

2021 ANNUAL REPORT

FINANCIAL HIGHLIGHTS

OPERATING RESULTS (IN THOUSANDS)

	2021	2020	% Change
Sales and merchandising revenues	\$12,612,050	\$8,064,620	56.4 %
Gross profit	592,697	366,197	61.9 %
Operating, administrative and general expenses	423,752	377,695	12.2 %
Income (loss) before income taxes ¹	160,770	(27,081)	693.7 %
Income (loss) before income taxes attributable to The Andersons, Inc. ¹	128,890	(5,156)	2599.8 %
Net income attributable to The Andersons, Inc.	103,986	7,710	1248.7 %
Earnings before interest, taxes, depreciation, and amortization (EBITDA) ^{1, 2}	355,236	159,768	122.3 %
Cash used in operating activities	(51,050)	(74,432)	31.4 %

FINANCIAL POSITION (IN THOUSANDS)

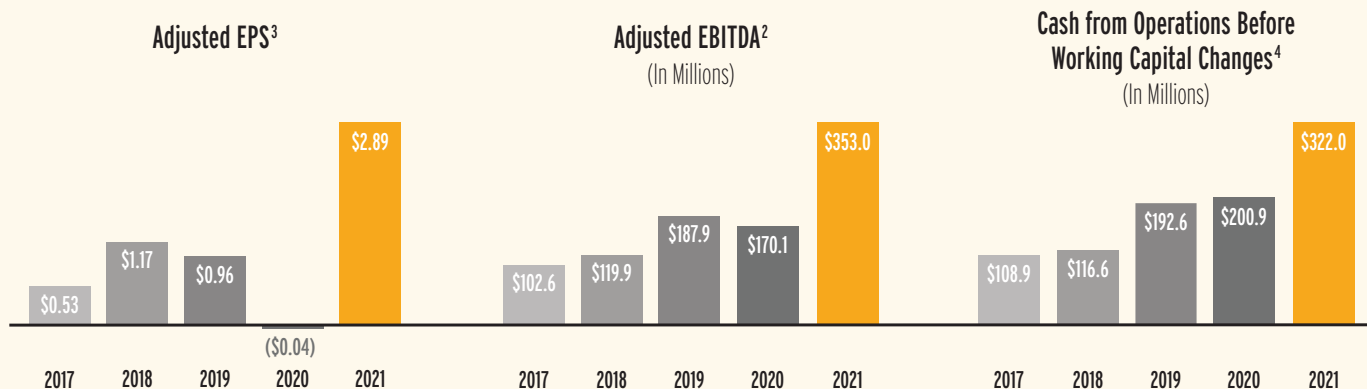
Total assets	\$4,569,219	\$4,272,121	7.0 %
Working capital ¹	900,893	477,345	88.7 %
Readily marketable inventories	1,410,892	983,234	43.5 %
Short-term debt	501,792	403,703	24.3 %
Long-term debt, including current maturities of long-term debt	632,743	955,819	(33.8) %
Total equity	1,307,704	1,160,660	12.7 %

PER SHARE DATA

Diluted earnings ¹	2.94	0.17	1629.4 %
Dividends declared	0.705	0.70	0.7 %
Year-end market value	38.71	24.51	57.4 %

RATIOS AND OTHER DATA

Long-term debt, including current maturities to Adjusted EBITDA ^{1, 2}	1.79	5.62	(68.1) %
Diluted weighted-average shares outstanding (in thousands)	33,855	33,189	2.0 %
Effective tax rate	18.2 %	40.3 %	(54.8) %



¹ Measure represents only continuing operations of the company.

² 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. Reconciliations of EBITDA and Adjusted EBITDA to net income can be found in our fourth quarter earnings release and investor presentation posted to the Investor Relations webpage at <https://theandersonsinc.gcs-web.com>.

³ Adjusted EPS is a non-GAAP financial measure. The measure excludes after-tax charges for acquisition costs, asset impairments, loss on a cost method investment and a gain on the sale of a business for 2021; 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. A statutory tax rate of 25% was used to approximate the earnings from continuing operations after the removal of the Rail segment in both 2018 and 2017.

⁴ 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. Reconciliations of Cash from operations before working capital changes to Cash provided by (used in) operating activities can be found in our fourth quarter earnings release and investor presentation posted to the Investor Relations webpage at <https://theandersonsinc.gcs-web.com>.



