



Third Quarter Earnings Call

November 8, 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



Q3 Highlights

- Company reports third quarter net income of \$1.7 million, \$0.06 per diluted share
- Grain Group improved profitability in the third quarter vs. first half losses
- Ethanol Group's \$9.5 million pre-tax income was built on good seasonal demand and margins driven by increasing fuel prices and lower corn prices
- Plant Nutrient volumes and margins remained challenged
- Rail Group earned \$6.8 million pre-tax income amidst softening utilization and renewal lease rates

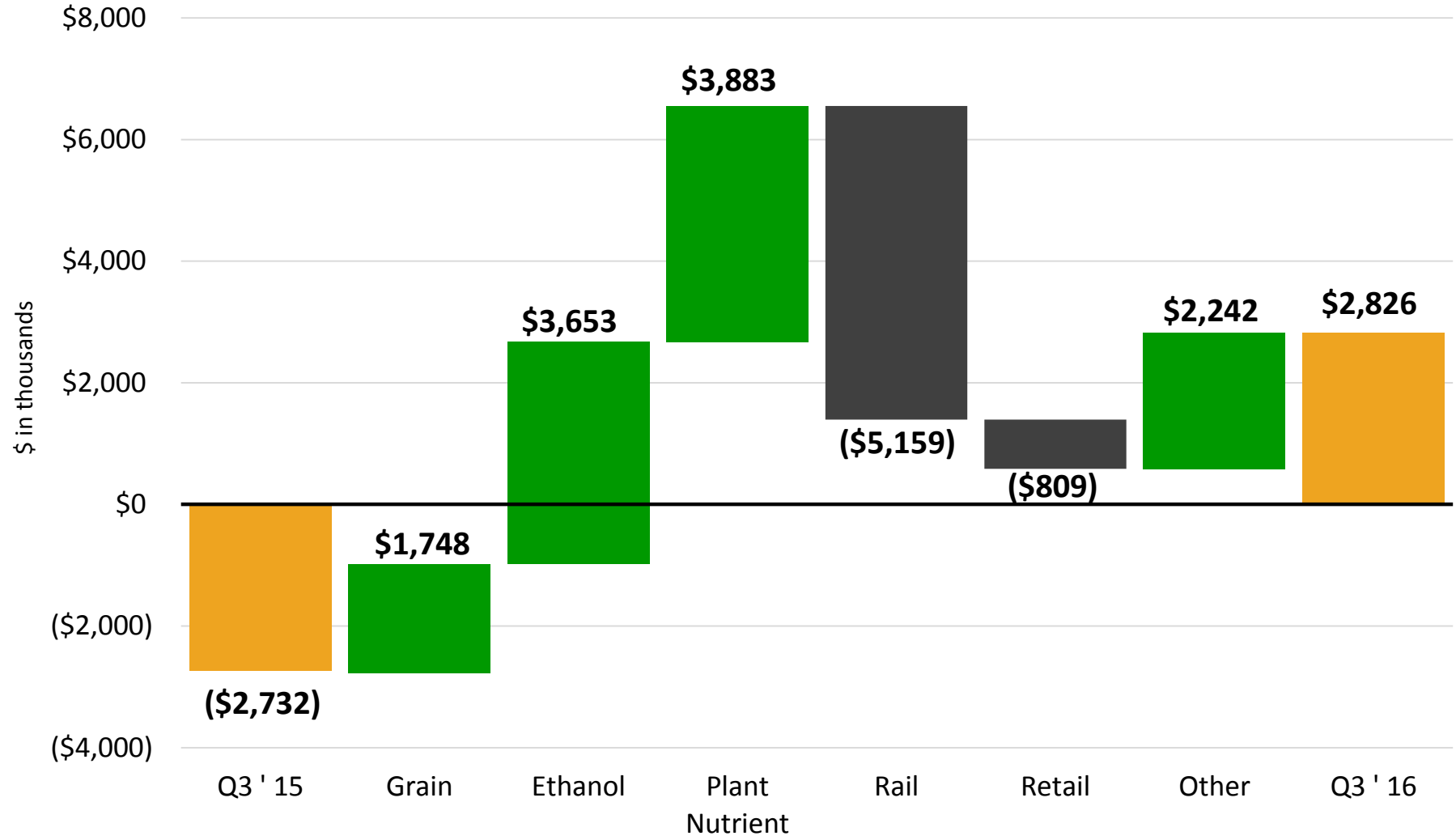




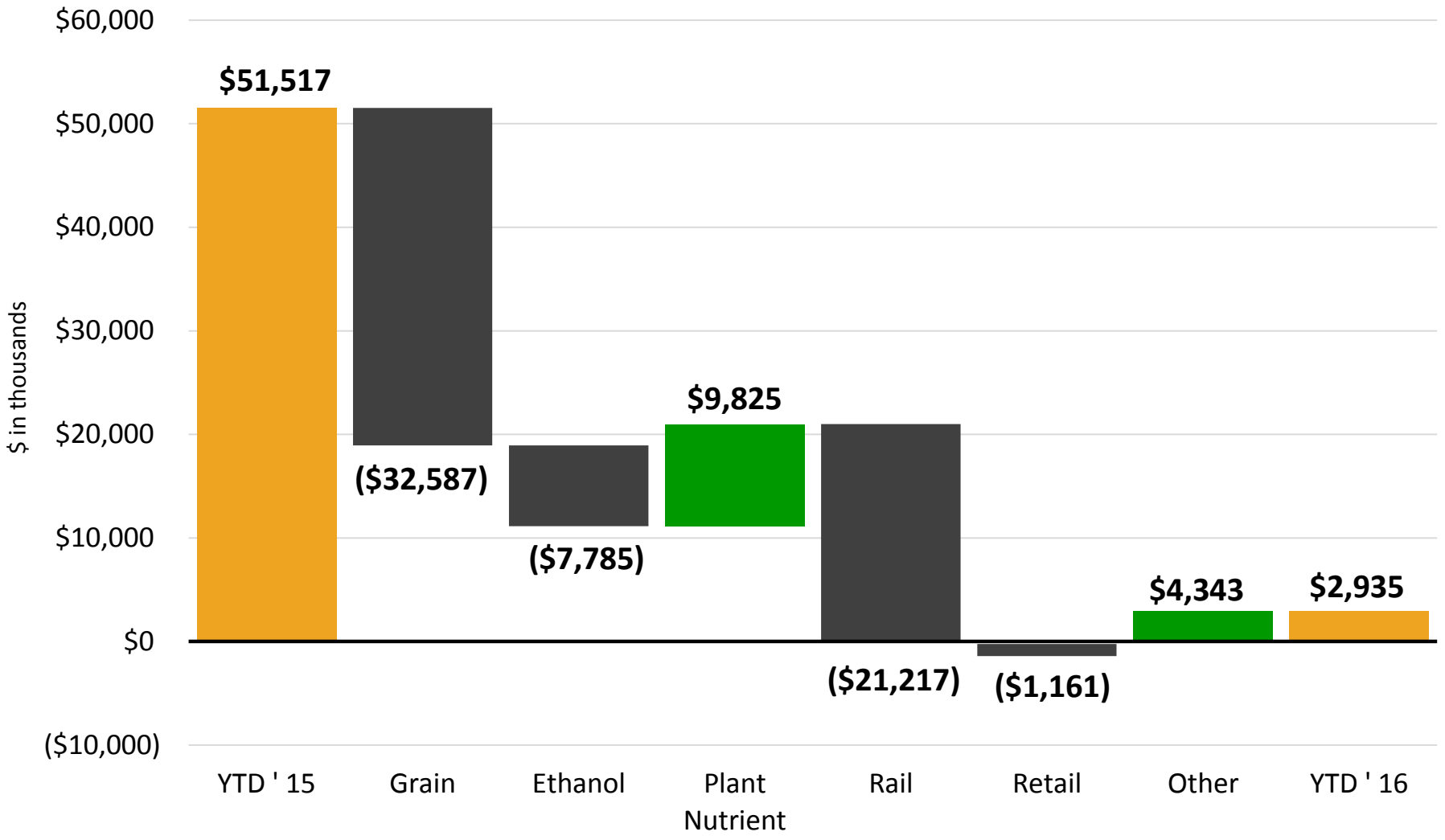
Key Financial Data

<i>\$ in millions, except per share data</i>	Q3' 16	Q3 '15	VPY	YTD '16	YTD '15	VPY
Net Sales	\$859.6	\$909.1	(\$49.5)	\$2,811.7	\$3,015.0	(\$203.3)
Gross Profit	\$77.0	\$85.2	(\$8.2)	\$241.8	\$276.7	(\$34.9)
Operating and general expenses	\$78.8	\$88.7	(\$9.9)	\$234.1	\$251.0	(\$16.9)
Equity in earnings of affiliates	\$8.4	\$3.8	\$4.6	\$3.8	\$23.3	(\$19.5)
Income (loss) before income taxes	\$4.4	(\$2.5)	\$6.9	\$4.6	\$53.0	(\$48.4)
Net income (loss) attributable to The Andersons, Inc.	\$1.7	(\$1.2)	\$2.9	\$1.4	\$34.0	(\$32.6)
Diluted earnings per share (EPS)	\$0.06	(\$0.04)	\$0.10	\$0.05	\$1.19	(\$1.14)
