



Q4 and FY 2021 Financial Results

May 20, 2021



Management Presenters

Scott Barbour

President and Chief Executive Officer

Scott Cottrill

Executive Vice President, Chief Financial Officer

Mike Higgins

Vice President, Corporate Strategy & Investor Relations

Forward Looking Statements and Non-GAAP Financial Metrics

Certain statements in this presentation may be deemed to be forward-looking statements. These statements are not historical facts but rather are based on the Company's current expectations, estimates and projections regarding the Company's business, operations and other factors relating thereto. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "confident" and similar expressions are used to identify these forward-looking statements. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include: fluctuations in the price and availability of resins and other raw materials and our ability to pass any increased costs of raw materials on to our customers in a timely manner; volatility in general business and economic conditions in the markets in which we operate, including the adverse impact on the U.S. and global economy of the COVID-19 global pandemic, and the impact of COVID-19 in the near, medium and long-term on our business, results of operations, financial position, liquidity or cash flows, and other factors relating to availability of credit, interest rates, fluctuations in capital and business and consumer confidence; cyclical and seasonality of the non-residential and residential construction markets and infrastructure spending; the risks of increasing competition in our existing and future markets, including competition from both manufacturers of high performance thermoplastic corrugated pipe and manufacturers of products using alternative materials; uncertainties surrounding the integration of acquisitions and similar transactions, including the acquisition of Infiltrator Water Technologies and the integration of Infiltrator Water Technologies; our ability to realize the anticipated benefits from the acquisition of Infiltrator Water Technologies; risks that the acquisition of Infiltrator Water Technologies and related transactions may involve unexpected costs, liabilities or delays; our ability to continue to convert current demand for concrete, steel and polyvinyl chloride ("PVC") pipe products into demand for our high performance thermoplastic corrugated pipe and Allied Products; the effect of any claims, litigation, investigations or proceedings; the effect of weather or seasonality; the loss of any of our significant customers; the risks of doing business internationally; our ability to remediate the material weakness in our internal control over financial reporting, including remediation of the control environment for our joint venture affiliate ADS Mexicana, S.A. de C.V.; the risks of conducting a portion of our operations through joint ventures; our ability to expand into new geographic or product markets, including risks associated with new markets and products associated with our recent acquisition of Infiltrator Water Technologies; our ability to achieve the acquisition component of our growth strategy; the risk associated with manufacturing processes; our ability to manage our assets; the risks associated with our product warranties; our ability to manage our supply purchasing and customer credit policies; the risks associated with our self-insured programs; our ability to control labor costs and to attract, train and retain highly-qualified employees and key personnel; our ability to protect our intellectual property rights; changes in laws and regulations, including environmental laws and regulations; our ability to project product mix; the risks associated with our current levels of indebtedness, including borrowings under our existing credit agreement and outstanding indebtedness under our existing senior notes; fluctuations in our effective tax rate; our ability to meet future capital requirements and fund our liquidity needs; the risk that additional information may arise that would require the Company to make additional adjustments or revisions or to restate the financial statements and other financial data for certain prior periods and any future periods; any delay in the filing of any filings with the Securities and Exchange Commission ("SEC"); the review of potential weaknesses or deficiencies in the Company's disclosure controls and procedures, and discovering weaknesses of which we are not currently aware or which have not been detected; additional uncertainties related to accounting issues generally; and the other risks and uncertainties described in the Company's filings with the SEC. New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's expectations, objectives or plans will be achieved in the timeframe anticipated or at all. Investors are cautioned not to place undue reliance on the Company's forward-looking statements and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Q4 Fiscal 2021 Revenue Highlights

1

Consolidated net sales grew 20% driven by 17% growth in Legacy ADS business and 23% growth in Infiltrator business.

2

Legacy ADS non-residential sales increased 11%, driven by strong performance in key growth states, material conversion strategy, diversified geographic mix and exposure to horizontal construction.

