



2019 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

OPERATING RESULTS (IN THOUSANDS)

	2019	2018	% Change
Sales and merchandising revenues	\$8,170,191	\$3,045,382	168.3%
Gross profit	517,892	302,005	71.5%
Equity in earnings of affiliates	(7,359)	27,141	(127.1%)
Other income, net	20,109	16,002	25.7%
Net income (loss)	15,060	41,225	(63.5%)
Net income (loss) attributable to The Andersons, Inc.	18,307	41,484	(55.9%)
EBITDA ¹	233,968	171,301	36.6%

FINANCIAL POSITION (IN THOUSANDS)

Total assets	3,900,741	2,392,003	63.1%
Working capital	505,423	189,848	166.2%
Total long-term debt	1,016,248	496,187	104.8%
Long-term debt, non-recourse	330,250	146,353	125.7%
Total equity	1,195,655	876,764	36.4%

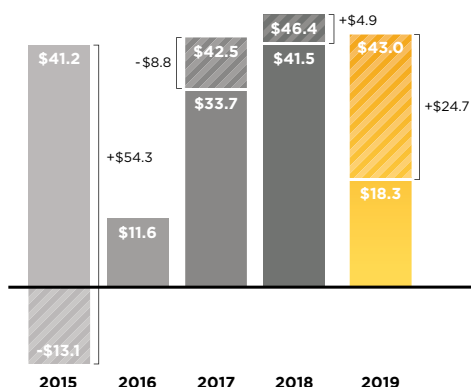
PER SHARE DATA

Net income (loss)—basic	0.56	1.47	(61.9%)
Net income (loss)—diluted	0.55	1.46	(62.3%)
Dividends declared	0.685	0.665	3.0%
Year-end market value	25.28	29.89	(15.4%)

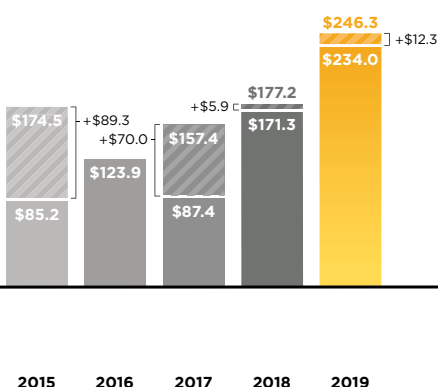
RATIOS AND OTHER DATA

Net income attributable to The Andersons, Inc. return on beginning equity attributable to The Andersons, Inc.	2.2%	5.1%	(56.9%)
Adjusted net income attributable to The Andersons, Inc. return on beginning equity attributable to The Andersons, Inc. ¹	5.2%	5.7%	(8.8%)
Funded long-term debt to equity ratio	0.85-to-1	0.57-to-1	49.1%
Weighted average shares outstanding (basic) (in thousands)	32,570	28,258	15.3%
Effective tax rate	46.4%	22.5%	106.2%
Adjusted effective tax rate	16.7%	22.7%	(26.4%)

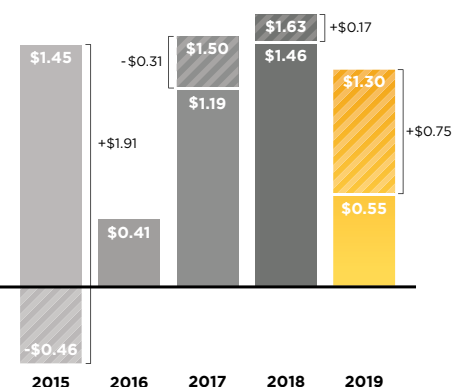
**Adjusted Net Income (Loss)
Attributable to The Andersons, Inc.¹**
(Dollars in Millions)



Adjusted EBITDA¹
(Dollars in Millions)



**Adjusted Earnings (Loss)
Per Share—Diluted¹**
(In Dollars)



¹ Adjusted net income and adjusted EBITDA for 2019 exclude after-tax and pretax charges, respectively, for acquisition costs and asset impairments, including equity method investments, and after-tax and pretax gains, respectively, on asset sales, including equity method investments. Adjusted net income and adjusted EBITDA for 2018 exclude after-tax and pretax charges, respectively, for acquisition costs. Adjusted net income and adjusted EBITDA for 2017 exclude after-tax and pretax charges, respectively, for goodwill impairments and asset impairments. Adjusted net income for 2017 further excludes income tax benefits resulting from U.S. federal income tax reform. Adjusted net income and adjusted EBITDA for 2015 exclude after-tax and pretax charges, respectively, for goodwill impairments, pension settlement charges, and acquisition costs. Adjusted net income and adjusted EBITDA for 2015 exclude an after-tax and pretax gain, respectively, from partial redemptions of our investment in Lansing Trade Group.