Depreciation and amortization	\$20.9	\$20.8	\$0.1	\$62.2	\$57.4	\$4.8
EBITDA	\$28.1	\$24.2	\$3.9	\$83.2	\$125.1	(\$41.9)
Corporate unallocated expenses	\$6.5	\$8.8	(\$2.3)	\$19.6	\$24.0	(\$4.4)
Long-term debt				\$395.6	\$413.6	(\$18.0)
Long-term debt-to-equity				0.51	0.52	(0.01)

Q3 '15 to Q3 '16 Pre-Tax Income



YTD '15 to YTD '16 Pre-Tax Income

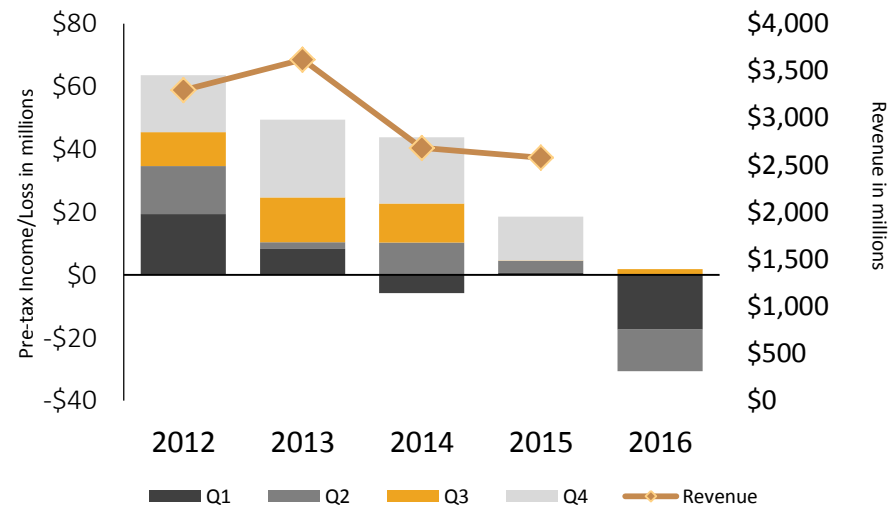




Q3 Performance

- Harvest started with better conditions than the prior year in the Eastern Corn Belt
 - Return to good yields in most of the East
 - Dry conditions during early harvest limited drying income
 - Group is seeing benefits of wheat VSR... storage is benefitting by 50 - 70% of full carries

Adjusted Five Year Performance



<i>\$ in millions, except margin</i>	Q3 '16	Q3 '15	VPY	YTD '16	YTD '15	VPY
<u>Base Grain</u>						
Revenues	\$550.2	\$545.3	\$4.9	\$1,612.0	\$1,705.4	(\$93.4)
Gross Profit	\$30.5	\$29.9	\$0.6	\$64.2	\$84.7	(\$20.5)
Gross Profit Margin	5.5%	5.5%	0.0%	4.0%	5.0%	(1.0%)
Pre-tax Income	\$1.6	(\$0.9)	\$2.5	(\$21.5)	(\$5.6)	(\$15.9)
Affiliates Pre-Tax Income	\$0.3	\$1.0	(\$0.7)	(\$7.1)	\$9.6	(\$16.7)
Group Pre-tax Income	\$1.9	\$0.1	\$1.8	(\$28.6)	\$4.0	(\$32.6)



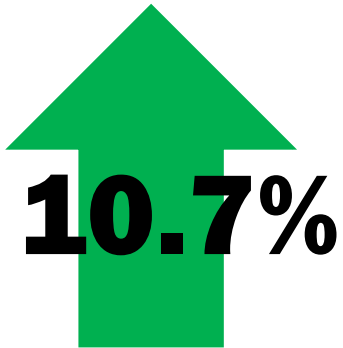
Corn production change 16-17 vs previous year

