



Second Quarter Earnings Call

August 3, 2022

Safe Harbor and Non-GAAP Financial 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, the COVID-19 pandemic, and additional factors that are described in the company's publicly-filed documents, including its '34 Act filings and the prospectuses prepared in connection with the company's offerings.

Today's call includes financial information which the company's independent auditors have not completely reviewed. 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. The company believes that adjusted pretax income (loss) from continuing operations, pretax income (loss) attributable to the company from continuing operations, adjusted pretax income (loss) attributable to the company from continuing operations, adjusted net income attributable to the company from continuing operations, adjusted diluted earnings per share (or adjusted EPS) from continuing operations, earnings before interest, taxes, depreciation, and amortization (or EBITDA), EBITDA from continuing operations, adjusted EBITDA, adjusted EBITDA from continuing operations and cash from operations before changes in working capital provide additional information to investors and others about its operations, allowing an evaluation of underlying operating performance or liquidity, and better period-to-period comparability. These measures do not and should not be considered as alternatives to net income from continuing operations, income (loss) before income taxes from continuing operations, diluted earnings (loss) per share from continuing operations attributable to The Andersons, Inc. common shareholders or cash provided by (used in) operating activities as determined by generally accepted accounting principles. Reconciliations of the GAAP to non-GAAP measures may be found within the financial tables in the appendix.

Speakers



Pat Bowe

President and Chief Executive Officer

Brian Valentine

Executive Vice President and Chief Financial Officer

Mike Hoelter

Vice President, Corporate Controller and Investor Relations

Second Quarter Highlights



Grain positions and continued volatility created good margin opportunities across our broad portfolio of commodities and products



Ethanol yields and margins contributed to record results; Continued strength in corn oil margins and merchandising activities



Continued solid fertilizer margins on higher prices, tight supplies, and well-positioned inventory through the spring application season

Key Financial Data – Second Quarter 2022



\$ In millions except per share and ratio data

	Q2 '22	Q2 '21	VPY	YTD '22	YTD '21	VPY
Sales and merchandising revenues	\$4,450.6	\$3,235.8	\$1,214.8	\$8,428.6	\$5,830.5	\$2,598.1
Gross profit	230.8	163.4	67.4	350.4	276.8	73.6
Operating, administrative and general expenses	112.6	105.6	7.0	214.5	202.6	11.9
Income before income taxes attributable to The Andersons, Inc. ^{1,2}	96.3	51.1	45.2	106.5	67.0	39.5
Adjusted income before income taxes attributable to The Andersons, Inc. ^{1,2}	97.0	51.4	45.6	107.2	67.8	39.4
Net income attributable to The Andersons, Inc. ^{1,2}	80.5	41.4	39.1	86.6	53.0	33.6
Adjusted net income attributable to The Andersons, Inc. ^{1,2}	82.2	41.6	40.6	88.2	53.6	34.6
Diluted earnings per share (EPS) ²	2.34	1.23	1.11	2.52	1.58	0.94
Adjusted EPS ^{1,2}	2.39	1.24	1.15	2.57	1.60	0.97
Depreciation and amortization ²	33.6	38.9	(5.3)	67.9	77.6	(9.7)
EBITDA ^{1,2}	168.6	102.7	65.9	224.5	165.4	59.1
Adjusted EBITDA ^{1,2}	169.3	103.0	66.3	225.2	166.2	59.0
Effective tax rate ²	13.3%	18.0%	(4.7)%	15.4%	20.7%	(5.3)%

Cash, Liquidity, and Long-term Debt



Cash from Operations Before Working Capital Changes¹

(in millions)



