



Second Quarter Earnings Call

August 4, 2016



And
Beyond

Forward Looking Statements & Non-GAAP Measures

Certain information discussed today constitutes forward-looking statements. Actual results could differ materially from those presented in the forward looking statements as a result of many factors including general economic conditions, weather, competitive conditions in the Company's industries, both in the U.S. and internationally, and additional factors that are described in the Company's publically-filed documents, including its '34 Act filings and the prospectuses prepared in connection with the Company's offerings.

Today's call includes financial information of which the Company's independent auditors have not completed their review. Although the Company believes that the assumptions upon which the financial information and its forward looking statements are based are reasonable, it can give no assurances that these assumptions will prove to be accurate.



Speakers

Pat Bowe

Chief Executive Officer

John Granato

Chief Financial Officer

Jim Burmeister

Vice-President, Finance & Treasurer



Q2 Highlights

- Company reports second quarter net income of \$14.4 million, \$0.51 per diluted share
- Grain Group improved from Q1, reducing loss due to higher put-through and benefits of cost reductions
- Ethanol Group returned to profitability on margins driven by strong, seasonal demand
- Plant Nutrient volumes grew year-over-year while margins remained soft
- Rail Group produced \$6.6 million of pre-tax income, down from prior year

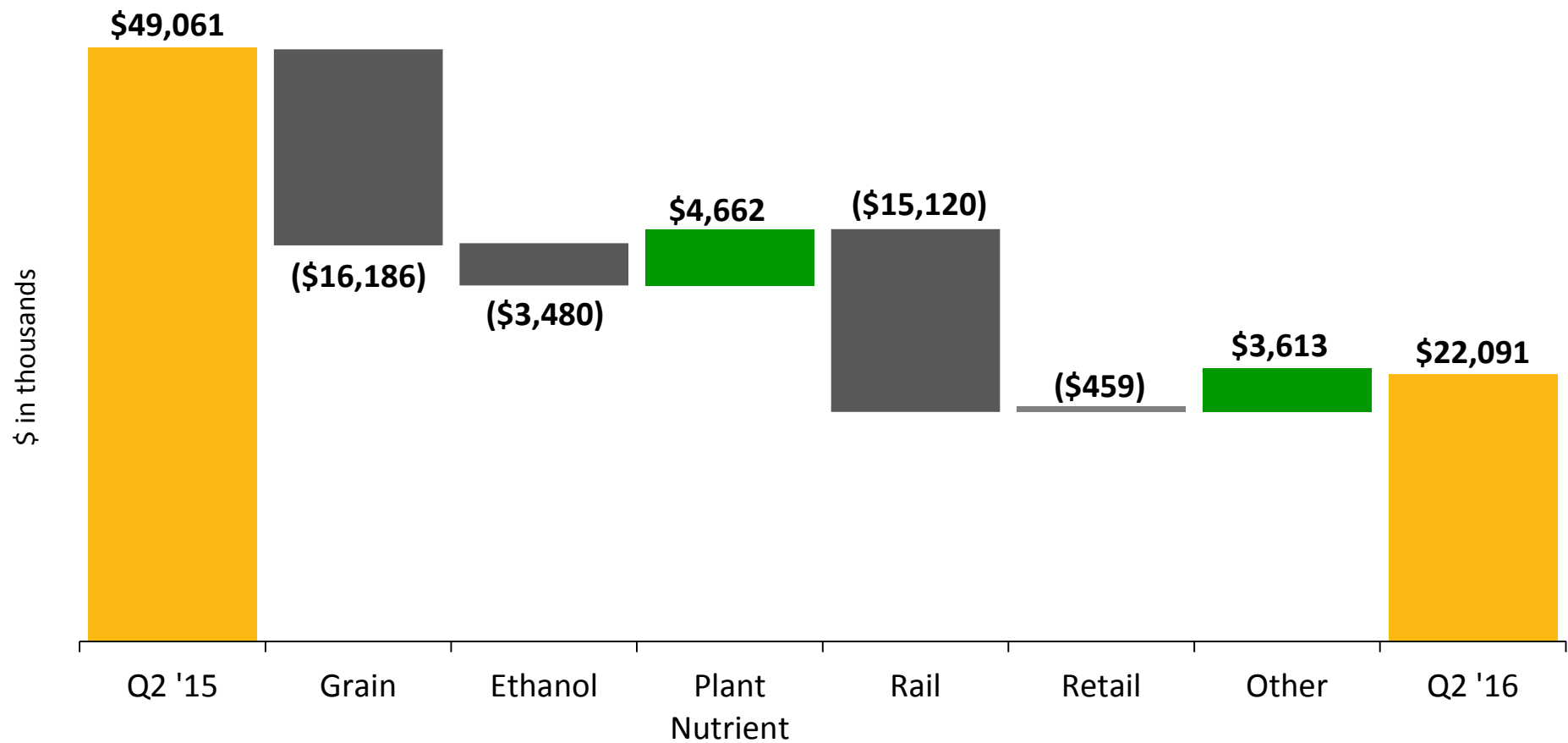


Key Financial Data

<i>\$ in millions, except per share data</i>	Q2' 16	Q2 '15	VPY	YTD '16	YTD '15	VPY
Net Sales	\$1,064.2	\$1,187.7	(\$123.5)	\$1,952.1	\$2,105.9	(\$153.8)
Gross Profit	\$97.0	\$108.2	(\$11.2)	\$164.8	\$191.5	(\$26.7)
Operating and general expenses	\$75.4	\$83.7	(\$8.3)	\$155.3	\$162.3	(\$7.0)
Equity in earnings (loss) of affiliates	\$2.3	\$16.2	(\$13.8)	(\$4.6)	\$19.5	(\$24.1)
Income(loss) before income taxes	\$23.1	\$50.4	(\$27.3)	\$0.2	\$55.4	(\$55.2)
Net income(loss) attributable to The Andersons, Inc.	\$14.4	\$31.1	(\$16.7)	(\$0.3)	\$35.2	(\$35.5)
Diluted earnings per share (EPS)	\$0.51	\$1.09	(\$0.58)	(\$0.01)	\$1.23	(\$1.24)
Depreciation and amortization	\$20.5	\$19.1	\$1.4	\$41.4	\$36.6	\$4.8
EBITDA	\$49.1	\$72.2	(\$23.1)	\$55.1	\$100.9	(\$45.8)
Corporate unallocated expenses	\$2.2	\$5.8	(\$3.6)	\$13.1	\$15.2	(\$2.1)
Long-term debt				\$398.7	\$417.3	(\$18.6)
Long-term debt-to-equity				0.51	0.51	-