DEAR SHAREHOLDERS AND FRIENDS,

The past year was filled with many accomplishments. At the beginning of the year, we closed on the largest acquisition in the company's history, and during 2019 substantially completed the integration of Lansing Trade Group and Thompsons Limited. In August, production began at our new, state-of-the-art ethanol bio-refinery. And in October, we completed the merger of four separate ethanol entities into one with Marathon Petroleum Corporation, creating The Andersons Marathon Holdings LLC (TAMH). We were proud of the collective efforts of our team to complete all these projects, which we believe will generate significant future benefits.

That said, we were disappointed with our overall operating results for the year. Several of our businesses were heavily impacted by extreme wet weather and trade disputes. For 2019, we reported net income attributable to the Company of \$18.3 million dollars or \$0.55 per diluted share. However, adjusted net income was \$43.0 million dollars or \$1.30 per diluted share. Our adjusted earnings per share for 2019 were approximately 20 percent lower than our adjusted 2018 results. Our adjusted 2019 earnings before interest, taxes, depreciation and amortization (EBITDA) was \$246 million, which was 39 percent higher than adjusted 2018 EBITDA of \$177 million.

The new Trade Group was formed when we closed the Lansing transaction last January. The benefits of the acquisition were apparent from the beginning, and adjusted EBITDA increased by more than 150 percent compared to the 2018 Grain Group result. We exceeded our original expense synergy savings target a year early, identifying and implementing \$11 million in run-rate cost savings during 2019. The group also recorded strong results in several of the product lines it added from the Lansing acquisition. However, persistent and heavy rain in the Eastern Corn Belt led to a corn crop that was small, late and unusually wet. The result was significantly less income from those Eastern assets.

The Ethanol Group's results were down significantly year over year, but the group performed well considering mostly difficult market conditions. The continuing absence of

China as an export market hurt overall demand. On the plus side, ethanol traders from Lansing joined the group in early 2019 to form a more formidable merchandising team, which improved the group's results. The group continued to run its plants in a very efficient manner. TAMH began to reap benefits in the fourth quarter, including more efficient use of cash and debt and greater financial transparency.

The Plant Nutrient (PN) Group's results were also considerably lower year over year, as the wet spring in its core Eastern footprint led to significantly decreased volumes of primary and specialty fertilizer sold. As expected, lawn contract manufacturing results were significantly lower, as a temporary spike in volume that led to record performance in 2018 was not repeated in 2019. Adjusted EBITDA decreased by 7 percent.

The Rail Group's pretax income declined slightly in 2019; however, EBITDA increased by 13 percent. Leasing income improved somewhat, but income from both car sales and the railcar repair business declined. In addition, 2018 results included more than \$2 million from the sale of several barges. Utilization and railcars on lease both increased in 2019 for the third consecutive year.

We recently made two changes in our senior leadership team. Bill Krueger became the president of the Trade Group effective January 1, 2020; Corey Jorgenson remains a valued member of Bill's leadership team. In February, Christine Castellano joined us as executive vice president, general counsel and corporate secretary after serving in similar roles during a distinguished, more than twenty-year career at Ingredion. She succeeded Naran Burchinow, who retired in March after serving as general counsel for the past fifteen years. We thank Naran for his dedication to the company.

As we share this report and look forward to the rest of 2020, the uncertain impacts of the coronavirus are not fully understood for The Andersons and many other companies. We believe, however, that the resolution of the China trade war should be a tailwind for the Trade and Ethanol Groups, but it is unclear when and how much that resolution will begin to drive demand. Until then, we expect the operating environment for both groups to be difficult.

We think a likely increase in corn planting in 2020 will improve PN's results to a level more in line with recent history and should be helpful for the three other business groups as well. For the Rail Group, a continuing decrease in North American railcar loadings suggests that leasing income could trend lower in 2020.

