods	**14,976**	28,512	**44,145**	97,225
Warehouse services	**8,266**	8,052	**25,180**	24,130
White goods and other co-products	**5,718**	4,317	**16,855**	16,469
Total Distilling Solutions	**28,960**	40,881	**86,180**	137,824
Ingredient Solutions				
Specialty wheat starches	**14,888**	16,965	**52,193**	51,292
Specialty wheat proteins	**10,278**	8,905	**35,735**	28,865
Commodity wheat starches	**2,663**	2,317	**7,950**	8,097
Commodity wheat proteins	**924**	993	**1,383**	2,383
Biofuel and other	**2,000**	103	**3,189**	103
Total Ingredient Solutions	**30,753**	29,283	**100,450**	90,740
Total sales	**$ 117,911**	$ 130,912	**$ 348,695**	$ 398,059

Note 3. Goodwill and Other Intangible Assets

Definite-Lived Intangible Assets. The Company acquired definite-lived intangible assets in connection with various acquisitions of businesses prior to 2026. The distributor relationships have a carrying value of $49,765, net of accumulated amortization of $15,335. The distributor relationships have a useful life of 20 years. The amortization expense for the quarters ended September 30, 2026 and 2025 was $814. The amortization expense for the year to date ended September 30, 2026 and 2025 was $2,441.

As of September 30, 2026, the expected future amortization expense related to definite-lived intangible assets is as follows:

Remainder of 2026	$ 814
2027	3,255
2028	3,255
2029	3,255
2030	3,255
Thereafter	35,931
Total	$ 49,765

Goodwill. Changes in the carrying amount of goodwill by business segment were as follows:

	Distilling Solutions	Branded Spirits	Ingredient Solutions	Total
Balance, December 31, 2025	$ —	$ 115,667	$ —	$ 115,667
Impairment	—	(115,667)	—	(115,667)
Balance, September 30, 2026	**$ —**	**$ —**	**$ —**	**$ —**

Impairment Analysis. During the first quarter of 2026, the Company experienced a decrease in stock price and market capitalization, and as a result, the Company performed a quantitative assessment of goodwill. The Company engaged a third-party valuation specialist to assist in comparing the fair value of the Branded Spirits reporting unit to the respective carrying value. The estimate of fair value of the Company's reporting unit was calculated using equal weighting of the income approach that utilized the discounted cash flow method and the market approach that utilized the guideline public company method. Estimates in the determination of fair value of the reporting unit through the income approach were based on (i) discount rates based on the reporting unit's weighted average cost of capital, (ii) future expected cash flows including revenue and operating margin projections, and (iii) long-term growth rates based on inflation forecasts, industry growth, and long-term economic growth potential. The market approach compares enterprise values and historical and projected results of public companies that reflect economic conditions and risks that are similar to the reporting unit to calculate an estimated enterprise value. These assumptions are based on historical trends as well as the projections and assumptions used in the Company's budget and long-range plans. These assumptions reflect the Company's estimates of future economic and competitive conditions which can be affected by several factors such as inflation, business valuations in the market, the economy, and market competition. Any changes in these assumptions may affect the Company's fair value estimate and the results of an impairment test. As of the assessment date, to corroborate the Company's fair value conclusion, it combined the estimated fair values of the reporting units and performed a market capitalization reconciliation to validate the reasonableness of the implied control premium. The Company calculated the market capitalization using both the stock price on the assessment date as well as the average stock price over a reasonable period of time preceding the assessment date. Based on this reconciliation, the Company believes the control premium to be reasonable.

Based on the results of the Company's impairment analysis, the Company recorded an impairment charge of $115,667 to reduce the carrying amount of the Branded Spirits reporting unit during the first quarter of 2026. This goodwill impairment was recorded in impairment and other on the Condensed Consolidated Statement of Income (Loss) for the year to date ended September 30, 2026 and as a reduction of goodwill in the Condensed Consolidated Balance Sheets as of September 30, 2026.

Indefinite-Lived Intangible Assets. Changes in the carrying amount of trade name intangible assets by business segment were as follows:

	Distilling Solutions	Branded Spirits	Ingredient Solutions	Total
Balance, December 31, 2025	$ —	$ 192,490	$ —	$ 192,490
Impairment	—	(36,990)	—	(36,990)
Balance, September 30, 2026	**$ —**	**$ 155,500**	**$ —**	**$ 155,500**

Impairment Analysis. During the first quarter of 2026, in connection with the assessment of the same events and circumstances impacting the Branded Spirits reporting unit, the Company performed a quantitative impairment test of its indefinite-lived assets. The Company values its indefinite-lived intangible assets under the income approach using a relief- from-royalty method, which assumes the value of the asset is the sum of the discounted cash flows of the amount that would be paid by a hypothetical market participant had they not owned the asset and instead licensed it from another company. When estimating the fair value, the Company made certain assumptions for its future revenue projections, market royalty rates, and discount rates. These assumptions reflect the Company's estimates of future economic and competitive conditions which consider many factors including macroeconomic conditions, industry growth rates, and competition. Any changes in these assumptions may affect the Company's fair value estimate and the results of an impairment test. The most sensitive assumption used in the analysis was a 15 percent discount rate.

Based on the results of the Company's impairment analysis, the Company recorded an impairment charge of $36,990 to adjust the carrying amount of the trade name indefinite-lived intangible assets to fair value during the first quarter of 2026. The impairment was recorded in impairment and other on the Condensed Consolidated Statement of Income (Loss) for the year to date ended September 30, 2026 and as a reduction of intangible assets in the Condensed Consolidated Balance Sheets as of September 30, 2026. As of September 30, 2026, after the first quarter impairment was recorded, the fair

values of the Company's indefinite-lived intangible assets were equal to the respective carrying values.

The Company will continue to evaluate its indefinite-lived intangible assets in future quarters. Independent of the expected future operating performance of the indefinite-lived intangible assets, any further significant changes in discount rates, even if due to macroeconomic factors, could put pressure on the carrying value of its indefinite-lived intangible assets. In addition, if future revenues and contributions to the Company's operating results for any of its indefinite-lived intangible assets perform at levels below its current projections, the Company may be required to record impairment charges to certain intangible assets related to the Branded Spirits reporting unit. A determination that a portion or all of the Company's assets are impaired could have a material adverse effect on its business, consolidated financial condition, and results of operations.

Note 4. Corporate Borrowings

The following table presents the Company's outstanding indebtedness:

Description[(a)]	**September 30, 2026**	**December 31, 2025**
Credit Agreement - Revolver, 6.00% (variable rate) due 2030	**$ 135,000**	$ 42,000
Convertible Senior Notes, 1.88% (fixed rate) due 2041	**201,250**	201,250
Note Purchase Agreement		
Series A Senior Secured Notes, 3.53% (fixed rate) due 2027	**3,200**	5,600
Senior Secured Notes, 3.80% (fixed rate) due 2029	**8,800**	11,200
Total indebtedness outstanding	**348,250**	260,050
Less unamortized loan fees[(b)]	**(7,014)**	(7,732)
Total indebtedness outstanding, net	**341,236**	252,318
Less current maturities of long-term debt	**(6,400)**	(6,400)
Long-term debt	**$ 334,836**	$ 245,918

(a) Interest rates are as of September 30, 2026.
(b) Loan fees are being amortized over the life of the debt agreements.

Credit Agreement. On February 14, 2020, the Company entered into a credit agreement (the "Credit Agreement") with multiple participants led by Wells Fargo Bank, National Association ("Wells Fargo Bank") which provided for a $300,000 revolving credit facility and had a maturity date of May 14, 2026. On April 24, 2025, the Company entered into an Amended and Restated Credit Agreement (as amended, the "A&R Credit Agreement") with Wells Fargo Bank, as administrative agent, swingline lender, and issuing lender, and the other lenders and parties thereto. The A&R Credit Agreement amends and restates the Company's existing Credit Agreement, extending the maturity date to April 24, 2030. The A&R Credit Agreement increases the size of the revolving credit facility to $500,000 and permits the Company to increase the amount of the revolving credit facility by up to an additional $200,000, subject to certain conditions and at the discretion of the lenders. On August 6, 2026, the Company entered into an amendment to the A&R Credit Agreement that amends the definition of Consolidated EBITDA used in the covenant calculations. The Company incurred no new loan fees related to the A&R Credit Agreement during the year to date ended September 30, 2026.

The A&R Credit Agreement includes certain requirements and covenants with which the Company was in compliance at September 30, 2026. As of September 30, 2026, the Company had $135,000 of outstanding borrowings under the A&R Credit Agreement, leaving $365,000 available.