3

Legacy ADS residential sales increased 21%, driven by favorable dynamics and material conversion in new home construction, home improvement and on-site septic.

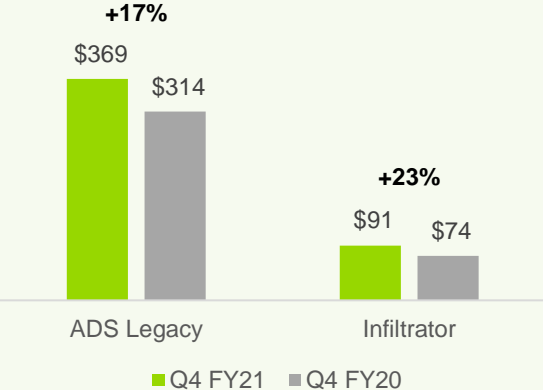
4

Infiltrator Water Technologies results exceeded expectations, driven by growth across the product portfolio as well as strong demand in both residential and repair/remodel end markets.

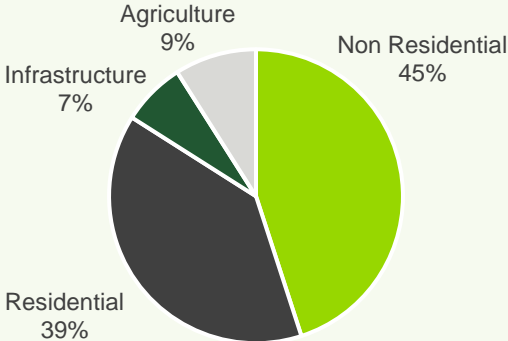
5

Demand and business activity remain strong. Forward looking non-residential market indicators are positive and residential growth is expected to continue.

Q4 FY21 Sales Growth



FY21 Domestic End Market Sales Mix



Q4 Fiscal 2021 Highlights

1

Consolidated Adjusted EBITDA increased 32%, driven by 27% increase in the Legacy ADS business and 37% increase in Infiltrator business.

2

Legacy ADS Adjusted EBITDA growth driven by leverage from sales growth in both pipe and allied products, favorable pricing and operational improvements offsetting inflationary costs.

3

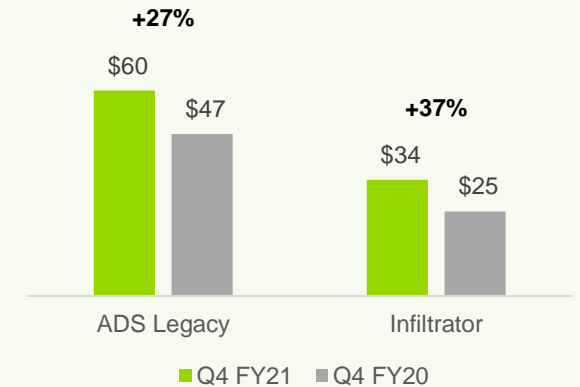
Infiltrator profitability driven by strong demand, favorable pricing and impact from synergy programs.

4

Converted 66% of Adjusted EBITDA into Free Cash Flow in FY21, in excess of 50% target.



Q4 FY21 Adj. EBITDA Growth



Fiscal 2021 Financial Results vs. Investor Day Plan

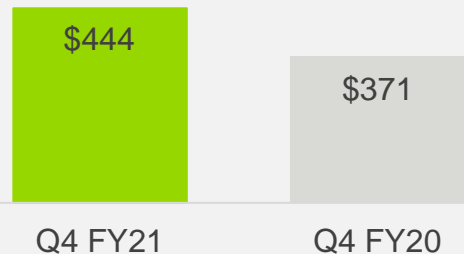
Key Metric	3 Year Target	FY18	Fiscal 2021 Results	
			ADS Legacy	Consolidated
Organic Sales Growth*	+4% to 6% CAGR	\$1,330	\$1,660 7.7% CAGR	\$1,983 14.2% CAGR
Adj. EBITDA Margin	18% to 19%	15.8%	24.3%	28.6%
Free Cash Flow Conversion	>50% of Adjusted EBITDA	45%	N/A	66%

