



# Q3 Fiscal 2026 Financial Results

February 5, 2026



# Management Presenters

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**Scott Barbour**

President and Chief Executive Officer

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**Scott Cottrill**

Executive Vice President, Chief Financial Officer

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**Craig Taylor**

President, Infiltrator

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**Mike Higgins**

Vice President, Corporate Strategy & Investor Relations

# Forward Looking Statements and Non-GAAP Financial Metrics

## Forward Looking Statements

Certain statements in this press release 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, new tariff and international trade policies, and our ability to pass any increased costs of raw materials and tariffs on to our customers; disruption or volatility in general business, political and economic conditions in the markets in which we operate; cyclicity and seasonality of the non-residential and residential construction markets and infrastructure spending; the risks of increasing competition in our existing and future markets; uncertainties surrounding the integration and realization of anticipated benefits of acquisitions or doing so within the intended timeframe, including our ability to successfully integrate NDS into our business; risks that the acquisition of NDS may involve unexpected costs, liabilities, risks that the cost savings and synergies from the acquisition of NDS may not be fully realized; 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; the risks of conducting a portion of our operations through joint ventures; our ability to expand into new geographic or product markets; the risk associated with manufacturing processes; the effects of global climate change and any related regulatory responses; our ability to protect against cybersecurity incidents and disruptions or failures of our IT systems; our ability to assess and monitor the effects of artificial intelligence, machine learning, robotics and blockchain or other new approaches to data mining on our business and operations; our ability to manage our supply purchasing and customer credit policies; 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 appropriately address any environmental, social or governance concerns that may arise from our activities; the risks associated with our current levels of indebtedness, including borrowings under our existing credit agreement and outstanding indebtedness under our existing senior notes; and 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.

## Non-GAAP Financial Measures

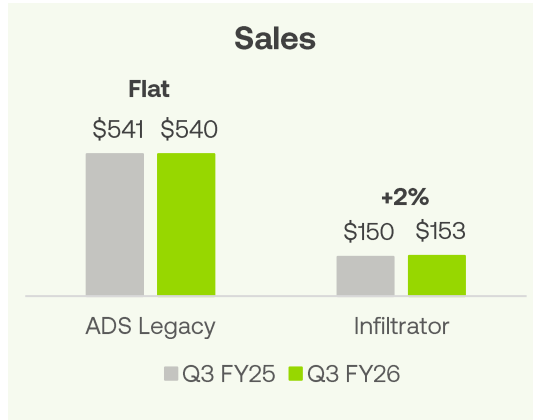
This presentation includes references to Adjusted EBITDA and Free Cash Flow, non-GAAP financial measures. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. These measures are not intended to be substitutes for those reported in accordance with GAAP. Adjusted EBITDA and Free Cash Flow may be different from non-GAAP financial measures used by other companies, even when similar terms are used to identify such measures.

EBITDA and Adjusted EBITDA are non-GAAP financial measures that comprise net income before interest, income taxes, depreciation and amortization, stock-based compensation, non-cash charges and certain other expenses. The Company's definition of Adjusted EBITDA may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Adjusted EBITDA is a key metric used by management and the Company's board of directors to assess financial performance and evaluate the effectiveness of the Company's business strategies. Accordingly, management believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as the Company's management and board of directors. In order to provide investors with a meaningful reconciliation, the Company has provided reconciliations of Adjusted EBITDA to net income.

Free Cash Flow is a non-GAAP financial measure that comprises cash flow from operating activities less capital expenditures. Free Cash Flow is a measure used by management and the Company's board of directors to assess the Company's ability to generate cash. Accordingly, management believes that Free Cash Flow provides useful information to investors and others in understanding and evaluating our ability to generate cash flow from operations after capital expenditures.

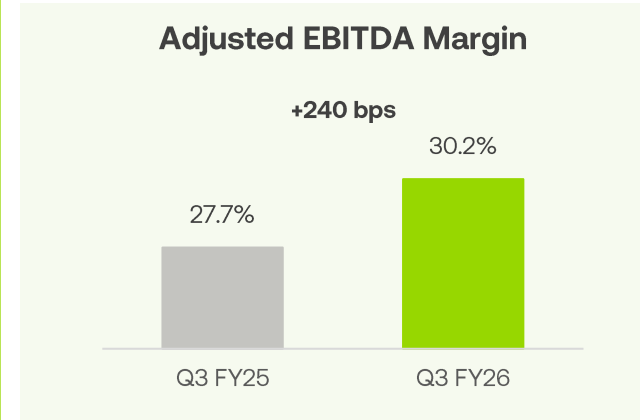
# CEO Highlights

## Q3 Fiscal 2026 Revenue



- Allied product revenue increased 9% driven by growth of key products: StormTech chambers, Nyloplast basins, Water Quality.
- Infiltrator sales growth driven by Tanks and Advanced Treatment systems.
- Pricing environment remains stable and in line with expectations.