Convertible Senior Notes. On November 16, 2021, the Company issued $201,250 in aggregate principal amount of 1.88% convertible senior notes due in 2041 (the "2041 Notes"). The 2041 Notes were issued pursuant to an indenture, dated as of November 16, 2021 (the "Indenture"), by and among the Company, as issuer, Luxco, Inc., MGPI Processing, Inc., and MGPI of Indiana, LLC, as subsidiary guarantors, and U.S. Bank National Association, as trustee. The 2041 Notes are senior, unsecured obligations of the Company and interest is payable semi-annually in arrears at a fixed interest rate of 1.88% on May 15 and November 15 of each year. Holders of the 2041 Notes have the option to require the Company to purchase their notes on each of November 16, 2026, November 15, 2031 and November 15, 2036 at a repurchase price equal to 100% of the principal amount of the 2041 Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the relevant repurchase date. The 2041 Notes mature on November 15, 2041 unless earlier repurchased, redeemed, or converted, per the terms of the Indenture. Upon conversion, the Company will pay cash up to the aggregate principal amount of the 2041 Notes to be converted and pay or deliver, as the case may be, cash, shares of the Company's common stock, or a combination of cash and shares of the Company's common stock, at its election, in respect to the remainder, if any, of the Company's conversion obligation in excess of the aggregate principal amount of the 2041 Notes being converted.

Note Purchase Agreements. The Company's Note Purchase and Private Shelf Agreement (as amended, the "Note Purchase Agreement") with PGIM, Inc. ("Prudential"), an affiliate of Prudential Financial, Inc., and certain affiliates of Prudential, provides for the issuance of $20,000 of Series A Senior Secured Notes and the issuance of up to $105,000 of additional Senior Secured Notes (or any higher amount solely to the extent Prudential has provided written notice to the Company of its authorization of such a higher amount). Effective August 23, 2023, the Note Purchase Agreement was amended to increase the total amount of Senior Secured Notes that may be issued under the facility of the Note Purchase Agreement to $250,000. On April 24, 2025, the Note Purchase Agreement was amended to extend the period for issuing senior secured promissory notes under the Note Purchase Agreement from August 31, 2026 to April 24, 2028. On August 6, 2026, the Company entered into an amendment to the Note Purchase Agreement that amends the definition of Consolidated EBITDA used in the covenant calculations.

During 2017, the Company issued $20,000 of Series A Senior Secured Notes with a maturity date of August 23, 2027. During 2019, the Company issued $20,000 of additional Senior Secured Notes with a maturity date of April 30, 2029. The Note Purchase Agreement includes certain requirements and covenants with which the Company was in compliance at September 30, 2026. As of September 30, 2026, the Company had $3,200 of Series A Senior Secured Notes and $8,800 of additional Senior Secured Notes outstanding under the Note Purchase Agreement, leaving $238,000 available under the Note Purchase Agreement.

Note 5. Derivative Instruments and Hedging Activities

The Company is exposed to interest rate risk on its variable-rate borrowings under its A&R Credit Agreement. To manage a portion of this exposure, on June 10, 2026, the Company entered into three pay-fixed, receive-floating interest rate swaps with an aggregate notional amount of $55,000 that became effective on June 30, 2026. The Company has designated each swap as a cash flow hedge of the variability in interest payments attributable to changes in one-month Term SOFR on a corresponding amount of the Company's A&R Credit Agreement.

The interest rate swaps are recorded at fair value and are adjusted to market on a quarterly basis. The entire change in fair value of each designated swap is recorded in accumulated other comprehensive income (loss) ("AOCI") and is reclassified into interest expense in the same period in which the hedged interest payments affected earnings. As of September 30, 2026, the maximum length of time over which the Company is hedging its exposure to the variability in future cash flows is approximately four years (through 2030). For the quarter and year to date ended September 30, 2026, the unrealized gain on interest rate swaps recognized in AOCI was $812 and $656, respectively (net of tax expense of $268 and $217, respectively). At September 30, 2026, the amount of net gains (losses) on qualifying derivatives currently recorded in AOCI expected to be reclassified into interest expense within the next twelve months is immaterial.

The aggregate notional amount of the Company's derivative instruments designated as cash flow hedges, interest rate swaps, was $55,000 at September 30, 2026. For the quarter and year to date ended September 30, 2026, the gain (loss) recognized in AOCI reclassified into interest expense was immaterial.

The following table presents the fair value of the Company’s derivative instruments and their location on the condensed consolidated balance sheets:

	Balance Sheet Location	September 30, 2026
Derivative Assets:		
Interest rate swaps	Prepaid expenses	$ 227
Interest rate swaps	Other assets	$ 646

All derivative instruments are carried at fair value and are classified within Level 2 of the fair value hierarchy. The Company estimates the fair value of its interest rate swaps using a discounted cash flow model based on observable market inputs, including SOFR forward and discount curves, and incorporates an adjustment for nonperformance risk.

As of September 30, 2026, the Company had not posted any collateral related to these instruments.

The Company’s interest rate swaps are governed by the International Swaps and Derivative Association master agreement with the counterparty, which provides for net settlement of all outstanding transactions in the event of default or termination. The Company's policy is to present its derivative assets and liabilities on a gross basis in the condensed consolidated balance sheets, and it has not offset any amounts related to its interest rate swaps. As of September 30, 2026, the gross and net amounts of the Company’s interest rate swaps subject to this enforceable master netting arrangement were the same, as reflected in the fair value table above.

Note 6. Income Taxes

The Company’s tax provision for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter. In each quarter, the estimated annual effective tax rate is updated and a year to date adjustment is made to the provision. The Company’s quarterly effective tax rate can be subject to significant change due to the effect of discrete items arising in a given quarter.

Income tax expense (benefit) for the quarter and year to date ended September 30, 2026 was $2,047 and $(34,755), respectively, for an effective tax rate of 22.9 percent and 23.1 percent, respectively. The effective tax rate for the quarter ended September 30, 2026 differed from the 21 percent U.S. federal statutory rate on pretax income primarily due to state income tax and income tax on foreign subsidiaries, partially offset by the impact of federal and state tax credits. The effective tax rate for the year to date ended September 30, 2026 differed from the 21 percent U.S. federal statutory rate on pretax income primarily due to the discrete tax impact related to the vesting of share-based awards, as well as state income tax and income tax on foreign subsidiaries, partially offset by federal and state tax credits and the discrete impact of a favorable state law change on the Company’s deferred tax balances. Additionally, the favorable tax impact for the year to date ended September 30, 2026 was primarily a result of the reduction of deferred tax liabilities due to the goodwill and other long-lived asset impairments.

Income tax expense for the quarter and year to date ended September 30, 2025 was $4,276 and $9,255, respectively, for an effective tax rate of 21.7 percent and 25.7 percent. The effective tax rate for the quarter and year to date ended September 30, 2025 differed from the 21 percent U.S. federal statutory rate on pretax income primarily due to the state income tax and income tax on foreign subsidiaries, partially offset by federal and state tax credits. In addition, for the year to date ended September 30, 2025, the effective tax rate differed from the U.S. federal statutory rate on pretax income primarily due to the discrete tax impact related to the vesting of share-based awards.

Note 7. Equity and EPS

The following table presents computations of basic and diluted EPS:

	Quarter Ended September 30,		Year to Date Ended September 30,	
	2026	**2025**	**2026**	**2025**
Operations:				
Net income (loss)[(a)]	**$ 6,888**	$ 15,429	**$ (115,910)**	$ 26,799
Attributable to noncontrolling interest	**—**	(7)	**3**	25
Attributable to participating securities (unvested shares and units)[(b)]	**(85)**	(190)	**(101)**	(322)
Net income (loss) used in EPS calculation	**$ 6,803**	$ 15,232	**$ (116,008)**	$ 26,502
Share information:				
Basic weighted average common shares[(c)]	**21,457,947**	21,373,300	**21,427,069**	21,359,051
Diluted weighted average common shares[(d)]	**21,457,947**	21,373,300	**21,427,069**	21,359,051
Basic EPS	**$ 0.32**	$ 0.71	**$ (5.41)**	$ 1.24
Diluted EPS	**$ 0.32**	$ 0.71	**$ (5.41)**	$ 1.24

(a) Net income attributable to all stockholders.
(b) Participating securities included 270,630 and 240,820 unvested restricted stock units ("RSUs") at September 30, 2026 and 2025, respectively.
(c) Under the two-class method, basic weighted average common shares exclude unvested participating securities.
(d) The impacts of the Convertible Senior Notes and stock options were included in the diluted weighted average common shares if the inclusion was dilutive. The Convertible Senior Notes would only have a dilutive impact if the average market price per share during the quarter and year to date period exceeds the conversion price of $96.24 per share.

Share Repurchase. On February 29, 2024, the Company announced that its Board of Directors approved a $100,000 share repurchase program. Under the share repurchase program, the Company can repurchase stock from time to time for cash in open market purchases, privately negotiated transactions, or by other means, in accordance with applicable securities laws and other legal requirements. The repurchase program has no expiration date and may be modified, suspended, or discontinued at any time by the Company without prior notice. During the quarters and year to dates ended September 30, 2026 and 2025, the Company repurchased no shares under the share repurchase program. As of September 30, 2026, there was approximately $53,412 remaining under the share repurchase program.