We feel more upbeat about our longer-term company outlook than what is reflected by the market in our current stock price. Here is what we are focusing on in 2020:

- **Optimizing Trade Group performance.** The group will focus on maximizing the benefits of the Lansing acquisition, growing organically and making opportunistic investments.
- **Identifying and implementing additional Trade Group expense synergies and other company expense reductions.** We anticipate increasing run-rate integration and cost savings to \$15 million and carving out another \$5 million in total company operating expenses by the end of this year.
- **Ramping up new products at our ELEMENT™ biorefinery.** We now expect that we will be operating the full suite of new technologies and will obtain what we anticipate being an industry-leading carbon score late this year.
- **Generating positive free cash flow on an annual basis.** We are further refining our focus on managing working capital, and plan to hold maintenance capital spending well below our annual depreciation expense.
- **Reducing long-term debt.** We will focus on reducing debt, but not at the expense of solid growth projects.

In late 2017, we announced a 2020 run-rate adjusted EBITDA target of \$300 million. We think that with a move toward more normal market conditions, we remain on pace to hit that target on time.

In summary, we added significant horsepower to both the Trade and Ethanol Groups. We also increased our dividend for the eighteenth consecutive year in 2019. We will continue to improve our business operations and our balance sheet and anticipate generating more cash in 2020.

Pat Bowe
President and
Chief Executive Officer

Brian Valentine
Executive Vice President and
Chief Financial Officer



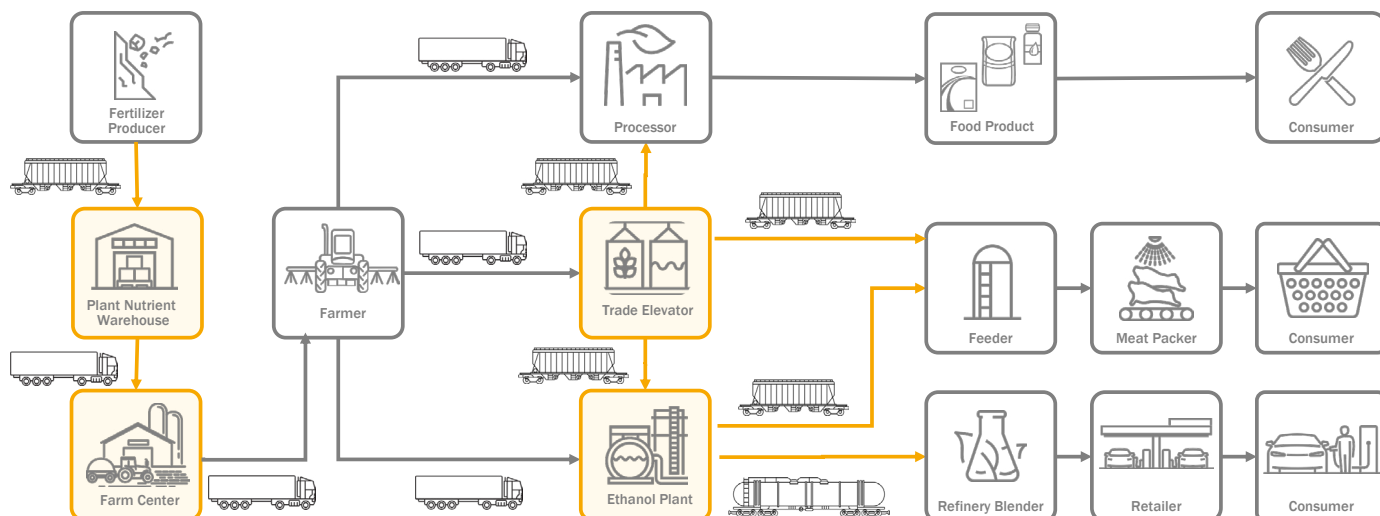
RICHARD P. ANDERSON
Chairman Emeritus
1929-2020

It is with great sadness that The Andersons, Inc. shares the passing of our beloved Chairman Emeritus and former CEO, Dick Anderson. Dick passed away on March 1 at the age of 90.

Dick was an integral part of The Andersons for more than half a century. He started as a crew boss on the construction of the company's first grain elevator in 1947 in Maumee, Ohio, and worked his way up through the business, eventually being named President and CEO in 1988. He was named Chairman of the Board in 1999 and Chairman Emeritus when he retired in 2009. While retired, Dick continued to be involved in company events. He was an active leader in community and civic affairs across the northwest Ohio region.

Dick's absence will be felt by many, but his legacy and values will continue to live on at The Andersons as well as within the industries and communities we serve.

