

## First Quarter Earnings of \$0.14 per Diluted Share

MAUMEE, Ohio, May 5, 2015 /CNW/ -- The Andersons, Inc. (Nasdaq: ANDE) announces financial results for the first quarter ended

### Highlights

- Base grain pre-tax income up \$6.9 million year over year
- Rail Group leasing pre-tax income up 18 percent year over year
- Ethanol Group pre-tax income of \$5.3 million despite challenged markets
- Good planting progress and higher ethanol margins point to a good full-year outlook

"As expected we experienced a soft start to 2015, yet conditions in the markets we serve give us optimism for the full year. During the first quarter, we experienced a soft start in our leasing businesses. Additionally, our Ethanol Group remained profitable despite reduced industry margins during the seasonally weak market. Our 2014 acquisitions which contributed more than \$1.0 million in pre-tax income for the quarter."

### Key Highlights

Net income for the first quarter of 2015 attributable to the Company was \$4.1 million, or \$0.14 per diluted share. Last year net income was \$12.1 million, or \$0.42 per diluted share. (Net income includes the redemption of our investment in Lansing Trade Group last year, adjusted net income was \$12.1 million, or \$0.42 per diluted share. See the reconciliation of income and adjusted income.) First quarter 2015 revenues were \$950 million compared to \$1.0 billion in revenues for the same period last year.

- The Ethanol Group achieved record first quarter ethanol production volumes and saw E-85 sales progress to a first quarter record.
- The Rail Group's utilization rate has increased for nine consecutive quarters and averaged 91.8 percent during the quarter.
- The Rail Group's lower pre-tax income was due to gains on railcar sales being down \$6.3 million this quarter versus the same period last year.
- The Plant Nutrient Group experienced lower volumes than expected this quarter due to poor weather conditions at the start of the season.
- This quarter, the Company has merged the former Turf & Specialty and Plant Nutrient groups. Going forward the group will be referred to as Plant Nutrient.
- The Company repurchased 631,000 of The Andersons' common shares during the quarter which offsets the shares issued as part of the 2014 acquisitions.

### Outlook

- Solid fundamentals supporting the Company's core businesses continue into 2015.
- Corn acres to be planted in 2015 are estimated to be approximately 89 million acres, which is down slightly from 2014. Bean acres to be planted are estimated to be approximately 10 million acres, up from 2014.
- The anticipated corn acres creates a good environment for all three of the Company's agricultural businesses.
- Lower volume experienced by the Plant Nutrient Group during the past two quarters is expected to be substantially regained in 2015.
- Relative to the first quarter, ethanol margins have improved which provides optimism for the Ethanol Group's performance going forward.
- The Rail Group is expected to have strong results as it continues to benefit from increased lease and utilization rates.

### Conference Call

The Company will host a webcast on Wednesday, May 6, 2015 at 11:00 A.M. ET, to discuss its performance. To dial-in to the call, please call 800-541-4343. It is recommended that you call 10 minutes before the conference call begins.

To access the webcast: Click on the link: <http://edge.media-server.com/m/p/dwpegcgm/lan/en>. Log on. Click on the phone icon at the top right of the page. Enter the phone number and passcode provided with the conference call number and passcode. Click the gear set icon (left of the telephone icon) and select 'Live Phone' to access the call. The call can also be accessed under the heading "Investor" on the Company website at [www.andersonsinc.com](http://www.andersonsinc.com).

### Forward Looking Statements

This release contains forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those stated in the forward-looking statements. Regulatory conditions, competition, and the risk factors set forth from time to time in the Company's filings with the Securities and Exchange Commission, which the financial information and its forward-looking statements are based are reasonable, it can give no assurance that these assumptions will be realized.

### Company Description

Founded in Maumee, Ohio, in 1947, The Andersons is a diversified Company rooted in agriculture conducting business across North America. The Company has a consumer retailing presence. For more information, visit The Andersons online at [www.andersonsinc.com](http://www.andersonsinc.com).

The Andersons, Inc.

Condensed Consolidated Statements of Income

(Unaudited)

| (in thousands, except per share data)   | Three months ended March 31, |              |
|---|------------------------------|--------------|
|   | 2015                         | 2014         |
| Sales and merchandising revenues  | \$ 950,090                   | \$ 1,003,294 |
| Cost of sales and merchandising revenues  | 866,777                      | 926,519      |
| Gross profit  | 83,313                       | 76,775       |
| Operating, administrative and general expenses  | 78,604                       | 70,985       |
| Interest expense  | 6,039                        | 6,002        |
| Other income:   |                              |              |
| Equity in earnings of affiliates  | 3,261                        | 20,501       |
| Other income, net   | 3,107                        | 19,612       |
| Income before income taxes  | 5,038                        | 39,901       |
| Income tax provision  | 1,093                        | 13,872       |
| Net income  | 3,945                        | 26,029       |
| Net (loss) income attributable to the noncontrolling interests                          | (152)                        | 3,321        |
| Net income attributable to The <a href="#">Andersons Inc.</a>                           | \$ 4,097                     | \$ 22,708    |
| Per common share:   |                              |              |
| Basic earnings attributable to The <a href="#">Andersons Inc.</a> common shareholders   | \$ 0.14                      | \$ 0.80      |
| Diluted earnings attributable to The <a href="#">Andersons Inc.</a> common shareholders | \$ 0.14                      | \$ 0.80      |
| Dividends declared  | \$ 0.14                      | \$ 0.11      |

The Andersons, Inc.

