

2018 RBC Capital Markets
Global Industrials Conference
September 8, 2018



Safe Harbor and Non-GAAP Financial Metrics

Certain statements in this presentation may be deemed to be forward-looking. 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, without limitation, 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; our ability to continue to convert current demand for concrete, steel and PVC pipe products into demand for our high performance thermoplastic corrugated pipe and Allied Products; 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; 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; fluctuations in our effective tax rate, including from the recently enacted Tax Cuts and Jobs Act; changes to our operating results, cash flows and financial condition attributable to the recently enacted Tax Cuts and Jobs Act; 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; a conclusion that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) were ineffective; 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 other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. 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.

This presentation includes certain non-GAAP financial measures to describe the Company's performance. The reconciliation of those measures to GAAP measures are provided within the appendix of the presentation. Those disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

- ADS at a Glance
- Track Record of Innovation and Growth
- Competitive Advantages
- Strategy and “SPP” Overview
- Appendix

ADS at a Glance

- **Leading player in the stormwater management industry**
- **Only complete solutions provider in the industry, with a track record of innovation**
- **Material conversion strategy driving market share gains**
- **Large addressable market opportunity**

ADS is an Industrial Growth Company

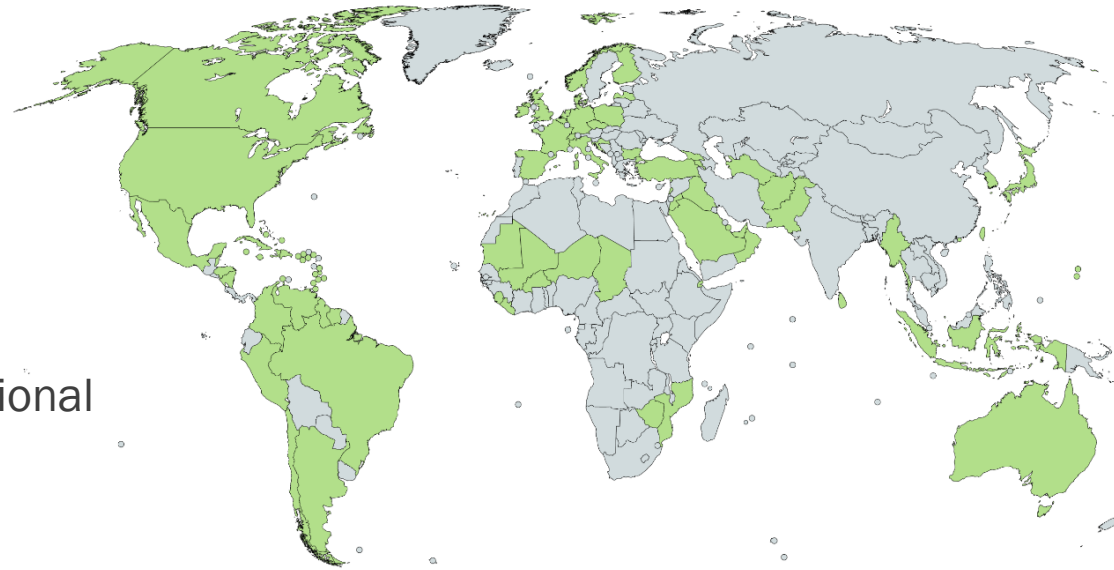
Products:

- Pipe
 - High Density Polyethylene (HDPE)
 - Polypropylene (PP)
- Allied Products
 - Storm & Septic Chambers
 - Fittings
 - Structures / Catch Basins
 - Water Quality

