



Investor Presentation

R.W. Baird Global

Industrial Conference

John Granato, CFO

November 9, 2017



Forward Looking Statements



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.

This Presentation 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.

This presentation and today's prepared remarks contain non-GAAP financial measures. Reconciliations of the GAAP to non-GAAP measures may be found within the financial tables of our earnings release and the appendix of this presentation. "Adjusted Pretax Income" is our primary measure of period-over-period comparisons, and we believe it is a meaningful measure for investors to compare our results from period to period. EBITDA, or earnings before interest, taxes, depreciation and amortization, is a measure we use to assess the cash flow generated by our operations. We have excluded the impairment charge related to our wholesale fertilizer business, as we believe it is not representative of our ongoing core operations when calculating Adjusted Pretax Income, Adjusted Net Income and Adjusted EBITDA.

Unique Portfolio of Assets with Strong Geographic Footholds



GROUP	DESCRIPTION	FACILITIES	VOLUME
GRAIN	<ul style="list-style-type: none"> • Purchase, Store, Handle and Merchandize Grain • Provide Value-added Risk Management and Pricing Tools to Growers • Focused in Eastern Corn Belt • Growing Food Ingredients and Specialty Grains Business 	36	~500M BUSHELS
ETHANOL	<ul style="list-style-type: none"> • Refiner of Corn into Ethanol and Coproducts • JV Ownership Structure Mitigates Risk • Partnership with Marathon • Top Quartile Ethanol Production Plants 	4	470M+ GALLONS
PLANT NUTRIENT	<ul style="list-style-type: none"> • Supplier of Base Nutrients; Strong Asset Network • Manufacturer & Distributor of Value-added Nutrients • Diversified Product Offerings • Growing Specialty Fertilizer Business 	38	2M+ TONS
RAIL	<ul style="list-style-type: none"> • Subject to Different Economic Factors than the Ag businesses, Creating Portfolio Effect • Offsetting Cycle Value Buyers • Diversified by Car Fleet and End Markets • Growing Network of Railcar Repair Shops 	18	~23,000 RAILCAR FLEET

Q3 '17 Headlines



- **Grain:** Recorded better year-over-year results for the fourth consecutive quarter; 2017 harvest looks positive so far
- **Ethanol:** Softer margins continued due to higher industry production, which drove lower year-over-year results
- **Plant Nutrient:** Excess supply continues to cause compressed margins; volume somewhat improved over 2016 levels
- **Rail:** Recorded comparable base leasing income year-over-year as utilization crept higher and lease rates declined
- **Company:** Closed on the sale of two of four retail store properties; successfully launched a new company-wide procurement system

Adjusted YTD Pretax Income



<i>Unaudited \$ in millions</i>	YTD '17	YTD '16	VPY
Grain	\$4.5	(\$28.6)	\$33.1
Ethanol *	\$12.5	\$13.0	(\$0.5)
Plant Nutrient	(\$27.1)	\$18.0	(\$45.1)
Rail	\$18.0	\$22.7	(\$4.7)
Total pretax income - remaining operating groups	\$7.9	\$25.1	(\$17.2)
Retail	(\$9.1)	(\$2.6)	(\$6.5)
Corporate/other	(\$18.5)	(\$19.6)	\$1.1
Total pretax income	(\$19.7)	\$2.9	(\$22.6)
Adjustment for Q2 goodwill impairment in Plant Nutrient	\$42.0	-	\$42.0
Total adjusted pretax income	\$22.3	\$2.9	\$19.4

*Net of pretax income not attributable to The Andersons, Inc.

Reconciliation of EBITDA



Reconciliation of EBITDA and Adjusted EBITDA

<i>Unaudited \$ in millions</i>	YTD '17	YTD '16	VPY
Net Income (loss) attributable to The Andersons, Inc.	(\$27.2)	\$1.4	(\$28.6)
Add:			
Provision for income taxes	\$7.5	\$1.5	\$6.0
Interest expense	\$17.5	\$18.0	(\$0.5)
Depreciation and amortization	\$64.5	\$62.2	\$2.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$62.3	\$83.1	(\$20.8)
Adjusting items impacting EBITDA:			
Goodwill impairment	\$42.0	-	\$42.0
Total adjusting items	\$42.0	-	\$42.0
Adjusted EBITDA	\$104.3	\$83.1	\$21.2

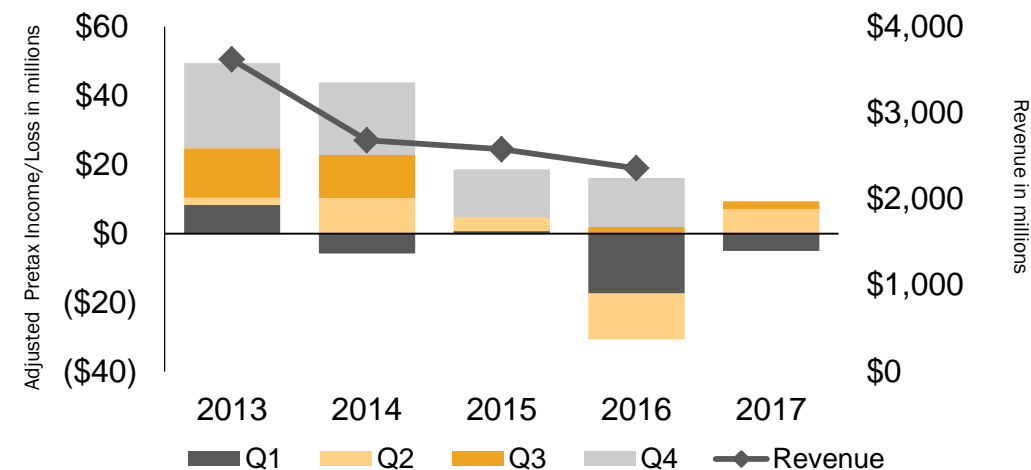
Grain Group



Q3 '17 Highlights

- Base Grain improvement of \$1.8 million driven by better storage income
- Merchandising, trading and risk management activities all posted better results
- Results of affiliates were down by \$1.1 million primarily due to lower results at Thompsons