in million bushels

US 16-17 total production

15,057

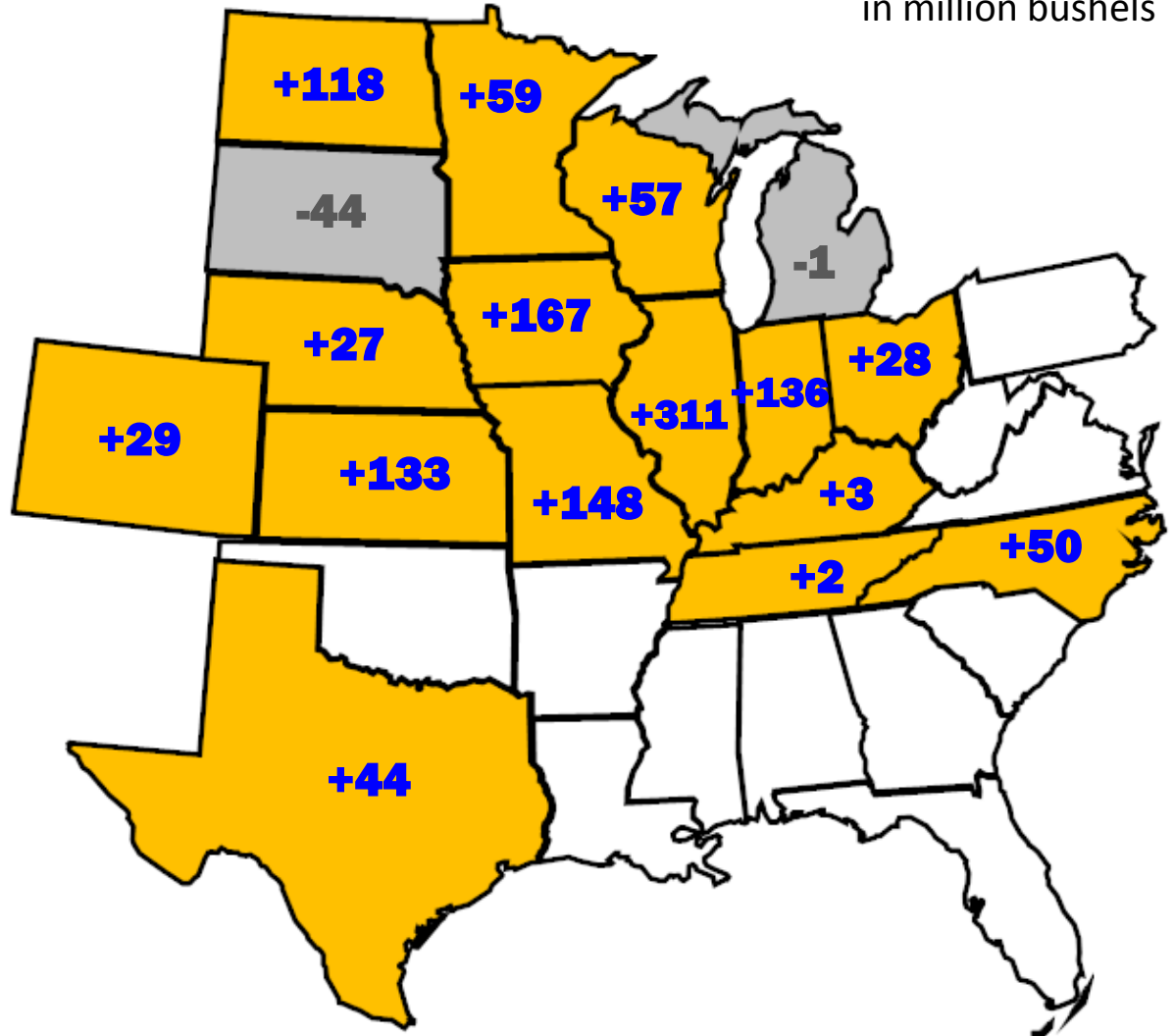
million bushels



US 15-16 total production

13,601

million bushels

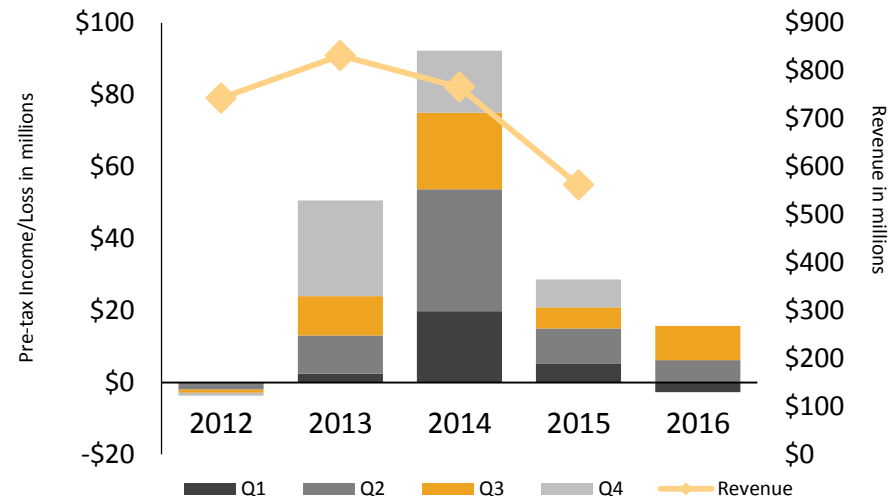




Q3 Performance

- Margins improved during the quarter
 - Gasoline demand stayed above 5 year averages for the quarter
 - Lower corn cost supported margins
- Facilities achieved record Q3 production volume
- Group taking advantage of strong margins to lock in some of Q4 '16 and Q1 '17

Five Year Performance



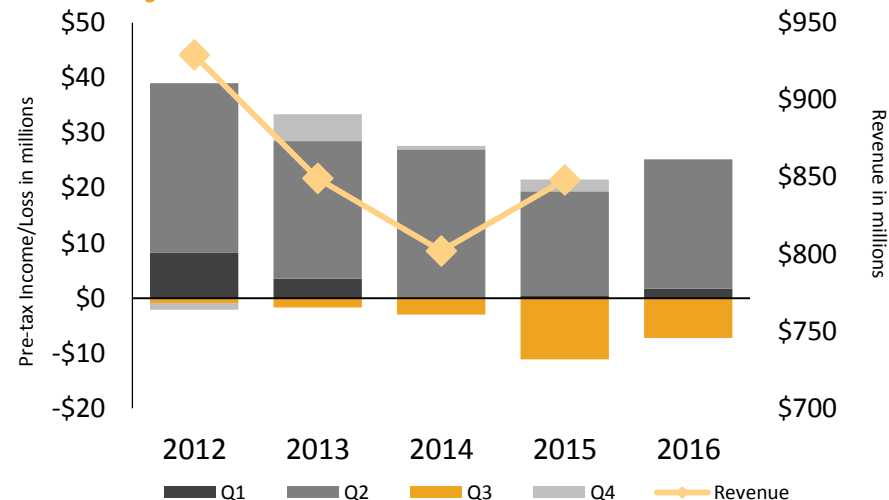
<i>\$ in millions, except margin</i>	Q3 '16	Q3 '15	VPY	YTD '16	YTD '15	VPY
Revenues	\$139.4	\$137.8	\$1.6	\$396.6	\$413.1	(\$16.5)
Equity Earnings of Affiliates	\$7.9	\$2.5	\$5.4	\$9.9	\$12.5	(\$2.6)
Consolidated Operations and Service Fees	\$1.6	\$3.4	(\$1.8)	\$3.1	\$8.3	(\$5.2)
Pre-tax Income	\$9.5	\$5.9	\$3.6	\$13.0	\$20.8	(\$7.8)



Q3 Performance

- Reduction of loss from prior year driven by non-recurring items
 - Prior year acquisition related expenses
 - Loss from Iowa assets in '15
- Volumes lower in seasonally low quarter
- Headwinds due to producer and distributor reluctance to buy as a result of falling price environment and lower corn prices

Adjusted Five Year Performance



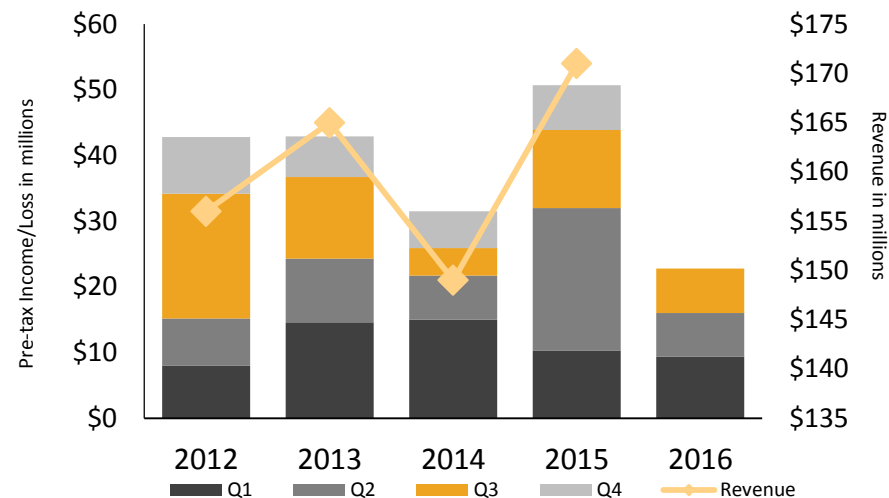
<i>tons in thousands</i>	Q3 '16	Q3 '15	VPY	YTD '16	YTD '15	VPY
Basic Nutrient Tons	219	240	(21)	980	956	24
Specialty Nutrient Tons	78	78	-	404	295	109
Other (Farm Centers, Lawn, Cob) Tons	73	80	(7)	398	443	(45)
<i>\$ in millions, except margin</i>						
Revenue	\$101.8	\$149.3	(\$47.5)	\$588.8	\$660.4	(\$71.6)
Gross Profit	\$19.4	\$22.3	(\$2.9)	\$95.7	\$91.0	\$4.7
Gross Profit Margin	19.1%	14.9%	4.2%	16.3%	13.8%	2.5%
Pre-tax Income	(\$7.2)	(\$11.1)	\$3.9	\$18.0	\$8.2	\$9.8



Q3 Performance

- Lease income down year-over-year due to
 - Lower utilization rates
 - Higher transportation and storage costs
- Car sales were lower due to timing
- Service & Other Income lower after exiting short line railroad last year... partially offset by record quarter for railcar repair business

