



Investor Day 2022

March 10, 2022



Forward Looking Statements and Non-GAAP Financial Metrics

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 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 limitation factors relating to availability of credit, interest rates, fluctuations in capital and business and consumer confidence; 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, including competition from both manufacturers of high performance thermoplastic corrugated pipe and manufacturers of products using alternative materials, and 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; uncertainties surrounding the integration and realization of anticipated benefits of acquisitions and similar transactions, including Infiltrator Water Technologies; 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, 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; 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; 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, including from the Tax Cuts and Jobs Act of 2017; our ability to meet future capital requirements and fund our liquidity needs; 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.

Agenda

| Topic | Presenters |
|---|---|
| Introduction and Overview | Scott Barbour |
| Sustainable at our Core | Brian King |
| Infiltrator Water Technologies | Roy Moore, Carl Thompson and Ron Brochu |
| Agriculture Case Study | Scott Barbour |
| Achieving the Full Potential | Michael Huebert |
| Enabling Growth through Operational Excellence | Darin Harvey and Pat Coyle |
| Financial Overview | Scott Cottrill |

PUT SIMPLY /// OUR PROMISE

To protect and manage water,
the world's most precious
resource, **safeguarding**
our environment
and communities.

Focused on **Delivering Value**

A Unique Investment Opportunity with Multiple Value Creation Levers



Key Investor Day Themes

Material Conversion Strategy

- Consistent track record of generating above-market growth
- Material conversion accelerated by proven market share model combined with better performing products that are safer to install, environmentally friendly and cost effective

Driven by Water & Sustainability

- Pure play water company with leadership position in the stormwater and onsite septic wastewater management industries
- Second largest plastic recycler in North America, reclaiming 510 million pounds of plastic in FY21

Delivering Consistent Performance

- Revenue and Adj. EBITDA CAGR of 14.2% and 39.2%, respectively, from FY18 to FY21
- Exceeded 3-year targets for organic sales growth, Adj. EBITDA margin and FCF conversion set at our last investor day in 2018

Effective Capital Deployment

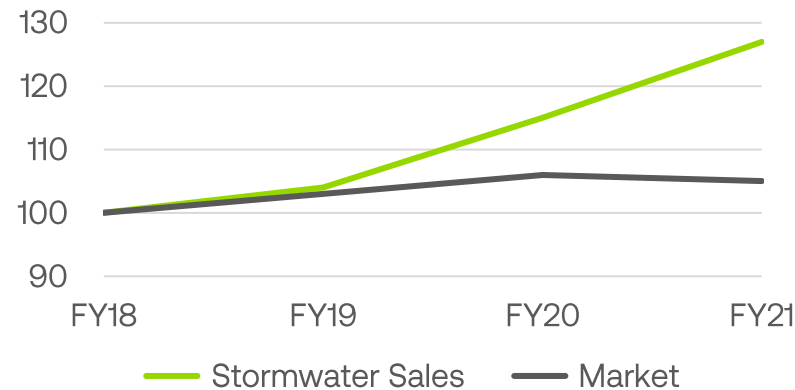
- Doubled CapEx commitments in FY22 to between \$130 million and \$150 million, focused on capacity expansion to support organic growth
- Since FY18, distributed \$482M to shareholders through share repurchases and dividends
- Executed \$1.1B on strategic M&A opportunities (Infiltrator, Jet Polymer)