Five Year Performance



<i>\$ in millions, except margin</i>	Q3 '17	Q3 '16	VPY	YTD '17	YTD '16	VPY
<u>Base Grain</u>						
Revenues	\$497.6	\$550.2	(\$52.6)	\$1,464.6	\$1,612.0	(\$147.4)
Gross Profit	\$32.3	\$30.5	\$1.8	\$86.4	\$64.2	\$22.2
Gross Profit Margin	6.5%	5.5%	1.0%	5.9%	4.0%	1.9%
Pretax Income	\$3.4	\$1.6	\$1.8	\$4.0	(\$21.5)	\$25.5
Affiliates Pretax Income	(\$0.8)	\$0.3	(\$1.1)	\$0.5	(\$7.1)	\$7.6
Group Pretax Income	\$2.6	\$1.9	\$0.7	\$4.5	(\$28.6)	\$33.1

Key Messages – Grain



- We own large, strategically located assets and have deep farmer relationships
- Drive solutions for farmers through established trading and risk management expertise
- Accelerate up the value chain in food ingredients and specialty grains
- Leverage scalable IT investments and other organizational streamlining to reduce cost and drive profitable growth
- Execute on portfolio optimization, strategic alliances and growth initiatives



2015/16 to 2017/18 Crop Carry Comparison



Corn

Crop Year	Nearby Dec. Price	Future Yr. Dec. Price	Implied Season-long Storage Income
2015/16	\$3.76	\$4.02	\$0.26
2016/17	\$3.49	\$3.86	\$0.37
2017/18	\$3.48	\$3.93	\$0.45

Wheat

Crop Year	Nearby Dec. Price	Future Yr. Dec. Price	Implied Season-long Storage Income
2015/16	\$5.08	\$5.38	\$0.30
2016/17	\$4.18	\$4.94	\$0.76
2017/18	\$4.26	\$5.07	\$0.81

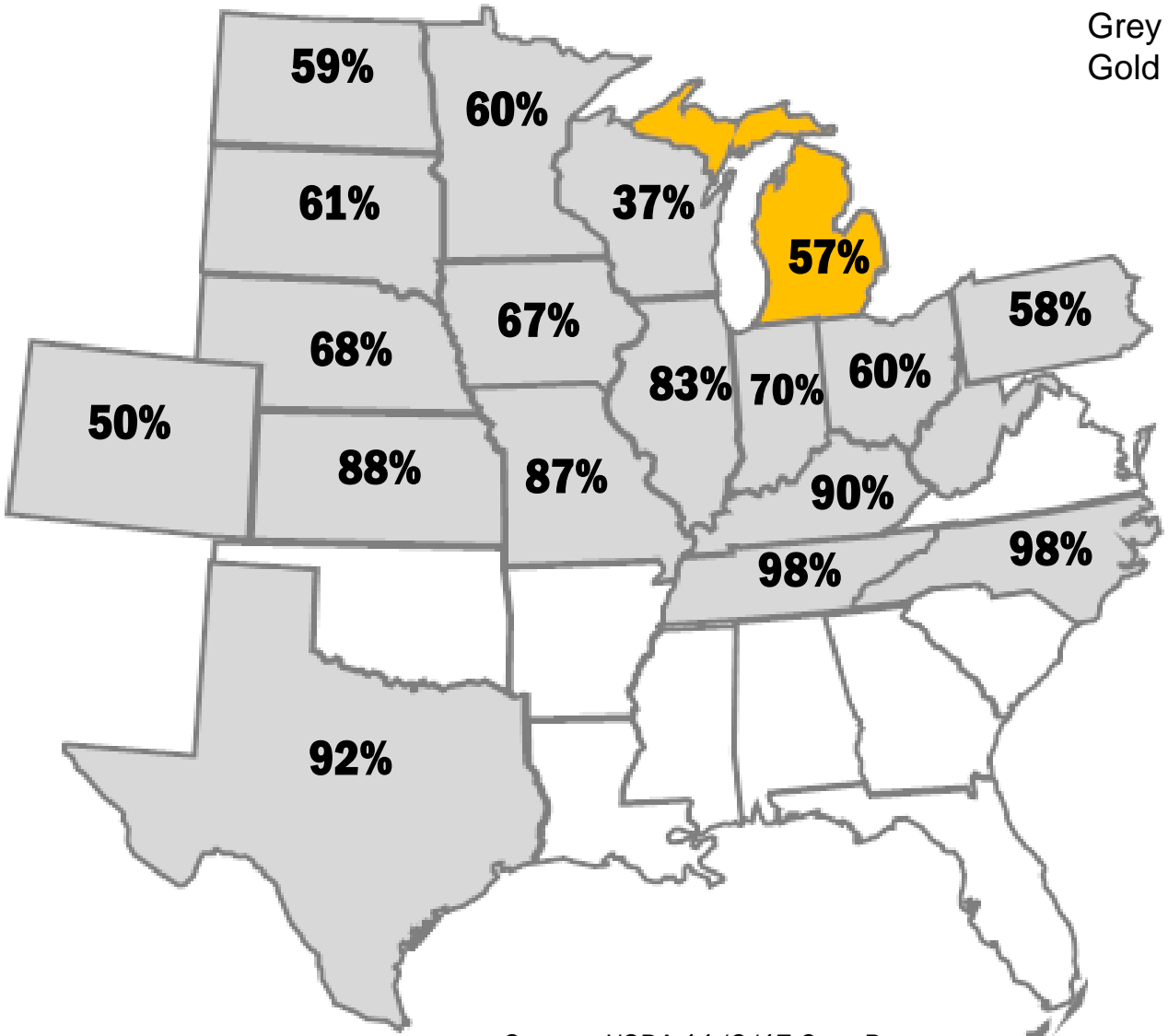
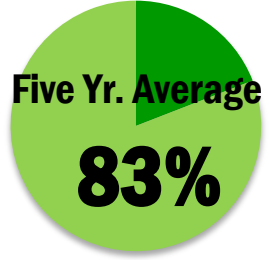
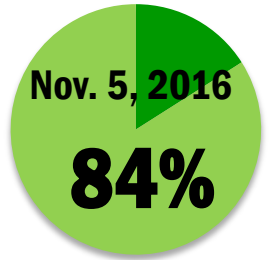
• US Grain Storage Will Continue to Have Value Based on Strong Market Demand