Five Year Performance



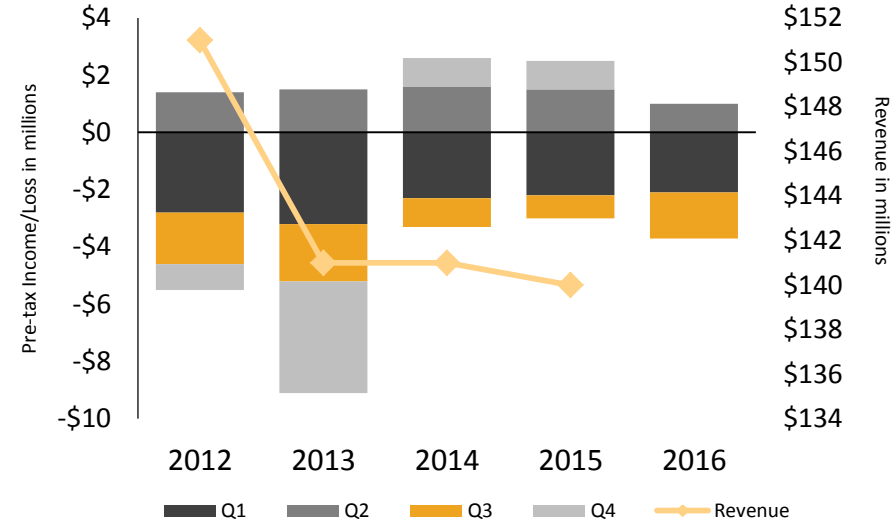
<i>\$ in millions, except margin</i>	Q3 '16	Q3 '15	VPY	YTD '16	YTD '15	VPY
Revenues	\$38.2	\$44.8	(\$6.6)	\$118.2	\$134.5	(\$16.3)
Gross Profit	\$12.5	\$17.5	(\$5.0)	\$40.7	\$53.1	(\$12.4)
Gross Profit Margin	32.7%	39.1%	(6.4%)	34.4%	39.5%	(5.1%)
Lease Income	\$3.4	\$6.5	(\$3.1)	\$10.4	\$27.4	(\$17.0)
Railcar Sales Income	\$1.6	\$3.2	(\$1.6)	\$6.4	\$12.4	(\$6.0)
Service & Other Income	\$1.8	\$2.2	(\$0.4)	\$5.9	\$4.1	\$1.8
Pre-tax Income	\$6.8	\$11.9	(\$5.1)	\$22.7	\$43.9	(\$21.2)



Q3 Performance

- Q3 sales and pre-tax income on lower same store sales
- Announced closing of specialty food store in Sylvania, Ohio by mid November
- Four remaining stores in Toledo, Ohio and Columbus, Ohio markets

Five Year Performance



<i>\$ in millions</i>	Q3 '16	Q3 '15	VPY	YTD '16	YTD '15	VPY
Revenues	\$30.0	\$31.9	(\$1.9)	\$96.2	\$101.6	(\$5.4)
Pre-tax Income	(\$1.6)	(\$0.8)	(\$0.8)	(\$2.6)	(\$1.5)	(\$1.1)



- Company making strong progress on productivity initiatives



- Expect benefit from higher wheat storage rates to continue through Q4
- Improved crop filling bins... return of more normal storage income opportunities



- Margin outlook is positive with low corn costs as we enter seasonally slower demand months



- Expect continued pressure on volume and margins driven by weak industry prices and lower farm profitability



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



Q&A



And
Beyond



Thank you for joining us.

*Our next earnings call is scheduled for
Thursday, February 16th at 11:00 a.m.*



And
Beyond



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 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: Bushels stored by The Andersons for the owner of the grain for which the company charges a storage fee

Railcar Fleet Utilization: Percentage of railcars and locomotives in leased service / total railcars and locomotives controlled by the company

CAGR: Compounded annual growth rate

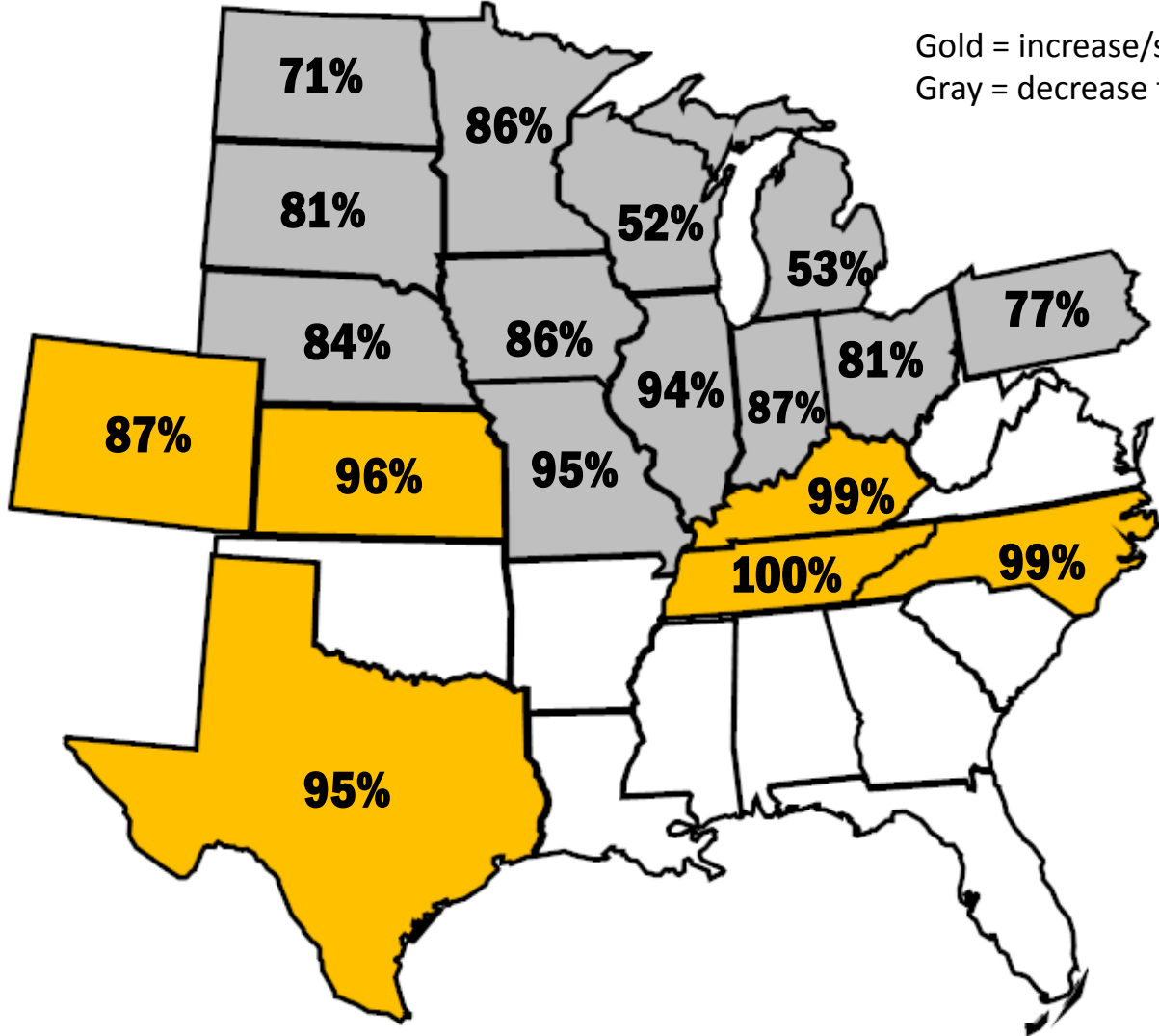
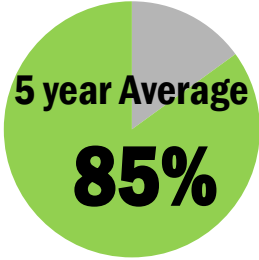
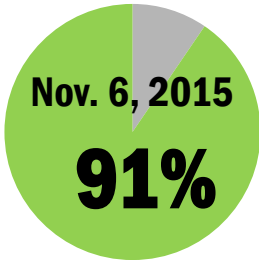
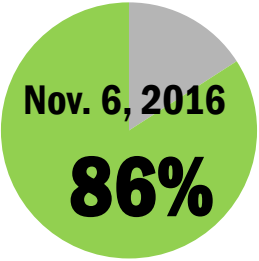
ROIC: Return on invested capital = (EBITDA tax effected at a 36% tax rate) / (LT debt + book equity)