Founded	1966
---------	------

Listed	2014
--------	------

NYSE	WMS
------	-----



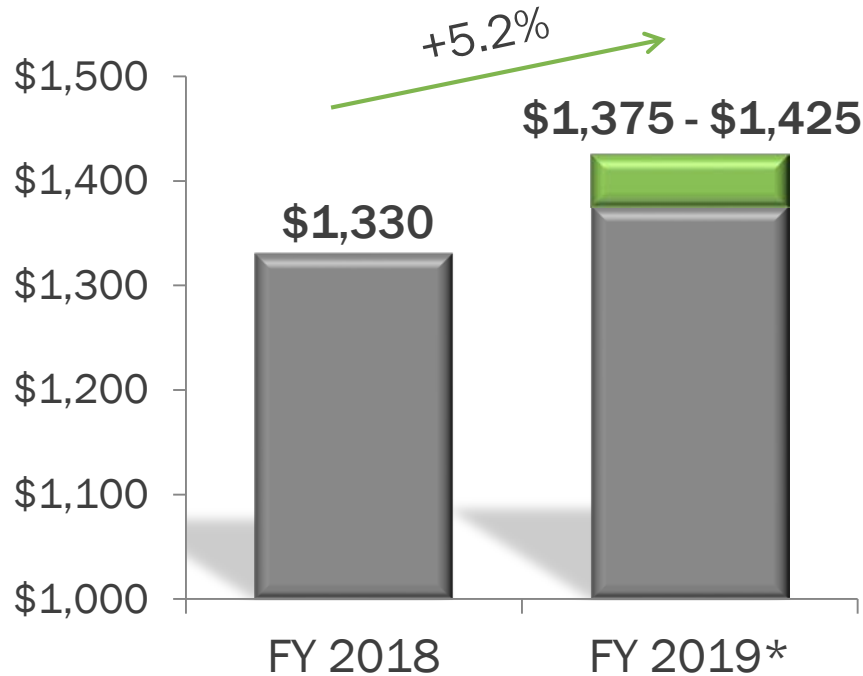
Segments: Domestic and International

Manufacturing Plants*: 55

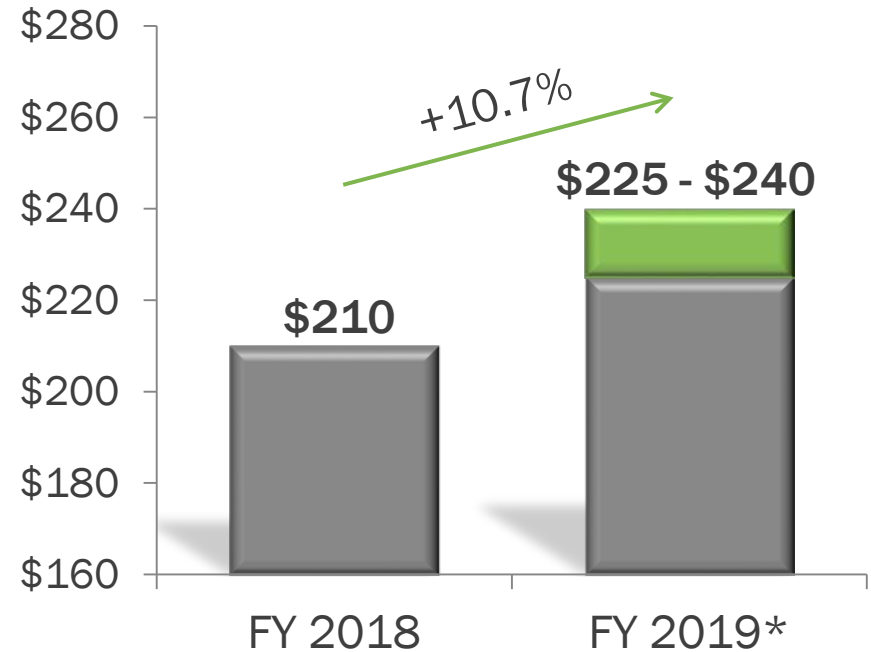
Distribution Facilities*: 30

ADS is the leading manufacturer of high performance thermoplastic corrugated pipe

Sales



Adjusted EBITDA



Net sales growth driven by domestic construction markets.
Adjusted EBITDA to increase due to favorable demand, cost reduction initiatives and operational improvements.

* FY 2019 is an estimate. Percentage increases are calculated at the midpoint of guidance.
\$ in millions

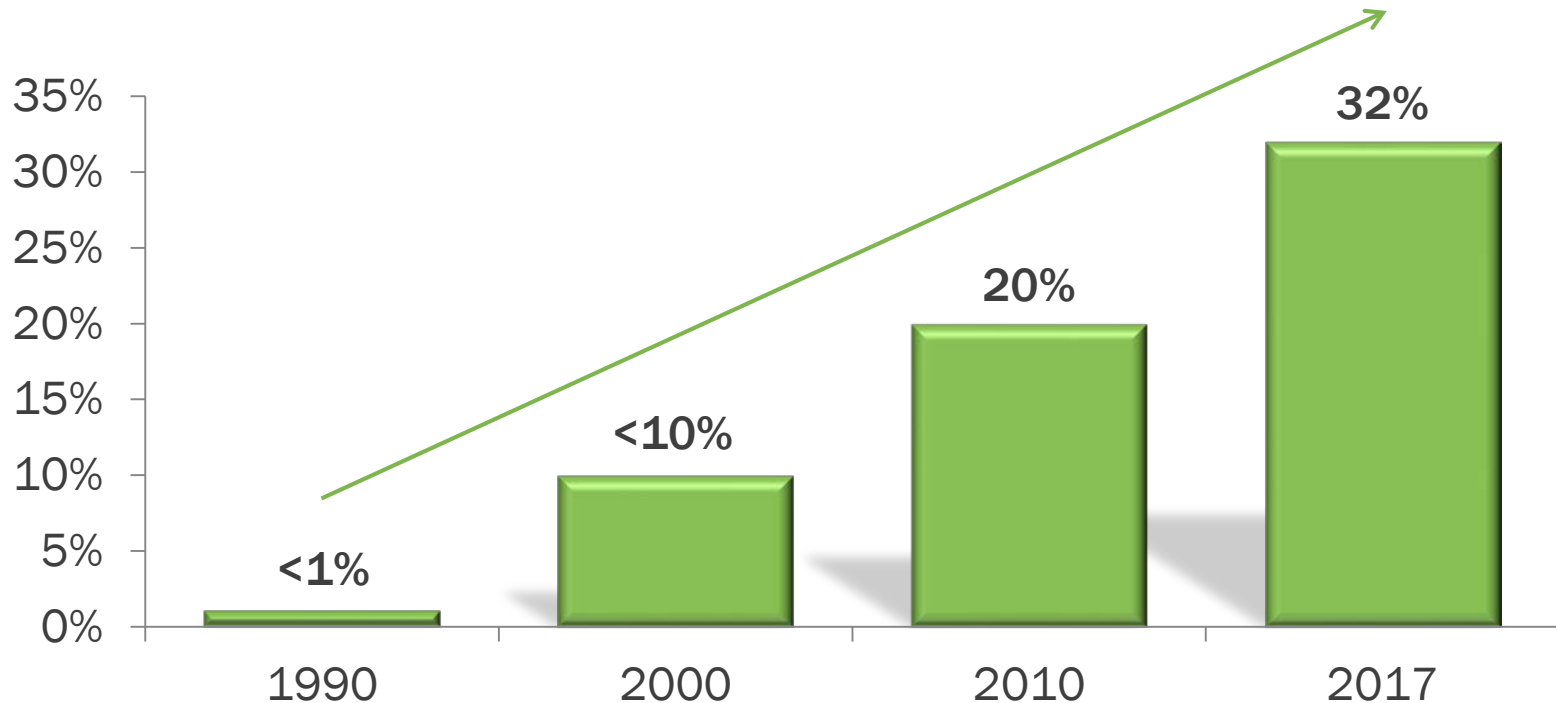
Track Record of Innovation and Growth

- ✓ Introduced in 1966
- ✓ Agriculture market converted by late 1970s
- ✓ N-12 HDPE pipe introduced in 1980s