U.S. Corn Harvest



Grey states = behind 2016 percentage
 Gold states = ahead of 2016 percentage



Source: USDA 11/6/17 Crop Progress

Supportive Trends



INCREASING YIELDS

- Greater demand for space and handling capacity
- Fourth consecutive year of global production and stocks growth
- Supply push → reduced farmer income → need for risk management

GROWING GLOBAL MIDDLE CLASS

- Creating higher protein, fat, dairy and sugar diets
- US → global leader in corn farming
- Need for our business to bridge surplus and deficit will grow

SPECIALTY, ORGANIC FOOD DEMAND

- Leveraging existing capabilities to connect farmers to evolving food demand
- Growth of market versus traditional
- Specialty and niche foods has been growing rapidly



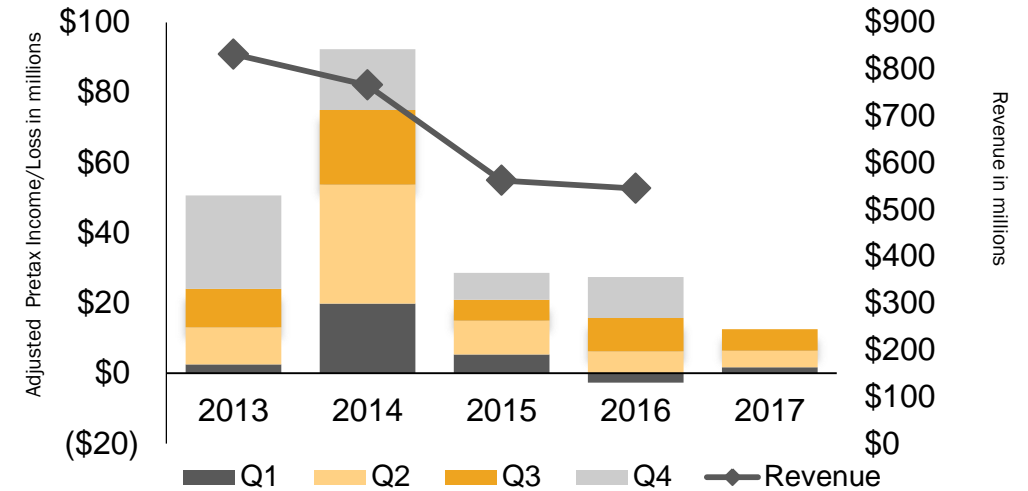
Ethanol Group



Q3 '17 Highlights

- Pretax income decrease of \$3.4 million was driven by lower year-over-year margins
- DDG prices remained lower due to lower export demand and abating vomitoxin issues
- Group wrote off \$1.5 million when it canceled a potential capital project to add a new value-added coproduct at the Denison, Iowa plant

Five Year Performance



<i>\$ in millions</i>	Q3 '17	Q3 '16	VPY	YTD '17	YTD '16	VPY
Revenues	\$191.5	\$139.4	\$52.1	\$533.5	\$396.6	\$136.9
Equity in Earnings of Affiliates	\$4.3	\$7.9	(\$3.6)	\$7.2	\$9.9	(\$2.7)
Consolidated Operations and Service Fees	\$1.8	\$1.6	\$0.2	\$5.3	\$3.1	\$2.2
Pretax Income Attributable to the Andersons, Inc.	\$6.1	\$9.5	(\$3.4)	\$12.5	\$13.0	(\$0.5)

Key Messages – Ethanol



- Own and Operate Ethanol Facilities with an Emphasis on Having the Right Technology, Process, People and Locations to Efficiently and Economically Produce Ethanol
- Operating Model Includes Stable Fee-based Services that Drives More Consistent Income
- Opportunistically Grow our Production Footprint
- Expand Capacity and Create Higher Value Revenue Streams by Investing in Core and Bolt-on Manufacturing Technologies



Footprint: 4 Ethanol Plants



- Manager/investor approach
 - Facilities are in JVs → ~50% ownership
 - Provide management services including originating corn and marketing of ethanol, E-85 and DDGs
- Focus on quality assets and technology
 - All four plants have good local corn supply
 - Three plants have strong local demand
 - High performing technology, teams and strong partners