Reconciliation to Adjusted Net Income

(Unaudited)

| (in thousands, except per share data)   | Three months ended March 31, |          |           |
|---|------------------------------|----------|-----------|
|   | 2015                         | 2014     |           |
| Net income attributable to The <a href="#">Andersons Inc.</a>                           | \$                           | 4,097    | \$ 22,708 |
| Items impacting other income, net:  |                              |          |           |
| Partial redemption of investment in Lansing Trade Group                                 | -                            | (10,656) |           |
| Total adjusting items   | -                            | (10,656) |           |
| Adjusted net income attributable to The <a href="#">Andersons Inc.</a>                  | \$                           | 4,097    | \$ 12,052 |
| Diluted earnings attributable to The <a href="#">Andersons Inc.</a> common shareholders | \$                           | 0.14     | \$ 0.80   |
| Impact on diluted earnings per share  | -                            | (0.38)   |           |
| Adjusted diluted earnings per share   | \$                           | 0.14     | \$ 0.42   |

The [Andersons Inc.](#)

Condensed Consolidated Balance Sheets

(Unaudited)

| (in thousands)                                 | March 31, 2015 | December 31, 2014 | March 31, 2014 |
|--|----------------|-------------------|----------------|
| <b>Assets</b>                                  |                |                   |                |
| <b>Current assets:</b>                         |                |                   |                |
| Cash and cash equivalents                      | \$ 54,461      | \$ 114,704        | \$ 43,693      |
| Restricted cash                                | 685            | 429               | 652            |
| Accounts receivable, net                       | 209,928        | 183,059           | 191,972        |
| Inventories                                    | 743,957        | 795,655           | 725,584        |
| Commodity derivative assets &ndash; current    | 86,824         | 92,771            | 119,330        |
| Deferred income taxes                          | 12,878         | 7,337             | 9,104          |
| Other current assets                           | 65,017         | 60,492            | 48,214         |
| Total current assets                           | 1,173,750      | 1,254,447         | 1,138,549      |
| <b>Other assets:</b>                           |                |                   |                |
| Commodity derivative assets &ndash; noncurrent | 243            | 507               | 1,365          |
| Other assets, net                              | 126,819        | 131,527           | 114,528        |
| Pension asset                                  |                |                   |                |









|   |              |              |              |
|---|--------------|--------------|--------------|
| Equity method investments               | 222,082      | 226,857      | 232,396      |
|   | 349,144      | 358,891      | 363,368      |
| Rail Group assets leased to others, net | 313,095      | 297,747      | 237,534      |
| Property, plant and equipment, net      | 451,638      | 453,607      | 386,132      |
| Total assets                            | \$ 2,287,627 | \$ 2,364,692 | \$ 2,125,583 |

Liabilities and equity

Current liabilities:

|   |              |              |              |
|---|--------------|--------------|--------------|
| Short-term debt                                     | \$ 311,660   | \$ 2,166     | \$ 226,100   |
| Accounts payable for grain                          | 206,153      | 535,974      | 183,998      |
| Other accounts payable                              | 164,224      | 170,849      | 177,623      |
| Customer prepayments and deferred revenue           | 130,254      | 99,617       | 124,981      |
| Commodity derivative liabilities &ndash; current    | 55,401       | 64,075       | 32,153       |
| Accrued expenses and other current liabilities      | 64,065       | 78,610       | 56,290       |
| Current maturities of long-term debt                | 19,037       | 76,415       | 90,760       |
| Total current liabilities                           | 950,794      | 1,027,706    | 891,905      |
| Other long-term liabilities                         | 14,871       | 15,507       | 14,749       |
| Commodity derivative liabilities &ndash; noncurrent | 2,084        | 3,318        | 734          |
| Employee benefit plan obligations                   | 59,557       | 59,308       | 39,989       |
| Long-term debt, less current maturities             | 323,258      | 298,638      | 306,161      |
| Deferred income taxes                               | 139,145      | 136,166      | 128,716      |
| Total liabilities                                   | 1,489,709    | 1,540,643    | 1,382,254    |
| Total equity  | 797,918      | 824,049      | 743,329      |
| Total liabilities and equity                        | \$ 2,287,627 | \$ 2,364,692 | \$ 2,125,583 |

The Andersons, Inc.

Segment Data

(Unaudited)

(in thousands)

Three months ended March 31, 2015

|  | Grain      | Ethanol    | Plant Nutrient |
|--|------------|------------|----------------|
| Revenues from external customers   | \$ 585,162 | \$ 138,180 | \$ 153,951     |
| Gross profit   | 29,725     | 6,286      | 21,966         |
| Equity in earnings of affiliates   | 1,549      | 1,712      | &mdash;        |
| Other income, net  | 833        | 42         | 1,035          |
| Income (loss) before income taxes  | 740        | 5,131      | 424            |
| Loss attributable to the noncontrolling interests  | (3)        | (149)      | &mdash;        |
| Income (loss) before income taxes attributable to The <a href="#">Andersons Inc.</a> (a) | \$ 743     | \$ 5,280   | \$ 424         |

Three months ended March 31, 2014

|  |            |            |            |
|--|------------|------------|------------|
| Revenues from external customers   | \$ 583,159 | \$ 188,820 | \$ 151,355 |
| Gross profit   | 17,008     | 7,365      | 22,550     |
| Equity in earnings of affiliates   | 1,884      | 18,617     | &mdash;    |
| Other income (expense), net  | 18,346     | (226)      | 492        |
| Income (loss) before income taxes  | 11,303     | 23,148     | (36)       |
| Income (loss) attributable to the noncontrolling interest                                | (3)        | 3,324      | &mdash;    |
| Income (loss) before income taxes attributable to The <a href="#">Andersons Inc.</a> (a) | \$ 11,306  | \$ 19,824  | \$ (36)    |

(a) Income (loss) before income taxes attributable to The [Andersons Inc.](#) for each Group is defined as net sales and merchandising including interest expense for carrying working capital and long-term assets and is reported net of the noncontrolling interest share of

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