Common Stock Share Activity. The following table presents the Company's share activity:

	Shares Outstanding	
	Capital Stock Preferred	**Common Stock**
Balance, December 31, 2025	437	21,294,315
Issuance of Common Stock	—	109,225
Repurchase of Common Stock [(a)]	—	(34,415)
Balance, March 31, 2026	437	21,369,125
Issuance of Common Stock	—	42,719
Balance, June 30, 2026	437	21,411,844
Issuance of Common Stock	—	9,094
Repurchase of Common Stock [(a)]	—	(1,994)
Balance, September 30, 2026	437	21,418,944

	Shares Outstanding	
	Capital Stock Preferred	Common Stock
Balance, December 31, 2024	437	21,194,707
Issuance of Common Stock	—	107,267
Repurchase of Common Stock [(a)]	—	(31,631)
Balance, March 31, 2025	437	21,270,343
Issuance of Common Stock	—	21,099
Balance, June 30, 2025	437	21,291,442
Issuance of Common Stock	—	1,294
Balance, September 30, 2025	437	21,292,736

(a) The Common Stock repurchases were for tax withholding on equity-based compensation.

Note 8. Commitments and Contingencies

The Company and its subsidiaries are, from time to time, a party to legal and regulatory proceedings arising in the ordinary course of its business. The Company accrues estimated costs for a contingency when management believes that a loss is probable and can be reasonably estimated.

On December 16, 2024, a putative securities class action, captioned Operating Engineers Construction Industry Miscellaneous Pension Fund v. MGP Ingredients, Inc. et al., was filed in the United States District Court for the Southern District of New York against the Company, two of its former Chief Executive Officers and its current Chief Financial Officer (the "Operating Engineers Action"). The Operating Engineers Action was brought on behalf of a putative class who acquired publicly traded MGP common stock between May 4, 2023 and October 30, 2024. On February 13, 2025, a second putative securities class action, captioned Bronstein v. MGP Ingredients, Inc. et al., was filed in the United States District Court for the Southern District of New York against the same defendants (the "Bronstein Action"). The Bronstein Action was brought on behalf of a putative class who acquired publicly traded MGP securities between May 4, 2023 and October 30, 2024. Both actions assert securities fraud claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, in connection with statements made in the Company's quarterly earnings releases and on earnings calls during the alleged class period. The Operating Engineers Action and Bronstein Action have been consolidated and transferred to the United States District Court for the District of Kansas, now captioned In re MGPI Ingredients, Inc. Securities Litigation. Lead Plaintiffs filed an Amended Complaint on May 15, 2025, which Defendants moved to dismiss on July 15, 2025. On March 25, 2026, the District Court dismissed the Amended Complaint and denied Plaintiffs leave to amend. On April 24, 2026, Plaintiffs filed their Notice of Appeal of the March 25, 2026 Decision to the United States Court of Appeals for the Tenth Circuit. The Company believes there are substantial defenses to the claims asserted and intends to defend the lawsuit vigorously.

On January 23, 2025, a putative derivative lawsuit captioned Sebald v. Colo, et al., Case No. 2:25-cv-02034, was filed in the United States District Court for the District of Kansas against two of the Company's former Chief Executive Officers, its current Chief Financial Officer, and the members of its Board of Directors (the "Sebald Action"). On March 17, 2025, a second putative derivative lawsuit captioned Reid v. Bratcher, et al., Case No. 2:25-cv-02127, was filed in the United States District Court for the District of Kansas against the same defendants (the "Reid Action"). On July 1, 2025, the respective plaintiffs in these cases filed a consolidated amended complaint (the "Consolidated Action"). On May 15, 2025, a third putative derivative lawsuit captioned Kruitwagen v. Bratcher, et al., Case No. 2:25-cv-02262, was filed in the United States District Court for the District of Kansas against the same defendants as in the Consolidated Action (the "Kruitwagen Action"). The Company is a "Nominal Defendant" in the lawsuits, which reflects the fact that the lawsuits are maintained by the respective named plaintiffs on behalf of the Company and that the plaintiffs seek damages on the Company's behalf. The complaints allege, among other things, that the defendants breached their fiduciary duties and violated federal securities laws by causing the Company to make false and/or misleading statements and/or omissions in public filings during the class period alleged in the securities action and also allege breaches of fiduciary duties by failing to maintain internal controls. The complaints also allege breaches of fiduciary duties by seeking shareholder approval of an equity incentive plan, and causing the Company to repurchase its own stock at artificially inflated prices. The complaints bring additional claims for unjust enrichment, abuse of control, gross mismanagement, aiding and abetting breaches of fiduciary duties, and waste of corporate assets and seek indemnity and contribution from the named current and former officers. On July 24, 2025 and July 28, 2025, the Court entered orders staying the Consolidated Action and the Kruitwagen Action, respectively, pending an outcome on the motion to dismiss filed in the putative securities class action. On April 8, 2026, the Court entered an order extending the stays and directing the parties to file a status report by May 1, 2026. The Court subsequently issued orders continuing the stays in both actions pending the outcome of the Tenth Circuit appeal. The appeal was fully briefed on September 22, 2026 and oral argument has been scheduled for December 1, 2026. The defendants believe there are substantial defenses to the claims asserted and intend to defend the lawsuits vigorously.

Note 9. Employee and Non-Employee Benefit Plans

Share-Based Compensation Plans. The Company has one equity-based compensation plan, the Amended and Restated 2024 Equity Incentive Plan (the "A&R 2024 Plan"). The 2024 Equity Incentive Plan (the "2024 Plan") authorized 1,319,320 shares for issuance, subject to the adjustment and add-back provision of the 2024 Plan. On May 13, 2026, the stockholders of the Company approved the A&R 2024 Plan, which increased the number of shares available under the 2024 Plan by an additional 750,000 shares. The A&R 2024 Plan provides for the awarding of stock options, stock appreciation rights, shares of restricted stock, RSUs, performance stock units ("PSUs"), and other stock-based awards for executive officers and other employees, as well as non-employee directors and certain consultants and advisors. As of September 30, 2026, 1,145,979 shares remain available for issuance under the A&R 2024 Plan. PSUs are counted at the target level established on the award's grant date and are adjusted after the performance period ends and the Human Resources and Compensation Committee has certified the achievement of their performance goals.

Deferred Compensation Plan. The Company established an unfunded Executive Deferred Compensation Plan (the "EDC Plan") effective June 30, 2018, with a purpose to attract and retain highly-compensated key employees by providing participants with an opportunity to defer receipt of a portion of their salary, bonus, and other specified compensation. The Company's obligations under the EDC Plan change in conjunction with the performance of the participants' investments, along with contributions to and withdrawals from the EDC Plan. Realized and unrealized gains (losses) on deferred compensation plan investments were included as a component of other income, net on the Company's Condensed Consolidated Statements of Income (Loss). For the quarter and year to date ended September 30, 2026, the Company had a loss on deferred compensation plan investments of $9 and a gain of $123, respectively. For the quarter and year to date ended September 30, 2025, the Company had a gain on deferred compensation plan investments of $73 and $121, respectively.

EDC Plan investments are classified as Level 1 in the fair value hierarchy since the investments trade with sufficient frequency and volume to enable the Company to obtain pricing information on an ongoing basis. At September 30, 2026 and December 31, 2025, the EDC Plan investments were $2,090 and $2,236, respectively, which were recorded in other assets on the Company's Condensed Consolidated Balance Sheets. The EDC Plan current liabilities were $611 and $585 at September 30, 2026 and December 31, 2025, respectively, which were included in accrued expenses and other on the Company's Condensed Consolidated Balance Sheets. The EDC Plan non-current liabilities were $2,427 and $1,651 at September 30, 2026 and December 31, 2025, respectively, and were included in other noncurrent liabilities on the Company's Condensed Consolidated Balance Sheets.

Note 10. Operating Segments

At September 30, 2026, the Company had three segments: Branded Spirits, Distilling Solutions, and Ingredient Solutions. The Company's operating segments are based on the financial information the chief operating decision maker uses to allocate resources and evaluate performance of the business. The Branded Spirits segment consists of a portfolio of high quality branded spirits which are produced through distilleries and bottling facilities. The Distilling Solutions segment consists of food grade alcohol (primarily brown goods) and distillery co-products, such as distillers feed (commonly called dried distillers grain in the industry). The Distilling Solutions segment also includes warehouse services, such as barrel put away, barrel storage, and barrel retrieval services. The Ingredient Solutions segment consists of specialty starches and proteins as well as commodity starches and proteins. Intersegment sales and transfers are recorded at cost and are treated as a transfer of inventory. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance.

Operating income for each segment is based on sales less identifiable operating expenses. Non-direct selling, general, and administrative expenses, interest expense, and other general miscellaneous expenses are excluded from segment operations and are classified as Corporate. Receivables, inventories, property, plant and equipment, leases, equity method investments, goodwill, and intangible assets have been identified with the segments to which they relate. All other assets are considered as Corporate.