Pre-Tax Income

Pre-Tax Income Q2 2015 to Q2 2016 Bridge Graph

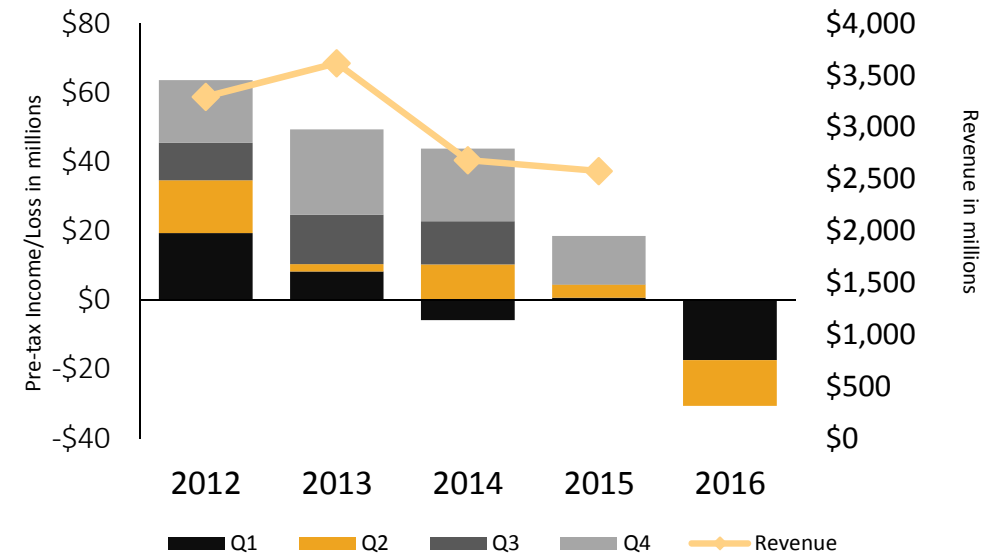




Q2 Performance

- Base Grain operations saw expected challenges from lack of space income from corn
- Good quality wheat harvest provided some improvement in the quarter
- Affiliates performance mixed with losses in Lansing Trade Group partially off set by steady performance from Thompsons Limited

Adjusted Five Year Performance



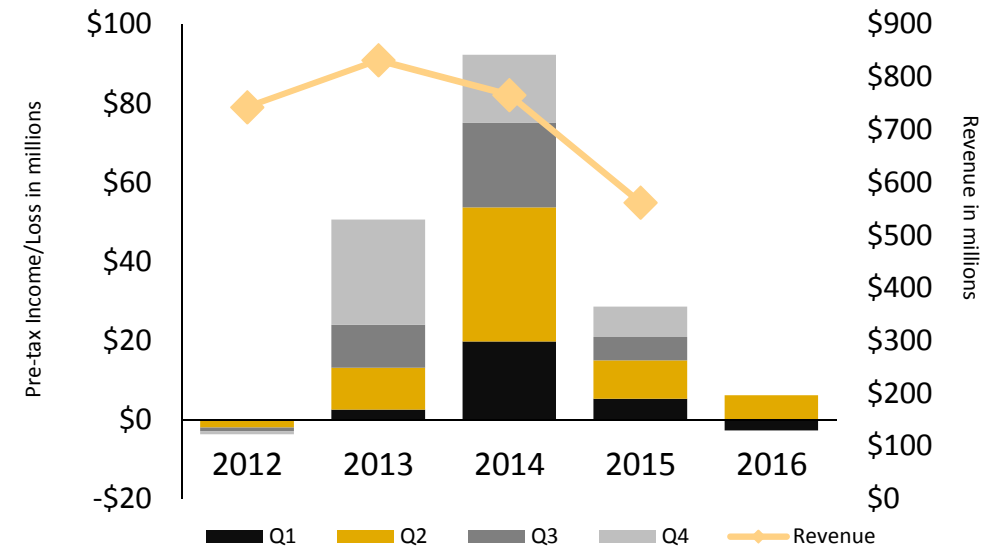
<i>\$ in millions, except margin</i>	Q2 '16	Q2 '15	VPY	YTD '16	YTD '15	VPY
<u>Base Grain</u>						
Revenues	\$523.0	\$601.4	(\$78.4)	\$1,061.8	\$1,160.1	(\$98.3)
Gross Profit	\$17.6	\$25.0	(\$7.4)	\$33.8	\$54.7	(\$20.9)
Gross Profit Margin	3.4%	4.2%	(0.8%)	3.2%	4.7%	(1.5%)
Pre-tax Income	(\$9.8)	(\$4.3)	(\$5.5)	(\$23.1)	(\$4.7)	(\$18.4)
Affiliates Pre-Tax Income	(\$3.2)	\$7.4	(\$10.6)	(\$7.3)	\$8.6	(\$15.9)
Group Pre-tax Income	(\$13.0)	\$3.1	(\$16.1)	(\$30.4)	\$3.9	(\$34.3)



Q2 Performance

- Margins improved through the quarter on seasonal demand and low corn prices
- Industry production was up, reaching an all time high in June
- Facilities performed well, producing record volumes in the second quarter

Five Year Performance



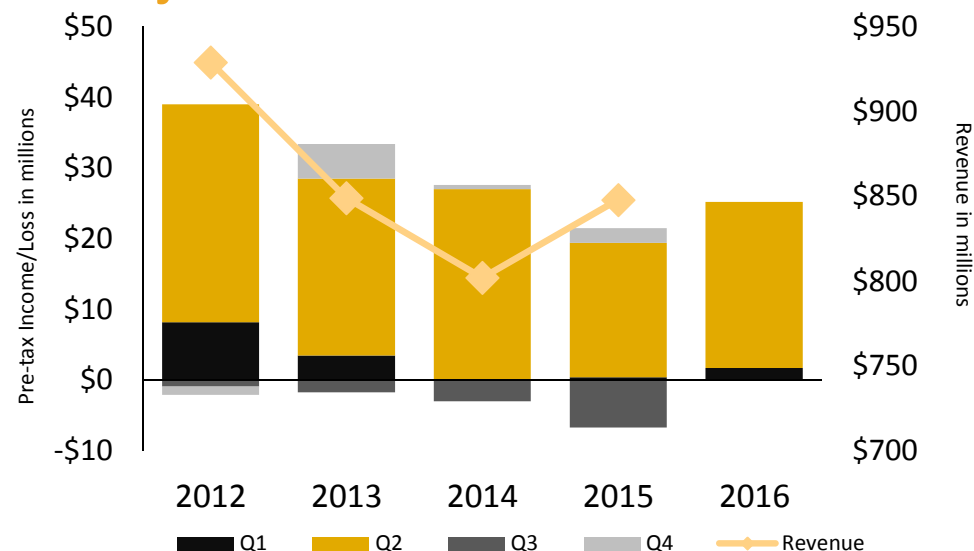
<i>\$ in millions, except margin</i>	Q2 '16	Q2 '15	VPY	YTD '16	YTD '15	VPY
Revenues	\$142.5	\$142.6	(\$0.1)	\$257.2	\$275.4	(\$18.2)
Equity Earnings of Affiliates	\$5.3	\$8.3	(\$3.0)	\$2.0	\$10.0	(\$8.0)
Consolidated Operations and Service Fees	\$0.9	\$1.4	\$(0.5)	\$1.5	\$4.9	(\$3.4)
Pre-tax Income	\$6.2	\$9.7	(\$3.5)	\$3.5	\$14.9	(\$11.4)



Q2 Performance

- Overall volumes were up 4% while Specialty Nutrient sales increased 61% vs. prior year
- Margins continued to be under pressure with high supplies in the channel and low grain prices curbing demand
- Synergies being achieved from combination of groups and acquisition integration