Corrugated HDPE pipe proved far superior
to materials used at the time

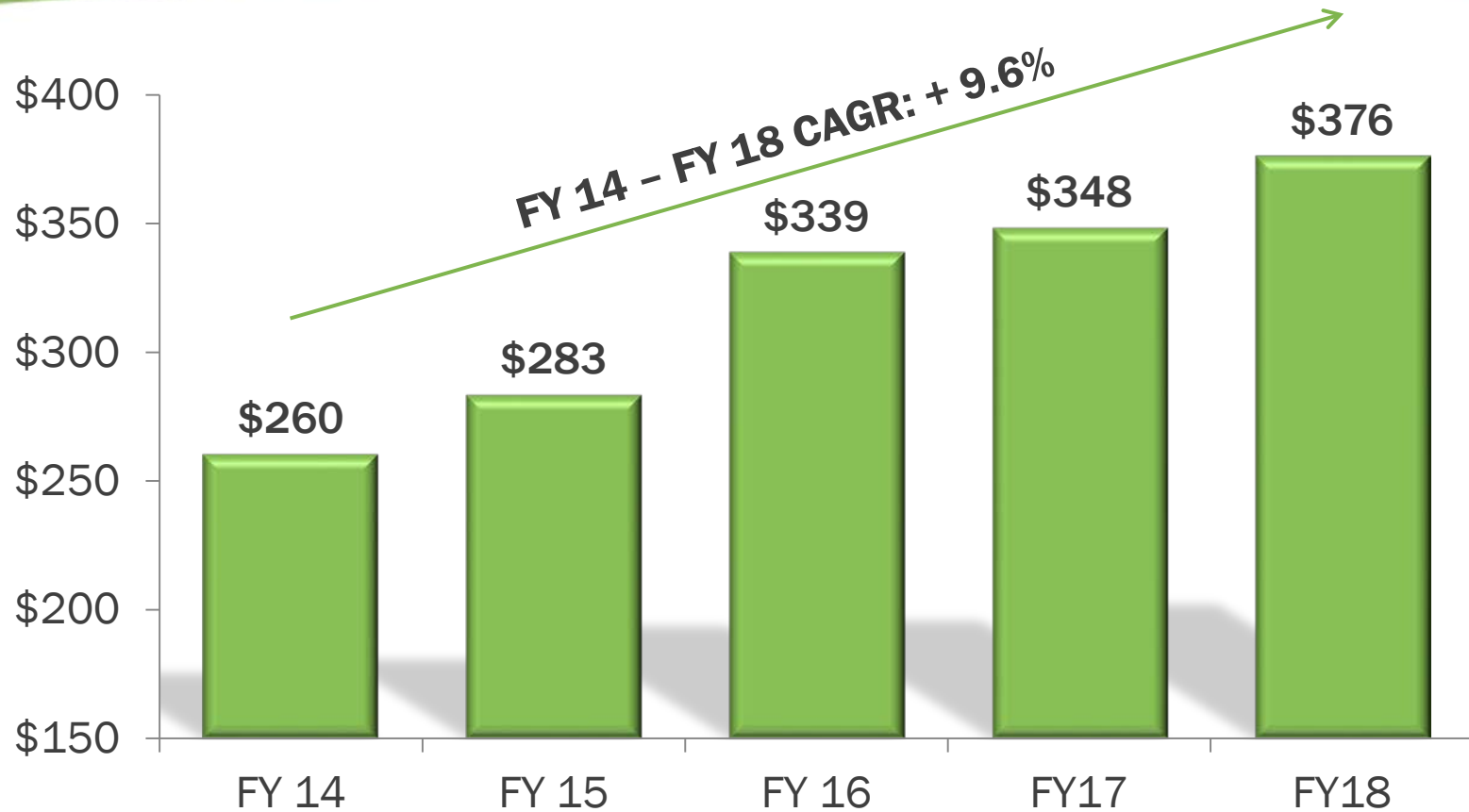
HDPE/PP Share of Storm Sewer Market⁽¹⁾



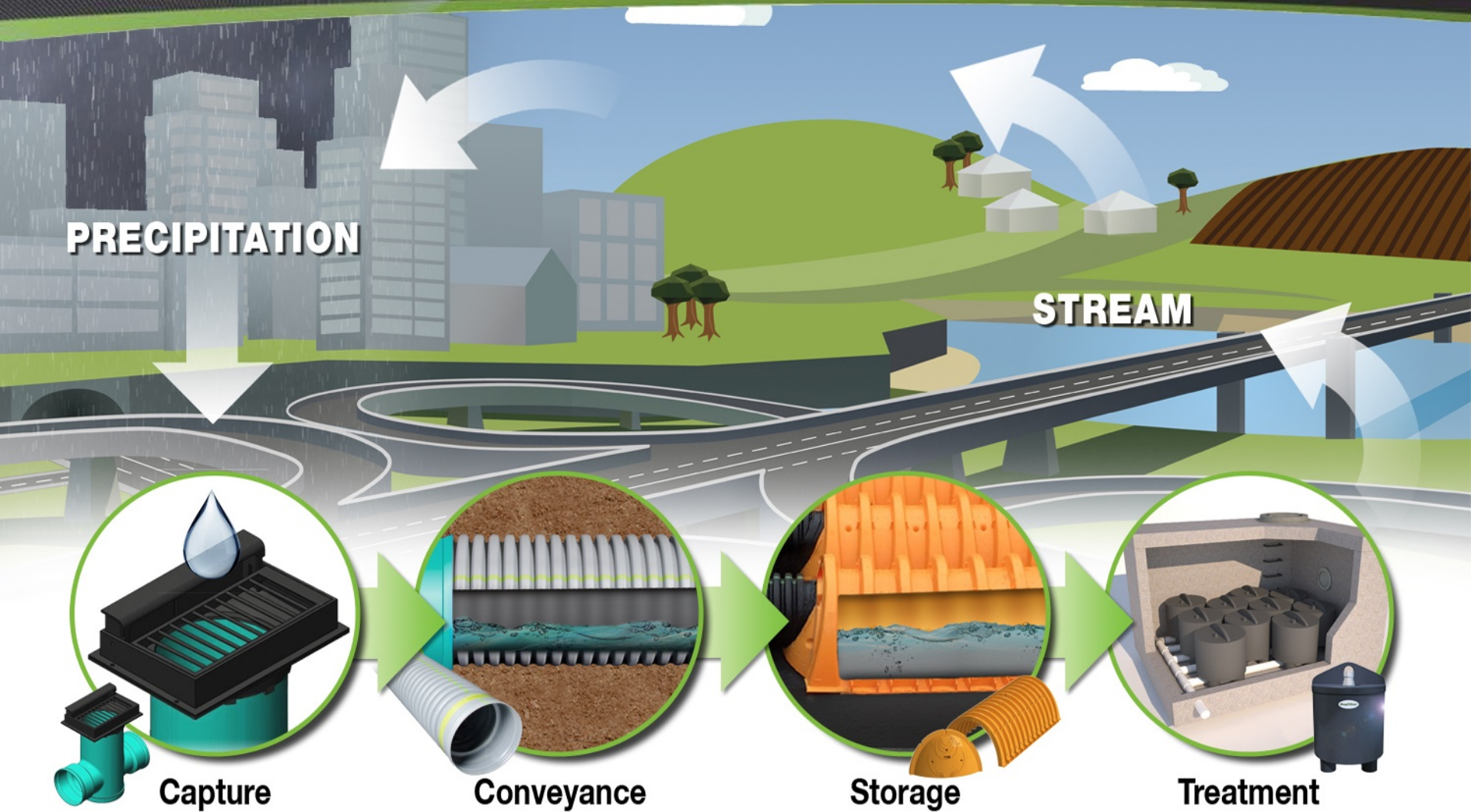
We continue to drive market share gains by displacing traditional materials and driving industry conversion to our products

1) Based on management estimates.

Allied Products Growth



Our allied product portfolio differentiate ADS as a complete solutions provider; with higher margin sales driving more profitable growth



Our comprehensive portfolio makes us the only complete solutions provider for the water management industry

Our Competitive Advantages

**Comprehensive
Product
Portfolio**

**Superior
Product
Attributes**

**Unmatched
Footprint**

**Extensive
Distribution
Network**

ADS is the clear market leader

Pipe Products Portfolio



Single Wall

N-12®

Mega Green™



HP Storm

SaniTite® HP



Triple Wall

PolyFlex™

AdvanEDGE®

Allied Products Portfolio



StormTech®

Nyloplast®

Water Quality



FLEXSTORM®

Inserta Tee®

Arc Chambers



Geosynthetics

Fittings

Duraslot®

Comprehensive product portfolio with attractive growth opportunities



Cost

More Cost Effective

- ✓ ~20% less installed cost
- ✓ Fewer delivery truckloads required per project
- ✓ Safer handling qualities

Installation

Reduced Labor & Equipment

- ✓ 3x faster to install
- ✓ Lighter weight
- ✓ Longer lengths

Performance

Superior Performance

- ✓ Fewer joints required
- ✓ Water tight joints
- ✓ 100 year design life
- ✓ Chemical and abrasion resistant