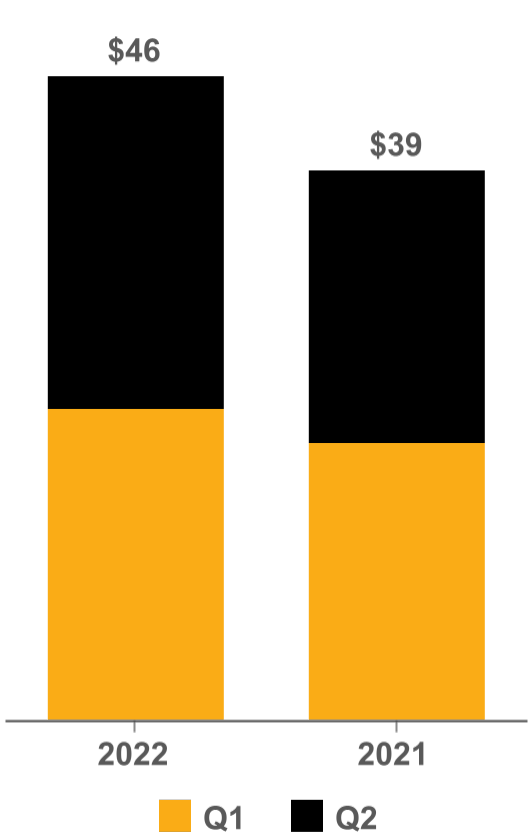
Short-term Debt vs. RMI

(in millions)



Capital Spending²

(in millions)



Total Long-term Debt

(in millions)



¹ Non-GAAP financial measure; see appendix for reconciliations. ² Measure derived from purchases of PPE, capitalized software, and investments from continuing operations of the company.

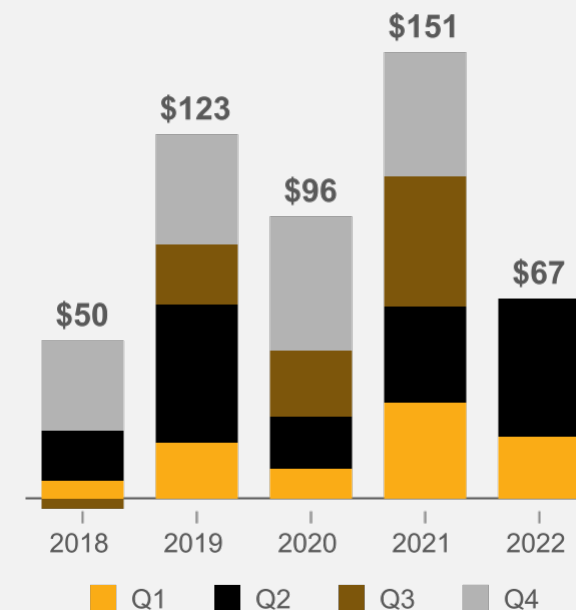
Trade — Q2 '22 Highlights



- Strong ownership positions benefited by expected significant basis appreciation
- Continued volatility drove merchandising opportunities across broad portfolio of products
- Solid margins on well-positioned feed ingredients inventories

Unaudited in \$M	Q2 '22	Q2 '21	VPY	YTD '22	YTD '21	VPY
Revenues	\$3,097.8	\$2,297.9	\$799.9	\$6,182.4	\$4,280.4	\$1,902.0
Gross Profit	102.0	77.8	24.2	169.6	150.4	19.2
Pretax Income	23.7	13.8	9.9	27.3	27.6	(0.3)
Adjusted Pretax Income*	24.4	14.1	10.3	28.0	28.4	(0.4)
EBITDA*	45.9	32.4	13.5	66.7	64.4	2.3
Adjusted EBITDA*	46.6	32.7	13.9	67.4	65.2	2.2

Adjusted EBITDA* (\$M)