The following tables present summarized financial information for each segment:

	Quarter Ended September 30, 2026				
	Branded Spirits	Distilling Solutions	Ingredient Solutions	Corporate	Total
Sales	$ 58,198	$ 28,960	$ 30,753	$ —	$ 117,911
Cost of Goods Sold	28,979	19,566	28,907	—	77,452
Gross Profit	29,219	9,394	1,846	—	40,459
Advertising and promotion expense	6,344	19	21	24	6,408
SG&A expense	7,233	652	694	12,941	21,520
Impairment and other	514	—	—	—	514
Operating income (loss)	$ 15,128	$ 8,723	$ 1,131	$ (12,965)	$ 12,017
Depreciation and amortization	$ 2,145	$ 1,748	$ 2,167	$ 358	$ 6,418

	Quarter Ended September 30, 2025				
	Branded Spirits	Distilling Solutions	Ingredient Solutions	Corporate	Total
Sales	$ 60,748	$ 40,881	$ 29,283	$ —	$ 130,912
Cost of Goods Sold	28,528	26,681	26,270	—	81,479
Gross Profit	32,220	14,200	3,013	—	49,433
Advertising and promotion expense	6,249	185	241	16	6,691
SG&A expense	8,420	711	963	8,832	18,926
Change in fair value of contingent consideration	2,800	—	—	—	2,800
Operating income (loss)	$ 14,751	$ 13,304	$ 1,809	$ (8,848)	$ 21,016
Depreciation and amortization	$ 2,157	$ 2,041	$ 1,635	$ 353	$ 6,186

	Year to Date Ended September 30, 2026				
	Branded Spirits	Distilling Solutions	Ingredient Solutions	Corporate	Total
Sales	$ 162,065	$ 86,180	$ 100,450	$ —	$ 348,695
Cost of Goods Sold	80,114	56,859	91,210	—	228,183
Gross Profit	81,951	29,321	9,240	—	120,512
Advertising and promotion expense	17,902	105	143	132	18,282
SG&A expense	23,148	2,073	2,329	35,273	62,823
Provision for credit loss	2,148	—	—	—	2,148
Impairment and other	180,791	—	—	—	180,791
Operating income (loss)	$ (142,038)	$ 27,143	$ 6,768	$ (35,405)	$ (143,532)
Depreciation and amortization	$ 6,448	$ 5,313	$ 6,244	$ 1,064	$ 19,069

	Year to Date Ended September 30, 2025				
	Branded Spirits	Distilling Solutions	Ingredient Solutions	Corporate	Total
Sales	$ 169,495	$ 137,824	$ 90,740	$ —	$ 398,059
Cost of Goods Sold	83,093	86,132	77,684	—	246,909
Gross Profit	86,402	51,692	13,056	—	151,150
Advertising and promotion expense	20,171	616	892	97	21,776
SG&A expense	26,389	2,149	3,057	31,692	63,287
Change in fair value of contingent consideration	25,500	—	—	—	25,500
Operating income (loss)	$ 14,342	$ 48,927	$ 9,107	$ (31,789)	$ 40,587
Depreciation and amortization	$ 6,442	$ 6,121	$ 4,213	$ 1,048	$ 17,824

The following table allocates assets to each segment as of:

	September 30, 2026	December 31, 2025
Identifiable Assets		
Branded Spirits	**$ 546,311**	$ 734,459
Distilling Solutions	**324,496**	342,449
Ingredient Solutions	**137,973**	133,807
Corporate	**25,292**	25,149
Total	**$ 1,034,072**	$ 1,235,864

Note 11. Subsequent Events

Dividend. On October 28, 2026, the Company announced a quarterly dividend payable to stockholders of record of the Company's common stock, resulting in dividend equivalents payable to certain RSU holders, of $0.12 per share and per RSU. The dividend and dividend equivalents are payable on November 27, 2026 to stockholders of record and certain RSU holders as of November 13, 2026.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollar amounts in thousands, unless otherwise noted)

CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This Report may contain forward-looking statements as well as historical information. All statements, other than statements of historical facts, regarding the prospects of our industries and our prospects, plans, financial position, mission, and strategy may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation statements about our sources of cash being adequate; our ability to support our liquidity and operating needs through cash generated from operations and borrowings; and our capital expenditures. Forward-looking statements are usually identified by or are associated with such words 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, our performance, our financial results, and our 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 these risks and uncertainties and other factors that could affect the Company's business, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of our Annual Report on Form 10-K for the year ended December 31, 2025, this Report, and our other filings with the Securities and Exchange Commission (the "SEC"). Forward-looking statements in this Report are made as of the date of this Report, and we undertake no obligation to update any forward-looking statements or information made in this Report, except as required by law.

OVERVIEW

MGP is a leading producer of branded and distilled spirits as well as food ingredient solutions. We have an extensive award-winning global portfolio of branded spirits, which we produce through our distilleries and bottling facilities and sell to distributors. Our branded spirits products account for a range of price points from value products through premium plus brands. Distilled spirits include premium bourbon, rye, and other whiskeys ("brown goods") and grain neutral spirits ("GNS"), including vodka and gin. Our distilled spirits are either sold directly or indirectly to manufacturers of other branded spirits. Our protein and starch food ingredients are predominantly wheat based and provide a host of functional, nutritional, and sensory benefits for a wide range of food products to serve the consumer packaged goods industry. Our ingredient products are sold directly, or through distributors, to manufacturers and processors of finished packaged goods or to bakeries.

On October 15, 2026, MGP announced that effective November 2, 2026, its corporate name will change from "MGP Ingredients, Inc." to "Sempreon, Inc." and its Nasdaq ticker symbol will also change from "MGPI" to "CASK".

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and accompanying notes included in this Report, as well as our audited consolidated financial statements and accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations - General," set forth in our Annual Report on Form 10-K for the year ended December 31, 2025.

RESULTS OF OPERATIONS

Consolidated Results

The table below details the consolidated results for the quarters ended September 30, 2026 and 2025:

	Quarter Ended September 30,			
	2026	**2025**	**2026 v. 2025**	
Sales	**$ 117,911**	$ 130,912	(10)%	
Cost of sales	**77,452**	81,479	(5)	
Gross profit	**40,459**	49,433	(18)	
Gross margin %	**34.3 %**	37.8 %	(3.5)	pp[(a)]
Advertising and promotion expenses	**6,408**	6,691	(4)	
Selling, general, and administrative ("SG&A") expenses	**21,520**	18,926	14	
Impairment and other	**514**	—	N/A	
Change in fair value of contingent consideration	—	2,800	N/A	
Operating income	**12,017**	21,016	(43)	
Operating margin %	**10.2 %**	16.1 %	(5.9)	pp
Interest expense, net	**(3,363)**	(1,739)	93	
Other income, net	**281**	428	(34)	
Income before income taxes	**8,935**	19,705	(55)	
Income tax expense	**2,047**	4,276	(52)	
Effective tax expense rate %	**22.9 %**	21.7 %	1.2	pp
Net income	**$ 6,888**	$ 15,429	(55)%	
Net income margin %	**5.8 %**	11.8 %	(6.0)	pp

(a) Percentage points ("pp").

Sales - Sales for the quarter ended September 30, 2026 were $117,911, a decrease of 10 percent compared to the year-ago quarter, which was the result of decreased sales in the Distilling Solutions and Branded Spirits segments, partially offset by increased sales in the Ingredient Solutions segment. Within the Distilling Solutions segment, sales were down 29 percent due to decreased sales volume and net price/mix of brown goods. Within the Branded Spirits segment, sales were down 4 percent primarily due to decreased sales volume of our international private label bottled products within the other category. Within the Ingredient Solutions segment, sales were up 5 percent, primarily due to increased sales volume of biofuel and other byproducts and specialty wheat proteins, partially offset by decreased sales volume of specialty wheat starches (see "Segment Results").

Gross profit - Gross profit for the quarter ended September 30, 2026 was $40,459, a decrease of 18 percent compared to the year-ago quarter, which was the result of decreased gross profit in each segment. Within the Distilling Solutions segment, gross profit decreased by $4,806, or 34 percent. Within the Branded Spirits segment, gross profit decreased $3,001, or 9 percent. Within the Ingredient Solutions segment, gross profit decreased by $1,167, or 39 percent (see "Segment Results").

Advertising and promotion expenses - Advertising and promotion expenses for the quarter ended September 30, 2026 were $6,408, a decrease of 4 percent compared to the year-ago quarter, primarily driven by timing of advertising and promotion spend as well as savings resulting from outside agency consolidation.

SG&A expenses - SG&A expenses for the quarter ended September 30, 2026 were $21,520, an increase of 14 percent compared to the year-ago quarter, primarily driven by increased incentive compensation accrual, partially offset by our cost savings initiatives.

Operating income - Operating income for the quarter ended September 30, 2026 decreased to $12,017 from $21,016 for the quarter ended September 30, 2025, primarily due to a decrease in gross profit in each segment, and an increase in SG&A expenses. These decreases were partially offset by the change in fair value of contingent consideration.

Operating income, quarter versus quarter	**Operating Income**	**Change**	
Operating income for the quarter ended September 30, 2025	$ 21,016		
Decrease in gross profit - Distilling Solutions segment[(a)]	(4,806)	(23) %	
Decrease in gross profit - Branded Spirits segment[(a)]	(3,001)	(14)	pp[(b)]
Decrease in gross profit - Ingredient Solutions segment[(a)]	(1,167)	(6)	pp
Decrease in advertising and promotion expenses	283	1	pp
Increase in SG&A expenses	(2,594)	(12)	pp
Increase in impairment and other	(514)	(2)	pp
Change in fair value of contingent consideration	2,800	13	pp
Operating income for the quarter ended September 30, 2026	**$ 12,017**	**(43)%**	

(a) See "Segment Results."
(b) Percentage points ("pp").