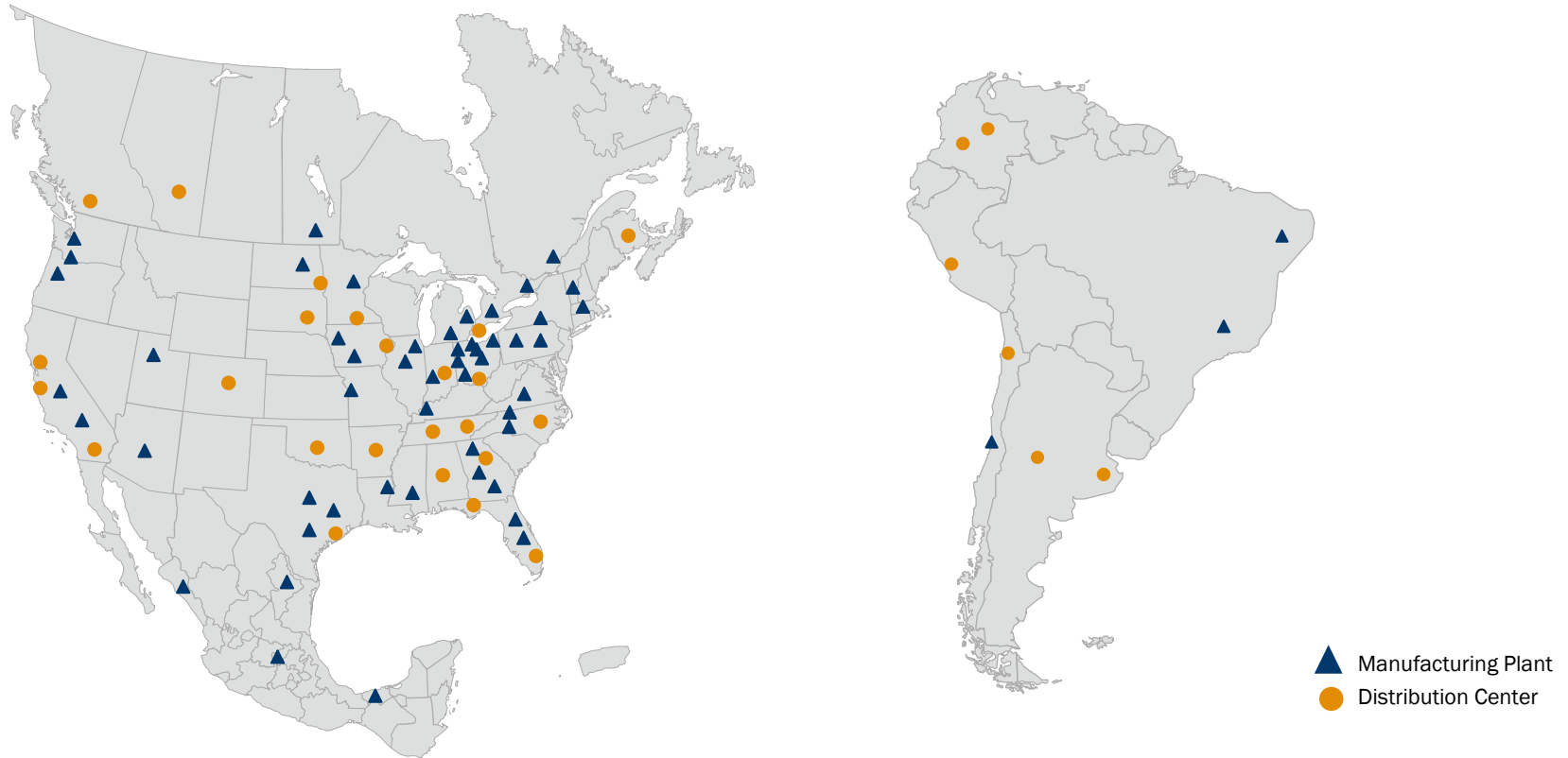
Sustainability

Sustainable Solutions

- ✓ >400M pounds of plastic annual recycled into ADS products
- ✓ 56% of HDPE material used is recycled plastic
- ✓ >1.4B gallons of stormwater managed by ADS StormTech systems

High Density Polyethylene (HDPE) and Polypropylene (PP) have superior attributes relative to traditional materials

ADS' Extensive Operating Platform



Extensive network footprint is ~6x larger than
our closest HDPE competitor

~400

Sales & Engineering
Professionals



Waterworks



Retail



Do it Best Corp.

Recreation



Buying



EQUITY



Our leading sales force, technical expertise and extensive network of distributor relationships position us as the supplier of choice

Our Strategy

- **Outpace domestic construction end market growth by 200+ basis points**
- **Operate more efficiently and drive margin expansion**
- **Generate strong earnings and cash flow**
- **Disciplined capital allocation plan**



**Strategic
Growth**



**Operational
Excellence**



**Commercial
Excellence**

SPP is aimed at driving growth and competitive advantage in the industry as well as accelerating margin expansion and profitability over time



Strategic Growth

- Expanding our portfolio of products through new product innovation and M&A, to strengthen our solutions package



Storm Water Solutions

Storm Pipe & Fittings
Retention/Detention
Structures
Water Quality



Sanitary Solutions

Sanitary Pipe
Sanitary Fittings
On-Site Septic



Potable Water

Potable Water Pipe
Irrigation Products

Invest in high-growth products and highly profitable end markets



Network Optimization

- Optimizing the network to ensure we have the right product, at the right plant, at the right time

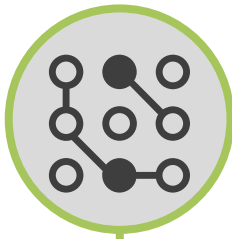


Optimize our manufacturing footprint, lower transportation costs and improve inventory management



Sales Force Effectiveness

- Enabling our sales force to drive incremental growth in our storm sewer product revenue



**CRM
Platform**



**Pricing Optimization
Tool**

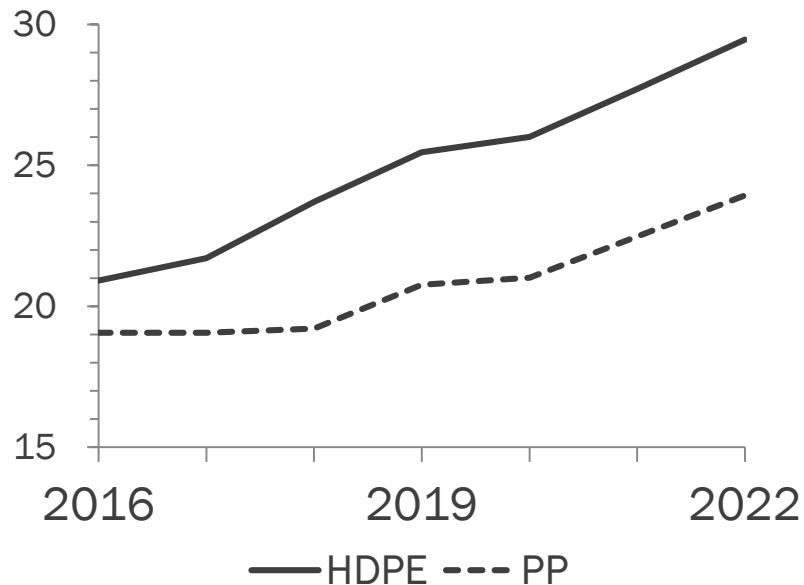


**Engineering Design
Accelerators**

Maximize field selling activities while improving efficiency and effectiveness in the way we sell, design, price and quote