## Q3 Fiscal 2026 Profitability



- Continued favorable volume and price/cost performance.
- Favorable mix of Allied products and Infiltrator, higher growth/margin products.

## Outlook

- Guidance updated for year-to-date results and the NDS acquisition (results for February and March).
- End market demand expectations updated to reflect current environment. Demand environment remains mixed.
  - Non-Residential Down low- to mid-single digits
  - Residential Down low- to mid-single digits
  - Infrastructure Up low-single digits
  - Agriculture + International Down double digits

## Business Updates

- \$1 billion acquisition of NDS closed February 2, 2026 (~\$875 million net of tax benefit). Acquisition funded with cash on hand and leverage post closing is ~1.5x.
- \$1 billion share repurchase authorization approved by Board of Directors. \$1.148 billion now available for including previously existing authorization.
- Expect to opportunistically refinance near-term maturities as part of our ongoing capital structure optimization.





Save the Date

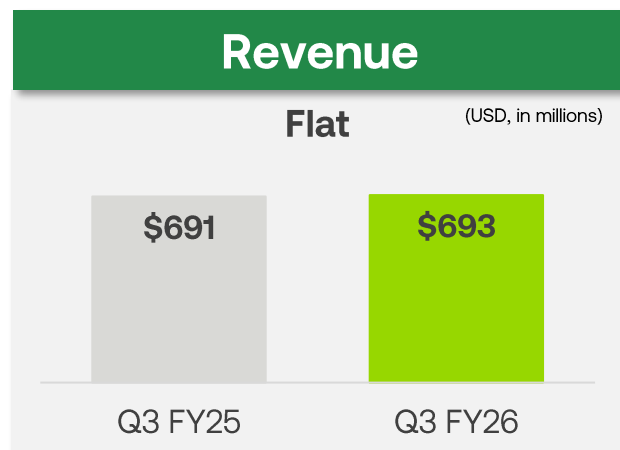
# Advanced Drainage Systems Investor Day

**June 18, 2026**

ADS Engineering and Technology Center  
Hilliard, OH



# Q3 Fiscal 2026 Financial Performance



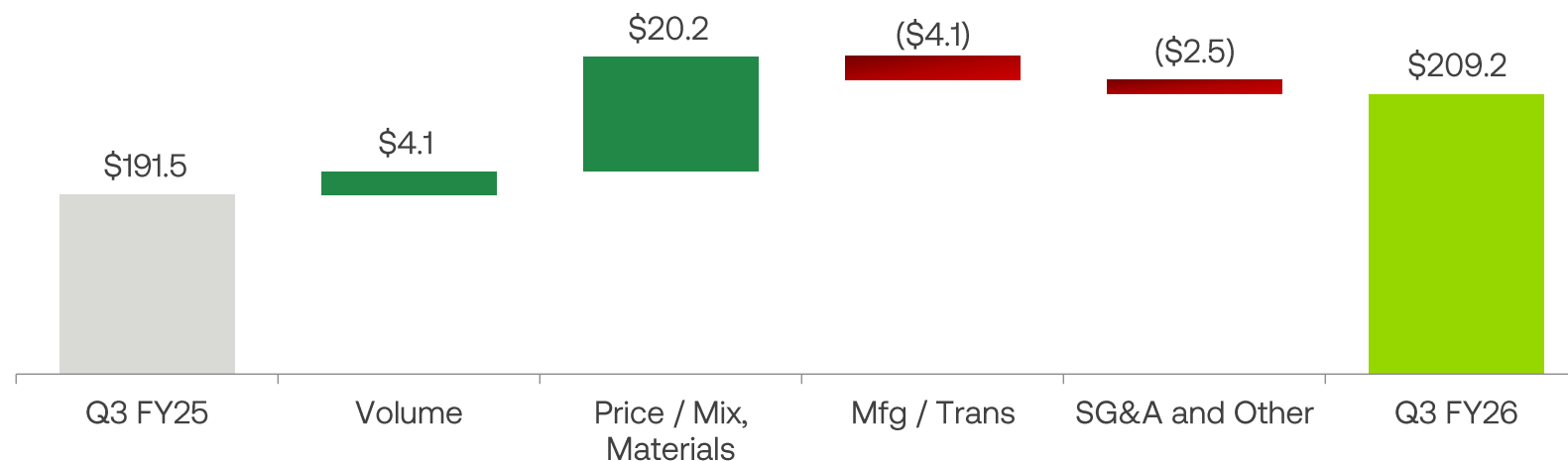
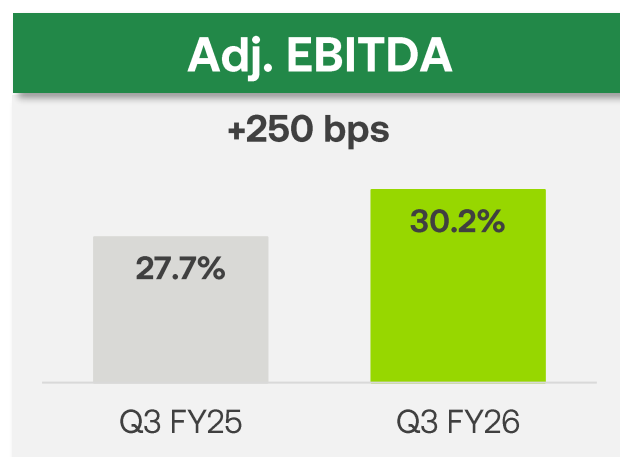
## Revenue Performance