Q4 Fiscal 2021 Financial Performance

Revenue

(USD, in millions)

+19.7%



ADS Legacy +17%

ADS Legacy Revenue Performance

By Geography

+ Domestic	+16%
+ Pipe	+18%
+ Allied	+11%
+ International	+49%
+ Pipe	+54%
+ Allied	+38%

By Application

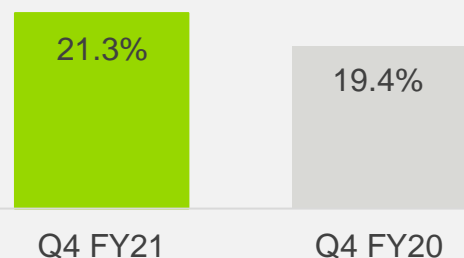
+ Pipe	+19%
+ Allied	+13%

Domestic Markets

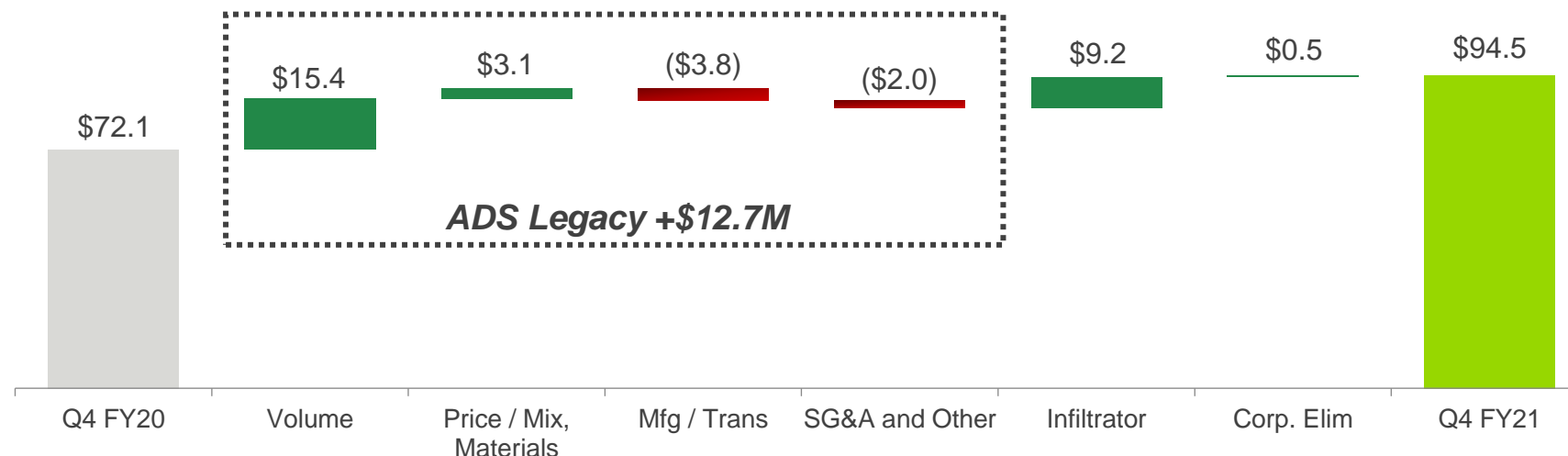
+ Construction	+13%
+ Non-Residential	+11%
+ Residential	+21%
+ Infrastructure	+5%
+ Agriculture	+50%

Adj. EBITDA

+190 bps



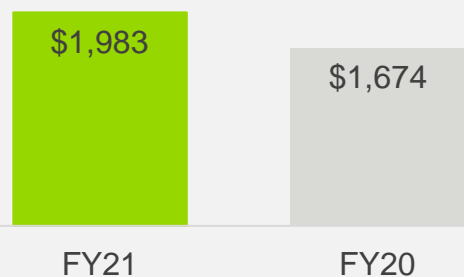
ADS Legacy +120 bps



Fiscal 2021 Financial Performance

Revenue

+18.5% (USD, in millions)