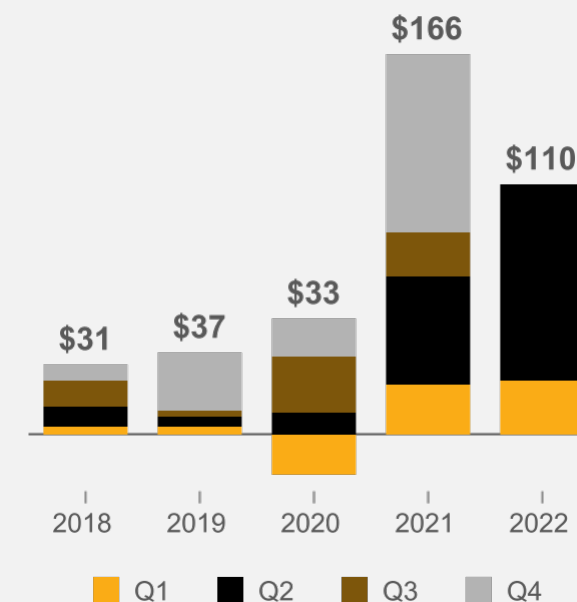
Renewables — Q2 '22 Highlights



- Ethanol margin and yield improvement from Q2 2021
- Continued high co-product values and merchandising results
- Received \$17.6 million (\$8.9 million attributable to ANDE) in USDA Biofuels Producer COVID relief funds

Unaudited in \$M	Q2 '22	Q2 '21	VPY	YTD '22	YTD '21	VPY
Revenues	\$882.6	\$616.5	\$266.1	\$1,565.8	\$1,059.5	\$506.3
Gross Profit	59.9	34.7	25.2	75.1	43.2	31.9
Pretax Income	67.8	26.2	41.6	73.7	27.2	46.5
Pretax Income Attributable to Noncontrolling Interest	21.9	2.6	19.3	22.3	0.8	21.5
Pretax Income Attributable to The Andersons, Inc.*	45.9	23.5	22.4	51.4	26.5	24.9
EBITDA*	85.7	47.2	38.5	110.0	69.1	40.9

Adjusted EBITDA* (\$M)



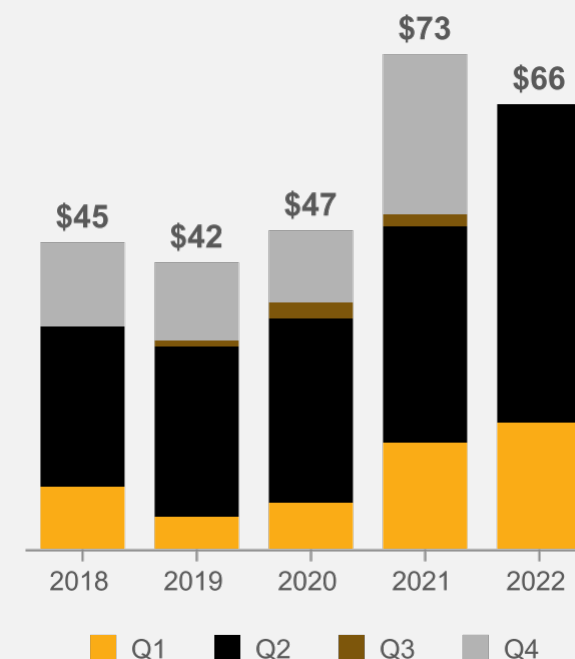
Plant Nutrient — Q2 '22 Highlights



- Strong execution and well-positioned inventory drove near-record results
- Higher margins more than offset lower volumes in agricultural businesses
- Long-standing supplier relationships enabled inventory availability in a supply-constrained market

Unaudited in \$M	Q2 '22	Q2 '21	VPY	YTD '22	YTD '21	VPY
Revenues	\$470.3	\$321.4	\$148.9	\$680.3	\$490.7	\$189.6
Gross Profit	69.0	50.9	18.1	105.7	83.3	22.4
Pretax Income	38.3	24.0	14.3	49.1	32.5	16.6
EBITDA*	46.8	31.6	15.2	65.6	47.6	18.0

Adjusted EBITDA* (\$M)



2022 Outlook



Expect to capture strong elevation margins across our diverse portfolio; Crop conditions vary but currently good in our key draw areas



Anticipate high margins to continue on strong export demand; Co-product values expected to remain high



Strong farm income expected to support fall application rates and 2023 purchase decisions; Fall conditions and market dynamics will influence second half volumes



Q&A Session



Thank you for joining us.
Our next earnings call is scheduled for
November 2, 2022,
at 11 a.m. EDT.