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

US Corn Harvest Progress

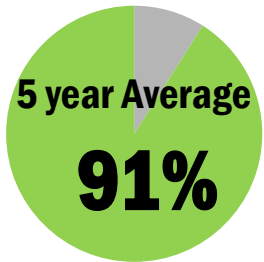
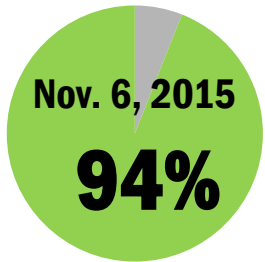
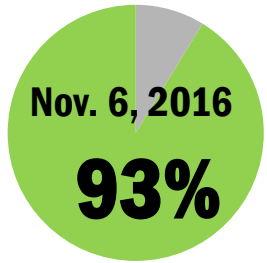


Percentage completed

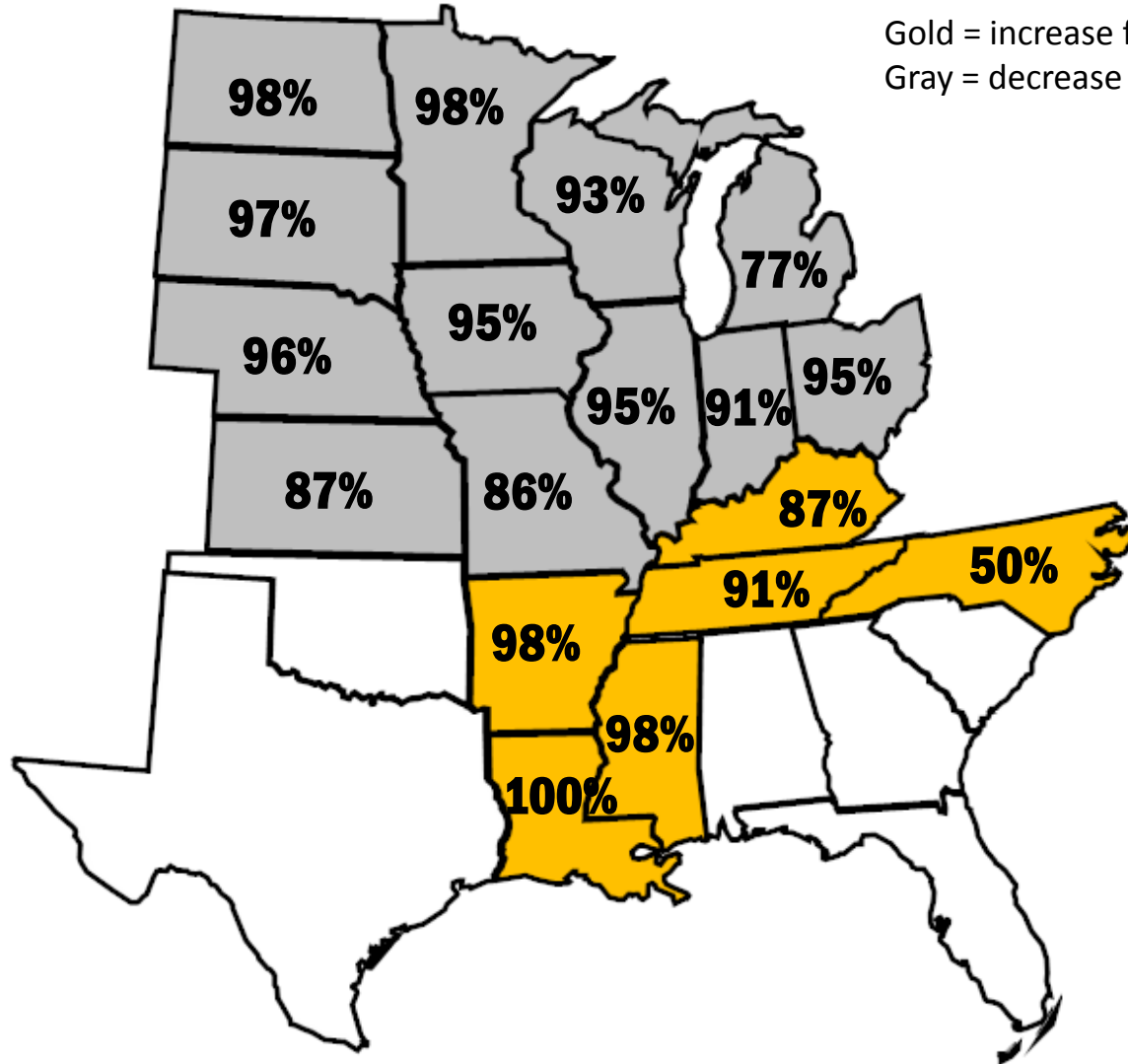




Percentage completed



Gold = increase from 2015
Gray = decrease from 2015





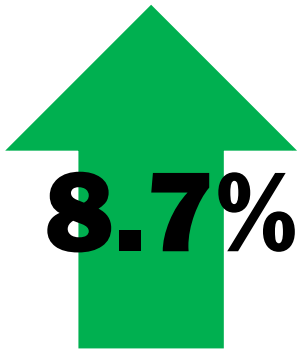
Soybeans production change 16-17 vs previous year