Income tax expense - Income tax expense for the quarter ended September 30, 2026 was $2,047, for an effective tax rate of 22.9 percent. Income tax expense for the quarter ended September 30, 2025 was $4,276, for an effective tax rate of 21.7 percent. The decrease in income tax expense, quarter versus quarter, was due primarily to lower income before income taxes.

Earnings per common share ("EPS") - Basic and diluted EPS was $0.32 for the quarter ended September 30, 2026, compared to $0.71 for the quarter ended September 30, 2025. The change in basic and diluted EPS, quarter versus quarter, was primarily due to a decrease in operating income and an increase in interest expense, net, primarily related to higher borrowings on our credit facility due to the Penelope contingent consideration payment made during the second quarter of 2026.

Change in EPS, quarter versus quarter	**EPS**	**Change**	
Basic and Diluted EPS for the quarter ended September 30, 2025	$ 0.71		
Change in operating income[(a)]	(0.32)	(45) %	
Change in interest expense, net[(a)]	(0.06)	(9)	pp[(b)]
Change in other income, net[(a)]	(0.01)	(1)	pp
Basic and Diluted EPS for the quarter ended September 30, 2026	**$ 0.32**	**(55)%**	

(a) Net of tax based on the effective tax rate for the base year (2025).
(b) Percentage points ("pp").

The table below details the consolidated results for the year to date ended September 30, 2026 and 2025:

	Year to Date Ended September 30,			
	2026	2025	2026 v. 2025	
Sales	**$ 348,695**	$ 398,059	(12)%	
Cost of sales	**228,183**	246,909	(8)	
Gross profit	**120,512**	151,150	(20)	
Gross margin %	**34.6 %**	38.0 %	(3.4)	pp[(a)]
Advertising and promotion expenses	**18,282**	21,776	(16)	
SG&A expenses	**62,823**	63,287	(1)	
Provision for credit loss	**2,148**	—	N/A	
Impairment and other	**180,791**	—	N/A	
Change in fair value of contingent consideration	**—**	25,500	N/A	
Operating income (loss)	**(143,532)**	40,587	(454)	
Operating margin %	**(41.2)%**	10.2 %	(51.4)	pp
Interest expense, net	**(7,663)**	(5,490)	40	
Other income, net	**530**	957	(45)	
Income (loss) before income taxes	**(150,665)**	36,054	(518)	
Income tax expense (benefit)	**(34,755)**	9,255	(476)	
Effective tax expense rate %	**23.1 %**	25.7 %	(2.6)	pp
Net income (loss)	**$ (115,910)**	$ 26,799	(533)%	
Net income margin %	**(33.2)%**	6.7 %	(39.9)	pp

(a) Percentage points ("pp").

Sales - Sales for the year to date ended September 30, 2026 were $348,695, a decrease of 12 percent compared to the year-ago period, which was the result of decreased sales in the Distilling Solutions and Branded Spirits segments, partially offset by increased sales in the Ingredient Solutions segment. Within the Distilling Solutions segment, sales were down 37 percent due to decreased sales volume of brown goods. Sales of Branded Spirits were down 4 percent, primarily due to decreased sales volume of our international private label bottled products within the other category. Within the Ingredient Solutions segment, sales were up 11 percent, primarily due to increased sales of specialty wheat proteins and biofuel and other byproducts (see "Segment Results").

Gross profit - Gross profit for the year to date ended September 30, 2026 was $120,512, a decrease of 20 percent compared to the year-ago period, driven by decreased gross profit in each of the segments. In the Distilling Solutions segment, gross profit decreased by $22,371 or 43 percent. In the Branded Spirits segment, gross profit declined by $4,451, or 5 percent. In the Ingredient Solutions segment, gross profit decreased by $3,816, or 29 percent (see "Segment Results").

Advertising and promotion expenses - Advertising and promotion expenses for the year to date ended September 30, 2026 were $18,282, a decrease of 16 percent compared to the year-ago period, primarily driven by timing of advertising and promotion spend throughout the year as well as savings resulting from outside agency consolidation.

SG&A expenses - SG&A expenses for the year to date ended September 30, 2026 were $62,823, a decrease of 1 percent compared to the year-ago period, primarily driven by our cost savings initiatives.

Operating income (loss) - Operating income for the year to date ended September 30, 2026 decreased to a loss of $143,532 from income of $40,587 for the year to date period ended September 30, 2025, primarily due to the $179,526 goodwill and other long-lived assets impairment related to the Branded Spirits segment recorded during the first quarter of 2026. Additionally, contributing to the operating loss were decreases in gross profit in each segment and an increase in provision for credit loss, recorded in the second quarter, related to one of our significant customers filing a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code during July 2026. These decreases were partially offset by the change in the fair value of the contingent consideration liability, as well as the reduction in advertising and promotion and SG&A expenses.

Operating income (loss), year to date versus year to date	Operating Income (Loss)	Change	
Operating income for the year to date ended September 30, 2025	$ 40,587		
Decrease in gross profit - Distilling Solutions segment[(a)]	(22,371)	(55) %	
Decrease in gross profit - Branded Spirits segment[(a)]	(4,451)	(11)	pp(b)
Decrease in gross profit - Ingredient Solutions segment[(a)]	(3,816)	(9)	pp
Decrease in advertising and promotion expenses	3,494	9	pp
Decrease in SG&A expenses	464	1	pp
Increase in provision for credit loss	(2,148)	(5)	pp
Increase in impairment and other	(180,791)	(446)	pp
Change in fair value of contingent consideration	25,500	62	pp
Operating loss for the year to date ended September 30, 2026	**$ (143,532)**	**(454)%**	

(a) See "Segment Results."
(b) Percentage points ("pp").

Income tax expense (benefit) - Income tax benefit for the year to date ended September 30, 2026 was $34,755, for an effective tax rate of 23.1 percent. Income tax expense for the year to date ended September 30, 2025 was $9,255, for an effective tax rate of 25.7 percent. The decrease in income tax expense, year to date versus year to date, was primarily due to lower income before income taxes and the tax impact of the goodwill and other long-lived assets impairment. The decrease in tax rate, year to date versus year to date, was primarily due to the discrete impact of a state law change on the Company's deferred tax balances.
Earnings per common share - Basic and diluted EPS was $(5.41) for the year to date ended September 30, 2026, compared to $1.24 for the year to date ended September 30, 2025. The change in basic and diluted EPS, year to date versus year to date, was primarily due to a decrease in operating income and an increase in interest expense, net, primarily related to higher borrowings on our credit facility due to the Penelope contingent consideration payment made during the second quarter of 2026.

Change in EPS, year to date versus year to date	EPS	Change	
Basic and Diluted EPS for the year to date ended September 30, 2025	$ 1.24		
Change in operating income[(a)]	(6.40)	(516) %	
Change in interest expense, net[(a)]	(0.08)	(6)	pp(b)
Change in other income, net[(a)]	(0.01)	(1)	pp
Change in effective tax rate	(0.18)	(15)	pp
Change in weighted average shares outstanding	0.02	2	pp
Basic and Diluted EPS for the year to date ended September 30, 2026	**$ (5.41)**	**(536)%**	

(a) Net of tax based on the effective tax rate for the base year (2025).
(b) Percentage points ("pp")

SEGMENT RESULTS

Branded Spirits

The following tables show selected financial information for the Branded Spirits segment for the quarters ended September 30, 2026 and 2025.

	BRANDED SPIRITS SALES			
	Quarter Ended September 30,		Quarter versus Quarter Sales Change Increase/(Decrease)	
	2026	2025	$ Change	% Change
Premium plus	**$ 31,871**	$ 32,119	$ (248)	(1)%
Mid	**15,661**	14,835	826	6
Value	**7,612**	8,170	(558)	(7)
Other	**3,054**	5,624	(2,570)	(46)
Total Branded Spirits	**$ 58,198**	$ 60,748	$ (2,550)	(4)%

	Change in Quarter versus Quarter Sales Attributed to:		
	Total [a]	Volume[b]	Net Price/Mix[c]
Total Branded Spirits	**(4)%**	**(6)%**	**2%**

	Other Financial Information			
	Quarter Ended September 30,		Quarter versus Quarter Increase / (Decrease)	
	2026	2025	$ Change	% Change
Gross profit	**$ 29,219**	$ 32,220	$ (3,001)	(9)%
Gross margin %	**50.2 %**	53.0 %		(2.8) pp[d]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Branded Spirits segment for the quarter ended September 30, 2026 decreased by $2,550, or 4 percent, compared to the prior year quarter, primarily due to a decrease in sales volume of our international private label bottled products within the other category.

Gross profit decreased versus the prior year quarter by $3,001, or 9 percent. Gross margin for the quarter ended September 30, 2026 decreased to 50.2 percent from 53.0 percent for the prior year quarter. The decrease in gross profit was primarily driven by higher costs and lower sales volume of the premium plus price tier, partially offset by favorable net price/mix of the premium plus price tier.

The following tables show selected financial information for the Branded Spirits segment for the year to date ended September 30, 2026 and 2025.