SERVING CRITICAL LINKS ACROSS NORTH AMERICAN AG SUPPLY CHAIN



CORPORATE INFORMATION

BOARD OF DIRECTORS

Gerard M. Anderson ⁽³⁾⁽⁴⁾

Chairman
DTE Energy

Michael J. Anderson

Chairman
The Andersons, Inc.

Patrick E. Bowe

President & Chief Executive Officer
The Andersons, Inc.

Stephen F. Dowdle

Retired President of Sales
PotashCorp

Pamela S. Hershberger ⁽¹⁾

Retired Managing Partner
Toledo, Ohio Office
Ernst & Young, LLP

Catherine M. Kilbane ⁽²⁾⁽⁴⁾⁽⁵⁾

Retired Senior Vice President,
General Counsel & Secretary
The Sherwin-Williams Company

Robert J. King, Jr. ⁽²⁾⁽³⁾

Senior Advisor
FNB Corporation

Ross W. Manire ⁽¹⁾⁽³⁾

Retired President &
Chief Executive Officer
ExteNet Systems, Inc.

Patrick S. Mullin ⁽¹⁾⁽⁴⁾

Retired Managing Partner
Northeast Ohio Practice
Deloitte & Touche LLP

John T. Stout, Jr. ⁽²⁾⁽³⁾

Chairman & Chief Executive Officer
Plaza Belmont Management Group, LLC

Jacqueline F. Woods ⁽¹⁾⁽²⁾

Retired President
AT&T Ohio

CORPORATE OFFICERS

Jeffrey C. Blair

President, Plant Nutrient Group

Valerie M. Blanchett

Vice President, Human Resources

Patrick E. Bowe

President and
Chief Executive Officer

Christine M. Castellano

Executive Vice President,
General Counsel and
Corporate Secretary

Michael T. Hoelter

Corporate Controller and
Chief Accounting Officer

William E. Krueger

President, Trade Group

Anthony A. Lombardi

Chief Information Officer

Joseph E. McNeely

President, Rail Group

James J. Pirolli

President, Ethanol Group

Anne G. Rex

Vice President, Strategy,
Planning and Development

Brian A. Valentine

Executive Vice President and
Chief Financial Officer

Brian K. Walz

Vice President and Treasurer

INVESTOR INFORMATION

CORPORATE OFFICES

The Andersons, Inc.
1947 Briarfield Boulevard
Maumee, OH 43537
419-893-5050
www.andersonsinc.com

NASDAQ SYMBOL

The Andersons, Inc. common shares are traded on the Nasdaq National Market tier of The Nasdaq Stock Market under the symbol ANDE.

COMMON STOCK

32.6 million shares outstanding as of December 31, 2019.

DIRECT STOCK PURCHASE AND DIVIDEND REINVESTMENT

Computershare CIP, which is a direct stock purchase and dividend reinvestment plan sponsored and administered by Computershare Trust Company, N.A. and not by The Andersons, Inc., provides an alternative to traditional methods of buying and selling shares in The Andersons, Inc. Through Computershare CIP, one can purchase and sell The Andersons, Inc. shares directly, rather than dealing with a broker. For more information on Computershare CIP, please go to www.computershare.com/investor or call toll-free at 877-373-6374.

TRANSFER AGENT & REGISTRAR

Computershare Investor Services, LLC
P.O. Box 43078
Providence, RI 02940-3078
312-360-5260
Toll-free within the U.S. & Canada: 877-373-6374
Investor Centre™ portal: www.computershare.com/investor

FORM 10-K

Additional copies of The Andersons' 2019 Form 10-K, filed on February 27, 2020, with the SEC, are available to shareholders and interested individuals without charge by writing or calling Investor Relations.

INVESTOR RELATIONS

John Kraus | Director, Investor Relations
419-891-6544
john_kraus@andersonsinc.com

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte & Touche LLP | Cleveland, OH

ANNUAL MEETING

The annual shareholders' meeting of The Andersons, Inc. will be held at The Andersons' headquarters, 1947 Briarfield Boulevard, Maumee, OH 43537 at 8:00 a.m. on May 8, 2020.

(1) Audit Committee

(2) Compensation/Leadership Development Committee

(3) Finance Committee

(4) Governance/Nominating Committee

(5) Lead Independent Director



The Andersons, Inc.
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Maumee, Ohio 43537
www.andersonsinc.com