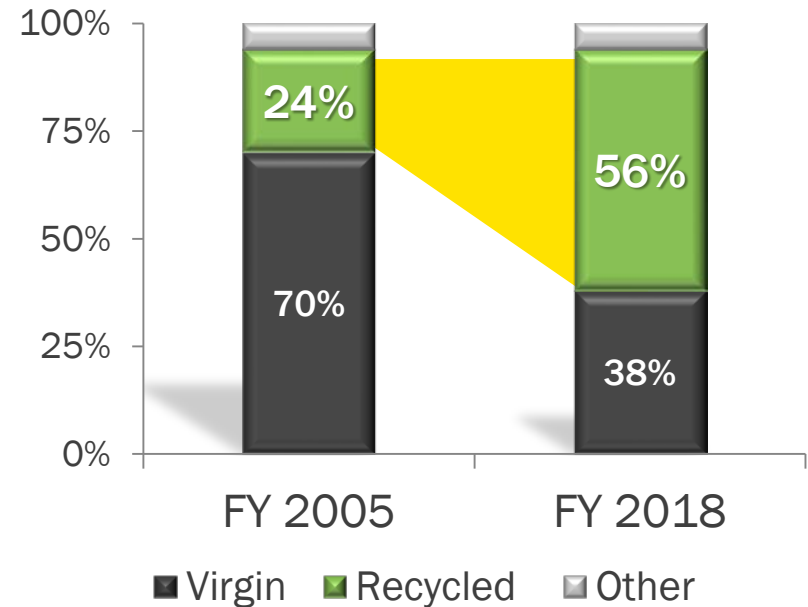
Positive Long-Term Market Dynamics

Ending US Production Capacity⁽¹⁾



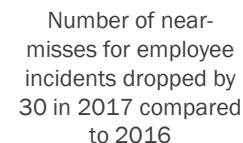
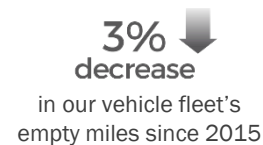
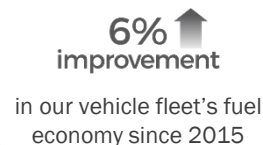
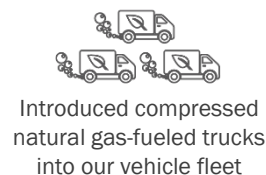
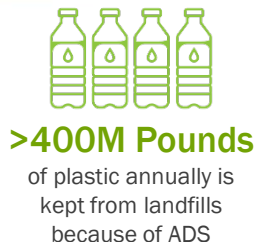
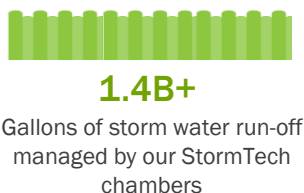
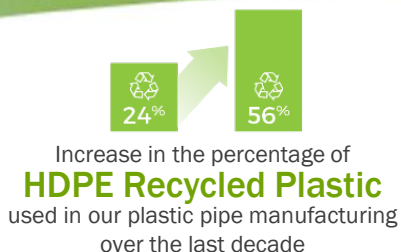
Effective Resource Management

Sustainable Product Evolution⁽²⁾



Well positioned to manage raw material costs through increase in market production capacity and increased utilization of non-virgin raw material

- 1) Based on management estimates and other qualitative and quantitative factors. Amounts in billions of pounds.
- 2) HDPE blending technique. Other defined as resin which could be allocated to either "Virgin" or "Recycled".



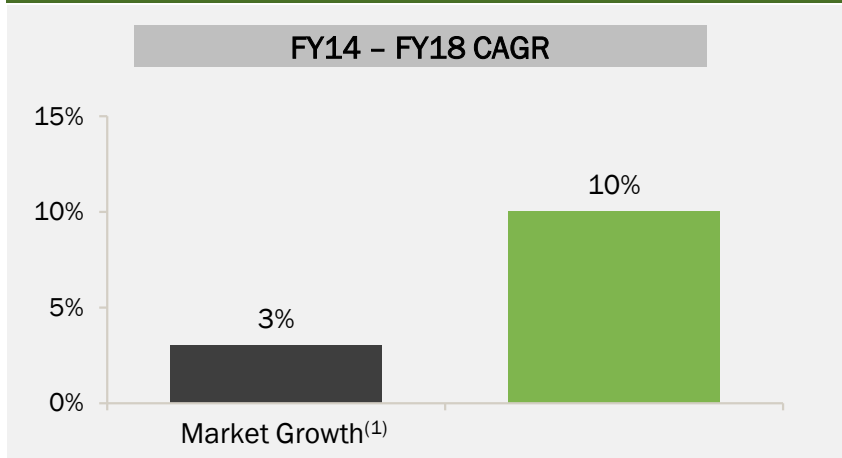
Our broad portfolio of innovative products help efficiently and safely manage storm and waste water

- **Leading player in the stormwater management industry**
- **Only complete solutions provider in the industry, with a track record of innovation**
- **Material conversion strategy driving market share gains**
- **Large addressable market opportunity**

Appendix

End Markets

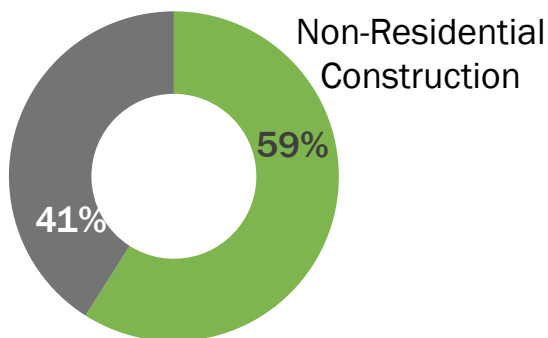
Market vs. ADS Growth



Highlights

- Focus on civil engineering design firms to increase specifications and contractors for product acceptance
- Highest concentration of Allied Products sales
- Demand driven by construction activity and increased regulation around management of storm water quantity and quality

