2020 ANNUAL REPORT

The Andersons®

FINANCIAL HIGHLIGHTS

OPERATING RESULTS (IN THOUSANDS)	2020	2019	% Change
Sales and merchandising revenues	**$8,208,436**	$8,170,191	0.5%
Gross profit	**404,922**	517,892	(21.8)%
Operating, administrative and general expenses	**399,207**	436,842	(8.6)%
Income (loss) before income taxes	**(24,474)**	28,111	(187.1)%
Income (loss) before income taxes attributable to The Andersons, Inc.	**(2,549)**	31,358	(108.1)%
Net income (loss)	**(14,215)**	15,060	(194.4)%
Net income attributable to The Andersons, Inc.	**7,710**	18,307	(57.9)%
Earnings before interest, taxes, depreciation and amortization (EBITDA)[1]	**215,439**	233,968	(7.9)%
Cash provided by (used in) operating activities	**(74,432)**	348,562	(121.4)%

FINANCIAL POSITION (IN THOUSANDS)

Total assets	**$4,272,121**	$3,900,741	9.5%
Working capital	**484,727**	505,423	(4.1)%
Readily marketable inventories (RMI)	**983,234**	863,198	13.9%
Short-term debt	**403,703**	147,031	174.6%
Long-term debt, including current maturities	**992,015**	1,079,147	(8.1)%
Total equity	**1,160,660**	1,195,655	(2.9)%

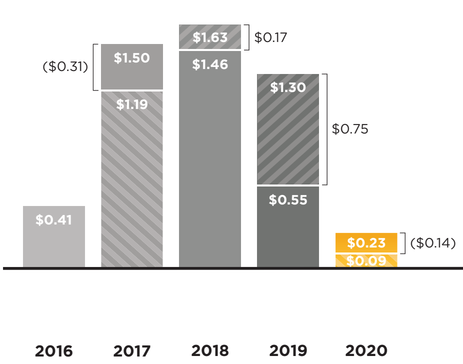
PER SHARE DATA

Diluted earnings attributable to The Andersons, Inc. common shareholders (EPS)	**$0.23**	$0.55	(58.2)%
Dividends declared	**0.70**	0.685	2.2%
Year-end market value	**24.51**	25.28	(3.0)%

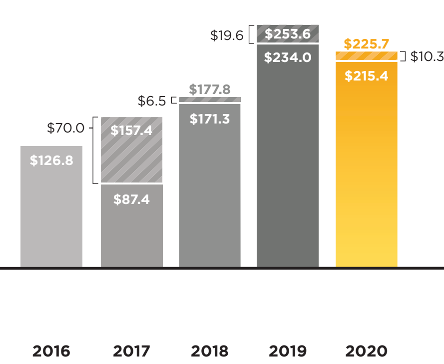
RATIOS AND OTHER DATA

Long-term debt, including current maturities to Adjusted EBITDA	**4.39**	4.25	3.3%
Weighted average shares outstanding (diluted) (in thousands)	**33,189**	33,096	0.3%
Effective tax rate	**41.9%**	46.4%	(9.7)%

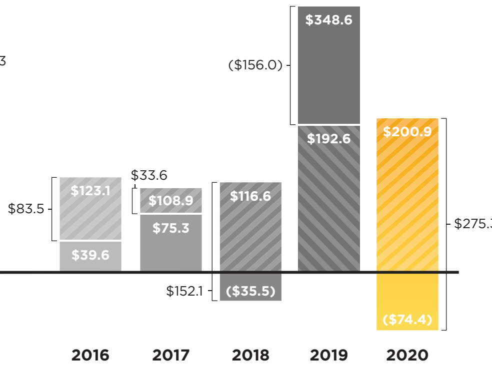
Adjusted EPS[2]
(In Dollars)



Adjusted EBITDA[1]
(Dollars in Millions)



Cash from Operations Before Working Capital Changes[3]
(Dollars in Millions)



[1] EBITDA and Adjusted EBITDA are both non-GAAP financial measures. EBITDA is calculated as interest expense, tax expense, depreciation and amortization added back to net income. Adjusted EBITDA excludes pretax charges for severance and acquisition costs for 2020; pretax charges for acquisition costs, asset impairments (including equity method investments) and after-tax gains on asset sales (including equity method investments) for 2019; pretax charges for acquisition costs for 2018; and pretax charges for goodwill and asset impairments for 2017.

[2] Adjusted EPS is a non-GAAP financial measure. The measure excludes after-tax charges for severance and acquisition costs as well as income tax benefits resulting from the Coronavirus Aid, Relief, and Economic Security (CARES) Act for 2020; after-tax charges for acquisition costs, asset impairments (including equity method investments) and after-tax gains on asset sales (including equity method investments) for 2019; after-tax charges for acquisition costs for 2018; and after-tax charges for goodwill impairments, asset impairments as well as income tax benefits resulting from U.S. federal income tax reform for 2017.