Material Conversion Strategy

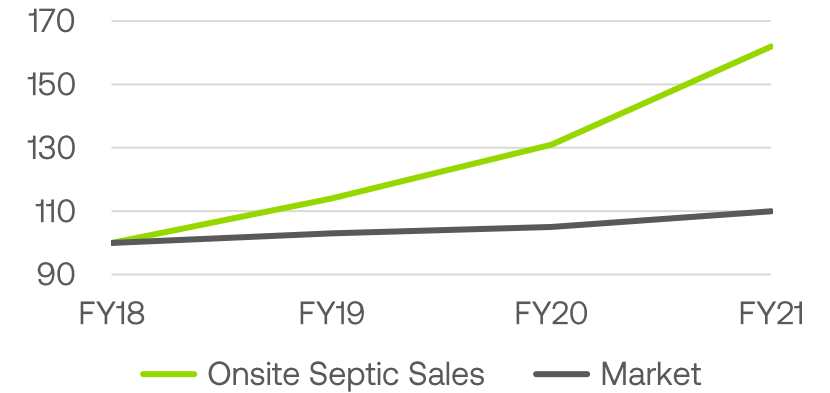
Material Conversion Strategy

- Consistent track record of generating above-market growth
- Material conversion accelerated by proven market share model combined with better performing products that are safer to install, environmentally friendly and cost effective

Stormwater Market



Onsite Septic Market



ADS & Infiltrator Products Outperform Traditional Materials

Installs 2x-3x Faster

- Reduced labor and equipment due to lighter weight and longer length

20%+ Less Installed Cost

- Fewer deliveries per project
- Safer to handle

Resilient

- Resistant to chemicals and abrasion
- Performs in all situations

Superior Performance

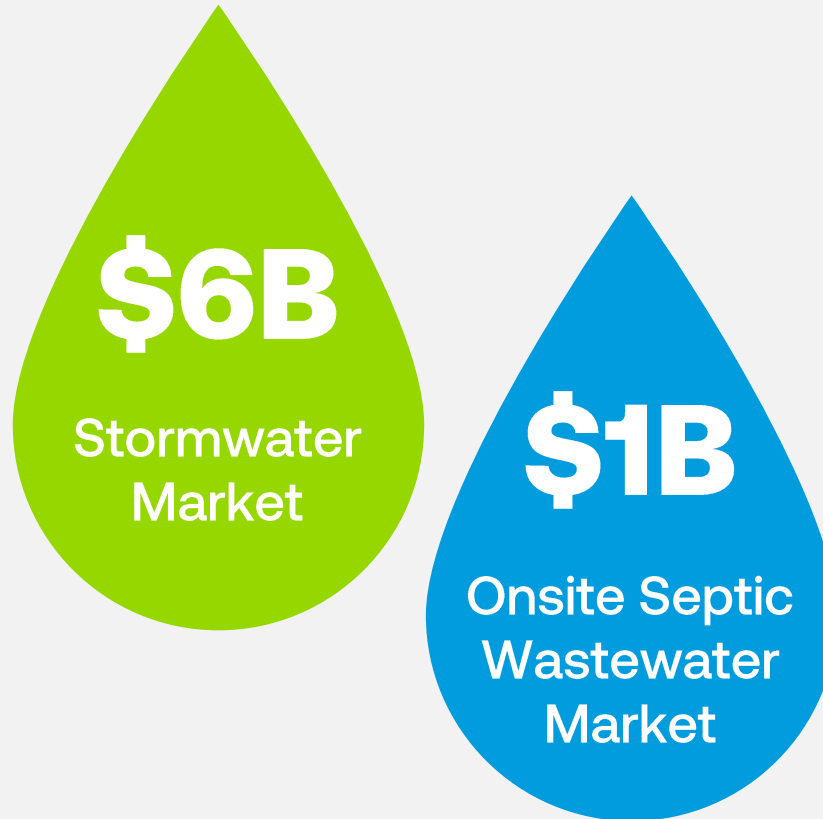
- High quality ensured by national standards
- Fewer, higher quality joints