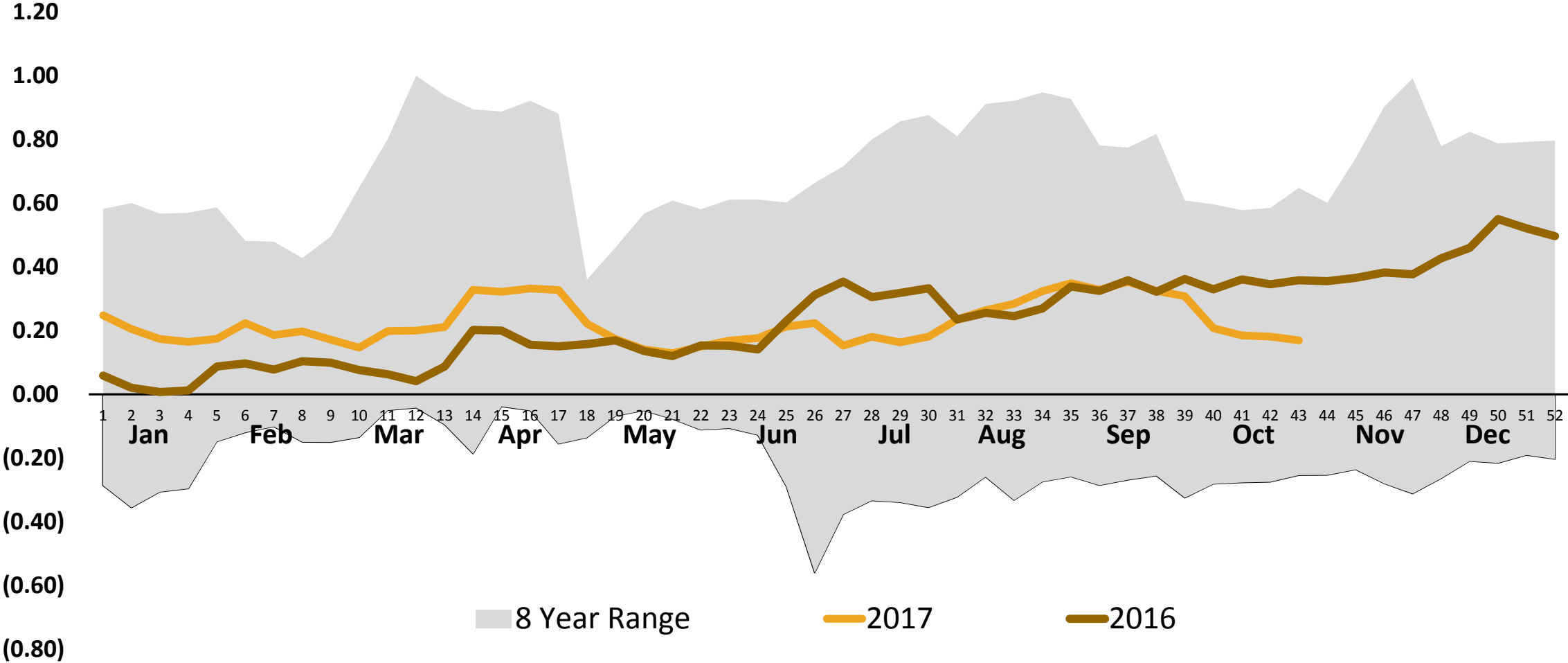


 ANDE Ethanol LLC

Efficient, Strategically Located Facilities



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



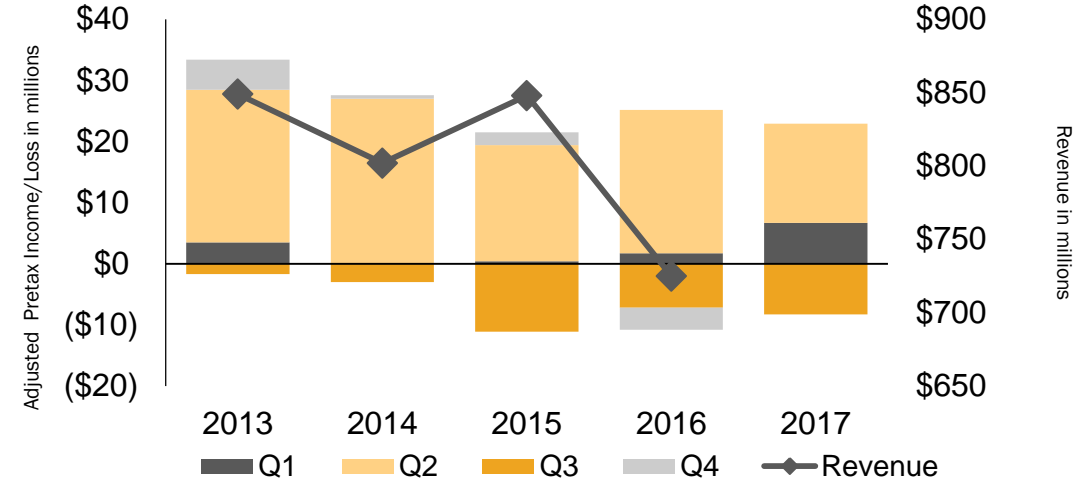
Plant Nutrient Group



Q3 '17 Highlights

- Volumes were higher for both base and value added nutrients
- Margins per ton were down sharply for base nutrients and somewhat for value added nutrients
- Group recorded a \$2.2 million charge for a legal settlement

