



Fiscal Year 2026  
**Annual Report**

Advanced Drainage Systems, Inc.

[www.adspipe.com](http://www.adspipe.com)

# A Letter from our CEO



## Dear Fellow Shareholders,

ADS executed well in Fiscal 2026 in a challenging environment, demonstrating the resilience of ADS' business model across market cycles. For the year, ADS generated \$3.1 billion in revenue and \$963 million in Adjusted EBITDA, resulting in an Adjusted EBITDA margin of 31.6% – a year-over-year increase of 100 basis points that marks our second most profitable year in the Company's history.

In Fiscal 2026, new products contributed \$431 million to our revenue and helped us outperform our end markets, which declined low- to mid-single digits. Investments in new products, capacity, and productivity continued to generate attractive returns. Investments in new processes and capabilities enabled the company to improve customer service and operate factories, recycling facilities, and the dedicated logistics fleet more efficiently.

In the face of elevated interest rates, commodity-related headwinds and geopolitical uncertainty, our tried-and-true playbook continued to deliver for our shareholders. We aligned pricing with rising costs late in FY26, optimized production to meet demand, and maintained a focus on working capital and operational efficiency. These actions were taken while improving employee safety by 40% and delivery performance. Importantly, we continued to invest in the business, enhancing our market position and creating additional growth opportunities that will appear as market conditions improve.

The most significant of the investments in FY26 was the acquisition of National Diversified Sales ("NDS"), the water management business of Norma Group SE (DAX: NOEJ). This acquisition, the second largest in the Company's history, represents another step forward in expanding our capabilities

## Capital Allocation Fiscal 2026



**\$3.1B**

REVENUE



**\$963M**

ADJUSTED EBITDA



**31.6%**

ADJUSTED EBITDA  
MARGIN



**NDS  
Acquisition**

as a complete water management solutions provider. Crucially, this acquisition is directly aligned with our strategy to diversify our product mix and increase our sales of higher-margin Allied products. Combined with ADS and Infiltrator, NDS expands our leadership position and further differentiates our platform as the leading pure-play water investment.

Organically, we deployed \$250 million of capital expenditures to fuel ADS' differentiated growth strategy and to build upon areas of strength. In particular, we invested in new product development and capacity across some of our most profitable businesses, namely Infiltrator and Allied products. This included new introductions in our StormTech® storage chambers and Nyloplast® capture structures, which continue to represent an important and growing component of our portfolio. We also introduced market leading products in the Allied water treatment segment. Overall, Allied products grew 14% year over year and Infiltrator grew 13% including the fully absorbed Orenco acquisition. Free cash flow increased 54% year over year as we efficiently converted profitability to cash and executed well on our working capital initiatives.

ADS also invested significantly in new go-to-market and commercial excellence strategies. Specifically, we developed unique digital engineering and design services that make our products easier for our customers to incorporate into their projects, improving our customer experience, and enhancing our fleet's delivery capabilities.

As we look ahead, ongoing secular tailwinds continue to shape a favorable long-term demand picture for our business, which addresses the costly shortcomings of ageing water infrastructure across the nation. While the near-term demand picture remains similar to last year, we will continue executing ADS' playbook and strategies that have enabled us to outperform the market and maintain strong profitability. The fundamental drivers of our business are intact and our disciplined investment strategy will continue to deliver attractive results for our shareholders.

We look forward to sharing more details at ADS' third Investor Day in June, which will take place at our new, state-of-the-art Engineering & Technology Center in Hilliard, Ohio. We will dive deeper into how our pure-play water exposure, differentiated growth story, and resilient platform, underpinned by a disciplined capital deployment strategy, provides the foundation for sustainable growth through 2030 and beyond.

Speaking on behalf of the rest of ADS' leadership team and our Board of Directors, I would like to thank our over 6,000 employees for their hard work throughout the past year and their continued confidence in the future of our business. Without their commitment, our success would not be possible.

Thank you for your continued support.