Domestic Revenue Concentration⁽²⁾

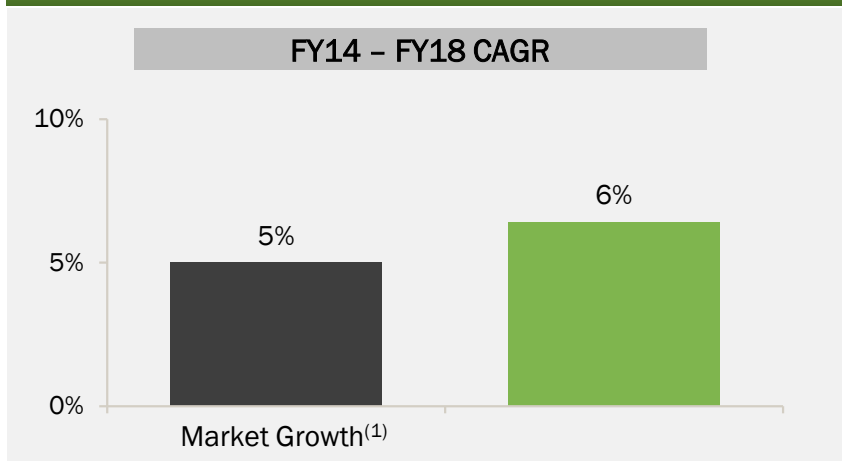


Key Products



1) Based on management estimates and other quantitative and qualitative factors.
 2) Percentage of total domestic net sales for the year ended March 31, 2018.

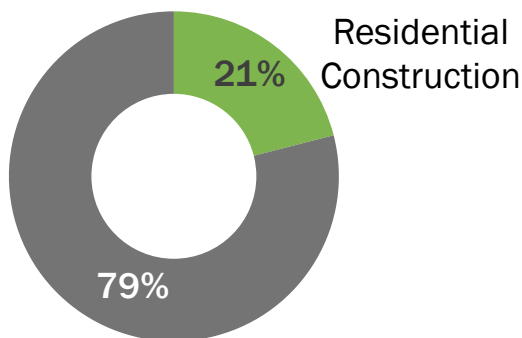
Market vs. ADS Growth



Highlights

- 51% is sold to the retail channel (i.e., Home Depot, Lowe's)
- 49% is related to new residential construction development (single-family, multi-family housing)
- Housing market growth is forecasted; new subdivision development should benefit from storm sewer sales

Domestic Revenue Concentration⁽²⁾



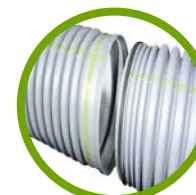
Key Products



N-12®



Single Wall



HP



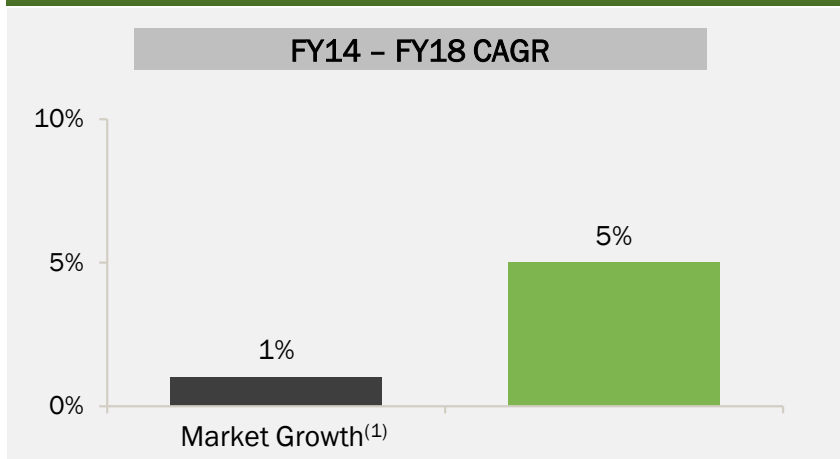
StormTech®



Nyloplast®

1) Based on management estimates and other quantitative and qualitative factors.
 2) Percentage of total domestic net sales for the year ended March 31, 2018.

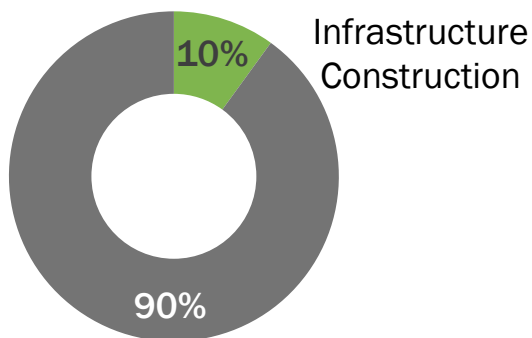
Market vs. ADS Growth



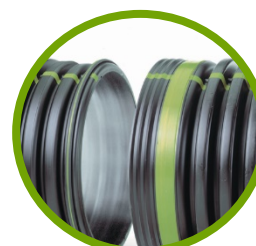
Highlights

- Focus on gaining key approvals with state and local agencies
- Market is heavily reliant on public funding
- HP pipe products gaining traction in public markets
- Increased focus on infrastructure development at the state funding level

