



2018

ANNUAL REPORT

FINANCIAL HIGHLIGHTS

OPERATING RESULTS (IN THOUSANDS)

	2018	2017	% Change
Sales and merchandising revenues	\$3,045,382	\$3,686,345	(17.4%)
Gross profit	302,005	318,799	(5.3%)
Equity in earnings of affiliates	27,141	16,723	62.3%
Other income, net	16,002	22,507	(28.9%)
Net income (loss)	41,225	42,609	(3.2%)
Net income (loss) attributable to The Andersons, Inc.	41,484	42,511	(2.4%)
EBITDA ¹	171,560	87,356	96.4%

FINANCIAL POSITION (IN THOUSANDS)

	2018	2017	% Change
Total assets	2,392,003	2,162,354	10.6%
Working capital	189,848	260,495	(27.1%)
Long-term debt	349,834	418,339	(16.4%)
Long-term debt, non-recourse	146,353	-	N/A
Total equity	876,764	822,899	6.5%

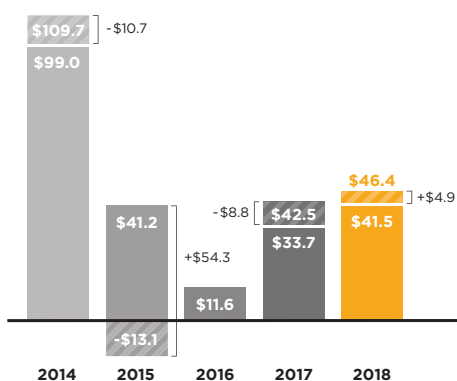
PER SHARE DATA

	2018	2017	% Change
Net income (loss)—basic	1.47	1.51	(2.6%)
Net income (loss)—diluted	1.46	1.50	(2.7%)
Dividends declared	0.665	0.645	3.1%
Year-end market value	29.89	31.15	(4.0%)

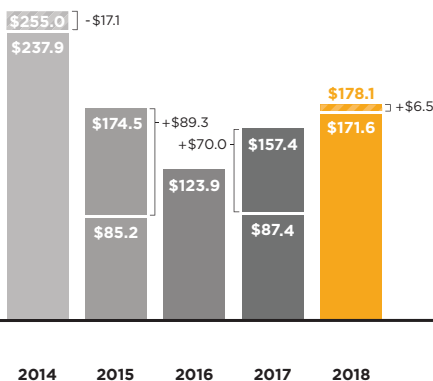
RATIOS AND OTHER DATA

	2018	2017	% Change
Net income attributable to The Andersons, Inc. return on beginning equity attributable to The Andersons, Inc.	5.1%	5.5%	(7.3%)
Adjusted net income attributable to The Andersons, Inc. return on beginning equity attributable to The Andersons, Inc. ¹	5.7%	4.3%	30.9%
Funded long-term debt to equity ratio	0.6-to-1	0.5-to-1	11.3%
Weighted average shares outstanding (basic) (in thousands)	28,258	28,126	0.5%
Effective tax rate	22.5%	307.6%	(92.7%)

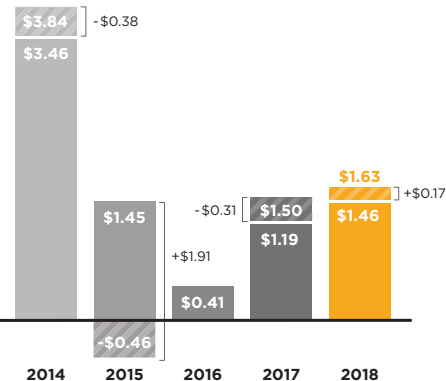
Adjusted Net Income (Loss) Attributable to The Andersons, Inc.¹
(Dollars in Millions)



Adjusted EBITDA¹
(Dollars in Millions)



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



¹ Adjusted net income and adjusted EBITDA for 2018 exclude after-tax and pretax charges, respectively, for one-time 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 one-time acquisition costs. Adjusted net income and adjusted EBITDA for both 2014 and 2015 exclude an after-tax and pretax gain, respectively, from partial redemptions of our investment in Lansing Trade Group.