Driven by Water & Sustainability

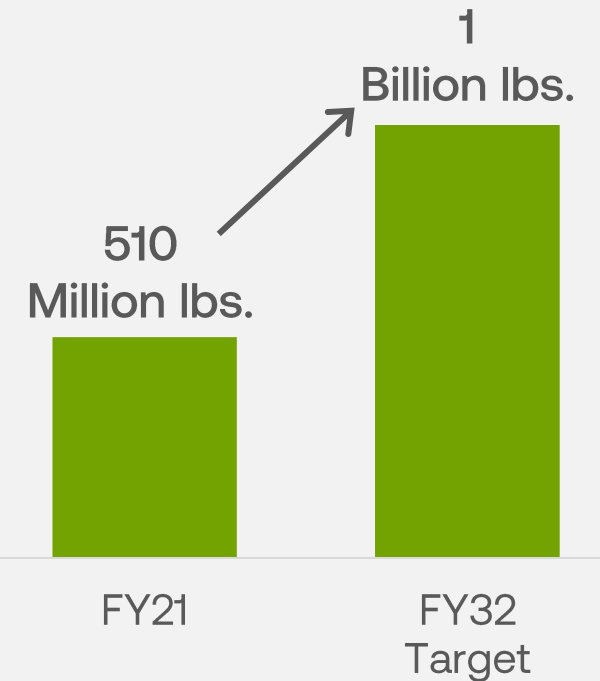
Driven by Water & Sustainability

- Pure play water company with leadership position in the stormwater and onsite septic wastewater management industries
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Water Market Opportunity



Leaders in Recycling



Driven by Water & Sustainability

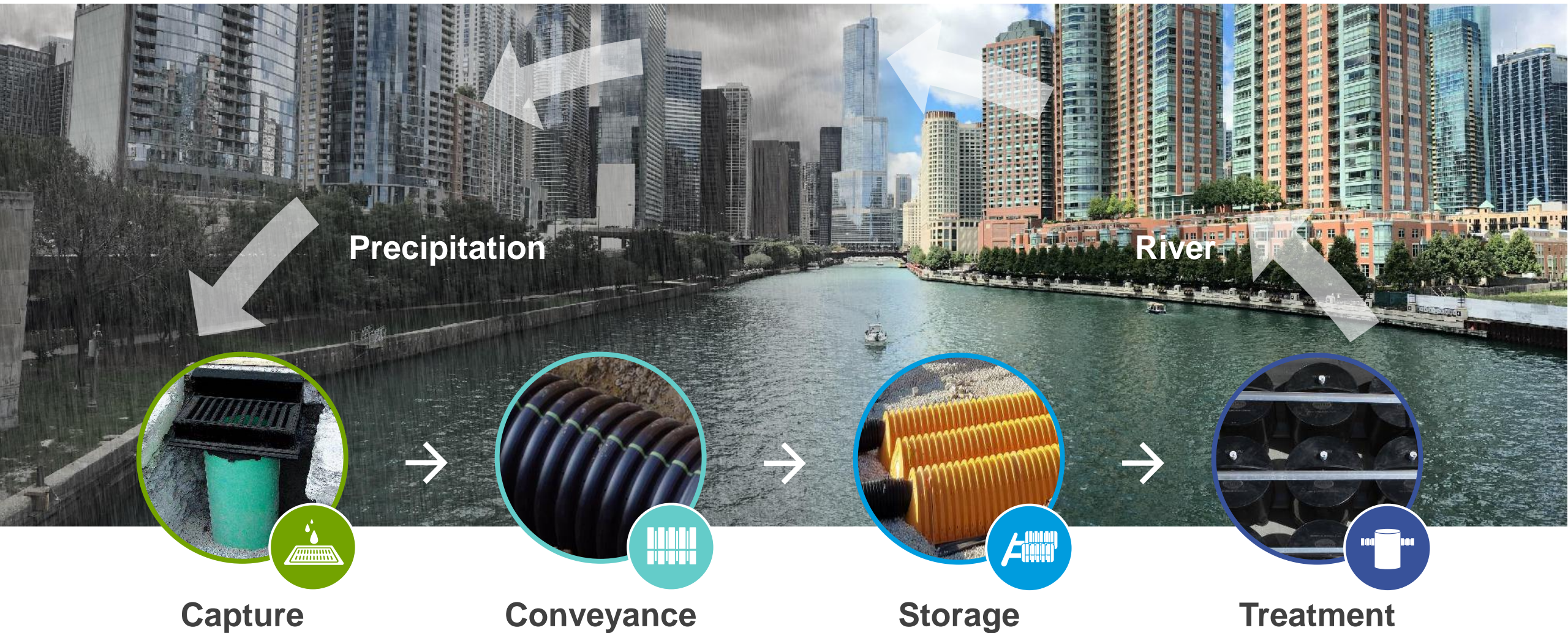
Why is Stormwater an Issue?