BRANDED SPIRITS SALES

	Year to Date Ended September 30,		Year to Date versus Year to Date Sales Change Increase/(Decrease)	
	2026	**2025**	**$ Change**	**% Change**
Premium plus	**$ 87,167**	$ 85,536	$ 1,631	2 %
Mid	**45,129**	43,355	1,774	4
Value	**22,439**	24,447	(2,008)	(8)
Other	**7,330**	16,157	(8,827)	(55)
Total Branded Spirits	**$ 162,065**	$ 169,495	$ (7,430)	(4)%

	Change in Year to Date versus Year to Date Sales Attributed to:		
	Total [(a)]	**Volume** [(b)]	**Net Price/Mix** [(c)]
Total Branded Spirits	**(4)%**	**(4)%**	**—%**

Other Financial Information

	Year to Date Ended September 30,		Year to Date versus Year to Date Increase / (Decrease)	
	2026	**2025**	**$ Change**	**% Change**
Gross profit	**$ 81,951**	$ 86,402	$ (4,451)	(5)%
Gross margin %	**50.6 %**	51.0 %		(0.4) pp[(d)]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Branded Spirits segment for the year to date ended September 30, 2026 decreased by $7,430, or 4 percent, compared to the year-ago period, primarily due to a decrease in sales volume of our international private label bottled products within the other category. Sales volume of brands within the value price tier also decreased as we continued to optimize our offerings in this price tier. These decreases were partially offset by increased sales volume in the premium plus and mid price tiers reflecting our continued focus on the American whiskey and tequila categories.

Gross profit for the year to date ended September 30, 2026 decreased by $4,451, or 5 percent. Gross margin for the year to date ended September 30, 2026 decreased to 50.6 percent from 51.0 percent for the prior year period. The decrease in gross profit and gross margin was primarily driven by higher costs within the premium plus price tier and lower sales volume of our international private label bottled products.

Distilling Solutions

The following tables show selected financial information for the Distilling Solutions segment for the quarters ended September 30, 2026 and 2025.

DISTILLING SOLUTIONS SALES				
	Quarter Ended September 30,		Quarter versus Quarter Sales Change Increase/(Decrease)	
	2026	2025	$ Change	% Change
Brown goods	**$ 14,976**	$ 28,512	$ (13,536)	(47)%
Warehouse services	**8,266**	8,052	214	3
White goods and other co-products	**5,718**	4,317	1,401	32
Total Distilling Solutions	**$ 28,960**	$ 40,881	$ (11,921)	(29)%

	Change in Quarter versus Quarter Sales Attributed to:		
	Total [a]	Volume[b]	Net Price/Mix[c]
Brown goods	**(47)%**	**(35)%**	**(12)%**

Other Financial Information				
	Quarter Ended September 30,		Quarter versus Quarter Increase / (Decrease)	
	2026	2025	$ Change	% Change
Gross profit	**$ 9,394**	$ 14,200	$ (4,806)	(34)%
Gross margin %	**32.4 %**	34.7 %		(2.3) pp[d]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Distilling Solutions segment for the quarter ended September 30, 2026 decreased by $11,921, or 29 percent, compared to the prior year quarter, driven by lower brown goods sales volume and lower net price/mix. Brown goods sales volume and net price/mix decreased due to reduced customer demand resulting primarily from continued elevated industry-wide barrel inventory levels. This decrease was partially offset by an increase in sales volume of white goods and other co-products.

Gross profit decreased versus the prior year quarter by $4,806, or 34 percent. Gross margin for the quarter ended September 30, 2026 decreased to 32.4 percent from 34.7 percent. The decrease in gross profit was primarily due to lower brown goods sales volume and net price/mix, partially offset by reduced distillation costs.

The following tables show selected financial information for the Distilling Solutions segment for the year to date ended September 30, 2026 and 2025.

	DISTILLING SOLUTIONS SALES			
	Year to Date Ended September 30,		Year to Date versus Year to Date Sales Change Increase/(Decrease)	
	2026	2025	$ Change	% Change
Brown goods	**$ 44,145**	$ 97,225	$ (53,080)	(55)%
Warehouse services	**25,180**	24,130	1,050	4
White goods and other co-products	**16,855**	16,469	386	2
Total Distilling Solutions	**$ 86,180**	$ 137,824	$ (51,644)	(37)%

	Change in Year to Date versus Year to Date Sales Attributed to:		
	Total[a]	Volume[b]	Net Price/Mix[c]
Brown goods	**(55)%**	**(57)%**	**2%**

	Other Financial Information				
	Year to Date Ended September 30,		Year to Date versus Year to Date Increase / (Decrease)		
	2026	2025	$ Change	% Change	
Gross profit	**$ 29,321**	$ 51,692	$ (22,371)	(43)%	
Gross margin %	**34.0 %**	37.5 %		(3.5)	pp[d]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Distilling Solutions segment for the year to date ended September 30, 2026 decreased by $51,644, or 37 percent compared to the year-ago period, driven by lower brown goods sales volume. Brown goods sales volume decreased due to reduced customer demand resulting primarily from continued elevated industry-wide barrel inventory levels. This decrease was partially offset by an increase in net price/mix of brown goods compared to the prior year period.

Gross profit for the year to date ended September 30, 2026 decreased by $22,371, or 43 percent compared to the year-ago period. Gross margin for the year to date ended September 30, 2026 decreased to 34.0 percent from 37.5 percent. The decrease in gross profit was primarily due to lower brown goods sales volume.

Ingredient Solutions

The following tables show selected financial information for the Ingredient Solutions segment for the quarters ended September 30, 2026 and 2025.

	INGREDIENT SOLUTIONS SALES			
	Quarter Ended September 30,		Quarter versus Quarter Sales Change Increase / (Decrease)	
	2026	2025	$ Change	% Change
Specialty wheat starches	**$ 14,888**	$ 16,965	$ (2,077)	(12)%
Specialty wheat proteins	**10,278**	8,905	1,373	15
Commodity wheat starches	**2,663**	2,317	346	15
Commodity wheat proteins	**924**	993	(69)	(7)
Biofuel and other	**2,000**	103	1,897	1,842
Total Ingredient Solutions	**$ 30,753**	$ 29,283	$ 1,470	5 %

	Change in Quarter versus Quarter Sales Attributed to:		
	Total[a]	Volume[b]	Net Price/Mix[c]
Total Ingredient Solutions	**5%**	**5%**	**—%**

	Other Financial Information			
	Quarter Ended September 30,		Quarter versus Quarter Increase / (Decrease)	
	2026	2025	$ Change	% Change
Gross profit	**$ 1,846**	$ 3,013	$ (1,167)	(39)%
Gross margin %	**6.0 %**	10.3 %		(4.3) pp[d]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Ingredient Solutions segment for the quarter ended September 30, 2026 increased by $1,470, or 5 percent, compared to the prior year quarter. The increase was primarily driven by increased sales volume of biofuel and other byproducts and increased sales volume of our textured protein product within specialty wheat proteins. These increases were partially offset by a decrease in sales volume of specialty wheat starches, primarily due to longer than expected downtime following a scheduled plant shutdown.

Gross profit decreased versus the prior year quarter by $1,167, or 39 percent. Gross margin for the quarter ended September 30, 2026 decreased to 6.0 percent from 10.3 percent for the prior year quarter. The decrease in gross profit and gross margin was primarily driven by higher volumes in biofuel and other. This decrease was partially offset by lower costs of specialty wheat proteins and specialty wheat starches primarily due to an initial insurance recovery payment received during the quarter related to a previously disclosed key equipment outage that occurred during the third quarter of 2025.

The following tables show selected financial information for the Ingredient Solutions segment for the year to date ended September 30, 2026 and 2025.

INGREDIENT SOLUTIONS SALES

	Year to Date Ended September 30,		Year to Date versus Year to Date Sales Change Increase/(Decrease)	
	2026	**2025**	**$ Change**	**% Change**
Specialty wheat starches	**$ 52,193**	$ 51,292	$ 901	2 %
Specialty wheat proteins	**35,735**	28,865	6,870	24
Commodity wheat starches	**7,950**	8,097	(147)	(2)
Commodity wheat proteins	**1,383**	2,383	(1,000)	(42)
Biofuel and other	**3,189**	103	3,086	2,996
Total Ingredient Solutions	**$ 100,450**	$ 90,740	$ 9,710	11 %

	Change in Year to Date versus Year to Date Sales Attributed to:		
	Total[(a)]	**Volume**[(b)]	**Net Price/Mix**[(c)]
Total Ingredient Solutions	**11%**	**8%**	**3%**

Other Financial Information

	Year to Date Ended September 30,		Year to Date versus Year to Date Increase / (Decrease)	
	2026	**2025**	**$ Change**	**% Change**
Gross profit	**$ 9,240**	$ 13,056	$ (3,816)	(29)%
Gross margin %	**9.2 %**	14.4 %		(5.2) pp[(d)]

(a) Total sales change is calculated by taking the difference between current period sales dollars and prior period sales dollars, divided by prior period sales dollars.
(b) Volume change is calculated by taking the difference between current period sales volume and prior period sales volume, multiplied by prior period sales per unit. The product is then divided by prior period sales dollars.
(c) Net price/mix change is calculated by taking the difference between current period sales-per-unit and prior period sales-per-unit, multiplied by current period sales volume. The product is then divided by prior period sales dollars.
(d) Percentage points ("pp").