in million bushels

US 16-17 total production

4,269

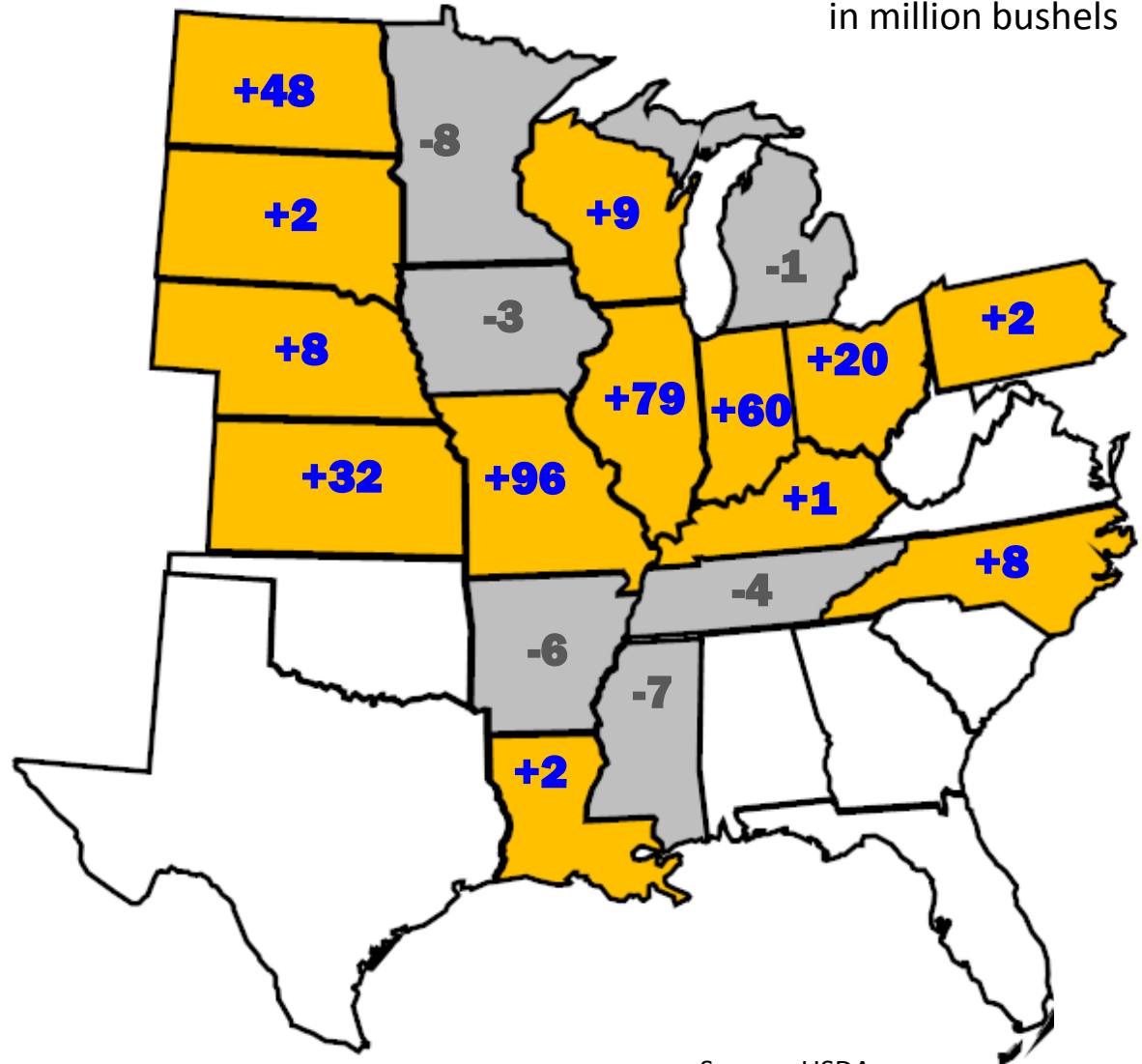
million bushels



US 15-16 total production

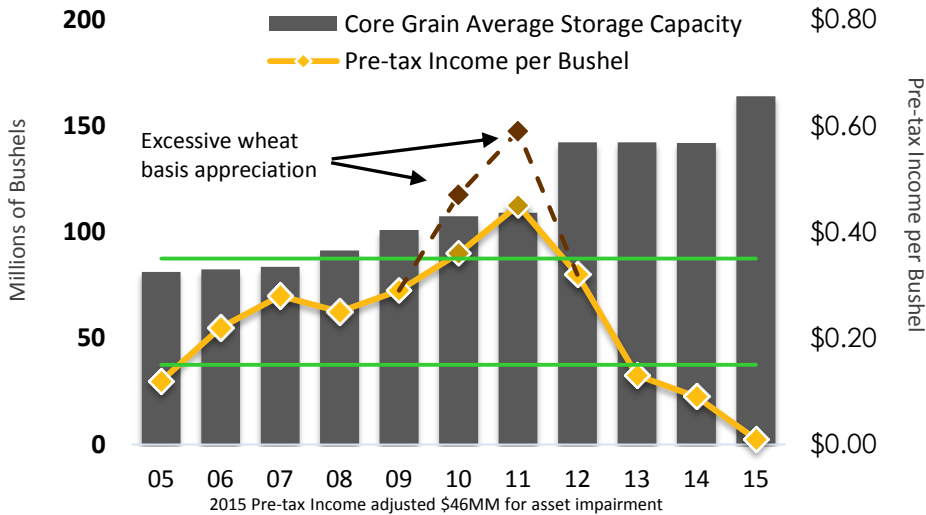
3,926

million bushels

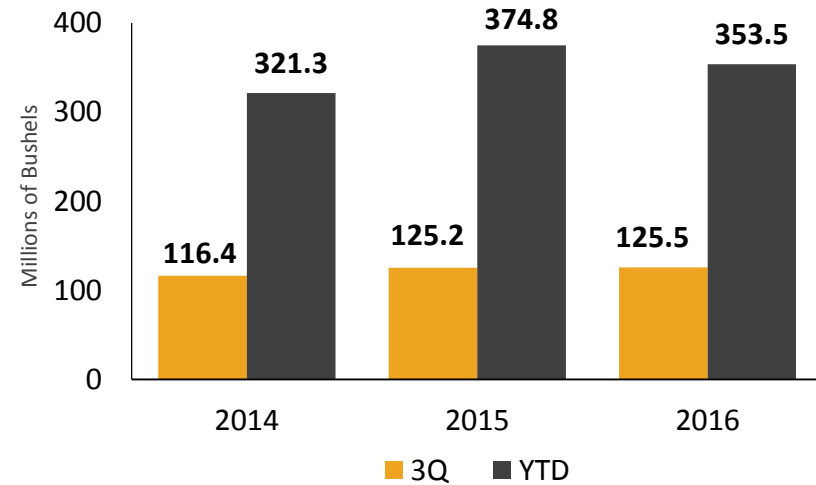




Grain Storage Capacity



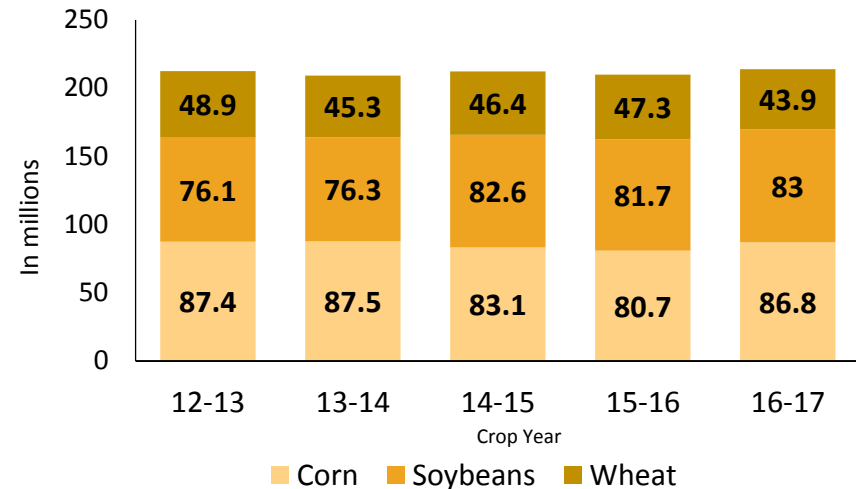
Bushels Sold



Grain Inventory

In millions	Q3 '14	Q3 '15	Q3 '16
Bushels owned	51.8	64.1	66.0
Bushels stored for others	2.0	3.2	1.0
Total bushel inventory	53.8	67.3	67.0

U.S. Harvested Acres





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

- The VSR allows the maximum charge that a facility that is registered as “regular for delivery” can charge for storage
- The amount of variance in the maximum storage charge depends on spread relationships determined in the futures market
- VSR 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

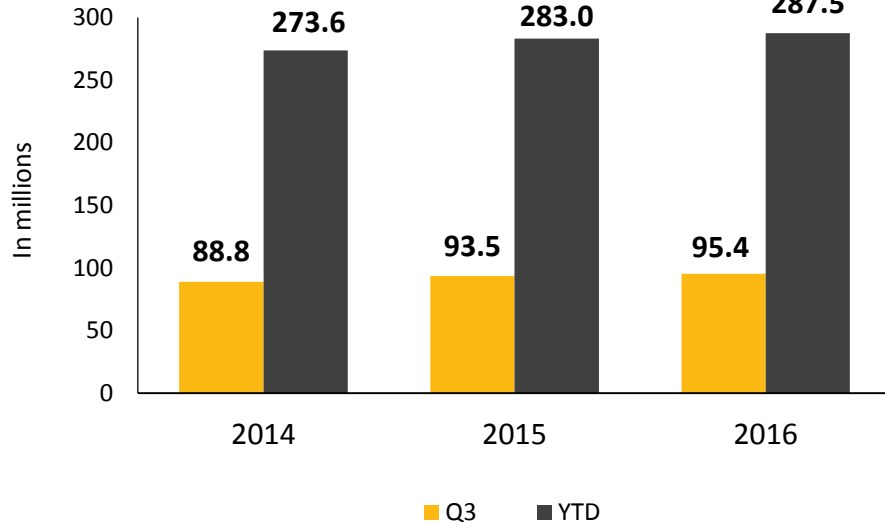
For The Andersons: Variable Storage Rates (VSR) can improve storage income, as our elevators in Maumee, OH are registered as “regular for delivery” points