- Increasing impervious surface coverage due to increased development and growing population
- Inadequate stormwater infrastructure in place
 - Flooding causes environmental damage, reduced quality of life and economic destruction
- Stormwater is a major source of water pollution in the US
- Climate Change
 - US precipitation is increasing at twice the global average
 - Extreme weather events are causing larger and more frequent floods



Innovative Water Management Solutions

Advancing quality of life through sustainable solutions to water management challenges.



Driven by Water & Sustainability

Why is Onsite Septic Wastewater an Issue?

- Clean water is public health necessity
- Onsite septic wastewater systems are key in areas where centralized municipal wastewater system is not feasible
- Suburban and rural homebuilding outpacing municipal capabilities for centralized system development, increasing the use of onsite septic systems
 - One-third of new single-family homes utilize onsite septic systems
 - Septic systems have a typical life of 25 to 30 years
- Onsite septic wastewater systems are a natural, environmentally friendly solution



Innovative Water Management Solutions

Advancing quality of life through sustainable solutions to water management challenges.

2

Septic Tank



3

Leachfield



**Onsite Septic
Wastewater System**

1

Conveyance

Wastewater is fed through piping systems into an underground tank located outside of the home

2

Primary Treatment

Septic tank stores and treats solids while releasing clarified effluent into the leachfield

3

Secondary Treatment

Leachfield stores and allows infiltration of effluent into soil; naturally filtered and returned to local aquifer

Delivering Consistent Performance

Delivering Consistent Performance

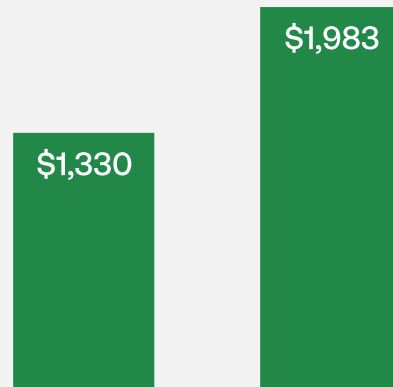
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Executed on 2018 Investor Day Commitments

