

**The Andersons, Inc.**  
**Consolidated Balance Sheets**  
(In thousands)

	December 31, 2019	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash, cash equivalents and restricted cash	\$ 54,895	\$ 22,593
Accounts receivable, less allowance for doubtful accounts of \$12,781 in 2019; \$8,325 in 2018	536,367	207,285
Inventories ( <u>Note 2</u> )	1,170,536	690,804
Commodity derivative assets – current ( <u>Note 5</u> )	107,863	51,421
Other current assets	75,681	51,095
Total current assets	1,945,342	1,023,198
Other assets:		
Commodity derivative assets – noncurrent ( <u>Note 5</u> )	949	480
Goodwill	135,360	6,024
Other intangible assets, net	175,312	99,138
Right of use assets, net	76,401	—
Equity method investments	23,857	242,326
Other assets	20,804	22,341
Total other assets	432,683	370,309
Rail Group assets leased to others, net ( <u>Note 3</u> )	584,298	521,785
Property, plant and equipment, net ( <u>Note 3</u> )	938,418	476,711
Total assets	<u>\$ 3,900,741</u>	<u>\$ 2,392,003</u>

**The Andersons, Inc.**  
**Consolidated Statements of Operations**  
(In thousands, except per share data)

	Year ended December 31,		
	2019	2018	2017
Sales and merchandising revenues	\$ 8,170,191	\$ 3,045,382	\$ 3,686,345
Cost of sales and merchandising revenues	7,652,299	2,743,377	3,367,546
Gross profit	517,892	302,005	318,799
Operating, administrative and general expenses	436,842	257,872	286,993
Asset impairment	41,212	6,272	10,913
Goodwill impairment	—	—	59,081
Interest expense	59,691	27,848	21,567
Other income:			
Equity in earnings (losses) of affiliates, net	(7,359)	27,141	16,723
Gain from remeasurement of equity method investments, net	35,214	—	—
Other income, net	20,109	16,002	22,507
Income (loss) before income taxes	28,111	53,156	(20,525)
Income tax provision (benefit)	13,051	11,931	(63,134)
Net income	15,060	41,225	42,609
Net income (loss) attributable to the noncontrolling interest	(3,247)	(259)	98
Net income attributable to The Andersons, Inc.	\$ 18,307	\$ 41,484	\$ 42,511
<b>Per common share:</b>			
Basic earnings attributable to The Andersons, Inc. common shareholders	\$ 0.56	\$ 1.47	\$ 1.51
Diluted earnings attributable to The Andersons, Inc. common shareholders	\$ 0.55	\$ 1.46	\$ 1.50

The Notes to Consolidated Financial Statements are an integral part of these statements.

**The Andersons, Inc.**  
**Consolidated Statements of Cash Flows**  
(In thousands)

	Year ended December 31,		
	2019	2018	2017
<b>Operating Activities</b>			
Net income	\$ 15,060	\$ 41,225	\$ 42,609
Adjustments to reconcile net income to cash provided by (used in) operating activities:			
Depreciation and amortization	146,166	90,297	86,412
Bad debt expense	4,007	542	3,000
Equity in (earnings) losses of affiliates, net of dividends	7,671	(23,167)	(10,494)
Loss (gain) on sales of assets	(7,063)	(5,218)	(14,401)
Gains on sales of Rail Group assets and related leases	(4,122)	(9,558)	(10,990)
Stock based compensation expense	16,229	6,624	6,097
Deferred income tax	5,114	11,018	(63,234)
Goodwill impairment	—	—	59,081
Asset impairment	41,212	6,272	10,913
Gain from remeasurement of equity method investments, net	(35,214)	—	—
Other	3,540	(1,451)	(55)
Changes in operating assets and liabilities:			
Accounts receivable	1,487	(24,788)	9,781
Inventories	(1,578)	(44,060)	16,141
Commodity derivatives	21,714	(16,610)	20,285
Other assets	30,497	3,290	(74,237)
Payables and other accrued expenses	103,842	(69,935)	(5,623)
Net cash provided by (used in) operating activities	348,562	(35,519)	75,285
<b>Investing Activities</b>			
Acquisition of businesses, net of cash acquired	(102,580)	(2,248)	(3,507)
Purchases of Rail Group assets	(105,254)	(167,005)	(143,020)
Proceeds from sale of Rail Group assets	18,090	79,439	36,896
Purchases of property, plant and equipment and capitalized software	(165,223)	(142,579)	(34,602)
Proceeds from sale of assets and businesses	30,617	47,486	33,879
Proceeds from returns of investments in affiliates	—	—	1,069
Purchase of investments	(1,490)	(1,086)	(5,679)
Other	808	—	1,470
Net cash used in investing activities	(325,032)	(185,993)	(113,494)
<b>Financing Activities</b>			
Net change in short-term borrowings	(278,824)	183,000	(8,059)
Proceeds from issuance of long-term debt	922,594	132,000	85,175
Payments of long-term debt	(608,483)	(121,090)	(57,189)
Proceeds from long-term financing agreements	—	—	12,195
Proceeds from noncontrolling interest owner	4,714	46,736	(377)
Payments of debt issuance costs	(6,561)	(1,446)	(2,024)
Acquisition of noncontrolling interest	—	(10,000)	—
Dividends paid	(22,118)	(18,639)	(18,152)
Other	(2,615)	(1,375)	(1,071)
Net cash provided by financing activities	8,707	209,186	10,498
Effect of exchange rates on cash, cash equivalents and restricted cash	65	—	—
Increase (decrease) in cash, cash equivalents and restricted cash	32,302	(12,326)	(27,711)
Cash, cash equivalents and restricted cash at beginning of year	22,593	34,919	62,630
Cash, cash equivalents and restricted cash at end of year	\$ 54,895	\$ 22,593	\$ 34,919

The Notes to Consolidated Financial Statements are an integral part of these statements.