Five Year Performance



<i>tons in thousands</i>	Q3 '17	Q3 '16	VPY	YTD '17	YTD '16	VPY
Basic Nutrient Tons	236	219	17	971	980	(9)
Value-Added Nutrient Tons	84	78	6	387	404	(17)
Other Tons (Lawn, Cob, Farm Centers)	58	73	(15)	334	398	(64)
<i>\$ in millions, except margin</i>						
Revenue	\$103.6	\$101.8	\$1.8	\$514.9	\$588.8	(\$73.9)
Gross Profit	\$17.3	\$19.4	(\$2.1)	\$83.1	\$95.7	(\$12.6)
Gross Profit Margin	16.7%	19.1%	(2.4%)	16.1%	16.3%	(0.2%)
Adjusted Pretax Income	(\$7.9)	(\$7.2)	(\$0.7)	\$14.9	\$18.0	(\$3.1)
Reported Pretax Income	(\$7.9)	(\$7.2)	(\$0.7)	(\$27.1)	\$18.0	(\$45.1)

Key Messages – Plant Nutrient



- Leverage our Position as a Large Eastern Grain Belt Wholesale Distributor; Selectively Grow Base Nutrients Business and Expand into Value-added Nutrient Markets
- Deliver Sustainable and On-Trend Precision Ag Solutions to Improve Economics for Growers while Minimizing Environmental Impact
- Recent Raw Material Surplus Constraining Margin Dynamics; Starting to be Somewhat Offset by Consolidation and Operating Performance
- Movement of Nutrients Critical to Long-term Industry Success; Ideally Located Storage and Manufacturing Facilities Support Seasonal Application
- Leaders in Turf Industry with a Focus on New Product Development
- Strategic M&A and Alliances to Increase Market Penetration, Value-add Product Offerings and/or Reduce Cost