[3] Cash from operations before working capital changes is a non-GAAP financial measure. This measure is calculated by adding back changes in working capital to cash provided by (used in) operating activities as stated in the audited statement of cash flows. In 2020, cash from operations before working capital changes was adjusted for additional expected cash benefits resulting from the CARES Act.

DEAR SHAREHOLDERS AND FRIENDS,

In late 2019, we introduced a new vision statement to our employees, which we have since shared publicly:

To be the most nimble and innovative North American ag supply chain company.

Due in large part to the pandemic, we had myriad opportunities to practice those traits during 2020. By and large, we responded well to the unique challenges we confronted due to COVID-19.

Our ag supply chain businesses were deemed essential, and our operations personnel kept working without skipping a beat, taking appropriate safety precautions to allow us to feed and fuel the world. We began to regularly use terms such as “social distancing” and “quarantine” and implemented new ways of doing business to reduce COVID risks for our employees and customers. We are especially thankful to our nearly 2,400 fellow employees, without whose efforts we could not have accomplished all that we did in 2020.

We were pleased with our overall 2020 operating results given the negative impacts the pandemic had on our businesses. We reported 2020 net income attributable to the company of $7.7 million, or $0.23 per diluted share. Adjusted net income was $2.9 million or $0.09 per diluted share. The difference in the two measures was primarily attributable to tax benefits from the CARES Act that we excluded from our adjusted results. Our adjusted 2020 earnings before interest, taxes, depreciation and amortization (EBITDA) was $226 million compared to adjusted 2019 EBITDA of $254 million.

We originally planned to further integrate recent acquisitions and continue to achieve cost efficiencies during 2020; the pandemic resulted in the acceleration of these efforts. In addition to the approximately $10 million in 2020 cost savings we had originally disclosed, we identified and implemented approximately $20 million in incremental savings before the year was half over. Then, in the third quarter, we announced a top-level business reorganization which included simplifying our business groups from four to two. We believe this change will save an additional $10 million beginning in 2021. All told, we expect that 2021 expenses will be lower than comparable 2019 expenses by about $25 million, or more than $0.50 per share.

The reorganization was completed with much more than cost savings in mind. The combination of the former Trade and Ethanol Groups to form The Andersons Trade and Processing business has led to many commercial and operational synergies. The former Plant Nutrient and Rail Groups have also been combined to form The Andersons Nutrient and Industrial business. Decision-making has largely been streamlined.

While we have reorganized our management structure, we still report our business results in four segments. The **TRADE** segment recorded somewhat lower results in 2020 while dealing with the adverse impacts of a poor 2019 harvest in the Eastern Corn Belt, lower wheat income and a significant decrease in corn demand from ethanol producers. The increased breadth of our merchandising portfolio continued to yield substantial benefits, as gross profit from merchandising activities rose by more than 25 percent. Adjusted EBITDA decreased for the full year but began to recover in the fourth quarter, as fall harvest results improved markedly year over year. A significant increase in export demand caused grain prices to rise rapidly, which drove welcome price volatility but inverted grain futures prices.

The **ETHANOL** segment felt the impact of the pandemic more than any of our other businesses, and adjusted pretax income attributable to the company was approximately $40 million lower year over year. Shelter-in-place orders that began in many states in March reduced gasoline demand by as much as 50 percent compared to 2019, causing board crush margins to decline. While demand recovered to about 90 percent of normal levels late in the year, the fourth quarter spike in corn prices and ethanol oversupply continued to impact margins.

However, there were some positives for our Ethanol segment in 2020. We began to produce high-protein feed products at two plants later in the year. The spike in corn prices increased the value of all feed products, and the demand from a burgeoning U.S. renewable diesel (RD) market did the same for corn oil. We set up a new trading desk for RD feedstocks that has already been quite successful.

On an even brighter note, the **PLANT NUTRIENT** segment celebrated its best full-year results since 2014, as we capitalized on an ideal spring planting season. Pretax income almost doubled year over year, as tons sold increased by 15 percent. Adjusted EBITDA increased by 12 percent. The engineered granule business successfully introduced new products and increased its e-commerce profile.

The **RAIL** segment's pretax income declined considerably in 2020, as the pandemic drove U.S. carloads lower. At one time, nearly one-third of the North American fleet was idled, and 25 percent remained out of service and in storage at year-end. As a result, leasing and repair income was much weaker and income from car sales was negligible, as we chose to sell fewer cars than in 2019.

Throughout this time, our liquidity and cash flow remained strong. Our cash flow from operations before changes in working capital increased year over year, and we took a disciplined approach to capital spending. As a result, we reduced long-term debt in 2020 by nearly $100 million.

While the pandemic is certainly not over, we are encouraged about how things are setting up for us in 2021. The pace of COVID vaccinations is rising, the ag markets continue to present good merchandising opportunities, and the overall economy is showing signs of recovery.