Appendix

Non-GAAP Reconciliation — Adjusted net income (loss) attributable to The Andersons, Inc.

(unaudited)



	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(in thousands, except per share data)				
Net income from continuing operations	\$ 102,400	\$ 44,025	\$ 108,904	\$ 53,780
Net income attributable to noncontrolling interests	21,856	2,625	22,303	780
Net income from continuing operations attributable to The Andersons, Inc.	80,544	41,400	86,601	53,000
Adjustments:				
Transaction related stock compensation	—	274	—	757
Gain on sale of frac sand assets	(3,762)	—	(3,762)	—
Impairment on equity method investment	4,455	—	4,455	—
Income tax impact of adjustments	940	(68)	940	(189)
Total adjusting items, net of tax	1,633	206	1,633	568
Adjusted net income from continuing operations attributable to The Andersons, Inc.	\$ 82,177	\$ 41,606	\$ 88,234	\$ 53,568
Diluted earnings per share from continuing operations attributable to The Andersons, Inc. common shareholders	\$ 2.34	\$ 1.23	\$ 2.52	\$ 1.58
Impact on diluted earnings per share from continuing operations	\$ 0.05	\$ 0.01	\$ 0.05	\$ 0.02
Adjusted diluted earnings per share from continuing operations	\$ 2.39	\$ 1.24	\$ 2.57	\$ 1.60

Non-GAAP Reconciliation — Quarter to Date Segment Data



(unaudited)

(in thousands)

Three months ended June 30, 2022

	Trade	Renewables	Plant Nutrient	Other	Total
Sales and merchandising revenues	\$ 3,097,767	\$ 882,567	\$ 470,283	\$ —	\$ 4,450,617
Gross profit	101,994	59,888	68,959	—	230,841
Operating, administrative and general expenses	62,977	8,590	29,591	11,401	112,559
Other income (loss), net	3,983	18,490	866	(513)	22,826
Income (loss) before income taxes from continuing operations	23,666	67,776	38,311	(11,600)	118,153
Income attributable to the noncontrolling interests	—	21,856	—	—	21,856
Income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	23,666	45,920	38,311	(11,600)	96,297
Adjustments to income (loss) before income taxes from continuing operations (b)	693	—	—	—	693
Adjusted income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	\$ 24,359	\$ 45,920	\$ 38,311	\$ (11,600)	\$ 96,990

Three months ended June 30, 2021

Sales and merchandising revenues	\$ 2,297,869	\$ 616,527	\$ 321,409	\$ —	\$ 3,235,805
Gross profit	77,831	34,716	50,860	—	163,407
Operating, administrative and general expenses	61,514	6,577	26,568	10,901	105,560
Other income (loss), net	4,067	38	849	116	5,070
Income (loss) before income taxes from continuing operations	13,777	26,156	23,995	(10,226)	53,702
Income attributable to the noncontrolling interests	—	2,625	—	—	2,625
Income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	13,777	23,531	23,995	(10,226)	51,077
Adjustments to income (loss) before income taxes from continuing operations (b)	274	—	—	—	274
Adjusted income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	\$ 14,051	\$ 23,531	\$ 23,995	\$ (10,226)	\$ 51,351

(a) Income (loss) from continuing operations before income taxes attributable to The Andersons, Inc. for each operating segment is defined as net sales and merchandising revenues plus identifiable other income less all identifiable operating expenses, including interest expense for carrying working capital and long-term assets and is reported net of the noncontrolling interest share of income.