Sincerely,



**D. Scott Barbour**  
President and CEO

# A Letter from our Chair

## Dear Fellow Shareholders,

Fiscal 2026 was another successful year for Advanced Drainage Systems, Inc. The team continued its disciplined execution in the face of a challenging macroeconomic environment, while remaining focused on long-term value creation. This included making thoughtful and meaningful investments in innovation that enhances our value proposition to customers, as well as acquiring businesses that fit strategically and extend our reach in helping customers address their water-related needs.

Most notably, ADS completed the acquisition of National Diversified Sales (“NDS”), the water management business of Norma Group SE (DAX: NOEJ). This acquisition marks another important milestone in ADS’ journey as it expands our market-leading product portfolio and increases the mix of highly profitable Allied and Infiltrator products while also empowering ADS to pursue water management projects across a broader set of applications.

In addition to this important acquisition, ADS continued our track record of investing in opportunities to deliver organic growth, including \$250 million in capital expenditures this year focused on new product introductions, expanding recycling capacity, enhancing productivity, safety and automation. In addition to these investments, the Board has also authorized meaningful returns of capital to shareholders through dividends and share repurchases. In Fiscal 2026, your company delivered \$99 million in share repurchases and increased its annual dividend per share to \$0.72, returning a collective \$155 million to shareholders this year, an increase of 29% compared to Fiscal 2025.

As we look ahead to Fiscal 2027 and beyond, ADS remains well positioned to continue driving above-market growth. ADS’ scale, solution set, manufacturing capabilities, and material science expertise are meaningful differentiators in the markets we serve, allowing us to capture demand for our industry leading water management solutions that support essential infrastructure development and improve the resiliency of communities we serve.

On behalf of the Board, I would like to thank the leadership team and the more than 6,000 ADS employees who remain committed to executing, innovating and delivering on the Company’s strategy and initiatives, as well as our shareholders for their continued trust and support.

Sincerely,



**Robert M. Eversole**  
Chair of the Board of Directors

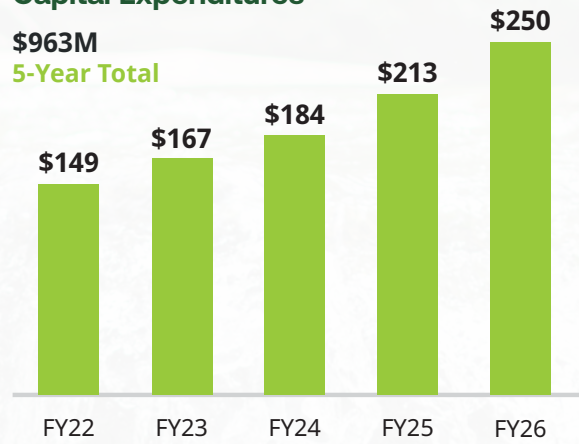




### Capital Expenditures

\$963M

5-Year Total



### 5-Year Spending

#### Acquisitions

\$1.3 Billion

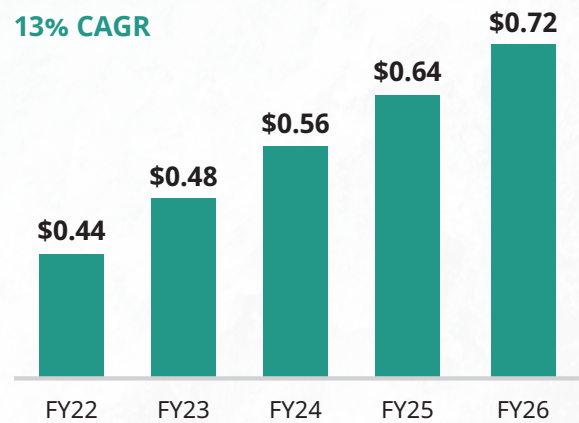
Cultec Inc.	May 2022
Orenco Inc.	Oct 2024
River Valley Pipe	May 2025
NDS	Feb 2026