DEAR SHAREHOLDERS AND FRIENDS,

What a difference a year makes! Over the past year, we saw significant global demand and supply chain volatility, which created opportunities in our core agricultural businesses. Our teams executed well in these dynamic markets, and when combined with the actions taken in 2020 to reorganize, simplify our leadership structure, reduce cost, and more fully integrate our operations, led us to a record-breaking 2021. We are happy to report our 2021 results; evidence that we successfully managed through challenges and seized opportunities in the front of us.

Throughout the pandemic, we have operated steadily as an essential business and continue to keep our nearly 2,400 employees safe and healthy. While there were supply chain disruptions across many industries, including inflation in raw materials, supplies, and labor this past year, The Andersons weathered these issues very well and in fact, some of these disruptions caused commercial opportunities. We've also embraced new opportunities to be more flexible and efficient in our work. We are grateful to our employees for their dedication throughout these turbulent times.

We are extremely pleased with our 2021 operating results, which set several records. We reported 2021 net income from continuing operations attributable to the company of \$100 million, or \$2.94 per diluted share. Adjusted net income was \$98 million or \$2.89 per diluted share, our second-best earnings year ever. Our adjusted 2021 earnings before interest, taxes, depreciation, and amortization (EBITDA) from continuing operations was a record \$353 million compared to adjusted 2020 EBITDA of \$170 million.

During 2021, we made the strategic decision to sell our Rail business. We completed the sale of the rail leasing business in the third quarter and expect to complete the sale of our rail repair business in 2022. These transactions provided cash to reduce debt and fund future growth in our identified strategic agricultural verticals. We also updated our overall strategy and have reaffirmed our core grain and fertilizer businesses, including:

- Fixed-asset light growth and M&A in carbon, ag supply extensions, proteins, and propane;
- Premium products focused on food and feed ingredients, considering evolving trends of food sustainability factors;
- Renewables, including renewable diesel feedstocks and ethanol plant optimization; and,
- Organic fertilizers, new product development, and disciplined M&A in our plant nutrient business.

As we shift back to growth in an exciting agricultural up cycle, we will continue our disciplined processes around capital allocation. We are focused on investing in and growing businesses that are strategically aligned with our core, have appropriate returns, and are focused on sustainable practices. We will also remain vigilant in monitoring our costs.

The Andersons Trade and Processing (ATP) has further integrated their Trade and Renewables businesses in 2021 by making holistic merchandising decisions about commodities that are interdependent, as well as developing a business strategy that contemplates future trends and potential disruptors to our existing businesses.

Within ATP, the **TRADE** segment recorded its second-best adjusted pretax income in 2021. With the presence of an inverse market in the first half, we executed well, made good commercial merchandising decisions, and

earned outstanding elevation margins in many of our profit centers. Harvest results in the core grain assets as well as Louisiana and Idaho were also significantly better than in the recent past. We successfully added an international trading desk in Lausanne, Switzerland, in the third quarter that primarily supplies the Middle East and North Africa, areas that require imported grains to feed their growing populations. We also purchased Capstone Commodities, LLC of Round Rock, Texas, in the fourth quarter, an existing company that merchandises feed ingredients primarily into dairies in the southwest U.S. Both additions extend our existing supply chain strengths and are closely linked to our strategy. Trade gross profit rose by more than 20% and adjusted EBITDA increased nearly 58% from 2020, which was a new record.

The **RENEWABLES** segment had the most significant year-over-year improvement. Our ethanol production facilities were significantly impacted by the pandemic in 2020, when driving demand virtually disappeared in March. With the 2021 growth in ethanol, high feed values, and the return of driving demand, coupled with supply chain disruptions, ethanol crush margins escalated in the fourth quarter. Our plants produced a record 524 million gallons of ethanol in the year. Our share of pretax earnings of \$50 million increased nearly \$75 million compared to a 2020 loss of \$25 million. Contributing to our success in production was healthy earnings from third-party merchandising of ethanol, renewable diesel feedstocks, and feed products. This was the best year for this segment since the very strong ethanol years of 2013 and 2014. We built out our renewable diesel feedstock supply and trading business in 2021. We not only merchandise our own corn oil production but have added other third-party vegetable oils and fats to supply the new Renewable Diesel production plants.