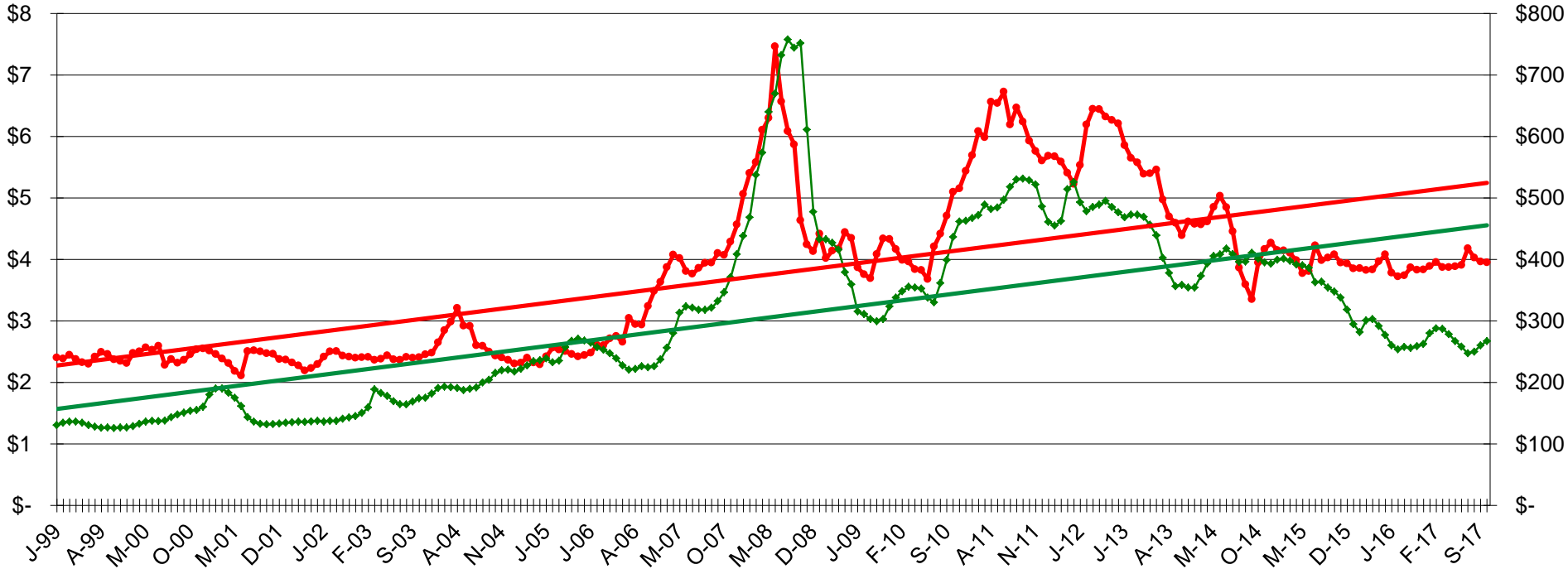
Corn Price vs. Composite Nutrient Price



Maumee Ohio
1999 thru October 2017

Monthly Avg
Corn Price

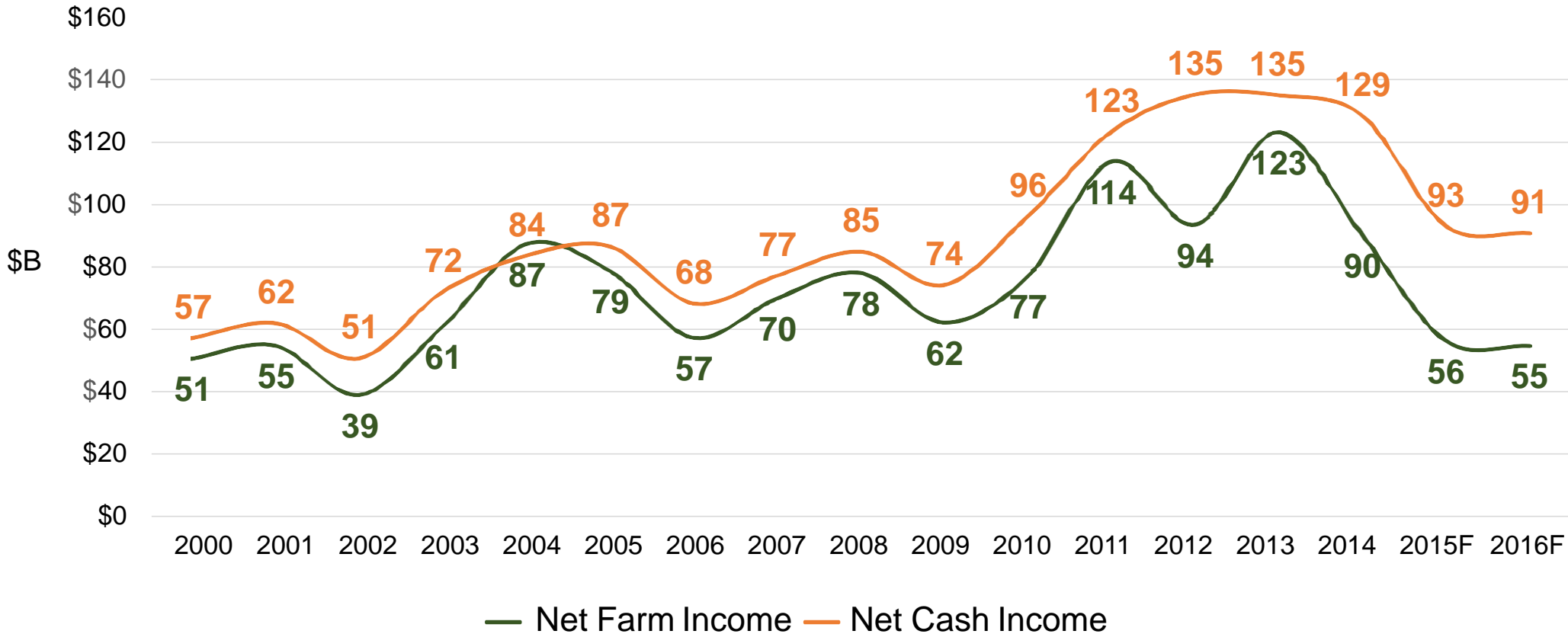
Composite
Nutrient Price



Corn and Nutrient Prices are Tightly Correlated; Base Nutrients Are Affordable for Farmers



2016 US Farm Income Lowest Since 2002



Source: USDA

Over the Cycle Farmer Income Is A Key Driver

Supportive Trends



ENVIRONMENTAL BENEFITS OF VALUE-ADD NUTRIENTS DEMAND

- Continue to develop next generation nutrients with a focus on 4R nutrient stewardship which fosters lower impact to the environment
- Work with organizations (e.g., NGOs) to promote our products based on efficacy

BASE NUTRIENT STORAGE & DISTRIBUTION DEMAND

- Selectively grow in areas which have distribution voids
- Collaborate and link with manufacturers, distributors and dealers to find ways to utilize facilities more efficiently

INCREASING USE OF TECHNOLOGY IN AG

- Create products which improve yield
- Work with companies to develop and implement application equipment with a focus on target nutrient placement

NEXT-GEN AG PRODUCTS: TURF & COMMERCIAL

- Continue to develop and improve light weight cat litter products
- Innovate new products out of our cob production facilities
- Optimize existing plant nutrient locations to increase market share and productivity in our turf markets



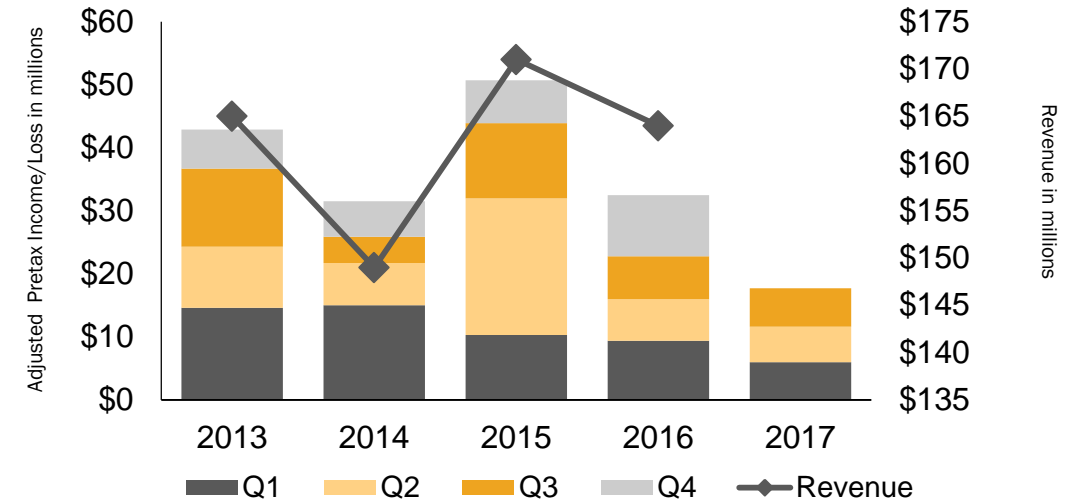
Rail Group



Q3 '17 Highlights

- Lease income up slightly year-over-year primarily due to lower maintenance expenses
- Income from car sales up on higher outright and scrapped car sales
- Group recorded a \$750 thousand reserve for expenses due to a shop worker fatality