#### Share Repurchases

\$1.2 Billion

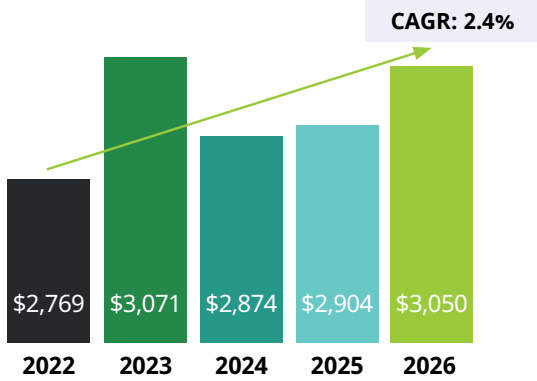
### Annual Dividend per Share

13% CAGR

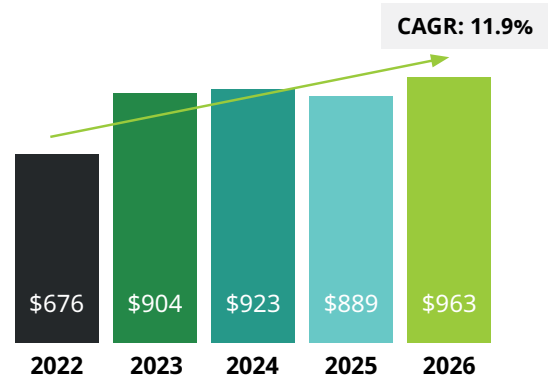


# Key Financial Highlights

## FY 2026 Revenue (Figures in millions)



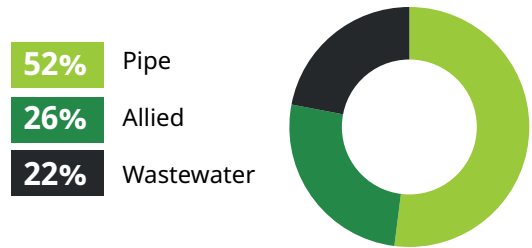
## FY 2026 Adjusted EBITDA<sup>1</sup> (Figures in millions)



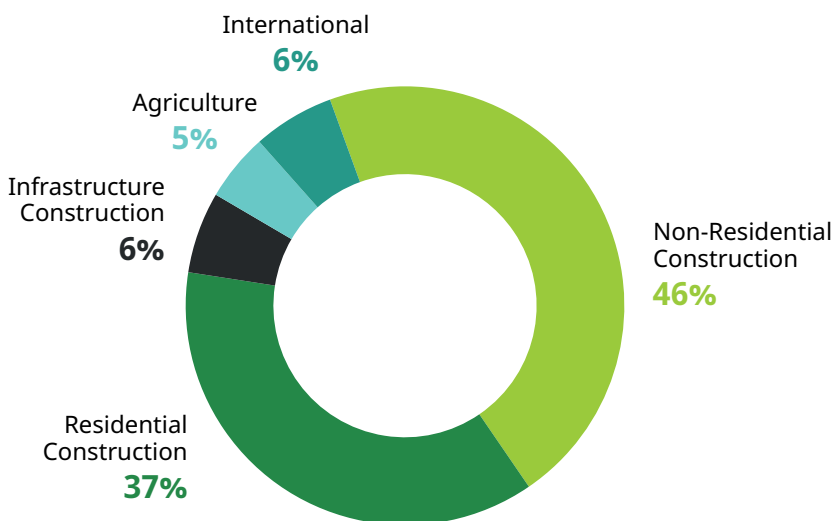
## FY 2026 Sales by Geography



## FY 2026 Sales by Product Category

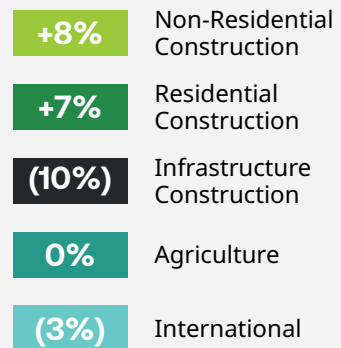


## FY 2026 Revenue by End Market



**+5%**

### ADS Sales Growth



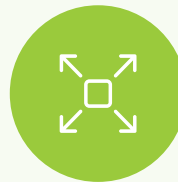
<sup>1</sup> EBITDA adjustments exclude transaction costs and certain non-cash items; Adjusted EBITDA is a Non-GAAP measure. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of the accompanying Form 10-K for the definitions of non-GAAP measures and reconciliation of non-GAAP measures to GAAP measures.