### By Business

+ ADS Legacy	+0%
- Pipe	(3%)
+ Allied Products	+8%
+ Infiltrator	+2%

### Domestic Markets

+ Construction	+1%
+ Non-Residential	+5%
- Residential	(2%)
- Infrastructure	(9%)
+ Agriculture	+3%



# Free Cash Flow and Capital Structure

## Free Cash Flow <sup>(1)</sup>

	FY 2026 YTD	FY 2025 YTD	Δ
Consolidated Adjusted EBITDA	\$775	\$713	\$62
Working capital <sup>(2)</sup>	99	14	85
Cash tax	(83)	(111)	28
Cash interest	(34)	(36)	2
Transaction costs <sup>(3)</sup>	(17)	(9)	(8)
Other	39	(31)	70
Consolidated cash flow from operations	\$779	\$540	\$239
Capital expenditures	(197)	(166)	(31)
Consolidated Free Cash Flow	\$582	\$374	\$208

## Debt & Capital Leases

(in millions)	December 31, 2025	March 31, 2025
Term Loan Facility	\$ 408	\$ 413
Senior Notes	850	850
Revolving Credit Facility	-	-
Total debt	\$ 1,258	\$ 1,263
Finance leases & Equipment financing	\$ 194	\$ 170
Leverage	0.5x	1.1x

## Liquidity

(in millions)	December 31, 2025
Unrestricted Cash	\$ 1,008
Availability under Revolving Credit Facility	590
Total Liquidity	\$ 1,598

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

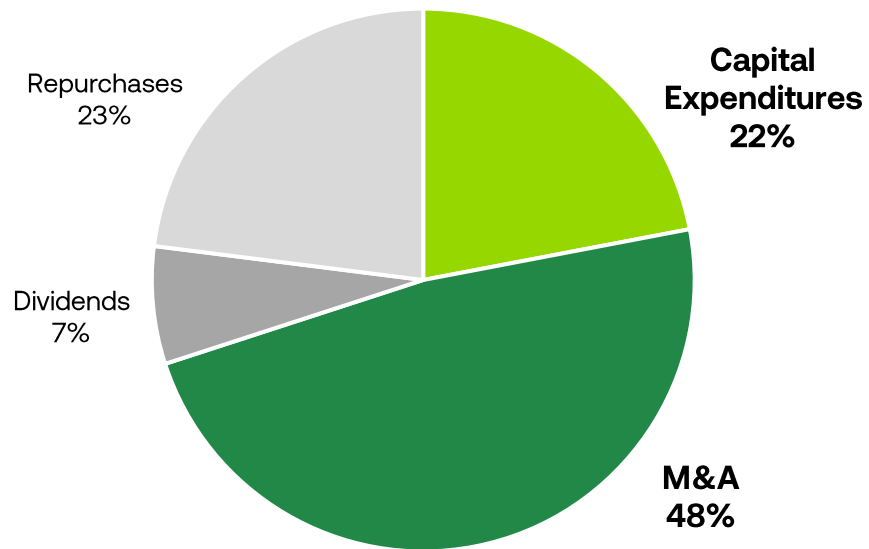
1. Operating Cash Flow less capital expenditures