The rally in grain and other commodity prices has been unlike anything we have seen in the ag market for a long time. Strong exports, particularly to China, have led the rally, which we think could last well into this year since it is being driven by demand. We expect that more corn acres will be planted in 2021, which would benefit both our Trade and Plant Nutrient segments. All of this is also good news for our farmer customers, whose incomes have risen considerably and whose overall financial health is important to our success.

These conditions drive strong elevation margins and considerable volatility, which creates good merchandising opportunities. In addition, we are seeing excellent results in other products we merchandise such as feed ingredients and propane.

Spot ethanol crush margins remain negative. We continue to hedge corn purchases and ethanol sales when it makes sense, which should help mitigate that challenge. Our plants are running well and at a relatively low variable cost per gallon. As with the rest of the industry, we are dependent on the balance between gasoline demand and ethanol supply to normalize margins, but we see growth in E15 and increasing export demand as potential tailwinds.

The future looks bright for ethanol coproducts. Traditional DDGs are trading well above corn values. In addition, we are selling more higher value feed products, primarily from our ELEMENT facility. We are also benefiting from a sustained uptick in corn oil values driven by increased demand for renewable diesel, and the trading platform we built in 2020 for other RD feedstocks is producing growing results.

We anticipate that our Plant Nutrient business will maintain its 2020 momentum into early 2021. We expect some additional improvement assuming sustained higher commodity prices and what we anticipate will be another strong planting season.

In our Rail business, weekly intermodal and grain car loadings are now up year over year, but that improvement has not found its way to most other freight and tank car markets yet. We expect a slower recovery for railcar leasing and repair services during much of 2021.

We plan to continue to reduce our long-term debt, but that will not prevent us from evaluating acquisitions and organic growth projects that present good returns. The hard work we have done over the past two years to integrate the Lansing acquisition and significantly reduce expenses has put us in excellent position to grow in 2021.

We recently celebrated our 25th anniversary as a public company. We have grown into a much larger, stronger, and more nimble and innovative company in the North American ag supply chain. We look forward to providing extraordinary service to our customers, supporting our suppliers and communities, and rewarding our employees and shareholders in 2021 and for many more years to come.

Thank you for your support,

Pat Bowe
President and
Chief Executive Officer

Brian Valentine
Executive Vice President and
Chief Financial Officer

CORPORATE INFORMATION

BOARD OF DIRECTORS


Gerard M. Anderson (3)(4)
Executive Chairman
DTE Energy


Catherine M. Kilbane (2)(4)(5)
Retired Senior Vice President,
General Counsel and Secretary
The Sherwin-Williams Company


Michael J. Anderson
Chairman
The Andersons, Inc.


Robert J. King, Jr. (2)(3)
Senior Advisor
First National Bank Corporation


Patrick E. Bowe
President and
Chief Executive Officer
The Andersons, Inc.


Ross W. Manire (1)(3)
Retired President and
Chief Executive Officer
ExteNet Systems, Inc.


Stephen F. Dowdle
Retired President of Sales
PotashCorp


Patrick S. Mullin (1)(4)
Retired Managing Partner
Northeast Ohio Practice
Deloitte & Touche LLP


Pamela S. Hershberger (1)
Retired Managing Partner
Toledo, Ohio Office
Ernst & Young, LLP


John T. Stout, Jr. (2)(3)
Chairman and Chief Executive Officer
Plaza Belmont Management Group, LLC

CORPORATE OFFICERS


Patrick E. Bowe
President and
Chief Executive Officer


Joseph E. McNeely
President, Nutrient and Industrial


Christine M. Castellano
Executive Vice President,
General Counsel and
Corporate Secretary


Anne G. Rex
Vice President, Strategy,
Planning and Development


Michael T. Hoelter
Vice President, Corporate
Controller and Investor
Relations


Brian A. Valentine
Executive Vice President and
Chief Financial Officer


William E. Krueger
President, Trade
and Processing


Brian K. Walz
Vice President and Treasurer

(1) Audit Committee
(2) Compensation/Leadership Development Committee
(3) Finance Committee
(4) Governance/Nominating Committee
(5) Lead Independent Director

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 Global Select tier of The Nasdaq Stock Market under the symbol ANDE.

COMMON STOCK
33 million shares outstanding as of December 31, 2020.

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 AND REGISTRAR
Computershare Investor Services, LLC
P.O. Box 505000
Louisville, KY 40233
Phone: 312-360-5260
Toll-free: 877-373-6374
Investor Centre™ portal:
www.computershare.com/investor

FORM 10-K
Additional copies of The Andersons' 2020 Form 10-K, filed on February 25, 2021, with the SEC, are available to shareholders and interested individuals without charge by writing or calling Investor Relations.

INVESTOR RELATIONS
Michael Hoelter
Vice President, Corporate Controller and Investor Relations
419-897-6715
mike_hoelter@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 virtually at 8 a.m. Eastern Time on May 7, 2021.

The Andersons, Inc.
1947 Briarfield Boulevard
Maumee, Ohio 43537

www.andersonsinc.com