(b) Additional information on the individual adjustments that are included in the adjustments to income (loss) from continuing operations before income taxes can be found in the Reconciliation to EBITDA and Adjusted EBITDA table.

Non-GAAP Reconciliation — Year to Date Segment Data



(unaudited)

(in thousands)

Six months ended June 30, 2022

	Trade	Renewables	Plant Nutrient	Other	Total
Sales and merchandising revenues	\$ 6,182,448	\$ 1,565,798	\$ 680,325	\$ —	\$ 8,428,571
Gross profit	169,613	75,079	105,684	—	350,376
Operating, administrative and general expenses	122,520	16,480	54,916	20,630	214,546
Other income (loss), net	8,007	18,918	1,670	(1,607)	26,988
Income (loss) before income taxes from continuing operations	27,335	73,738	49,054	(21,367)	128,760
Income attributable to the noncontrolling interests	—	22,303	—	—	22,303
Income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	\$ 27,335	\$ 51,435	\$ 49,054	\$ (21,367)	\$ 106,457
Adjustments to income (loss) before income taxes from continuing operations (b)	693	—	—	—	693
Adjusted income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	\$ 28,028	\$ 51,435	\$ 49,054	\$ (21,367)	\$ 107,150

Six months ended June 30, 2021

Sales and merchandising revenues	\$ 4,280,377	\$ 1,059,486	\$ 490,661	\$ —	\$ 5,830,524
Gross profit	150,388	43,199	83,261	—	276,848
Operating, administrative and general expenses	118,445	13,233	49,967	20,913	202,558
Other income (loss), net	7,553	1,365	1,436	584	10,938
Income (loss) before income taxes from continuing operations	27,632	27,237	32,518	(19,569)	67,818
Income attributable to the noncontrolling interests	—	780	—	—	780
Income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	27,632	26,457	32,518	(19,569)	67,038
Adjustments to income (loss) before income taxes from continuing operations (b)	757	—	—	—	757
Adjusted income (loss) before income taxes from continuing operations attributable to The Andersons, Inc. (a)	\$ 28,389	\$ 26,457	\$ 32,518	\$ (19,569)	\$ 67,795

(a) Income (loss) from continuing operations before income taxes attributable to The Andersons, Inc. for each operating segment is defined as net sales and merchandising revenues plus identifiable other income less all identifiable operating expenses, including interest expense for carrying working capital and long-term assets and is reported net of the noncontrolling interest share of income.

(b) Additional information on the individual adjustments that are included in the adjustments to income (loss) from continuing operations before income taxes can be found in the Reconciliation to EBITDA and Adjusted EBITDA table.

Non-GAAP Reconciliation — Quarter to Date EBITDA and Adjusted EBITDA



(unaudited)

(in thousands)	Continuing Operations					Discontinued Operations	
	Trade	Renewables	Plant Nutrient	Other	Total	Rail	Total Company
Three months ended June 30, 2022							
Net Income (Loss)	\$ 23,666	\$ 67,776	\$ 38,311	\$ (27,353)	\$ 102,400	\$ (739)	\$ 101,661
Interest expense (income)	13,300	2,012	1,923	(314)	16,921	—	16,921
Income tax provision	—	—	—	15,753	15,753	2,051	17,804
Depreciation and amortization	8,914	15,875	6,595	2,183	33,567	—	33,567
EBITDA	45,880	85,663	46,829	(9,731)	168,641	1,312	169,953
Adjusting items impacting EBITDA:							
Gain on sale of frac sand assets	(3,762)	—	—	—	(3,762)	—	(3,762)
Impairment on equity method investment	4,455	—	—	—	4,455	—	4,455
Total adjusting items	693	—	—	—	693	—	693
Adjusted EBITDA	\$ 46,573	\$ 85,663	\$ 46,829	\$ (9,731)	\$ 169,334	\$ 1,312	\$ 170,646
Three months ended June 30, 2021							
Net Income (Loss)	\$ 13,777	\$ 26,156	\$ 23,995	\$ (19,903)	\$ 44,025	\$ 2,099	\$ 46,124
Interest expense (income)	7,452	2,021	1,146	(559)	10,060	3,394	13,454
Income tax provision	—	—	—	9,677	9,677	965	10,642
Depreciation and amortization	11,155	18,983	6,456	2,355	38,949	8,701	47,650
EBITDA	32,384	47,160	31,597	(8,430)	102,711	15,159	117,870
Adjusting items impacting EBITDA:							
Transaction related stock compensation	274	—	—	—	274	—	274
Total adjusting items	274	—	—	—	274	—	274
Adjusted EBITDA	\$ 32,658	\$ 47,160	\$ 31,597	\$ (8,430)	\$ 102,985	\$ 15,159	\$ 118,144