2. Inventory, Trade Receivables, Accounts Payable

3. Legal, accounting and other professional fees incurred in connection with business or asset acquisitions and dispositions

# Disciplined Capital Allocation Framework

>\$5B in Capital Allocated  
FY20 – FY26\*

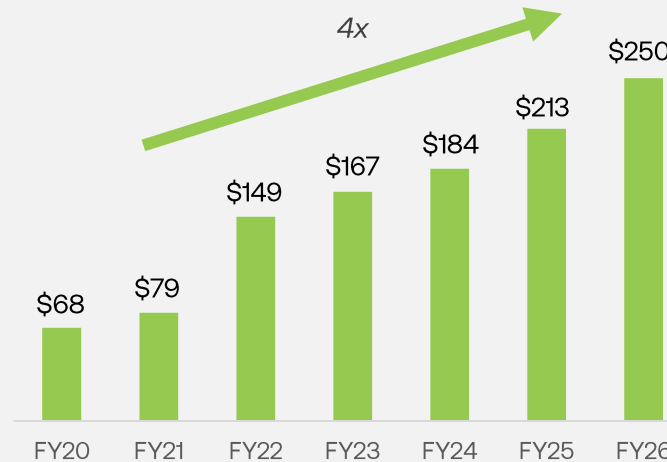


**70% of Capital Allocated  
To Growth Drivers**

## Commitment to Invest in the ADS Platform...

### Capital Expenditures

(in \$ millions)



### Strategic Acquisitions

<b>NDS</b>	Sep 2025	A leader in Stormwater management
<b>River Valley Pipe</b>	May 2025	Agriculture water management provider in IL, IA
<b>Orenco</b>	Aug. 2024	A leader in Advanced Onsite Wastewater Treatment
<b>Cultec</b>	May 2022	A leader in Stormwater storage
<b>Jet Polymer Recycling</b>	Dec. 2021	Largest supplier of recycled PP to Infiltrator
<b>Infiltrator Water Technologies</b>	Aug. 2019	A leader in Onsite Wastewater Treatment



# Updated Fiscal Year 2026 Guidance

Fiscal 2026 Expectations			
Key Metric	FY 2025	FY 2026*	Y-o-Y Change
<b>Net Sales</b> (in Millions)	\$2,904	\$2,990 - \$3,040 Previous: \$2,900 - \$2,990	+3% to +5% Previous: +0 to +3%
<b>Adj. EBITDA</b> (in Millions)	\$889	\$930 - \$960 Previous: \$900 - \$940	+5% to +8% Previous: +1% to +6%
<b>Adj. EBITDA Margin</b>	30.6%	31.1% - 31.6% Previous: 31.0% - 31.4%	+50 bps to +100 bps Previous: +40 bps to +80 bps