Adjusted Five Year Performance



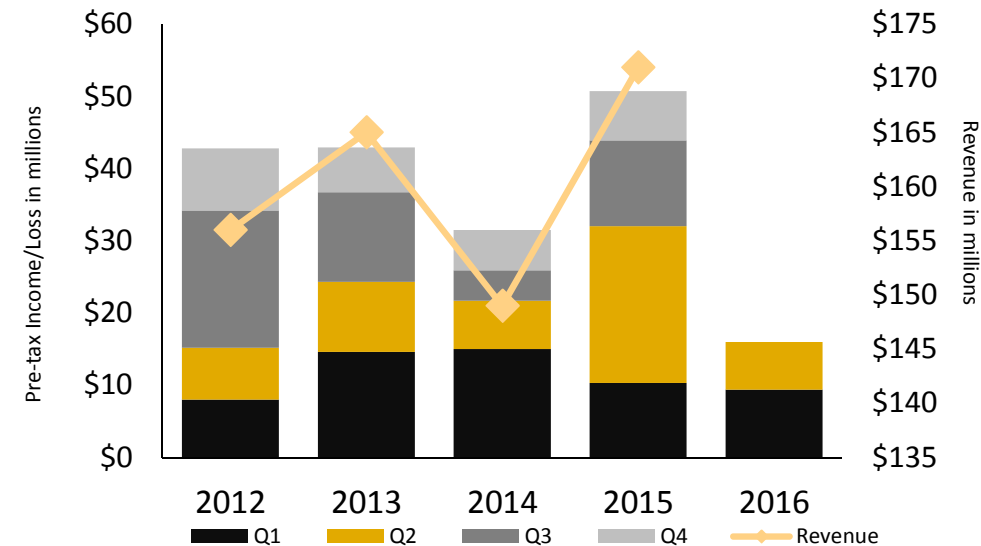
<i>tons in thousands</i>	Q2 '16	Q2 '15	VPY	YTD '16	YTD '15	VPY
Basic Nutrient Tons	549	537	12	761	716	44
Specialty Nutrient Tons	208	129	79	327	216	110
Other (Lawn, Cob) Tons	185	237	(52)	314	363	(49)
<i>\$ in millions, except margin</i>						
Revenue	\$320.0	\$357.2	\$37.2	\$487.0	\$511.1	(\$24.1)
Gross Profit	\$49.6	\$46.7	\$2.9	\$76.3	\$68.7	\$7.6
Gross Profit Margin	15.5%	13.1%	2.4%	15.7%	13.4%	2.3%
Pre-tax Income	\$23.5	\$18.9	\$4.6	\$25.2	\$19.3	\$5.9



Q2 Performance

- Rail results lower compared to record quarter in prior year that was supported by a large lease settlement
- Utilization rates decreased on lower renewal rates and the purchase of additional cars during low point in the cycle
- Railcar repair business delivers a record quarter

Five Year Performance



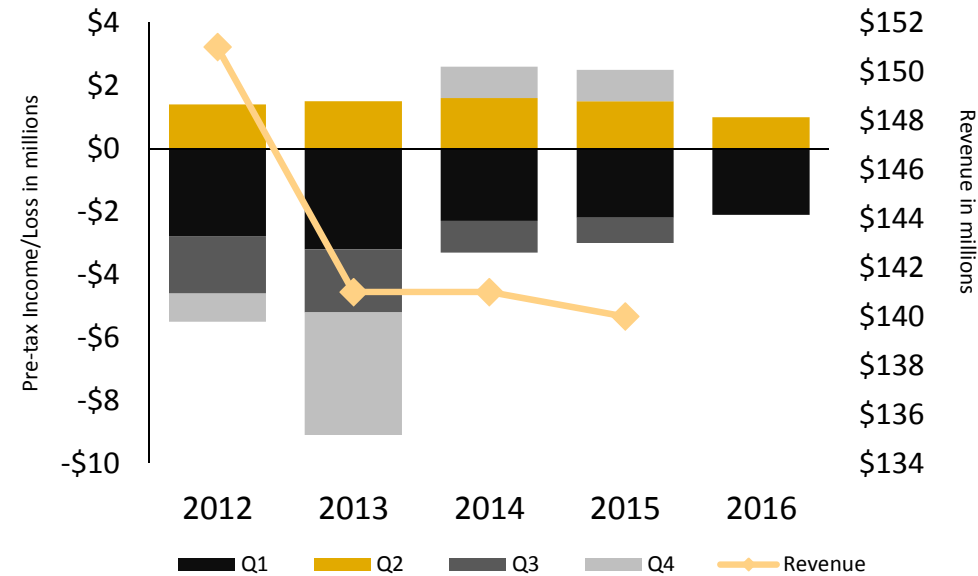
<i>\$ in millions, except margin</i>	Q2 '16	Q2 '15	VPY	YTD '16	YTD '15	VPY
Revenues	\$40.3	\$45.5	(\$5.2)	\$80.0	\$89.7	(\$9.7)
Gross Profit	\$13.6	\$18.2	(\$4.6)	\$28.2	\$35.6	(\$7.4)
Gross Profit Margin	33.7%	40.0%	(6.3%)	35.2%	39.6%	(4.4%)
Lease Income	\$2.7	\$15.6	(\$12.9)	\$7.0	\$20.6	(\$13.6)
Railcar Sales Income	\$2.3	\$4.7	(\$2.4)	\$4.7	\$9.2	(\$4.5)
Service & Other Income	\$1.6	\$1.4	\$0.2	\$4.2	\$2.2	\$2.0
Pre-tax Income	\$6.6	\$21.7	(\$15.1)	\$15.9	\$32.0	(\$16.1)



Q2 Performance

- Lower Q2 performance on timing of Easter and lower same store sales
- Year-to-date Retail's pre-tax income is \$350 thousand below prior year
- Same store sales down 4.8% year-to-date partially offset by productivity measures

Five Year Performance



<i>\$ in millions, except margin</i>	<i>Q2 '16</i>	<i>Q2 '15</i>	<i>VPY</i>	<i>YTD '16</i>	<i>YTD '15</i>	<i>VPY</i>
Revenues	\$38.4	\$41.0	(\$2.6)	\$66.1	\$69.6	(\$3.5)
Pre-tax Income	\$1.0	\$1.5	(\$0.5)	(\$1.1)	(\$0.7)	(\$0.4)

2016 Outlook



- Company wide productivity initiatives continue to gain traction



- Good wheat crop lays foundation for an improved fall harvest
- Triggers of Variable Storage Rates (VSR) for wheat provide opportunities



- Margin outlook moderate as we approach fall maintenance cycles



- Basic Nutrient industry seeing some production go off line due to over supply



- Continued soft rail traffic, primarily in the energy sector will continue to pressure utilization and renewal rates

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Q&A



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Beyond

The Andersons

Thank you for joining us.

*Our next earnings call is scheduled for
Tuesday, November 8th at 11:00 a.m.*



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Appendix



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Definitions

EBITDA: Earnings before interest, taxes, depreciation, and amortization, is a non-GAAP measure. It is one of the measures the company uses to evaluate liquidity and leverage

Base Grain: Grain operations owned and operated by The Andersons (does not include affiliates)

Ethanol Margin Hedging: From time-to-time we establish hedge positions with futures and derivative contracts that lock in prices for purchases of corn and sales of ethanol, as well as purchases of natural gas with the intent of securing portions our future sales margins

LT Debt to Capital: Ratio of long-term debt (including current maturities) to total capital defined as LT debt plus total equity

Bushels Shipped: Includes shipments from our facilities, farm-to-market(F2M) and origination services for corn, soybeans, wheat, and oats

F2M: Bushels that The Andersons, Inc. purchases from the farm and are delivered directly to an Andersons' customer. The bushels are never delivered to an Andersons' facility

Bushels Owned: Bushels delivered to an Andersons' elevator or storage facility rented by The Andersons, Inc. where title to the grain is transferred to The Andersons, Inc

Bushels Stored for Others: The bushels are stored by The Andersons, Inc. for the owner of the grain for which a storage fee is charged the bushels' owner

Railcar Fleet Utilization: Percentage of railcars and locomotives in leased service

