



The Andersons Inc. (ANDE)

Updated May 7th, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	\$71	5 Year Annual Expected Total Return:	20.0%	Market Cap:	\$2.4 B
Fair Value Price:	\$107	5 Year Growth Estimate:	10.0%	Ex-Dividend Date¹:	07/01/26
% Fair Value:	66%	5 Year Valuation Multiple Estimate:	8.6%	Dividend Payment Date:	07/22/26
Dividend Yield:	1.1%	5 Year Price Target	\$172	Years Of Dividend Growth:	30
Dividend Risk Score:	B	Sector:	Consumer Staples	Rating:	Hold

Overview & Current Events

The Andersons, Inc. (ANDE) is an agriculture company that conducts business in North America. It operates through the following segments: Agribusiness segment (which includes former Trade operations) and Renewables. The Trade segment includes commodity merchandising and the operation of terminal grain elevator facilities. The Agribusiness segment contributed approximately 75% of revenue in 2025. The Renewables segment produces, purchases, and sells ethanol and co-products. The Nutrient & Industrial segment manufactures, and distributes agricultural inputs, primary nutrients, and specialty fertilizers, to dealers and farmers, along with turf care and corncob-based products. The \$2.4 billion company was founded in 1947 and has about 2,050 employees.

On May 5th, 2026, the company reported its first quarter results for the period ending March 31st, 2026. Revenue was \$2.63 billion, compared to \$2.66 billion in Q1 2025, reflecting record first quarter performance driven by outstanding Renewables results and year-over-year improvement in Agribusiness. Net income attributable to Andersons was \$33.2 million, or \$0.97 per diluted share, compared to \$0.3 million, or \$0.01 per diluted share, in the prior year. Adjusted net income was \$38.2 million, or \$1.12 per diluted share, up from \$4.1 million and \$0.12, respectively. The Renewables segment delivered strong operational performance, posting pretax income of \$39.6 million, compared to \$24.9 million pretax income and \$15.3 million attributable to Andersons, respectively, in Q1 2025. Results benefited from record ethanol production, strong merchandising, biofuels policy benefits, improved RIN and distillers corn oil values, and the recognition of \$26 million in 45Z producer tax credits during the quarter. The Agribusiness segment recorded pretax income of \$7.4 million and adjusted pretax income attributable to the company was \$17.9 million, compared to a pretax loss of \$9.7 million and adjusted pretax loss attributable of \$0.1 million, respectively, in the year-ago quarter. Segment results reflected resilient merchandising, improving market volatility, stronger fertilizer margins, and premium ingredients results that more than doubled year-over-year, partially offset by weaker-than-expected basis appreciation in parts of the grain asset footprint.

Management maintained a positive outlook for 2026, citing supportive ethanol fundamentals driven by elevated demand, increasing global blend rates, high gasoline prices, planned industry maintenance, and robust Renewable Volume Obligation (RVO) conditions, while also expecting continued market volatility to create additional merchandising opportunities in Agribusiness. The company also reiterated its focus on long-term growth initiatives and its target to achieve a \$7.00 run-rate EPS exiting 2028.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$0.41	\$3.12	\$1.46	\$0.55	\$0.23	\$2.94	\$3.46	\$2.94	\$3.32	\$2.79	\$5.35	\$8.62
DPS	\$0.63	\$0.65	\$0.67	\$0.69	\$0.70	\$0.71	\$0.73	\$0.75	\$0.76	\$0.78	\$0.80	\$0.93
Shares²	28	28	28	33	33	34	34	34	34	34	34	35

¹ Estimated date

² In millions.

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The Andersons' long-term earnings growth track record has been volatile due to its industry (commodity trading) and due to the COVID-19 impact. Over the last five years, the average EPS growth rate is 12.7%.

We expect the company to grow its earnings-per-share by 10% per year on average over the next five years. Looking ahead, earnings visibility improves meaningfully with the ramp-up of 45Z tax credits and the full consolidation of Renewables operations. As a result, 2026 represents a structural earnings reset rather than a typical cyclical increase, with growth expected to normalize to approximately 10% annually thereafter. The company has a long history of paying dividends and has increased its payout for 30 consecutive years. In December 2025, the quarterly dividend increased by 2.6% from \$0.195 to \$0.20 per share. Over the last five years, the average annual dividend growth rate is 2.4%.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	82.9	11.3	23.5	50.5	81.0	15.3	11.2	30.3	11.6	25.0	13.3	20.0
Avg. Yld.	1.9%	1.8%	1.9%	2.5%	3.8%	1.8%	1.9%	1.3%	1.9%	1.5%	1.1%	0.5%

During the past decade shares of The Andersons Inc. have traded with an average price-to-earnings ratio of about 34 times earnings and today, it stands at 13.3. We are using 20 times earnings as a fair value baseline, implying the potential for a valuation tailwind. For context, the average industry price-to-earnings is ~20–22x. The company's dividend yield is currently 1.1% and the dividend raises in the last few years have contributed modestly to total returns.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	154%	21%	46%	125%	304%	24%	21%	26%	23%	28%	15%	11%