- 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 typically dedicates 20 to 35 million bushels of our available space to wheat
- Each “tick” up or down in the VSR raises or lowers storage \$0.001 per bushel per day and can potentially impact future earnings by \$2 to \$3 million per quarter

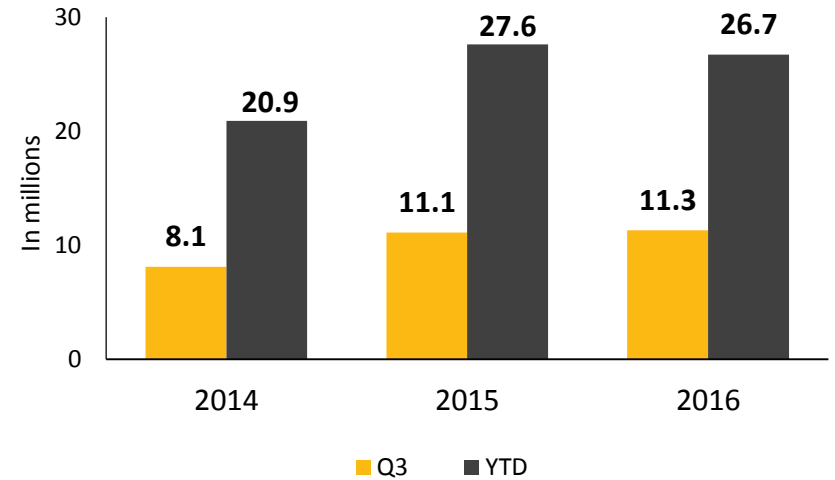


Ethanol Gallons Produced

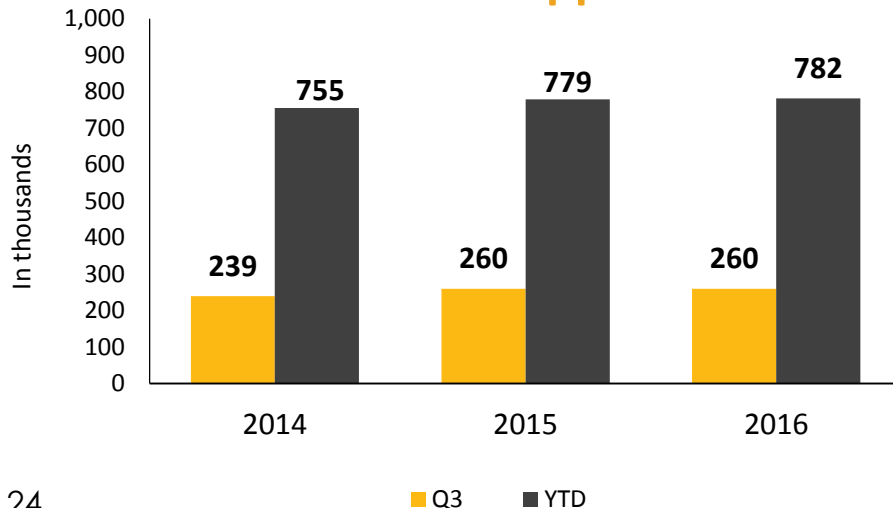


Not all Ethanol gallons produced are sold thru The Andersons, Inc.

E-85 Gallons Shipped

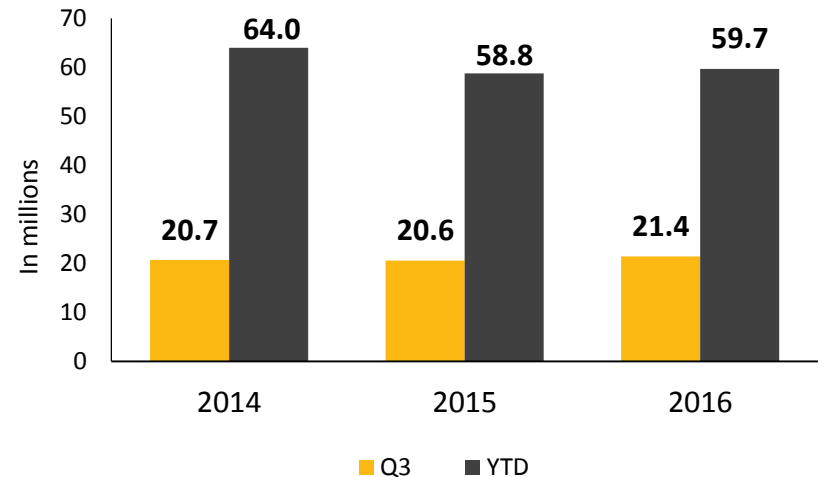


DDGS Tons Shipped



Not all DDGS tons shipped are sold thru The Andersons, Inc.