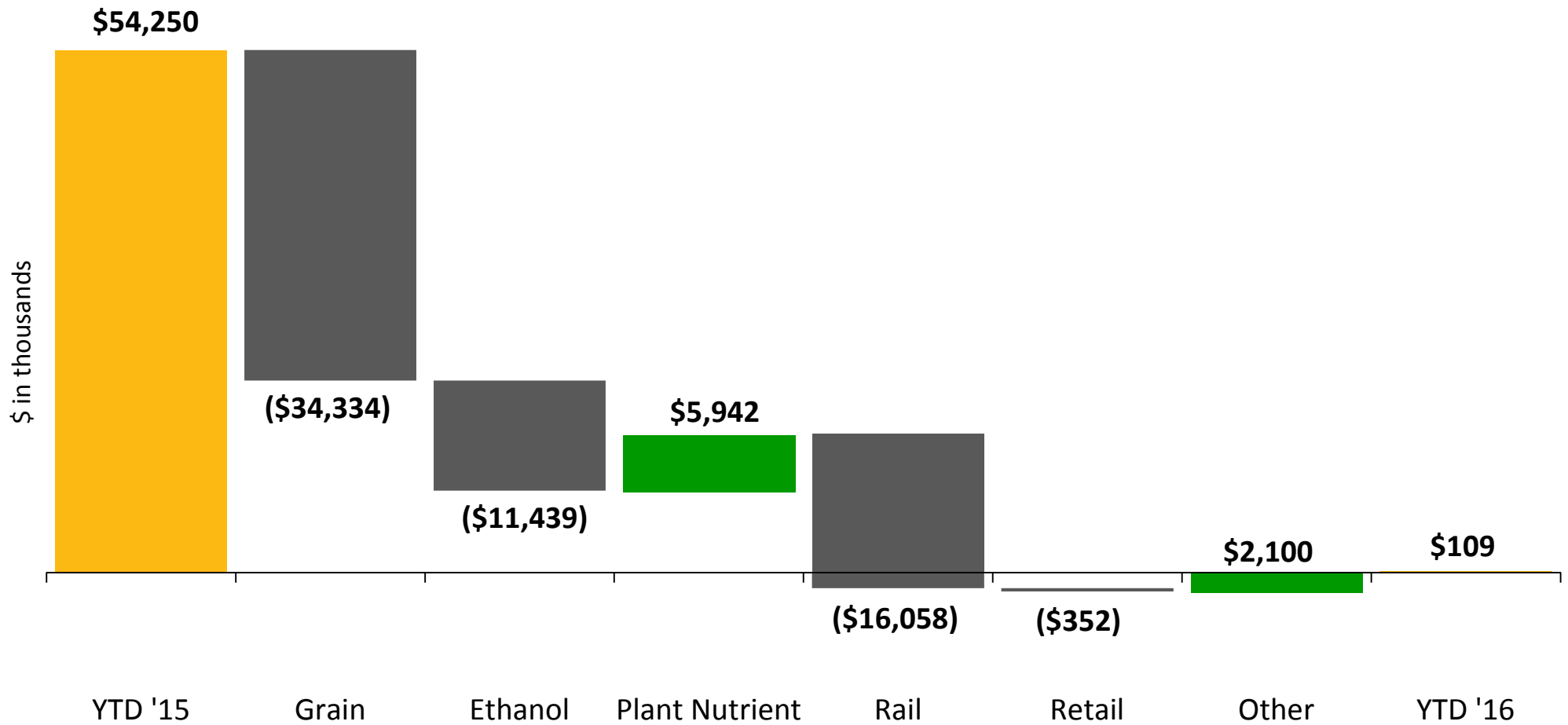
CAGR: Compounded annual growth rate

ROIC: Return on invested capital = (EBITA tax effected at 36% tax rate) / (LT debt + book equity)

WACC: Weighted average cost of capital calculated using levered Barra beta, market cap, and total debt. Includes equity size premium from IBBOTSON

Pre-Tax Income

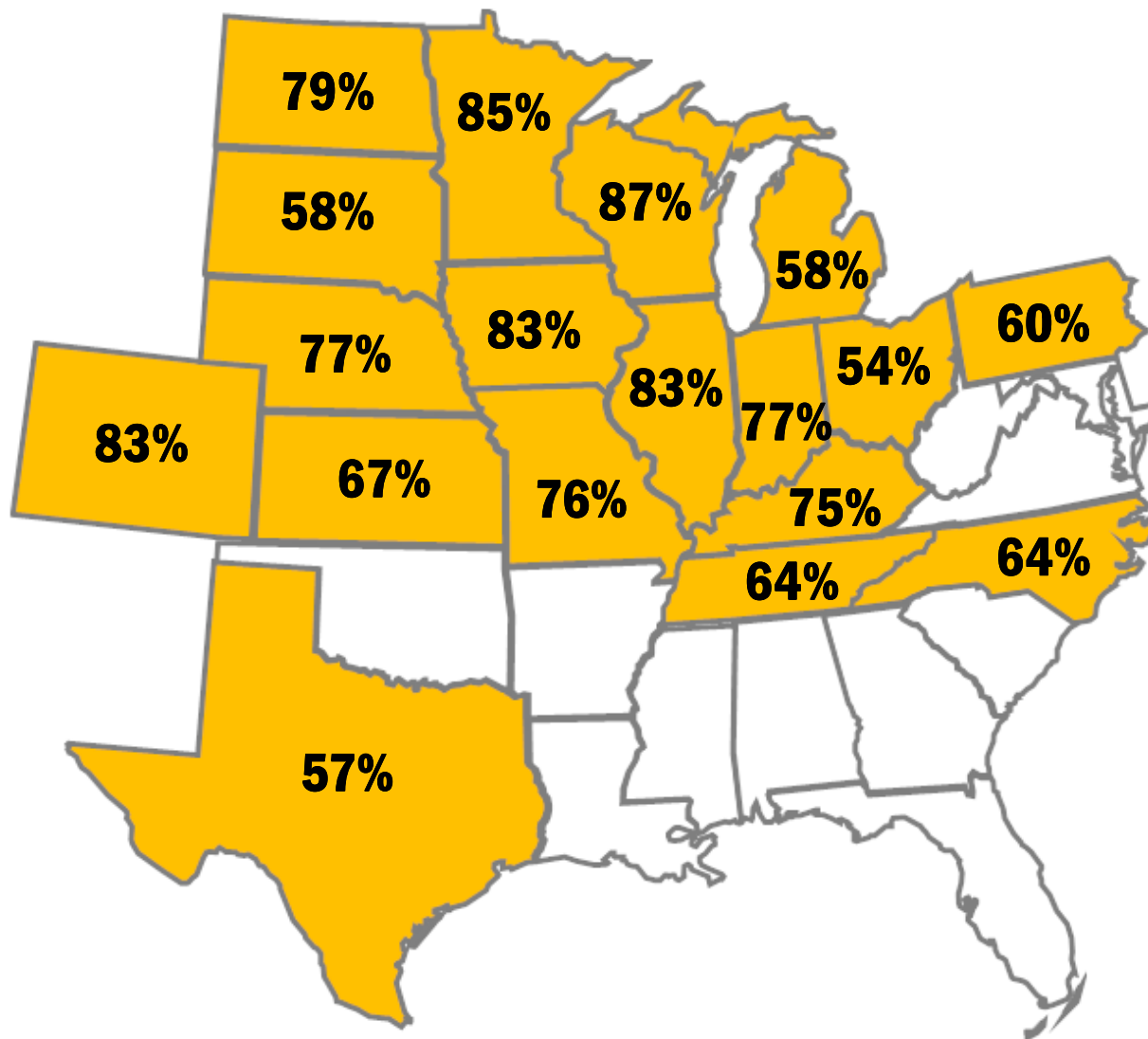
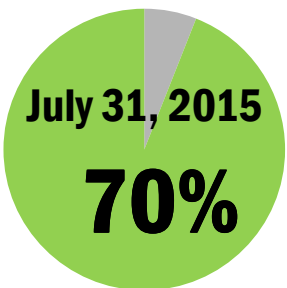
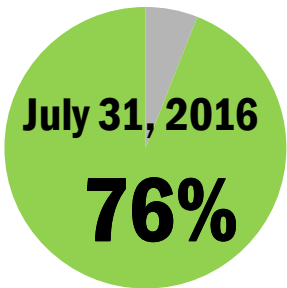
Pre-Tax Income YTD 2015 to YTD 2016 Bridge Graph