Left to right: CFO Brian Valentine, Chairman Mike Anderson and CEO Pat Bowe

DEAR SHAREHOLDERS AND FRIENDS,

We think 2018 will prove to be a landmark year in the company's history. We announced in March our plans to build a state-of-the-art bio-refinery called ELEMENT with a partner in Kansas. We closed the year by putting the final touches on the purchase of Lansing Trade Group and Thompsons Limited, the largest acquisition in our history. The transaction closed effective New Year's Day, and we were happy to welcome nearly 800 new associates working in more than 40 locations. In addition, we achieved financial results that were considerably better than those of 2017. Three of our four business groups improved their performance after considering unusual items.

For 2018, we reported GAAP net income attributable to the Company of \$41.5 million dollars, or \$1.46 per diluted share, and adjusted net income of \$46.4 million dollars, or \$1.63 per diluted share. The adjusted numbers were 35 percent better than our adjusted 2017 results. Our adjusted 2018 earnings before interest, taxes, depreciation and amortization (EBITDA) was \$178.1 million, 13 percent higher than adjusted 2017 EBITDA.

The Grain Group's year was highlighted by completing the agreement to purchase the remaining equity in Lansing, a business in which we had owned a minority stake since 2003. We have been working diligently to integrate Lansing with the Grain Group. On an adjusted basis, the group's base business results were lower year over year, as the group earned considerably less income from storing wheat than it did in 2017. On the other hand, the results of the group's growing food ingredients and specialty grains business were much improved, and the group's share of income earned by Lansing and Thompsons more than tripled.

The Ethanol Group performed well with higher income for the year in the face of difficult market conditions, even as many other industry players struggled. In fact, the group raised its pretax income by more than 15 percent by marketing its products wisely and running its four plants in a highly efficient manner. The Ethanol team set several annual production records, primarily due to the expanded Albion plant operating for a full year. The group also increased its industry-leading sales of E85 by more than 25 percent for the second consecutive year. Corn to ethanol yields and DDG values also improved compared to 2017 results. Despite early rain delays, the construction of ELEMENT is back on schedule, and the group expects to begin production in mid-2019. The Ethanol Group remains focused on maximizing margin per bushel of corn.

The Plant Nutrient (PN) Group also improved its results despite depressed margins and difficult weather during the fall application season. In the primary and specialty fertilizer business, slightly higher volumes could not overcome significantly lower margins per ton on specialty nutrients. The group's lawn and contract manufacturing business recorded its highest-ever pretax income. PN also did a nice job controlling expenses, reducing them by 6 percent year over year.

The Rail Group's pretax income declined in 2018, but that result was not unexpected. Income from car sales was substantially lower for two reasons. New accounting rules governing revenue recognition eliminated the group's ability to record income from certain financing transactions. In addition, the group decided to take advantage of relatively high mid-year scrap steel rates to scrap more than 600 idle cars, resulting in a significant book loss. However, that decision allowed the group to generate cash, lower carrying costs and increase the average remaining life of its fleet. The group also bought almost 2,400 cars and added four repair facilities. Utilization rates and the total number of cars on lease both increased in 2018 as well.

The company made progress on other initiatives during the year. We implemented more than \$7.5 million of additional run-rate productivity enhancements and

savings, bringing our three-year total to nearly \$30 million. We continued to implement SAP, our enterprise resource planning system, across PN's wholesale fertilizer business. Our safety results were also better for the year.

We also made three changes in our senior leadership team. Brian Valentine joined us as senior vice president and CFO in August after a distinguished tenure at The Lubrizol Corporation in Cleveland, Ohio. Former Lansing CEO Bill Krueger became president of commodities and merchandising effective January 1, 2019, joining Corey Jorgenson, president of assets and originations, as a co-leader of the new Trade Group. Most recently, we announced that Jim Pirolli will succeed Mike Irmen, who is retiring from his role as president of the Ethanol Group. We thank Mike for his more than forty years of service to the company.