Part of



Adds Complementary  
New Offerings in  
Attractive Allied  
Products Segment



Expands Addressable  
Markets with  
Complementary Product  
Portfolio and Segments



Enhances Go-to-Market  
Capabilities and Scale  
in Both Retail and  
Distributor Channels



Unlocks Significant  
Value Creation Potential  
with Over \$25 Million in  
Expected Annual Cost  
Synergies

# Industry Leading Recycling Solutions



**One of the Largest**

plastic recycling company in North America



**490 million pounds**

of GHG emissions avoided



GHG emissions avoided amounts to taking

**47,000 cars off the road**



**Consumed 30%**

of the recycled HDPE bottles in the US in 2025

**Sustainability is at the core of who we are and what we do.**



We are proud of the important work we are doing to have a positive environmental, operational and social impact. We are the largest plastic recycling company in North America. In Fiscal 2026, we purchased approximately 388 million pounds of recycled plastic, keeping it out of landfills and further preventing over 490 million pounds of Greenhouse Gas emissions (GHG) from being released into the atmosphere. Our industry-leading resin blending programs convert this recycled plastic into pipe, chambers and other products that can support America's stormwater and wastewater management needs.



## Board of Directors

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**Robert M. Eversole**

Managing Partner, Stonehenge Partners, Inc.

**Scott Barbour**

Director, President and Chief Executive Officer,  
Advanced Drainage Systems

**Anesa Chaibi**

Chief Executive Officer, Global Industrial Company

**Michael Coleman**

Retired Partner, Ice Miller LLP

**Alexander R. Fischer**

Founder, Alex R. Fischer and Company

**Tanya Fratto**

Retired Chief Executive Officer, Diamond  
Innovations, Inc.

**Kelly Gast**

Retired Senior Vice President and Chief  
Financial Officer, Bayer Crop Science

**M.A. (Mark) Haney**

Retired Executive Vice President, Olefins  
and Polyolefins, Chevron Phillips Chemical  
Company LP

**Luther C. Kissam**

Senior Advisor, Bernhard Capital Partners  
Management, LP and Retired Chief Executive  
Officer, Albemarle Corporation

**Manuel J. Perez de la Mesa**

Retired President and Chief Executive Officer,  
Pool Corporation

**Anil Seetharam**

Managing Director, Berkshire Partners

## Chair Emeritus

**Joe Chlapaty**

Chlapaty Investments LLC, Retired Chair,  
President and Chief Executive Officer,  
Advanced Drainage Systems

## Executive Officers

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**Scott Barbour**

Director, President and Chief Executive Officer

**Scott A. Cottrill**

Executive Vice President, Chief Financial Officer,  
Secretary

**Patrick Coyle**

Executive Vice President of Supply Chain

**Brian King**

Executive Vice President, Product Management,  
Marketing and Sustainability

**Bret Martz**

Executive Vice President, Sales

**Craig Taylor**

Executive Vice President, Infiltrator  
Water Technologies

**Kevin C. Talley**

Executive Vice President and  
Chief Administrative Officer

**Thomas Waun**

Executive Vice President, Engineering  
and International





## About Advanced Drainage Systems, Inc.

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Advanced Drainage Systems is a leading manufacturer of innovative stormwater and onsite wastewater solutions that manage the world's most precious resource: water. ADS, along with NDS and Infiltrator Water Technologies, provides superior stormwater drainage and onsite wastewater products used across commercial, residential, infrastructure, and agricultural applications, while delivering unparalleled customer service. ADS operates the industry's largest company-owned fleet, an expansive sales team and a vast manufacturing network. As one of the largest plastic recycling companies in North America, ADS keeps hundreds of millions of pounds of plastic out of landfills each year. Founded in 1966, ADS' water management solutions are designed to last for decades. To learn more, visit the Company's website at [www.adspipe.com](http://www.adspipe.com).



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