US Corn Condition



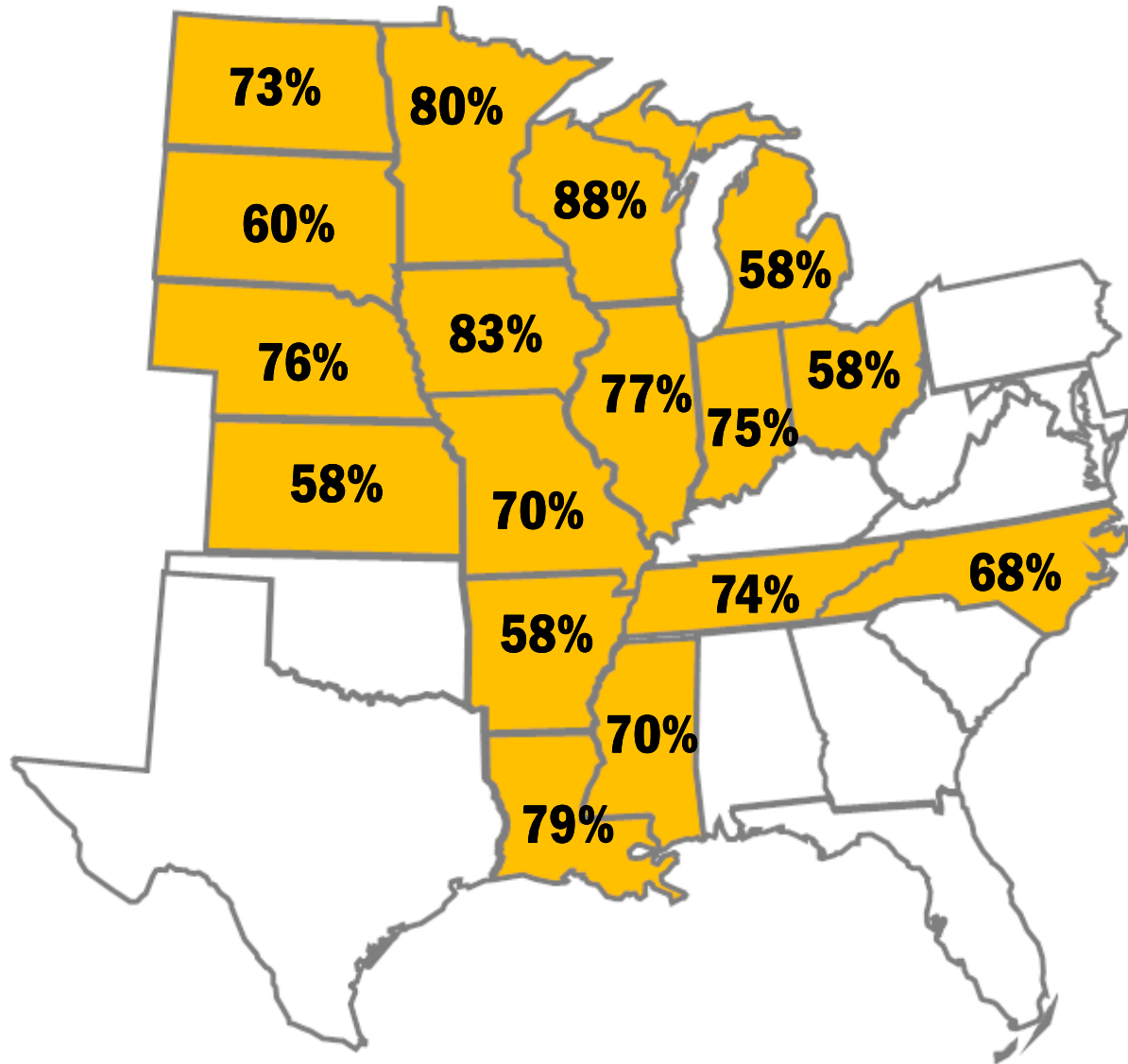
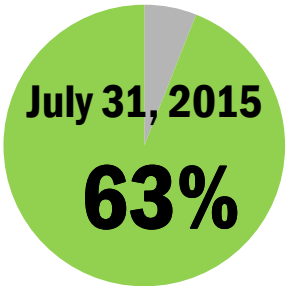
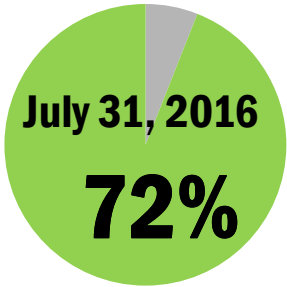
Rated good-to excellent