Five Year Performance



<i>\$ in millions, except margin</i>	Q3 '17	Q3 '16	VPY	YTD '17	YTD '16	VPY
Revenues	\$43.1	\$38.2	\$4.9	\$121.6	\$118.2	\$3.4
Gross Profit	\$13.4	\$12.5	\$0.9	\$38.4	\$40.7	(\$2.3)
Gross Profit Margin	31.1%	32.7%	(1.6%)	31.6%	34.4%	(2.8%)
Lease Income	\$3.5	\$3.4	\$0.1	\$7.1	\$10.4	(\$3.3)
Railcar Sales Income	\$2.6	\$1.6	\$1.0	\$7.6	\$6.4	\$1.2
Service & Other Income	-	\$1.8	(\$1.8)	\$3.4	\$5.9	(\$2.5)
Pretax Income	\$6.1	\$6.8	(\$0.7)	\$18.1	\$22.7	(\$4.6)

Key Messages



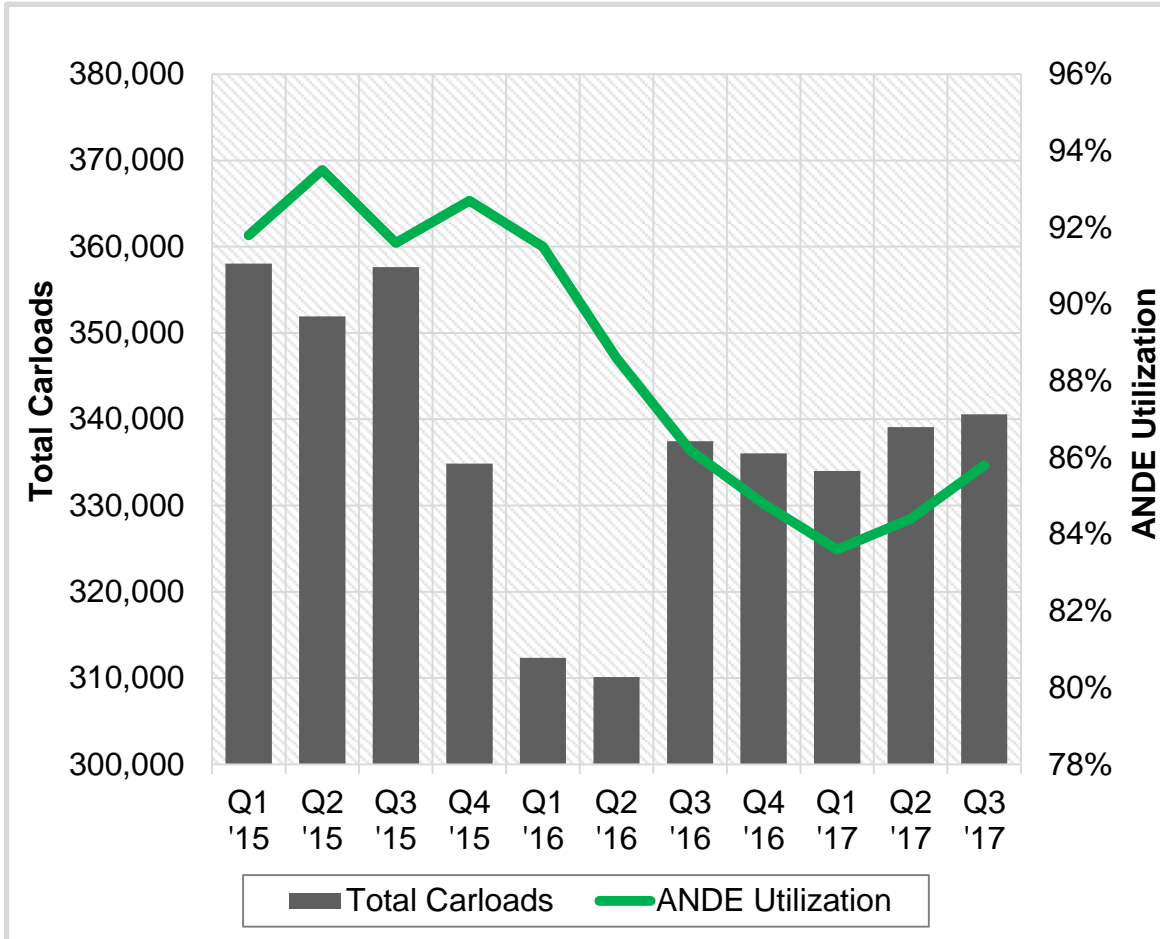
- Grew Business Out Of Service To Grain Customers To Become A Top 10 Railcar Leasing Provider With Diversified Customers And Railcars
- Repair And Fabrication Capabilities Support Full Service Leasing And Ability To Provide Solutions For Our Rail Services Customers
- Add Value By Being Nimble And Agile With Customized Approach And Continuous Focus On Efficiency And Utilization
- Opportunistically Grow Our Fleet as a Disciplined Value Buyer with a Focus on Mid-life and Newer Railcars while Selectively Grow Repair Locations and Capabilities
- Current Platform Very Scalable