Sales Growth

Target
+4 to +6% CAGR

CAGR 14.2%



FY18

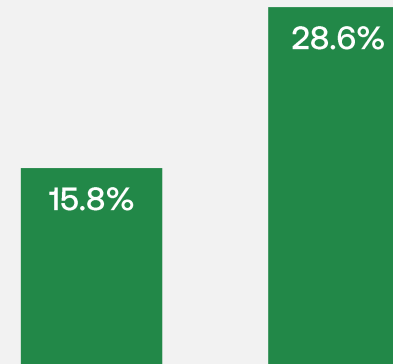
FY21

ADS Legacy CAGR 7.7%

Adjusted EBITDA Margin

Target
18% to 19%

+1280 basis points



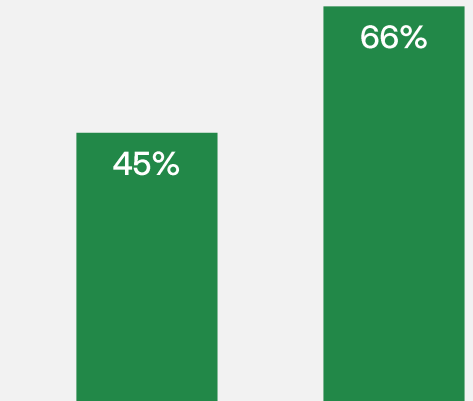
FY18

FY21

ADS Legacy 24.3%

Free Cash Flow Conversion

Target
>50% of Adj. EBITDA



FY18

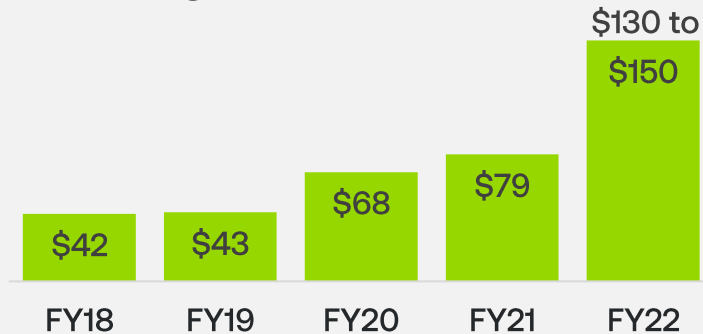
FY21

Effective Capital Deployment

Effective Capital Deployment

- Doubled CapEx commitments in FY22 to between \$130 million and \$150 million, focused on capacity expansion to support organic growth
- Since FY18, distributed \$482M to shareholders through share repurchases and dividends
- Executed \$1.1B on strategic M&A opportunities (Infiltrator, Jet Polymer)
- Responsibly managed leverage through period and successfully de-levered following Infiltrator acquisition.