ADS Legacy +10%

ADS Legacy Revenue Performance

By Geography

+ Domestic	+11%
+ Pipe	+11%
+ Allied	+10%
+ International	+11%
+ Pipe	+12%
+ Allied	+8%

By Application

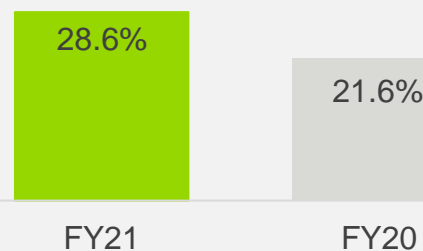
+ Pipe	+10%
+ Allied	+10%

Domestic Markets

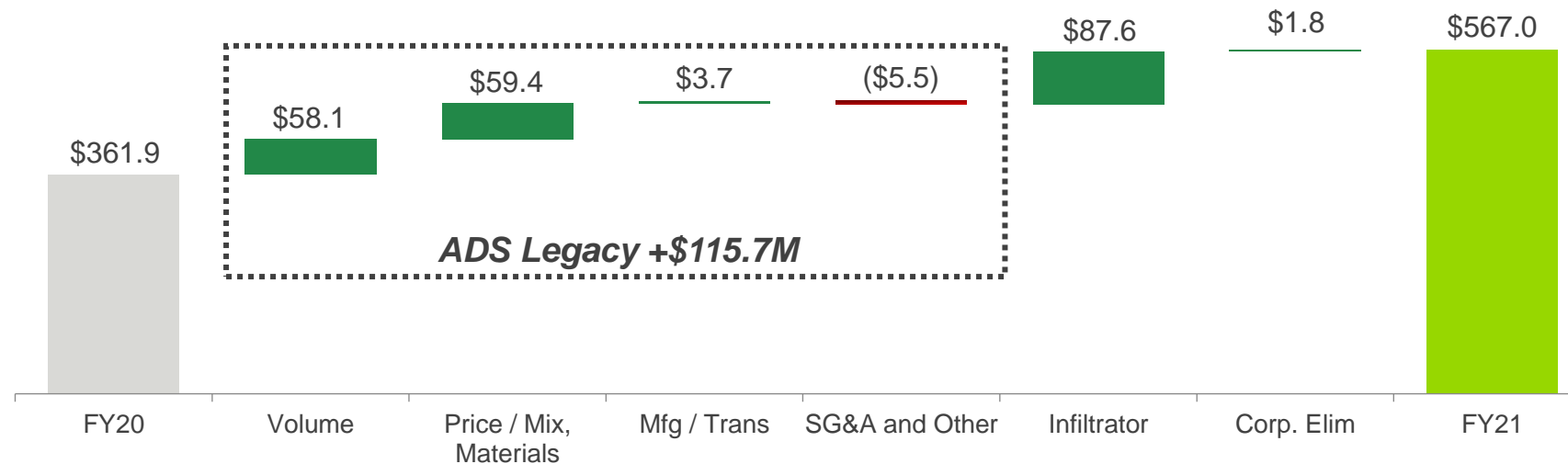
+ Construction	+9%
+ Non-Residential	+5%
+ Residential	+20%
+ Infrastructure	+5%
+ Agriculture	+26%

Adj. EBITDA

+700 bps



ADS Legacy +520 bps



Free Cash Flow and Capital Structure

Free Cash Flow ⁽¹⁾

	FY 2021	FY 2020	Δ
Consolidated Adjusted EBITDA	\$567	\$362	\$205
Working capital ⁽²⁾	12	26	(14)
Cash tax	(98)	(9)	(89)
Cash interest	(37)	(41)	4
Transaction costs ⁽³⁾	(1)	(23)	22
Other	9	(9)	18
Consolidated cash flow from operations	\$452	\$306	\$146
Capital expenditures	(79)	(67)	(12)
Consolidated Free Cash Flow	\$373	\$239	\$134