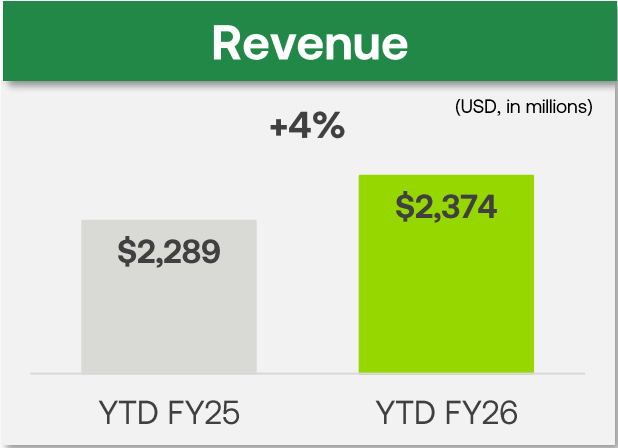


# Q&A



# Appendix

# YTD Fiscal 2026 Financial Performance



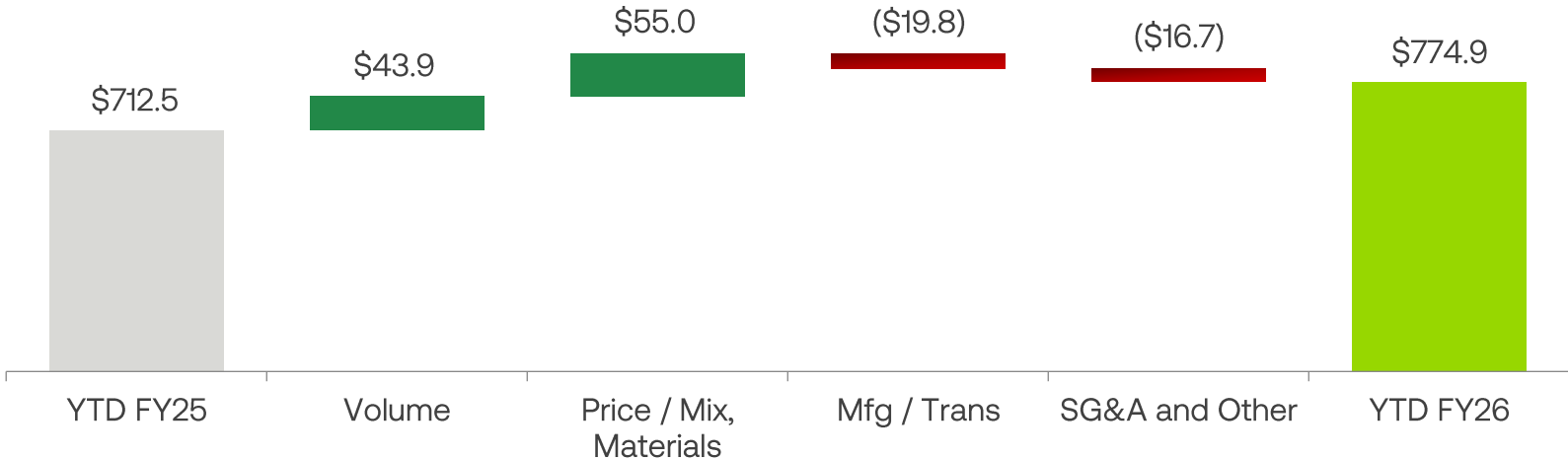
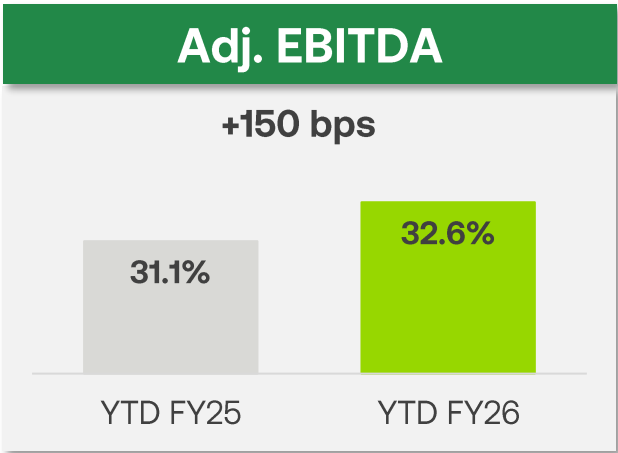
## Revenue Performance

### By Business

+ ADS Legacy	+1%
- Pipe	(2%)
+ Allied Products	+7%
+ Infiltrator	+16%

### Domestic Markets

+ Construction	+5%
+ Non-Residential	+9%
+ Residential	+4%
- Infrastructure	(10%)
- Agriculture	(5%)



# Reconciliations

Three Months Ended						
(In thousands)	December 31, 2025			December 31, 2024(a)		
	Net Sales	Intersegment Net Sales	Net Sales from External Customers	Net Sales	Intersegment Net Sales	Net Sales from External Customers
Pipe	\$ 339,175	\$ (12,462)	\$ 326,713	\$ 352,236	\$ (12,607)	\$ 339,629
Infiltrator Water Technologies	167,666	(14,785)	152,881	160,076	(10,063)	150,013
International						
International - Pipe	35,453	(1,274)	34,179	36,909	(2,860)	34,049
International - Allied Products & Other	15,030	(118)	14,912	16,372	(58)	16,314
Total International	50,483	(1,392)	49,091	53,281	(2,918)	50,363
Allied Products & Other	168,050	(3,381)	164,669	154,295	(3,762)	150,533
Intersegment Eliminations	(32,020)	32,020	-	(29,350)	29,350	-
<b>Total Consolidated</b>	<b>\$ 693,354</b>	<b>\$ -</b>	<b>\$ 693,354</b>	<b>\$ 690,538</b>	<b>\$ -</b>	<b>\$ 690,538</b>