Total sales of the Ingredient Solutions segment for the year to date ended September 30, 2026 increased by $9,710, or 11 percent, compared to the prior year period. The increase was primarily driven by increased sales volume and net price/mix of specialty wheat proteins due to cycling against the supply challenges resulting from adverse weather during the prior year, complexities associated with the closure of the Atchison distillery, as well as cycling against the timing of commercialization of new customers during the prior year. Additionally, the increase was attributable to increased sales volume of biofuel and other byproducts.

Gross profit decreased by $3,816, or 29 percent for the year to date ended September 30, 2026 compared to the prior year period. Gross margin for the year to date ended September 30, 2026 decreased to 9.2 percent from 14.4 percent for the prior year period. The decrease in gross profit and margin was primarily driven by higher waste starch stream costs in biofuel and other. This decrease was partially offset by an increase in net price/mix of specialty wheat proteins and starches.

CASH FLOW, FINANCIAL CONDITION, AND LIQUIDITY

Our primary sources of liquidity have been cash flow from operating activities and borrowings through our Credit Agreement, Convertible Senior Notes, and Note Purchase Agreement (see Note 4, Corporate Borrowings). These sources of cash are used to fund our operating needs, capital expenditures, stockholder dividends, and other discretionary uses. We continue to monitor market conditions which have created, and may continue to create, credit and economic challenges that could adversely impact our cash flow from operating activities and cash provided by borrowings. In the past, this has included consumer, distributor, retailer, and supplier inventory destocking, increases in our provision for credit loss, and customer contract non-performance, and we continue to face these risks (see "Operating Activities"). Our overall liquidity reflects our effective cash management strategy that takes into account liquidity management, economic factors, and tax considerations. We expect our sources of cash to be adequate to provide for budgeted capital expenditures, potential mergers or acquisitions, and anticipated operating requirements for the next 12 months and beyond.

Our principal uses of cash in the ordinary course of business are for input costs used in our production processes, salaries, and investments supporting our strategic plan, such as capital expenditures, the aging of barreled distillate primarily to support our branded spirits segment, and potential mergers or acquisitions. Generally, during periods when commodity prices are rising, our operations require increased use of cash to support inventory levels.

At September 30, 2026, our current assets exceeded our current liabilities by $438,759, largely due to our inventories, at cost, of $400,979. At September 30, 2026, our cash balance was $13,601 and we have used our various debt agreements for liquidity purposes, with $365,000 available under our Credit Agreement and $238,000 available under the Note Purchase Agreement for additional borrowings (see Note 4, Corporate Borrowings). Under these agreements (including the Credit Agreement amendments and the Note Purchase Agreement amendments we entered into on February 20, 2026 and August 6, 2026), we must meet certain financial covenants and restrictions, and at September 30, 2026, we met those covenants and restrictions.

We anticipate being able to support our short-term liquidity and operating needs largely through cash generated from operations and borrowings under our various debt agreements. We expect some holders of the Convertible Senior Notes to require the Company to repurchase the Convertible Senior Notes during the fourth quarter of 2026. We have sufficient availability to repurchase the Convertible Senior Notes that are tendered for repurchase utilizing borrowings under our Credit Agreement, the Note Purchase Agreement, or a combination thereof. Additionally, in accordance with the terms of the agreement, we paid out the full contingent consideration related to the Penelope acquisition on April 28, 2026. We utilize short-term and long-term debt to fund discretionary items, such as capital investments, dividend payments, share repurchases, as well as potential mergers or acquisitions. Subject to market conditions, we could also fund future mergers and acquisitions through the issuance of additional shares of Common Stock or preferred stock.

Cash Flow Summary

	Year to Date Ended September 30,		Changes, year versus year Increase / (Decrease)
	2026	**2025**	
Net cash provided by (used in) operating activities	**$ (8,860)**	$ 92,449	$ (101,309)
Net cash used in investing activities	**(13,210)**	(40,688)	27,478
Net cash provided by (used in) financing activities	**17,382**	(64,286)	81,668
Effect of exchange rate changes on cash	**(171)**	699	(870)
Decrease in cash and cash equivalents	**$ (4,859)**	$ (11,826)	$ 6,967

Cash decreased $4,859 for the year to date ended September 30, 2026, compared to a decrease of $11,826 for the year to date ended September 30, 2025, for a net increase in cash of $6,967, period versus period.

Operating Activities. Cash used in operating activities for the year to date ended September 30, 2026 was $8,860. The cash used in operating activities resulted primarily from net loss of $115,910, adjustments for non-cash or non-operating charges of $111,681, including goodwill and other long-lived assets impairment, a portion of the contingent consideration payment related to the Penelope acquisition, deferred income taxes and depreciation and amortization, and cash used in operating assets and liabilities of $4,631. The primary drivers of the changes in operating assets and liabilities were $18,191 use of cash related to an increase in inventories, primarily due to an increase in barreled distillate, $8,172 use of cash related to accounts payable primarily due to timing of vendor payments and lower costs during the year to date period. These decreases were partially

offset by $21,494 of cash provided by decreased accounts receivables, net, due to timing of customer payments, lower sales during the quarter, and a provision for credit loss recorded during the second quarter of 2026.

On July 26, 2026, one of our significant customers filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code. As a result, during the second quarter of 2026, we recognized a provision for credit loss of $2,148. The credit loss was recorded in provision for credit loss on the Condensed Consolidated Statements of Income (Loss) for the year to date ended September 30, 2026 and in allowance for credit loss on the Condensed Consolidated Balance Sheets as of September 30, 2026. The allowance for credit loss was recorded within the Branded Spirits segment. We believe this allowance for credit loss is appropriate and consistent with our accounting policy and assessment of the information currently available. We evaluate our credit losses periodically and as circumstances warrant which may result in changes to our credit loss allowance. We are evaluating the impact of the bankruptcy on future cash collections and sales, and the ultimate amount recoverable may differ from current estimates.

Cash provided by operating activities for the year to date ended September 30, 2025 was $92,449. The cash provided by operating activities resulted primarily from adjustments for non-cash or non-operating charges of $46,344, including changes in fair value of contingent consideration, depreciation and amortization, and share-based compensation, net income of $26,799, and cash provided by operating assets and liabilities of $19,306. The primary drivers of the changes in operating assets and liabilities were $41,699 of cash provided by decreased accounts receivables, net, due to the timing of customer payments and lower sales during the year to date period, and $7,689 related to increased accrued expenses and other, which related to an increase in our incentive compensation accrual. This was partially offset by $19,935 use of cash related to an increase in inventories, primarily due to an increase in barreled distillate, and $8,446 use of cash related to a decrease in accounts payable due to timing of vendor payments and lower costs during the year to date period.

Investing Activities. Cash used in investing activities for the year to date ended September 30, 2026 was $13,210, which resulted primarily from additions to property, plant, and equipment of $14,878 (see “Capital Spending”), partially offset by distributions from equity method investment of $1,500. Cash used in investing activities for the year to date ended September 30, 2025 was $40,688, which resulted primarily from additions to property, plant, and equipment of $40,674 (see “Capital Spending”).

Capital Spending. We manage capital spending to support our business growth plans. We have incurred $10,957 and $25,436 of capital expenditures and have paid $14,878 and $40,674 for capital expenditures for the year to dates ended September 30, 2026 and 2025, respectively. The difference between the amount of capital expenditures incurred and amount paid is due to the change in capital expenditures in accounts payable. We expect to incur approximately $20,000 in capital expenditures in 2026, which we expect to use for facility improvement and facility sustenance projects and environmental health and safety projects.

Financing Activities. Cash provided by financing activities for the year to date ended September 30, 2026 was $17,382, due to net proceeds on debt of $88,200 (see “Long-Term and Short-Term Debt”), partially offset by a portion of the contingent consideration payment of $62,100, payments of dividends and dividend equivalents of $7,797 (see “Dividends and Dividend Equivalents”), and repurchases of Common Stock of $921 (see “Treasury Purchases” and “Share Repurchases”).

Cash used in financing activities for the year to date ended September 30, 2025 was $64,286, due to net payments on debt of $52,800 (see “Long-Term and Short-Term Debt”), payments of dividends and dividend equivalents of $7,739 (see “Dividends and Dividend Equivalents”), payments of loan fees related to borrowings of $2,712, and repurchases of Common Stock of $1,035 (see “Treasury Purchases” and “Share Repurchases”).

Treasury Purchases. 159,444 RSUs vested and converted to shares of Common Stock for employees during the year to date ended September 30, 2026, of which we withheld and purchased for treasury 36,409 shares valued at $921 to cover payment of associated withholding taxes.

105,776 RSUs vested and converted to shares of Common Stock for employees during the year to date ended September 30, 2025, of which we withheld and purchased for treasury 31,631 shares valued at $1,035 to cover payment of associated withholding taxes.

Share Repurchases. On February 29, 2024, we announced that our Board of Directors approved a $100,000 share repurchase program. Under the share repurchase program, we can repurchase stock from time to time for cash in open market purchases, privately negotiated transactions, or by other means, in accordance with applicable securities laws and other legal requirements. The repurchase program has no expiration date and may be modified, suspended, or discontinued at any time by the Company without prior notice. During the year to date ended September 30, 2026 and 2025 we did not repurchase any shares of Common

Stock under the share repurchase program. As of September 30, 2026, there was approximately $53,412 remaining under the share repurchase program.