Debt & Capital Leases

(in millions)	March 31, 2021	March 31, 2020
Term Loan Facility	\$ 441	\$ 648
Senior Notes	350	350
Revolving Credit Facility	–	100
Equipment financing	–	1
Total debt	\$ 791	\$ 1,099
Finance leases	\$ 52	\$ 65
Leverage	1.1x	2.7x
TTM Proforma Leverage	N/A	2.5x

Liquidity

(in millions)	March 31, 2021
Cash	\$ 195
Availability under Revolving Credit Facility	339
Total Liquidity	\$ 534

Note: all figures in USD, \$mm. Figures may not add due to rounding.

1. Operating Cash Flow less capital expenditures.
2. Inventory, Trade Receivables, Accounts Payable
3. Advisory, legal, and consulting fees related to acquisition of Infiltrator Water Technologies

Fiscal Year 2022 Guidance

Fiscal 2022 Expectations			
Key Metric	FY 2021	FY 2022	Y-o-Y Change
Net Sales (in Millions)	\$1,983	\$2,220 - \$2,300	Up 12% to 16%
Adj. EBITDA (in Millions)	\$567	\$635 - \$665	Up 12% to 17%
Adj. EBITDA Margin	28.6%	28.6% - 28.9%	flat to +30 basis points



Q&A

Closing Remarks

1

Significant outperformance of domestic end markets in FY21 due to material conversion, complete water management solutions and strategic sales growth strategies.

2

Project quotes, order rate and backlog are strong year-over-year. Demand and business activity remain strong with positive forward looking market indicators.

3

Continue to focus on disciplined execution, capitalizing on favorable market dynamics, operational productivity initiatives, recycling programs and capital deployment initiatives as we build on strong FY21 results.

4

Strong profitability and free cash flow conversion expected to enable investment in growth, productivity, safety and other strategic investments.



Appendix

Reconciliations

Three Months Ended

	March 31, 2021			March 30, 2020		
	Net Sales	Intersegment Net Sales	Net Sales from External Customers	Net Sales	Intersegment Net Sales	Net Sales from External Customers
Pipe	\$ 239,206	\$ (1,487)	\$ 237,719	\$ 203,150	\$ (1,346)	\$ 201,804
Infiltrator Water Technologies	91,265	(14,721)	76,544	74,033	(15,919)	58,114
International						
International - Pipe	25,197	(2,723)	22,474	16,382	—	16,382
International - Allied Products	9,157	—	9,157	6,627	—	6,627
Total International	34,354	(2,723)	31,631	23,009	—	23,009
Allied Products & Other	97,915	—	97,915	87,841	—	87,841
Intersegment Eliminations	(18,931)	18,931	—	(17,265)	17,265	—
Total Consolidated	\$ 443,809	\$ —	\$ 443,809	\$ 370,768	\$ —	\$ 370,768

Fiscal Year Ended

	March 31, 2021			March 30, 2020		
	Net Sales	Intersegment Net Sales	Net Sales from External Customers	Net Sales	Intersegment Net Sales	Net Sales from External Customers
Pipe	\$ 1,059,200	\$ (6,280)	\$ 1,052,920	\$ 954,633	\$ (2,030)	\$ 952,603
Infiltrator Water Technologies	397,813	(68,669)	329,144	211,005	(41,657)	169,348
International						
International - Pipe	121,468	(6,589)	114,879	108,624	—	108,624
International - Allied Products	43,390	—	43,390	39,957	—	39,957
Total International	164,858	(6,589)	158,269	148,581	—	148,581
Allied Products & Other	442,447	—	442,447	403,273	—	403,273
Intersegment Eliminations	(81,538)	81,538	—	(43,687)	43,687	—
Total Consolidated	\$ 1,982,780	\$ —	\$ 1,982,780	\$ 1,673,805	\$ —	\$ 1,673,805