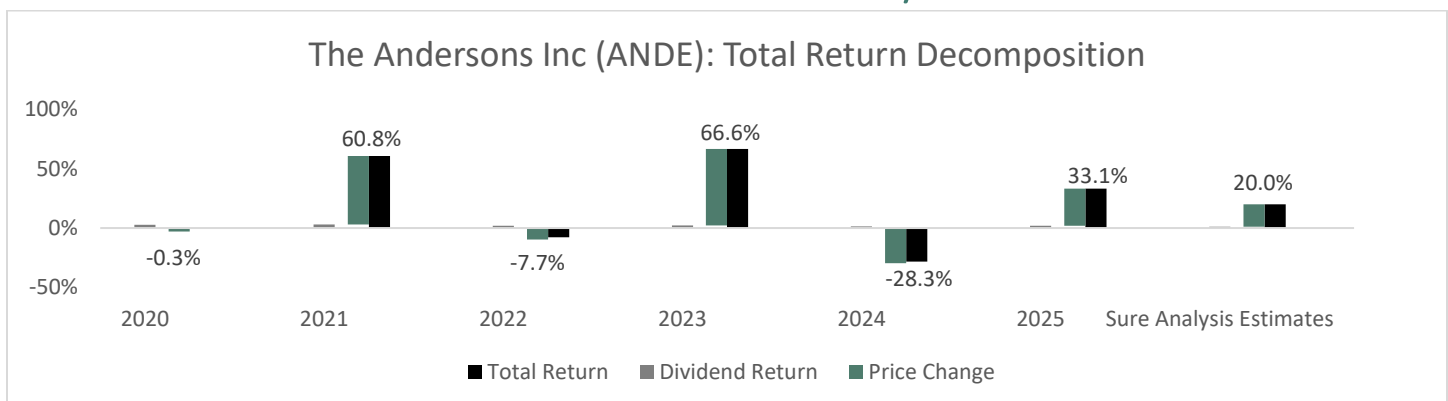
During the past five years, the company's dividend payout ratio has averaged around 24. Earnings growth will be supporting continued dividend growth with a payout ratio under 35%.

The Andersons operates a diversified agribusiness platform spanning grain merchandising, ethanol production, and plant nutrients. Its balanced Agribusiness and Renewables segments provide cyclical resilience, with Renewables emerging as a key earnings driver following full ethanol plant ownership and the ramp-up of 45Z tax credits. While grain results remain sensitive to commodity cycles, the company's integrated supply chain, export reach, and disciplined capital investment support long-term earnings growth and improved visibility.

Final Thoughts & Recommendation

We believe that the company's earnings and revenue could continue to grow modestly in the coming years. Revenue is predominantly dependent on the Trade segment, which has a volatile profile. The 30 consecutive years of dividend growth are comforting. We estimate a total return potential of 20.0% per year for the next five years, driven by 10% earnings growth, the dividend yield of 1.1%, and a valuation tailwind. Shares earn a hold rating due to the weak dividend growth over the long-term.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,925	3,686	3,045	8,003	8,065	12,612	17,330	14,750	11,260	11,010
Gross Profit	346	319	302	461	366	593	684	745	694	697
Gross Margin	8.8%	8.6%	9.9%	5.8%	4.5%	4.7%	3.9%	5.1%	6.2%	6.3%
SG&A Exp.	---	---	---	410	378	424	467	492	504	585
D&A Exp.	84	86	90	146	189	179	135	125	128	133
Operating Profit	29	32	44	51	(11)	169	218	253	190	111
Operating Margin	0.7%	0.9%	1.4%	0.6%	-0.1%	1.3%	1.3%	1.7%	1.7%	1.0%
Net Profit	12	43	41	18	8	104	131	101	114	119
Net Margin	0.3%	1.2%	1.4%	0.2%	0.1%	0.8%	0.8%	0.7%	1.0%	1.1%
Free Cash Flow	(123)	(102)	(345)	78	(179)	(133)	147	796	182	(56)
Income Tax	7	(63)	12	9	(11)	29	40	37	30	22

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	2,233	2,162	2,392	3,901	4,272	4,569	4,608	3,855	4,121	3,713
Cash & Equivalents	63	35	23	55	29	216	115	644	562	98
Accounts Receivable	195	183	207	536	641	835	1,249	763	765	652
Inventories	683	649	691	1,171	1,293	1,815	1,732	1,167	1,287	1,365
Goodwill & Int. Ass.	170	119	105	311	272	246	230	213	197	191
Total Liabilities	1,442	1,339	1,515	2,705	3,111	3,262	3,178	2,339	2,521	2,423
Accounts Payable	582	504	463	873	955	1,199	1,424	1,055	1,047	919
Long-Term Debt	474	495	723	1,226	1,360	1,135	875	634	811	695
Shareholder's Equity	774	815	830	974	962	1,072	1,199	1,283	1,366	1,245
LTD/E Ratio	0.61	0.61	0.87	1.26	1.41	1.06	0.73	0.49	0.59	0.78

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.5%	1.9%	1.8%	0.6%	0.2%	2.4%	2.9%	2.4%	2.9%	3.1%
Return on Equity	1.5%	5.3%	5.0%	2.0%	0.8%	10.2%	11.5%	6.9%	7.3%	8.3%
ROIC	0.9%	3.3%	2.8%	0.9%	0.3%	4.2%	5.5%	4.5%	5.0%	5.0%
Shares Out.	28	28	28	33	33	34	34.4	34.4	34.2	34.3
Revenue/Share	138.05	130.28	107.04	241.82	242.99	372.53	503.52	429.01	328	320.61
FCF/Share	(4.34)	(3.62)	(12.1)	2.36	(5.40)	(3.92)	4.28	23.16	5.31	(1.63)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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