US Soybeans Condition

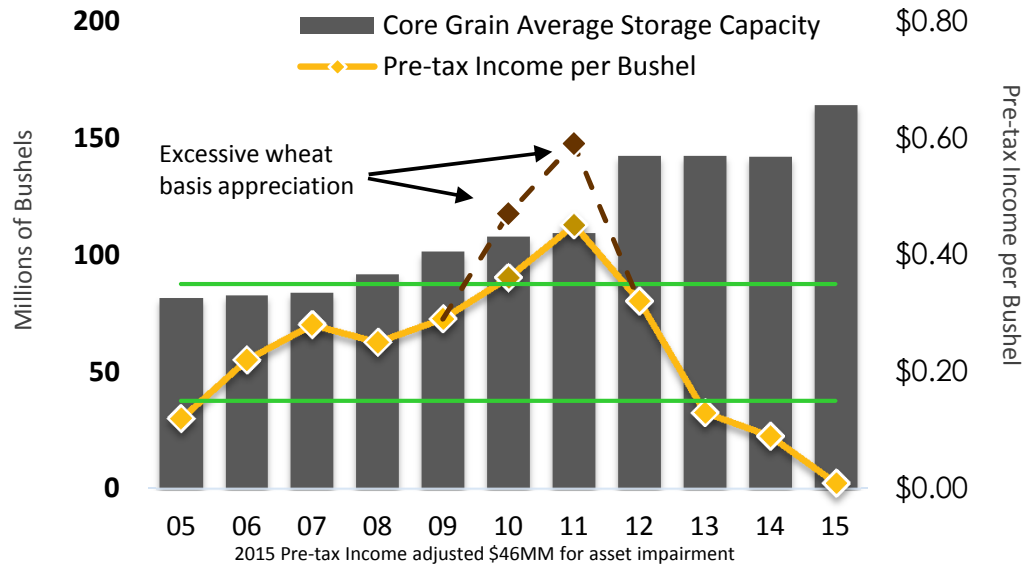


Rated good-to excellent

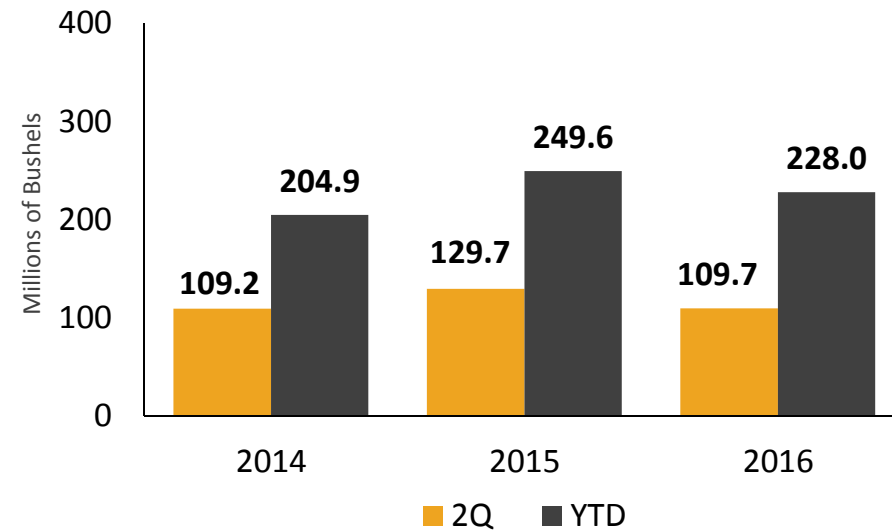




Grain Storage Capacity



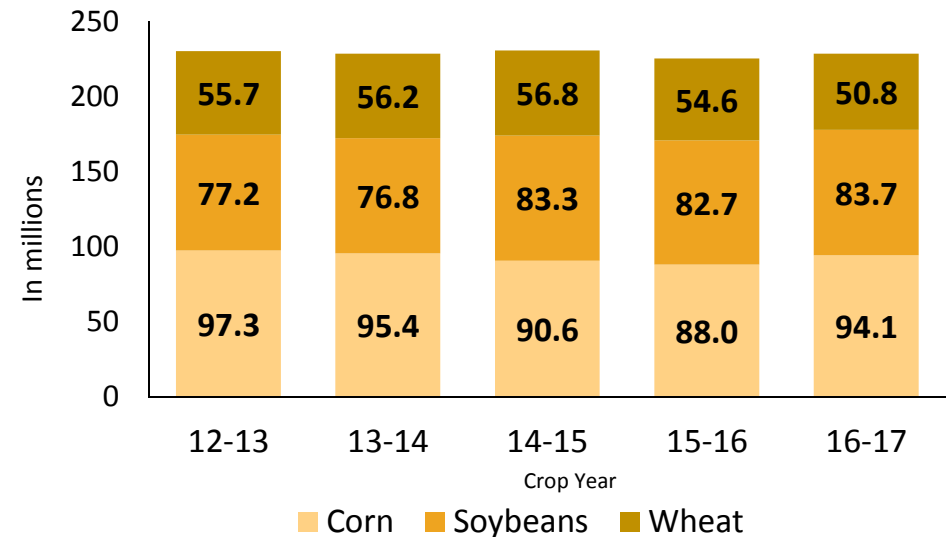
Bushels Sold



Grain Inventory

In millions	Q2 '14	Q2 '15	Q2 '16
Bushels owned	63.9	64.8	71.7
Bushels stored for others	3.7	1.2	4.0
Total bushel inventory	67.6	66.0	75.7

U.S. Planted Acres





Background: Variable Storage Rates (VSR) were proposed by the CME Group and approved by the Commodity Futures Trading Commission in 2009

- VSR allows the maximum charge that a facility that is registered as “regular for delivery” can charge for storage
- The amount of variance in maximum storage charge depends on spread relationships determined in the futures market
- It is designed to improve cash-futures convergence at futures contract expiration

Basic idea of VSR is to trigger higher storage costs that allow wider spreads when spreads are near financial full carry and trigger lower storage costs when spreads are narrow or inverted

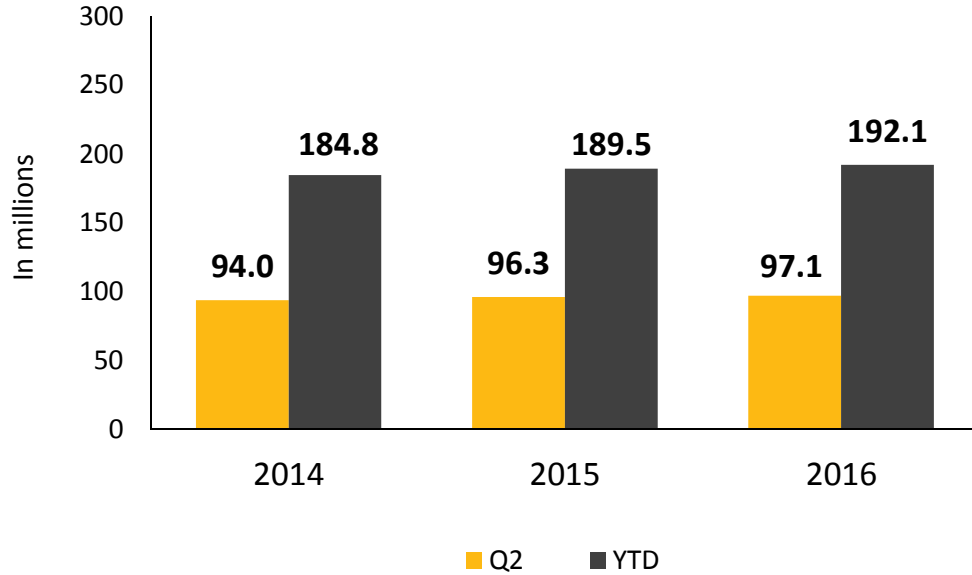
For The Andersons: Variable Storage Rates (VSR) can improve storage income, as our elevators in Maumee, OH are registered as “regular for delivery” points



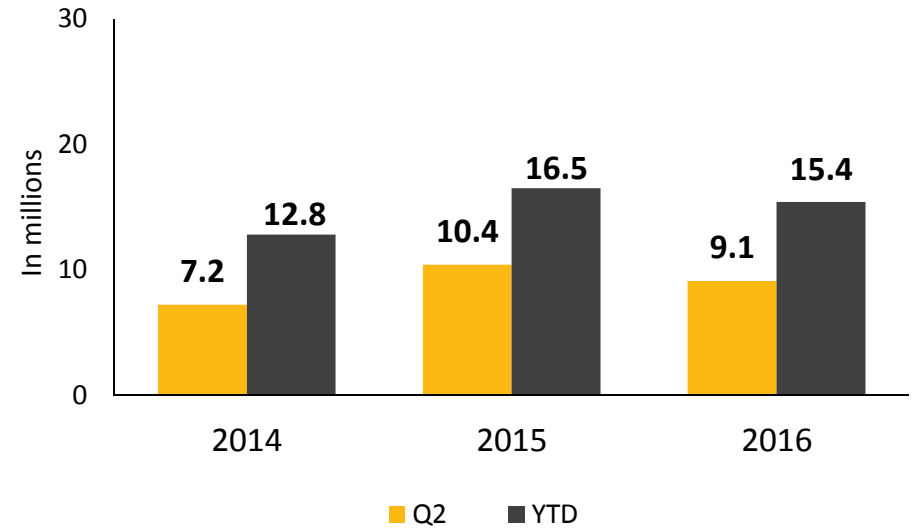
- During the second quarter the max storage charge for outstanding Wheat shipping certificates was \$0.00165 per bushel per day ... a “tic” was triggered near the end of Q2
- Beginning July 19, 2016, the max storage charge increases to \$0.00265 per bushel per day
- The Andersons primarily handles Corn, Soybeans and Wheat, and we typically have between 20 - 35 million bushels of our available space dedicated to wheat
- Each “tic” up or down in VSR raises or lowers storage \$0.001 per bushel per day and can potentially impact future earnings by \$2 - \$3 million per quarter