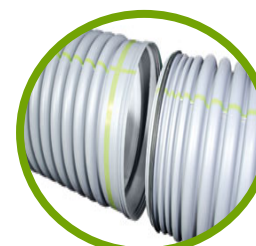
Domestic Revenue Concentration⁽²⁾



Key Products



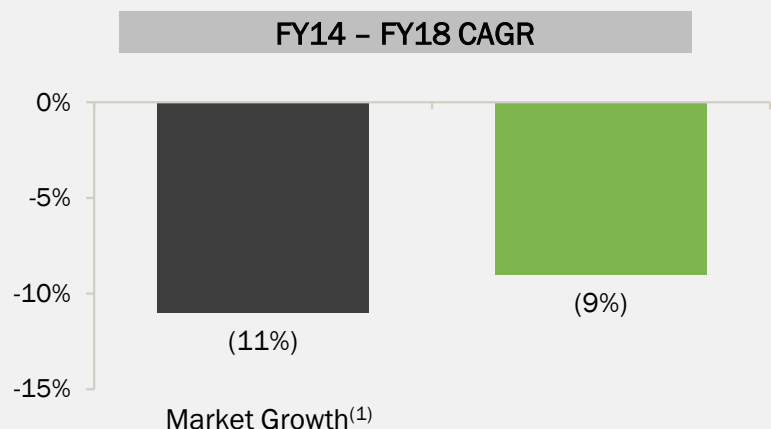
N-12®



HP

1) Based on management estimates and other quantitative and qualitative factors.
 2) Percentage of total domestic net sales for the year ended March 31, 2018.

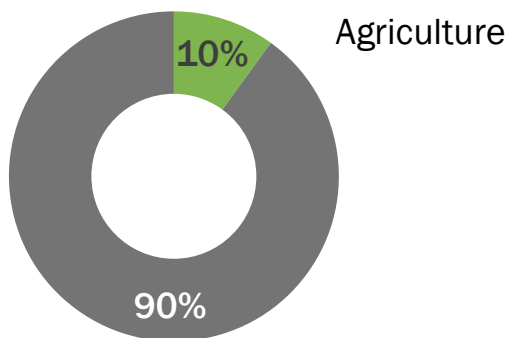
Market vs. ADS Growth



Highlights

- Systematic drainage has been proven to increase crop yields
- Key economic drivers are farm income and crop prices
 - Corn and Soybeans leading indicators
- Sales are concentrated in the Midwest

Domestic Revenue Concentration⁽²⁾



Key Products

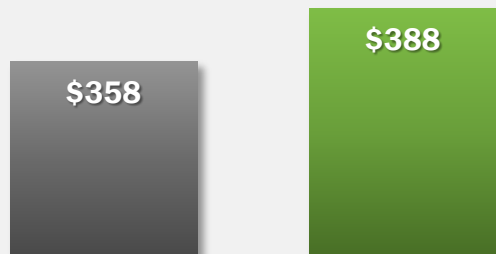


1) Based on management estimates and other quantitative and qualitative factors.
 2) Percentage of total domestic net sales for the year ended March 31, 2018.

Financials

Revenue

+8.2%



FY 2018

FY 2019

By Geography

- + Domestic +7%
- + International +17%

By Application

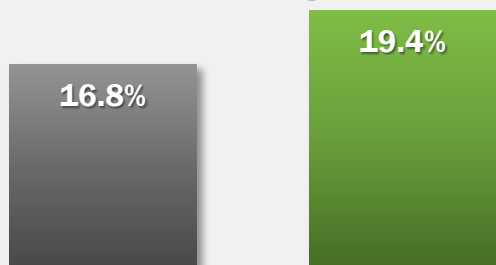
- + Pipe +7%
- + Allied +12%

Domestic Markets

- + Construction +10%
- + Non-Residential +11%
- + Residential +11%
- Infrastructure - 2%
- Agriculture - 17%
- + Pipe +6%
- + Allied +11%

Adjusted EBITDA

+260 bps



FY 2018




FY 2019



Fiscal 2019 Expectations

Key Metric	FY 2018	FY 2019		Y-o-Y Change
		Previous	New	
Net Sales (in Millions)	\$1,330	\$1,375 - \$1,425	\$1,375 - \$1,425	Up 3% to 7%
Adj. EBITDA (in Millions)	\$210	\$220 - \$240	\$225 - \$240	Up 7% to 14%
Adj. EBITDA Margin	15.8%	16.0% - 16.8%	16.4% - 16.8%	+60 to +100 basis points

Market Outlook

Market	FY2019 Outlook	Comments
Domestic Construction End Markets	 ADS: Up MSD	Growth driven by market conversion and continued strength in the domestic construction markets
Agriculture End Market	 ADS: Market Perform	Spring selling season impacted by weather, fall selling season will be contingent on weather
International End Market	 ADS: Up LSD to MSD	Conversion strategy expected to drive growth in Canadian construction markets. Modest growth anticipated in Mexico.



Adjusted EBITDA Reconciliation

	Three Months Ended June 30,	
	2018	2017
<i>(Amounts in thousands)</i>		
Net income	\$ 33,651	\$ 18,474
Depreciation and amortization	17,827	18,221
Interest expense	3,802	4,479
Income tax (benefit) expense	14,284	9,746
EBITDA⁽¹⁾	69,564	50,920
Derivative fair value adjustments	(12)	191
Foreign currency transaction gains	(171)	(869)
Loss on disposal of assets and costs from exit and disposal activities	1,104	3,423
Unconsolidated affiliates interest, tax, depreciation and amortization	379	708
Contingent consideration remeasurement	2	26
Stock-based compensation expense	1,559	1,690
ESOP deferred compensation	4,021	2,614
Executive retirement (benefit) expense	(328)	15
Restatement-related (benefit) costs	(1,231)	1,460
Transaction costs	256	167
Adjusted EBITDA⁽²⁾	\$ 75,143	\$ 60,345

1) EBITDA as net income before interest, taxes, depreciation and amortization

2) Adjusted EBITDA as EBITDA before stock based compensation expense, non-cash charges and certain other expenses