Dividends and Dividend Equivalents

Dividend and Dividend Equivalent Information (per Share and Unit)

Declaration date	Record date	Payment date	Declared[a]	Paid[a]	Dividend payment	Dividend equivalent payment[b]	Total payment
2026							
February 25, 2026	March 13, 2026	March 27, 2026	**$ 0.12**	**$ 0.12**	**$ 2,564**	**$ 34**	**$ 2,598**
April 29, 2026	May 15, 2026	May 29, 2026	**0.12**	**0.12**	**2,565**	**33**	**2,598**
July 29, 2026	August 14, 2026	August 28, 2026	**0.12**	**0.12**	**2,570**	**31**	**2,601**
			$ 0.36	**$ 0.36**	**$ 7,699**	**$ 98**	**$ 7,797**
2025							
February 26, 2025	March 14, 2025	March 28, 2025	$ 0.12	$ 0.12	$ 2,553	$ 25	$ 2,578
May 1, 2025	May 16, 2025	May 30, 2025	0.12	0.12	2,553	25	2,578
July 31, 2025	August 15, 2025	August 29, 2025	0.12	0.12	2,555	28	2,583
			$ 0.36	$ 0.36	$ 7,661	$ 78	$ 7,739

(a) Per share amount.
(b) Dividend equivalent payments on unvested participating securities.

On October 28, 2026, we announced a dividend payable to stockholders of record of our Common Stock, resulting in dividend equivalents payable to certain RSU holders, of $0.12 per share and per RSU. The dividend and dividend equivalents are payable on November 27, 2026 to stockholders of record and certain RSU holders as of November 13, 2026.

Long-Term and Short-Term Debt. We maintain debt levels we consider appropriate after evaluating a number of factors, including cash flow expectations, cash requirements for ongoing operations, investment and financing plans (including brand development, merger and acquisition, Board-approved dividends, and share repurchase activities), and the overall cost of capital. Total debt was $341,236 (net of unamortized loan fees of $7,014) at September 30, 2026, and $252,318 (net of unamortized loan fees of $7,732) at December 31, 2025. We had net proceeds on debt of $88,200 for the year to date ended September 30, 2026 and net payment on debt of $52,800 for year to date ended September 30, 2025.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to commodity price and interest rate market risks. We monitor and manage these exposures as part of our overall risk management program. Our risk management program focuses on the unpredictability of financial markets with the goal to reduce the potentially adverse effects that the volatility of these markets may have on our operating results and financial condition.

Commodity Costs. Certain commodities we use in our production process, or input costs, expose us to market price risk due to volatility in the prices for those commodities. Through our grain supply contracts for our Lawrenceburg facility, our wheat flour supply contract for our Atchison facility, and our natural gas contracts for both facilities, we purchase grain, wheat flour, and natural gas, respectively, for delivery from one to 24 months into the future at negotiated prices. We have determined that the firm commitments to purchase grain, wheat flour, and natural gas under the terms of our supply contracts meet the normal purchases and sales exception as defined under Accounting Standards Codification 815, *Derivatives and Hedging*, because the quantities involved are for amounts to be consumed within the normal expected production process.

Interest Rate Exposures. Our various debt agreements (see Note 4, Corporate Borrowings) expose us to market risks arising from adverse changes in interest rates. Established procedures and internal processes govern the management of this market risk.

To manage a portion of the interest rate exposure related to variable rate borrowings, we entered into three pay-fixed, receive-floating interest rate swaps with an aggregate notional amount of $55,000 that became effective on June 30, 2026. We have designated each swap as a cash flow hedge of the variability in interest payments attributable to changes in one-month Term SOFR on a corresponding amount of our Credit Agreement. Additionally, the International Swaps and Derivative Association master netting arrangement for our derivative instruments contain credit risk-related contingent features, such as cross-default provisions and credit support requirements. In the event of certain defaults or a credit ratings downgrade, our counterparty may request early termination and net settlement of certain derivative trades or may require us to collateralize derivatives in a net liability position (See Note 5, Derivative Instruments and Hedging Activities).

We are exposed to interest rate risk on the remaining portion of the borrowings on our variable rate debt in excess of the notional principal amount of our interest rate swap contracts. Increases in market interest rates would cause interest expense under the unhedged portion of our variable interest rate debt to increase and earnings before income taxes to decrease. The change in interest expense and earnings before income taxes would be dependent upon the weighted average outstanding borrowings under the unhedged portion of variable interest rate debt during the reporting period following an increase in market interest rates. Based on weighted average outstanding, unhedged portion of the variable-rate borrowings, at September 30, 2026, a 100 basis point increase over the current rates actually in effect at such date would increase our interest expense on an annual basis by $800. Based on weighted average outstanding fixed-rate borrowings at September 30, 2026, a 100 basis point increase in market rates would result in a decrease in the fair value of our outstanding fixed-rate debt of $15,762, and a 100 basis point decrease in market rates would result in an increase in the fair value of our outstanding fixed-rate debt of $14,436. Based on the aggregated fair value of the interest rate swaps at September 30, 2026, a 100 basis point increase in market rates would result in a decrease in fair value of our interest rate swaps of $1,270 and a 100 basis point decrease in market rates would result in an increase in fair value of our interest rate swaps of $1,307.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. As of September 30, 2026, our Chief Executive Officer and Chief Financial Officer have each reviewed and evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (as amended, the "Exchange Act")). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have each concluded that our current disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control. There were no changes in our internal control over financial reporting during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Reference is made to Part I, Item 3, Legal Proceedings of our Annual Report on Form 10-K for the year ended December 31, 2025, and Note 8 in this Report for information on certain proceedings to which we are subject.

ITEM 1A. RISK FACTORS

Risk factors are described in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs [1]	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (in thousands) [1]
July 1, 2026 through July 31, 2026	—	$ —	—	$ 53,412
August 1, 2026 through August 31, 2026	—	—	—	53,412
September 1, 2026 through September 30, 2026	—	—	—	53,412
Total	—		—	

(1) On February 29, 2024, we announced that our Board of Directors approved a $100,000 share repurchase program. The repurchase program has no expiration date and may be modified, suspended, or discontinued at any time by the Company without prior notice.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended September 30, 2026, none of our directors or officers adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangements” (each as defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit
10.1	Amendment No. 2 to Amended and Restated Credit Agreement, dated August 6, 2026, among MGP Ingredients, Inc., Wells Fargo Bank, National Association, as Administrative Agent, the other loan parties party thereto and the lenders party thereto. (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed August 7, 2026)
10.2	Eighth Amendment to Note Purchase and Private Shelf Agreement, dated August 6, 2026, among MGP Ingredients, Inc., PGIM, Inc. and certain noteholders affiliated with PGIM, Inc. (Incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed August 7, 2026)
*31.1	CEO Certification pursuant to Rule 13a-14(a)
*31.2	CFO Certification pursuant to Rule 13a-14(a)
**32.1	CEO Certification furnished pursuant to Rule 13a-14(b) and 18 U.S.C. 1350
**32.2	CFO Certification furnished pursuant to Rule 13a-14(b) and 18 U.S.C. 1350
*101	The following financial information from MGP Ingredients, Inc.'s Quarterly Report on Form 10-Q for the quarter and year to date ended September 30, 2026, formatted in iXBRL (Inline Extensible Business Reporting Language) includes: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income (Loss), (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Cash Flows, (v) Condensed Consolidated Statements of Changes in Stockholders' Equity, and (vi) the Notes to Unaudited Condensed Consolidated Financial Statements.
*104	Cover Page Interactive Data Filed - formatted in iXBRL (Inline Extensible Business Reporting Language) and contained in Exhibit 101
* Filed herewith **Furnished herewith	

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 thereunto duly authorized.

MGP INGREDIENTS, INC.

Date: October 28, 2026 By /s/ Julie Francis

Julie Francis, President and Chief Executive Officer

Date: October 28, 2026 By /s/ Brandon M. Gall

Brandon M. Gall, Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Julie Francis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MGP Ingredients, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2026

/s/ Julie Francis

Julie Francis, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Brandon M. Gall, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of MGP Ingredients, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2026

/s/ Brandon M. Gall

Brandon M. Gall, Chief Financial Officer

Exhibit 32.1

CERTIFICATION

OF

PERIODIC REPORT

I, Julie Francis, President and Chief Executive Officer; of MGP Ingredients, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 28, 2026

/s/ Julie Francis

Julie Francis

President and Chief Executive Officer

[A signed original of this written statement required by Section 906 has been provided to MGP Ingredients, Inc. and will be retained by MGP Ingredients, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32.2

CERTIFICATION

OF

PERIODIC REPORT

I, Brandon M. Gall, Chief Financial Officer of MGP Ingredients, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 28, 2026

/s/ Brandon M. Gall

Brandon M. Gall

Chief Financial Officer

[A signed original of this written statement required by Section 906 has been provided to MGP Ingredients, Inc. and will be retained by MGP Ingredients, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]