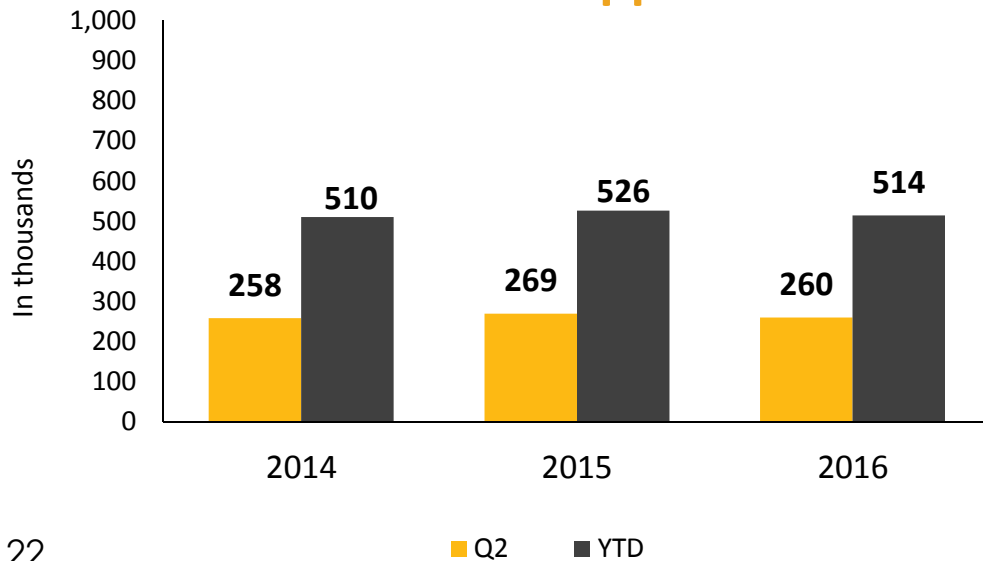
Ethanol Gallons Produced



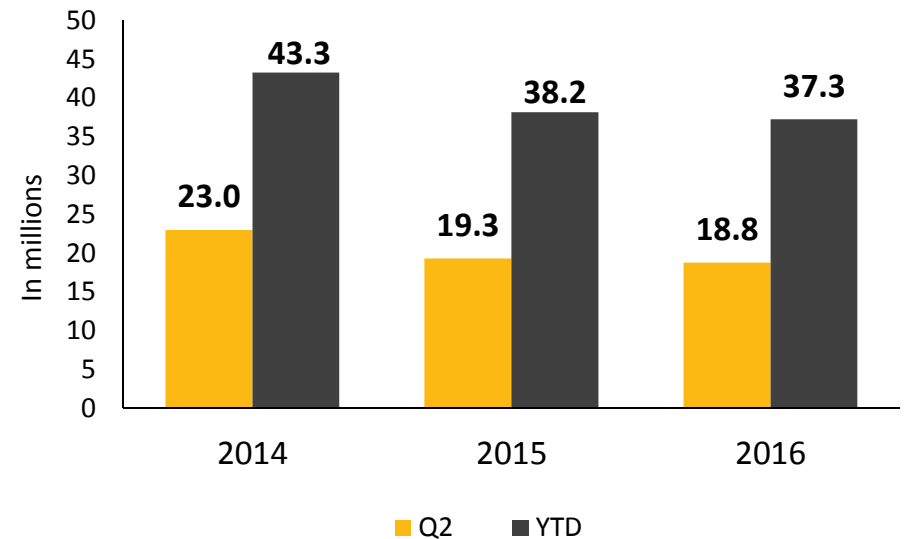
E-85 Gallons Shipped



DDGS Tons Shipped

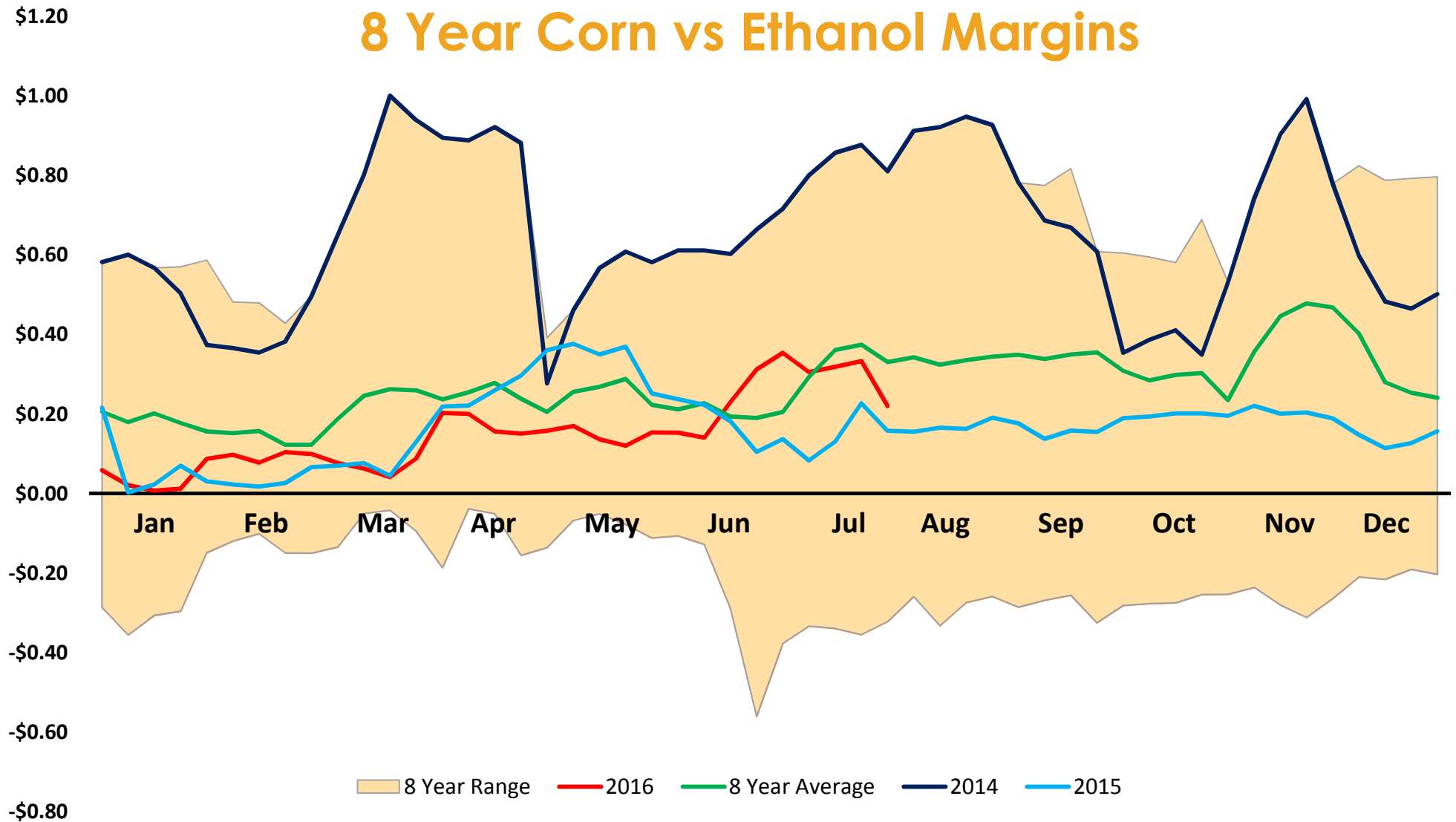


Corn Oil Pounds Shipped





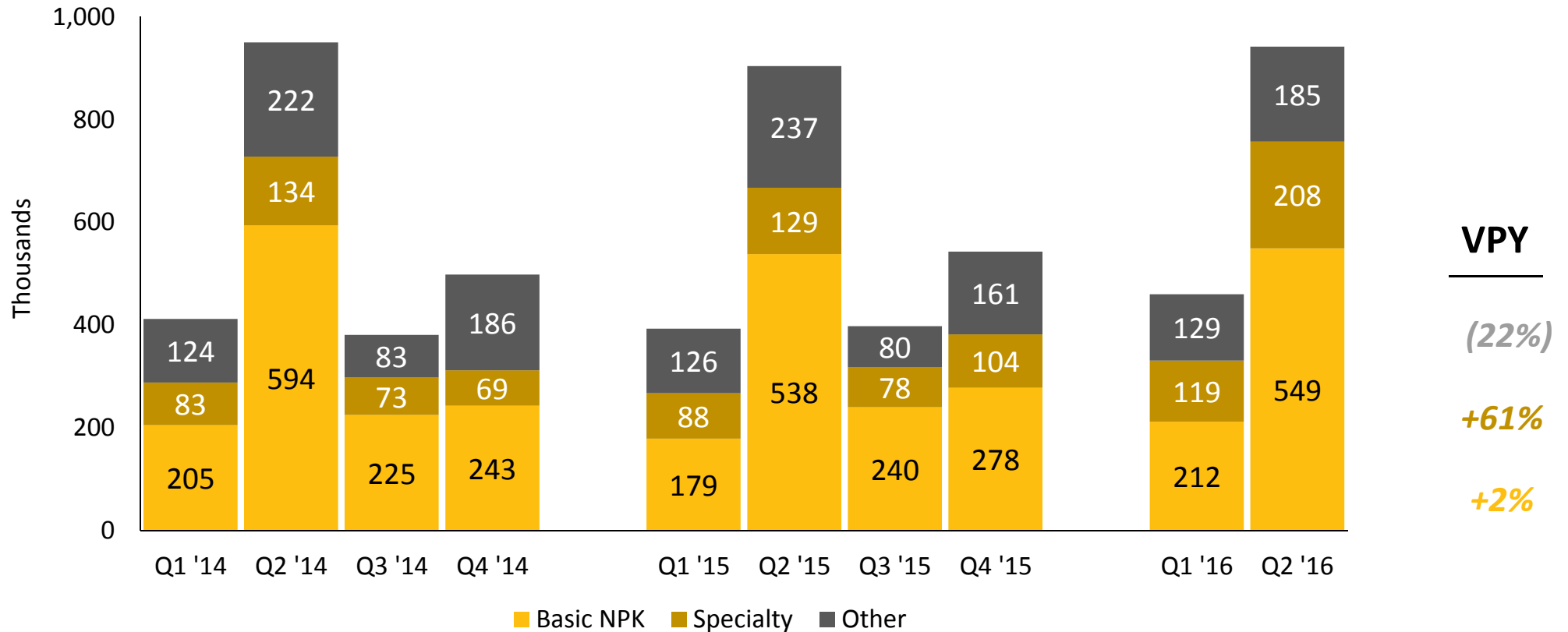
8 Year Corn vs Ethanol Margins



Sources: NYMEX Chicago Ethanol (Platts) Futures Electronic (Front Month); CBOT Corn Futures Electronic (Front Month); Est industry 2.8 gal / bushel



Historical seasonality (tons sold)



Nutra-Flo acquisition significantly driving specialty products growth

Basic NPK = nitrogen, phosphorous, potassium

Specialty = value added nutrients, low-salt liquid starter fertilizers, micro-nutrients

Other = other farm centers, lawn, cob



Lease Income

\$ in millions	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16
Average # of Assets	22,295	22,148	22,066	22,285	22,879	22,972	23,301	22,916	23,026	23,242
Beginning \$ on BS	\$240.6	\$237.5	\$242.1	\$245.8	\$297.7	\$313.1	\$330.8	\$347.1	\$338.1	\$334.7
Average % Utilization	88.4%	89.3%	89.9%	90.3%	91.8%	93.5%	91.6%	92.7%	91.5%	88.6%
Lease Income	\$4.2	\$3.7	\$1.8	\$3.9	\$5.0	\$15.6	\$6.4	\$4.5	\$4.3	\$2.7

Remarketing Income

\$ in millions	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16
Asset Sale Income	\$10.8	\$2.5	\$1.4	\$1.2	\$4.5	\$4.7	\$3.2	\$0.8	\$2.4	\$2.3

Service & Other Income

\$ in millions	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16