Reconciliations

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2021	2020	2021	2020
<i>(Amounts in thousands)</i>				
Net income (loss)	\$ 20,776	\$ 3,533	\$ 226,090	\$ (191,797)
Depreciation and amortization	38,265	50,508	145,586	124,940
Interest expense	7,895	11,924	35,658	82,711
Income tax expense	7,091	(8,763)	86,382	14,092
EBITDA	74,027	57,202	493,716	29,946
Loss on disposal of assets and costs from exit and disposal activities	1,021	872	4,275	5,338
ESOP and stock-based compensation expense	20,021	5,030	65,434	32,395
ESOP special dividend compensation	-	-	-	246,752
Transaction costs	(13)	247	1,415	22,896
Inventory step up related to Infiltrator Water Technologies acquisition	-	-	-	7,880
Strategic growth and operational improvement initiatives	615	2,028	3,304	6,659
COVID-19 related expenses ^(a)	-	5,081	806	5,081
Restatement related costs	-	-	-	8
Other adjustments ^(b)	(1,123)	1,634	(1,995)	4,913
Adjusted EBITDA	\$ 94,548	\$ 72,094	\$ 566,955	\$ 361,868

	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2021	2020	2021	2020
<i>(Amounts in thousands)</i>				
Legacy ADS Adjusted EBITDA				
Pipe Adjusted Gross Profit	\$ 53,100	\$ 46,767	\$ 322,846	\$ 239,531
International Adjusted Gross Profit	10,945	7,865	49,921	36,999
Allied Products & Other Adjusted Gross Profit	49,046	43,580	225,052	201,206
Unallocated corporate and selling expenses	(52,956)	(50,864)	(194,775)	(190,353)
Legacy ADS Adjusted EBITDA	60,135	47,348	403,044	287,383
Legacy Infiltrator Water Technologies Adjusted EBITDA				
Infiltrator Water Technologies	41,612	33,366	191,163	98,245
Unallocated corporate and selling expenses	(7,610)	(8,584)	(27,135)	(21,865)
Legacy Infiltrator Water Technologies Adjusted EBITDA	\$ 34,002	\$ 24,782	\$ 164,028	\$ 76,380
Intersegment Eliminations	411	(36)	(117)	(1,895)
Consolidated Adjusted EBITDA	\$ 94,548	\$ 72,094	\$ 566,955	\$ 361,868

a) Includes expenses directly related to our response to the COVID-19 pandemic, including adjustments to our pandemic pay program and expenses associated with our 3rd party crisis management vendor.

b) Includes derivative fair value adjustments, foreign currency transaction (gains) losses, the proportionate share of interest, income taxes, depreciation and amortization related to the South American Joint Venture, which is accounted for under the equity method of accounting and executive retirement expense. The other adjustments in fiscal 2020 also includes expenses related to the ADS Mexicana's investigation.

Reconciliations

<i>(Amounts in thousands)</i>	Three Months Ended March 31,		Fiscal Year Ended March 31,	
	2021	2020	2021	2020
Segment Adjusted Gross Profit				
Pipe	\$ 53,100	\$ 46,767	\$ 322,846	\$ 239,531
International	10,945	7,865	49,921	36,999
Infiltrator Water Technologies	41,612	33,366	191,163	98,245
Allied Products & Other	49,046	43,580	225,052	201,206
Intersegment Elimination	415	(36)	(503)	(1,895)
Total Segment Adjusted Gross Profit	155,118	131,542	788,479	574,086
Depreciation and amortization	17,090	16,808	66,408	62,225
ESOP and stock-based compensation expense	10,811	1,406	31,792	14,319
ESOP special dividend compensation	-	-	-	168,610
COVID-19 related expenses	-	4,573	197	4,573
Inventory step up related to Infiltrator Water Technologies acquisition	-	-	-	7,880
Total Gross Profit	\$ 127,217	\$ 108,755	\$ 690,082	\$ 316,479