The combination of our Rail and Plant Nutrient businesses into The Andersons Nutrient and Industrial business (ANI) brought together logistics and manufacturing under unified leadership. With the decision to sell Rail, the remaining Plant Nutrient segment is focused on the ag supply chain but also performs manufacturing using agricultural inputs for industrial businesses, golf and turf customers as well as contract manufacturing for consumer-packaged goods companies. **PLANT NUTRIENT** celebrated its best year ever in 2021! We were able to capitalize on an ideal spring planting season along with supply-constrained price increases of key fertilizer inputs. Pretax income more than doubled year over year, as tons sold increased by 6% and EBITDA increased by 54%.

As we've previously communicated, we have developed internal targets for EBITDA growth and long-term debt to EBITDA. Our strong cash generation in 2021, combined with the sale of the rail leasing business, enabled us to reduce long-term debt in 2021 by more than \$320 million, and our long-term debt to EBITDA is now well below our stated goal of less than 2.5x. Our businesses are focused on generating free cash flow, improving returns for our shareholders, as well as growing within our strategic verticals and focusing on sustainable businesses and operations. These businesses return strong cash flow from operations before working capital changes and we will continue to take a disciplined approach to capital spending.

As we share this report in the first quarter of 2022, commodity markets are continuing to experience volatility and high prices on geopolitical uncertainty and concerns about growing conditions in various countries. The Russian invasion of Ukraine has sent energy and grain prices

soaring. How this conflict plays out in 2022 will have a huge impact to our markets. We expect the high input cost environment and increased demand from renewable diesel to influence growers' planting intentions. These conditions drive strong elevation margins and considerable volatility, which creates good merchandising opportunities. In addition, we're seeing excellent results in other products we merchandise such as feed ingredients and propane.

While spot ethanol crush margins are seasonally impacted by lower demand in the winter, industry maintenance seasons and spring driving demand should improve margins into the second quarter. The current energy market shock is driving U.S. gasoline prices higher. The outlook for 2022 remains very bright for ethanol co-products with high demand for corn oil used in renewable diesel production. We expect to continue to grow our renewable diesel feedstock merchandising business which includes materials sourced outside of our five ethanol plants. In addition, traditional and high-protein DDG values remain high, supported by the overall strong grain prices.

In our Plant Nutrient business, early orders for our agricultural fertilizers suggest that concerns over input pricing and availability are influencing purchase decisions. Again, the war in Ukraine impacts fertilizer supplies globally. We expect momentum in this business to continue but it could be difficult to have the expansion in 2022 that we experienced in 2021. We are expanding our organic fertilizer offering and anticipate further growth in our industrial and manufactured product lines.

As stated previously, we expect to grow but will remain disciplined in capital allocation and stay true to investing within our core. Our balance sheet is strong, and our team is energized to find new opportunities.

We are celebrating our 75th anniversary this year and were recently recognized in the Forbes List of America's Best Midsize Employers. Our people are the source of our success and have executed extremely well in these past few years of volatility. We have expanded our geographic footprint and become a more nimble and innovative company in the North American ag supply chain from our roots in 1947. We look forward to providing extraordinary service to our customers, supporting our suppliers and communities, and rewarding our employees and shareholders for many more years to come.

Thank you for your continued support,



Pat Bowe
President and
Chief Executive Officer



Brian Valentine
Executive Vice President and
Chief Financial Officer

The 
Andersons[®]

Serving for 75 Years

CORPORATE INFORMATION

BOARD OF DIRECTORS



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DTE Energy



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Toledo, Ohio Office
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PotashCorp



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Chairman and Chief Executive Officer
Plaza Belmont Management Group, LLC

CORPORATE OFFICERS



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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. Hoelster
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.
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Maumee, OH 43537
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NASDAQ SYMBOL

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

COMMON STOCK

34 million shares outstanding as of December 31, 2021.

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 2021 Form 10-K, filed on February 24, 2022, with the SEC, are available to shareholders and interested individuals without charge by writing or calling Investor Relations.

INVESTOR RELATIONS

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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 6, 2022.



The Andersons, Inc.
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Maumee, Ohio 43537

www.andersonsinc.com