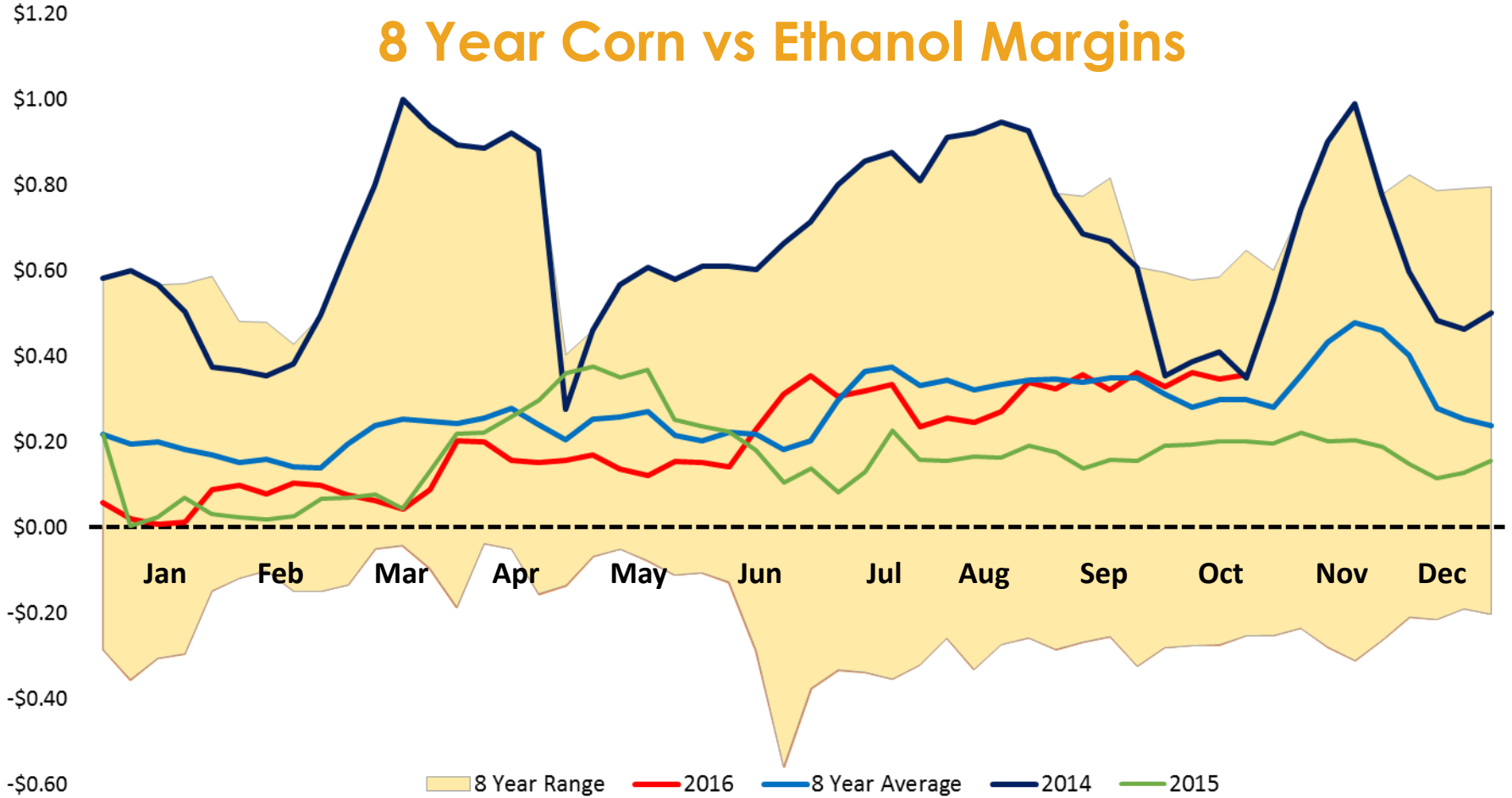
Corn Oil Pounds Shipped



Not all Corn Oil pounds shipped are sold thru The Andersons, Inc.



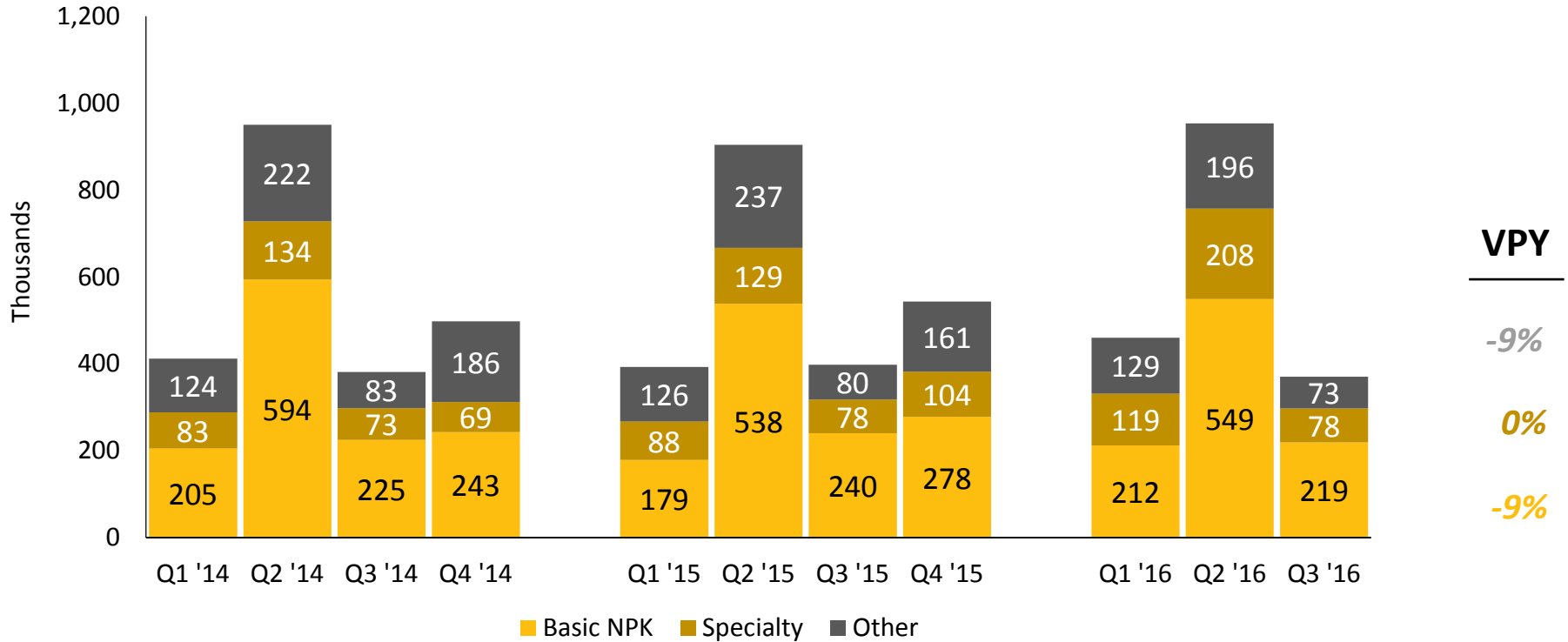
8 Year Corn vs Ethanol Margins



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	Q3 '16
Average # of Assets	22,295	22,148	22,066	22,285	22,879	22,972	23,301	22,916	23,026	23,242	23,185
Beginning \$ on BS	\$240.6	\$237.5	\$242.1	\$245.8	\$297.7	\$313.1	\$330.8	\$347.1	\$338.1	\$334.7	\$340.1
Average % Utilization	88.4%	89.3%	89.9%	90.3%	91.8%	93.5%	91.6%	92.7%	91.5%	88.6%	86.2%
Lease Income	\$4.2	\$3.7	\$1.8	\$3.9	\$5.0	\$15.6	\$6.4	\$4.5	\$4.3	\$2.7	\$3.4

Remarketing Income

\$ in millions	Q1 '14	Q2 '14	Q3 '14	Q4 '14	Q1 '15	Q2 '15	Q3 '15	Q4 '15	Q1 '16	Q2 '16	Q3 '16
Asset Sale Income	\$10.8	\$2.5	\$1.4	\$1.2	\$4.5	\$4.7	\$3.2	\$0.8	\$2.4	\$2.3	\$1.6

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	Q3 '16
Pre-Tax Income	\$0	\$0.5	\$1.0	\$0.5	\$0.8	\$1.4	\$2.3	\$1.5	\$2.7	\$1.6	\$1.7

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	Q3 '16
Revenue	\$52.3	\$33.4	\$32.0	\$31.2	\$44.2	\$45.5	\$44.8	\$36.4	\$39.6	\$40.3	\$38.2
Gross Profit	\$21.9	\$13.9	\$10.8	\$13.2	\$17.3	\$18.2	\$17.5	\$14.6	\$14.6	\$6.6	\$12.5
Gross Profit Margin	41.9%	41.6%	33.8%	42.2%	39.2%	40.1%	39.1%	40.1%	36.8%	33.7%	32.7%
Pre-tax Income	\$15.0	\$6.7	\$4.2	\$5.6	\$10.3	\$21.7	\$11.9	\$6.8	\$9.4	\$6.6	\$6.8



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

- Generates lease income from long-lived assets
- Maximizes value by remarketing assets opportunistically
- Provides repair services embedded in leases and to third parties

SEC Stock Tick Size Pilot Program

- The Andersons, Inc. was randomly selected along with 1,200 other small cap companies to have stock participate in the Securities and Exchange Commission's Tick Size Pilot Program
- ANDE will be part of Test Group 2, which means that starting October 10, 2016 quotes and trades for ANDE shares must occur at 5 cent (\$0.05) increments except for:
 - Trades at midpoints (e.g. trade at 2.5 cent increments as long as at least \$0.005 price improvement is provided (better than the NBBO).
 - “Negotiated trades” (e.g. Blocks) may occur at current increments
- For further information please see the information provided on the Securities and Exchange Commissions website at:

<https://www.sec.gov/divisions/marketreg/tick-size-pilot-plan-final.pdf>



New Headquarters



1947 Briarfield Blvd
Maumee, OH 43537

Investment in our People

- The facility was constructed over the past 12 months, safely and under budget
- A fresh, high tech, collaborative workspace to enhance productivity and attract the best talent
- Consolidated multiple sites and provides room to support future growth