Nine Months Ended						
(In thousands)	December 31, 2025			December 31, 2024(a)		
	Net Sales	Intersegment Net Sales	Net Sales from External Customers	Net Sales	Intersegment Net Sales	Net Sales from External Customers
Pipe	\$ 1,194,801	\$ (39,501)	\$ 1,155,300	\$ 1,214,367	\$ (41,972)	\$ 1,172,395
Infiltrator Water Technologies	558,996	(48,046)	510,950	481,739	(40,826)	440,913
International						
International - Pipe	111,702	(3,584)	108,118	125,281	(10,150)	115,131
International - Allied Products & Other	48,467	(346)	48,121	49,664	(174)	49,490
Total International	160,169	(3,930)	156,239	174,945	(10,324)	164,621
Allied Products & Other	562,071	(10,945)	551,126	522,939	(12,384)	510,555
Intersegment Eliminations	(102,422)	102,422	-	(105,506)	105,506	-
<b>Total Consolidated</b>	<b>\$ 2,373,615</b>	<b>\$ -</b>	<b>\$ 2,373,615</b>	<b>\$ 2,288,484</b>	<b>\$ -</b>	<b>\$ 2,288,484</b>

Notes:

- a) In the first quarter of fiscal 2026, the Company realigned certain products used in wastewater applications to the Infiltrator reportable segment. The Company transitioned its ARC Septic Chambers from Allied Products & Other and certain pipe products used in wastewater applications from Pipe. Prior period segment information for fiscal 2025 has been recast to conform to the fiscal 2026 presentation.



# Reconciliations

(Amounts in thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2025	2024(a)	2025	2024(a)
<b>Segment adjusted gross profit</b>				
Pipe	\$ 97,100	\$ 89,220	\$ 366,510	\$ 342,792
Infiltrator	89,778	83,813	300,228	268,714
International	11,629	12,071	43,108	49,179
Allied Products & Other	98,519	88,995	333,496	301,963
Intersegment Eliminations	(919)	1,844	(1,564)	234
<b>Total Segment Adjusted Gross Profit</b>	<b>296,107</b>	<b>275,943</b>	<b>1,041,778</b>	<b>962,882</b>
Depreciation and amortization	35,141	30,754	106,672	88,502
Stock-based compensation expense	1,814	1,335	5,384	4,131
Inventory step up related to Orenco acquisition	-	2,260	-	2,260
<b>Total Gross Profit</b>	<b>\$ 259,152</b>	<b>\$ 241,594</b>	<b>\$ 929,722</b>	<b>\$ 867,989</b>

(Amounts in thousands)	Three Months Ended December 31,		Nine Months Ended December 31,	
	2025	2024(a)	2025	2024(a)
<b>Net income</b>	<b>\$ 94,037</b>	<b>\$ 82,289</b>	<b>\$ 394,628</b>	<b>\$ 375,785</b>
Depreciation and amortization	51,522	47,766	156,443	133,671
Interest expense	22,579	23,094	68,724	69,074
Income tax expense	30,557	27,091	129,630	117,897
<b>EBITDA</b>	<b>198,695</b>	<b>180,240</b>	<b>749,425</b>	<b>696,427</b>
Restructuring and realignment expense(a)	1,706	-	17,672	-
(Gain) loss on disposal of assets	(3)	(477)	(16,449)	432
Stock-based compensation expense	8,835	7,798	25,816	21,758
Transaction costs	7,172	5,924	17,296	8,619
Interest income	(8,450)	(4,545)	(21,195)	(18,478)
Other adjustments(b)	1,262	2,545	2,351	3,775
<b>Adjusted EBITDA</b>	<b>\$ 209,217</b>	<b>\$ 191,485</b>	<b>\$ 774,916</b>	<b>\$ 712,533</b>

Notes:

- Includes costs associated with closure of one recycling facility, one offsite storage location and one distribution yard, as well as professional fees incurred in connection with supporting enterprise-wide restructuring and realignment initiatives. Excludes gain on sale of properties previously held-for-sale and equipment.
- Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, and 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.