We have much on our plate as 2019 continues to unfold:

- We will continue to focus on safety and the road to zero harm. We are also working to enhance engagement and productivity among all our employees.
- In the new Trade Group, we will continue to integrate Lansing's businesses with our own. We are progressing well toward identifying and implementing \$10 million in run-rate cost and productivity synergies; we expect to achieve that goal by the end of 2020. We are also exploring opportunities to use our combined knowledge, larger scale and broader geographic reach to better serve our expanded customer base and generate more income.
- The Ethanol Group began 2019 in a difficult margin environment characterized by higher year-over-year production and stocks, and with fewer opportunities to hedge its production than in recent quarters. In addition to completing the construction of ELEMENT, which will be producing some exciting new feed coproducts by year-end, the group is planning several capital projects in its other plants that will further improve efficiency and help them maximize the value of every bushel of corn they grind.

- The Plant Nutrient Group expects its results to improve over those of 2018. Primary and specialty fertilizer volumes should get a boost this spring after less than ideal fall and winter weather. While PN's lawn and contract manufacturing business does not expect to match its 2018 results, that business should continue to perform well. The group is taking steps to further reduce cost, use capital more efficiently and improve productivity.
- The Rail Group anticipates continued steady improvement in the railcar market, which should translate to better performance in 2019. It remains focused on maintaining its high utilization, profitably growing its lease fleet and expanding its railcar repair network.

On a corporate level, while we have added more debt and issued some additional shares to acquire Lansing, we remain well-positioned to grow. Also, in January we increased our quarterly dividend by three percent to \$0.17 per share.

We are excited about the prospect of delivering a third straight year of improved results in 2019, and in making substantial progress toward our goal of generating \$300 million in adjusted EBITDA by 2020. We appreciate your continued faith in us and look forward to sharing news of more successes in the year to come.



Mike Anderson,
Chairman



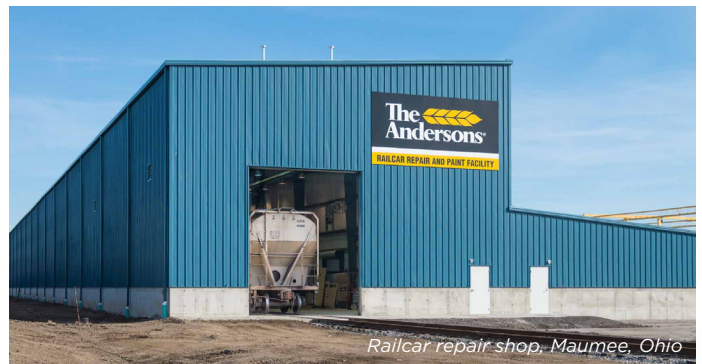
Pat Bove,
President & CEO



Brian Valentine,
Senior VP & CFO



Grain storage facility, Toledo, Ohio



Railcar repair shop, Maumee, Ohio



Fertilizer distribution terminal, Walton, Indiana



ELEMENT construction site, Colwich, Kansas

CORPORATE INFORMATION

BOARD OF DIRECTORS

Gerard M. Anderson⁽³⁾⁽⁴⁾
Chairman & Chief Executive Officer
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

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

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

CORPORATE OFFICERS

Jeffrey C. Blair
President, Plant Nutrient Group

Valerie M. Blanchett
Vice President, Human Resources

Patrick E. Bowe
President & Chief Executive Officer

Naran U. Burchinow
Senior Vice President,
General Counsel & Secretary

Srikanth R. Dasari
Vice President, Treasurer

Michael T. Hoelter
Corporate Controller

Michael S. Irmen
Senior Advisor, ELEMENT, LLC*

Corbett J. Jorgenson
President, Assets & Originations,
Trade Group

William E. Krueger
President, Commodities &
Merchandising, 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 & Development

Brian A. Valentine
Senior Vice President &
Chief Financial Officer

*Positions effective April 1, 2019.

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

28.3 million shares outstanding as of December 31, 2018.

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, you 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' 2018 Form 10-K, filed on February 27, 2019, 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 10, 2019.



The 
Andersons[®]

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

www.andersonsinc.com