Pre-Tax Income	\$0	\$0.5	\$1.0	\$0.5	\$0.8	\$1.4	\$2.3	\$1.5	\$2.7	\$1.6

Total Rail Income

\$ in millions	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16
Revenue	\$52.3	\$33.4	\$32.0	\$31.2	\$44.2	\$45.5	\$44.8	\$36.4	\$39.6	\$40.3
Gross Profit	\$21.9	\$13.9	\$10.8	\$13.2	\$17.3	\$18.2	\$17.5	\$14.6	\$14.6	\$6.6
Gross Profit Margin	41.9%	41.6%	33.8%	42.2%	39.2%	40.1%	39.1%	40.1%	36.8%	33.7%
Pre-tax Income	\$15.0	\$6.7	\$4.2	\$5.6	\$10.3	\$21.7	\$23.2	\$6.8	\$9.4	\$6.6



Lease Income

\$ in millions	2011	2012	2013	2014	2015
Average # of Assets	22,265	23,019	22,990	22,199	23,017
Beginning \$ on BS	\$168.5	\$197.1	\$228.3	\$240.6	\$297.7
Average % Utilization	84.6%	84.6%	86.1%	89.5%	92.4%
Lease Income	(\$1.8)	\$13.4	\$18.9	\$13.6	\$31.5

Remarketing Income

\$ in millions	2011	2012	2013	2014	2015
Asset Sale Income	\$8.4	\$23.7	\$19.4	\$15.8	\$13.3

Service & Other Income

\$ in millions	2011	2012	2013	2014	2015
Rail Services & Other	\$3.2	\$5.7	\$4.5	\$2.0	\$5.9

Total Rail Income

\$ in millions	2011	2012	2013	2014	2015
Revenue	\$107.4	\$156.4	\$164.8	\$149.0	\$170.8
Gross Profit	\$24.8	\$56.7	\$58.9	\$59.8	\$67.7
Gross Profit %	23.1%	36.3%	35.7%	40.1%	39.6%
Pre-tax Income	\$9.8	\$42.8	\$42.8	\$31.4	\$50.7

Sources of Income

- Generate lease income from long-lived assets
- Maximize value by remarketing assets opportunistically
- Provide repair services embedded in leases and to third parties