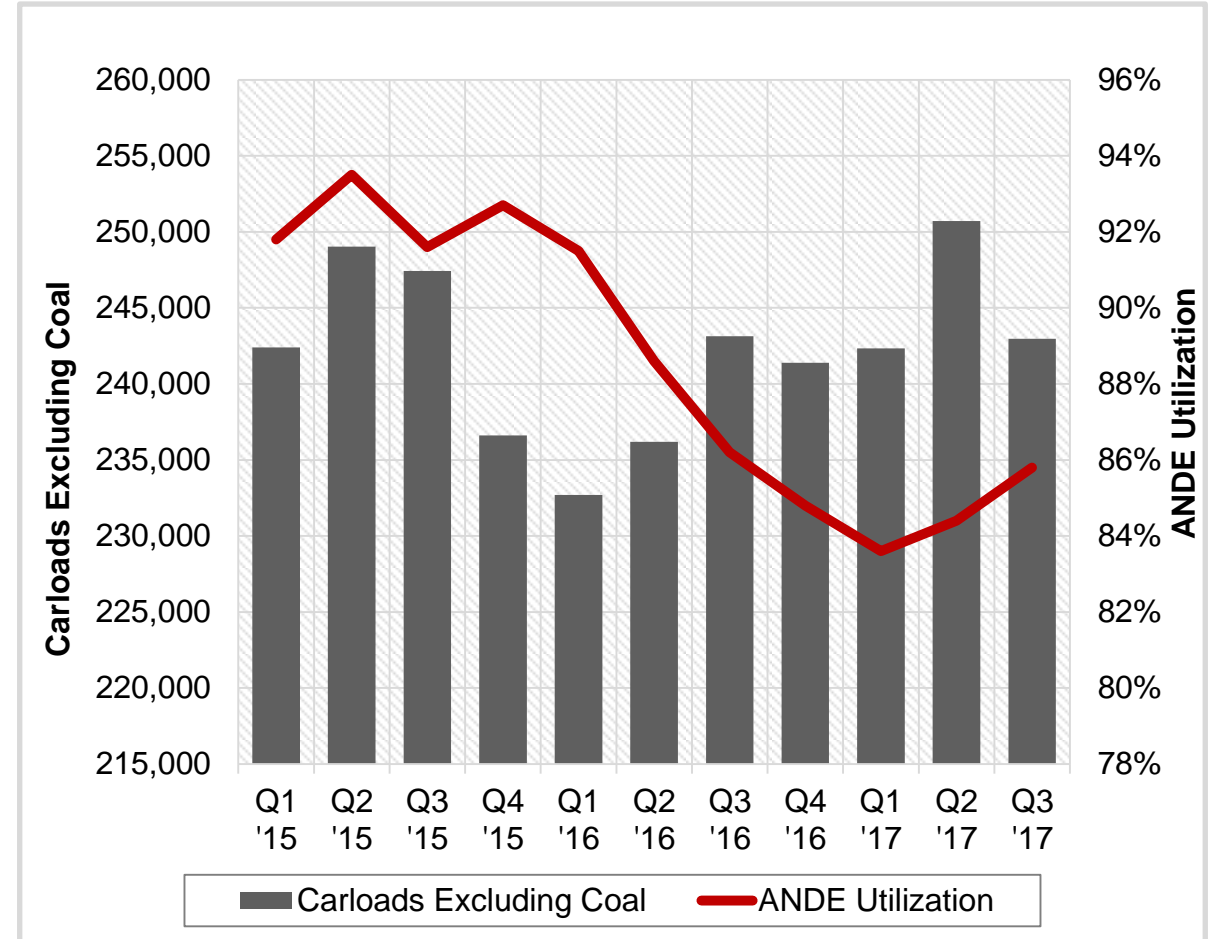
Utilization Correlates to Carloads



North American Carloads vs. ANDE Utilization



North American Carloads Excluding Coal vs. ANDE Utilization



Recent Financial Highlights



■ Actions Taken to Manage Business Portfolio

- Exited underperforming assets in Iowa and Florida
- Consolidated Cob operations to optimize performance
- Closed Retail Group

■ Created Momentum in Cost Management

- Made significant strides towards a leaner company
- Streamlined non-retail workforce by nearly 10%, surpassed \$10M cost reduction goal a year early and on track to achieve an additional \$10M by end of 2018

■ Invested in Performance Improvement in Core Businesses

- Focused on critical roles, processes and technology investments to support long term performance and growth

Built Strong Foundation to Leverage for Profitable Growth



Outlook



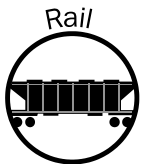
- Expect positive space income to continue
- Expect Base Grain's Q4 to be modestly better year-over-year



- Expect margins to continue to trail year-over-year results into 2018
- Vomitoxin in the new crop appears to be less of an issue in our areas



- No significant margin improvement expected soon
- Stability in the supply chain and pricing is critical to margin improvement



- Expect continued modest improvement in utilization
- Expect headwinds from increased tank car recertification expense and accounting changes



- Continue to focus on productivity and managing costs
- Complete remaining retail properties sales in 2018



Key Messages – Overall Business



- Strong Company Legacy with Deep Customer Relationships; In Early Innings of Executing Turnaround Strategy Under New Leadership
- Proactively Managing Key Performance Drivers In Challenging Ag Market Dynamics
- Strong, Flexible Balance Sheet to Fund Growth Opportunities
- Sustainable Cash Flow Generation Supports Disciplined M&A and Consistent Dividend Payout
- Operational Focus on Safety, Productivity, Portfolio Management and Cost Reduction
- Building On Strong Value System and Driving Cultural Transformation; Investing In Key Talent Throughout Our Organization





Thank you