Non-GAAP Reconciliation — Year to Date EBITDA and Adjusted EBITDA



(unaudited)

(in thousands)	Continuing Operations					Discontinued Operations		Total Company
	Trade	Renewables	Plant Nutrient	Other	Total	Rail		
Six months ended June 30, 2022								
Net Income (Loss)	\$ 27,335	\$ 73,738	\$ 49,054	\$ (41,223)	\$ 108,904	\$ (1,294)	\$	107,610
Interest expense (income)	21,487	3,779	3,384	(870)	27,780	—		27,780
Income tax provision	—	—	—	19,856	19,856	3,344		23,200
Depreciation and amortization	17,888	32,514	13,174	4,368	67,944	—		67,944
EBITDA	66,710	110,031	65,612	(17,869)	224,484	2,050		226,534
Adjusting items impacting EBITDA:								
Gain on sale of frac sand assets	(3,762)	—	—	—	(3,762)	—		(3,762)
Impairment on equity method investment	4,455	—	—	—	4,455	—		4,455
Total adjusting items	693	—	—	—	693	—		693
Adjusted EBITDA	\$ 67,403	\$ 110,031	\$ 65,612	\$ (17,869)	\$ 225,177	\$ 2,050		\$ 227,227
Six months ended June 30, 2021								
Net Income (Loss)	\$ 27,632	\$ 27,237	\$ 32,518	\$ (33,607)	\$ 53,780	\$ 5,606	\$	59,386
Interest expense (income)	14,503	4,094	2,212	(760)	20,049	6,574		26,623
Income tax provision	—	—	—	14,038	14,038	2,349		16,387
Depreciation and amortization	22,280	37,797	12,837	4,652	77,566	17,588		95,154
EBITDA	64,415	69,128	47,567	(15,677)	165,433	32,117		197,550
Adjusting items impacting EBITDA:								
Transaction related stock compensation	757	—	—	—	757	—		757
Total adjusting items	757	—	—	—	757	—		757
Adjusted EBITDA	\$ 65,172	\$ 69,128	\$ 47,567	\$ (15,677)	\$ 166,190	\$ 32,117		\$ 198,307

Non-GAAP Reconciliation — Cash from Operations Before Working Capital Changes

(unaudited)



	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
(in thousands, except per share data)				
Cash provided by (used in) operating activities	\$ 353,199	\$ 200,233	\$ (721,799)	\$ (245,494)
Changes in operating assets and liabilities				
Accounts receivable	(74,184)	(24,862)	(289,196)	(58,338)
Inventories	323,505	385,499	186,685	390,506
Commodity derivatives	88,671	(197,396)	(189,090)	(250,691)
Other assets	43,916	18,828	5,106	35,568
Payables and accrued expenses	(163,307)	(74,962)	(609,403)	(516,883)
Total changes to operating assets and liabilities	218,601	107,107	(895,898)	(399,838)
Adjusting items impacting cash from operations before working capital changes:				
Changes in CARES Act tax refund receivable	—	—	—	27,697
Cash from operations before working capital changes	\$ 134,598	\$ 93,126	\$ 174,099	\$ 182,041