Organic Investments



Acquisitions

Infiltrator Water Technologies

July 2019

Leader in Onsite Septic Wastewater

Jet Polymer Recycling

December 2021

Largest supplier of recycled PP to IWT

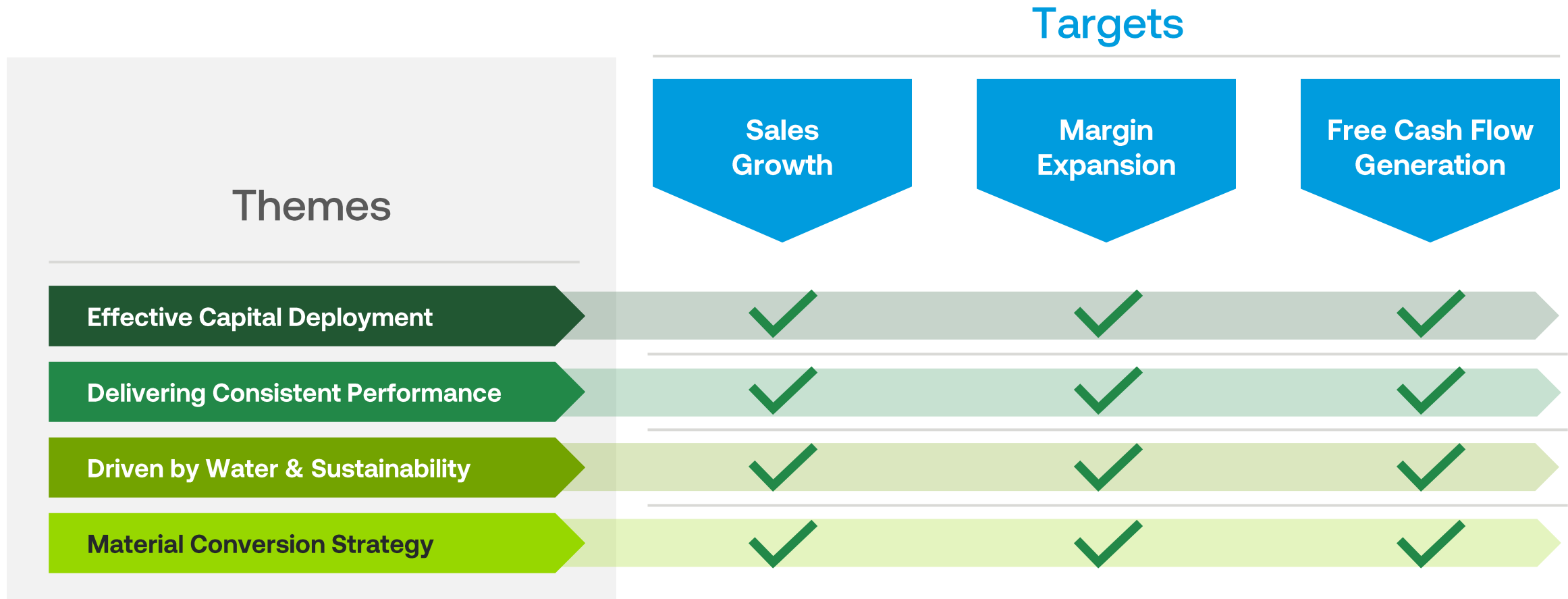
Share Repurchases

- **\$292M** executed in FY22
- **\$1B** share repurchase authorization announced February 2022

Dividends

- **\$190M** in dividends paid, including **\$75M** special dividend June 2019
- 57% increase in quarterly dividend since FY18

Alignment of Targets and Themes





Sustainable at our Core

Brian King

Executive Vice President, Product Management
and Marketing



Sustainable at our Core



**Innovative Management
of a Precious Resource**



**Industry Leading
Recycling Solutions**



**Committed to
Progress**

FY21 Sustainability Highlights

Environmental



2nd Largest

Recycling company in North America



510+ million

Pounds of plastic recycled annually



6% decrease

In greenhouse gas emissions
(sales weighted)



66% Pipe Revenue

Derived from remanufactured
products



4% decrease

In energy intensity

Operational



33% decrease

In total recordable incident rate
(TRIR) at focus plants



\$4 million

Spent on environmental, health and
safety related projects in FY21



21% decrease

In scrap rate



5% increase

In payload efficiency



9% decrease

In downtime rate

Social & Governance



\$2 million

Inaugural funding for The ADS
Foundation



50%

Of senior level hires were diverse



\$450,000

Contributed to charitable
organizations

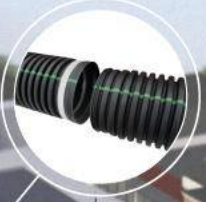


ESG BOD Subcommittee

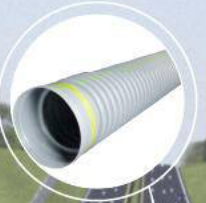
Established in 2020



StormTech
CHAMBERS



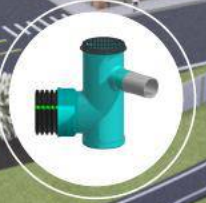
N-12
DUAL WALL PIPE



HP Storm
DUAL WALL PIPE



ADS
WATER QUALITY



Nyloplast
DRAIN BASIN



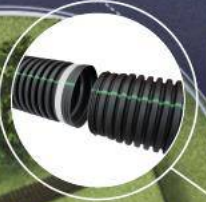
Single Wall
PIPE



Nyloplast
DRAIN BASIN



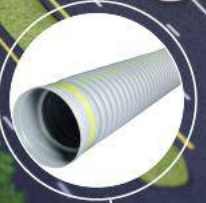
Single Wall
PIPE



N-12
DUAL WALL PIPE



Quick4 Series
SEPTIC CHAMBER



HP Storm
DUAL WALL PIPE



Infiltrator
SEPTIC TANK

Improving Quality of Life

Creating a Circular Economy for **Plastics**

ADS products are designed to last for decades, **significantly extending the life of single use plastics.**

Not only does ADS create a solution for plastic waste, **using recycled plastic reduces our carbon impact by over 70%.**



ADS partners with local waste management companies to source recycled post-consumer plastics.



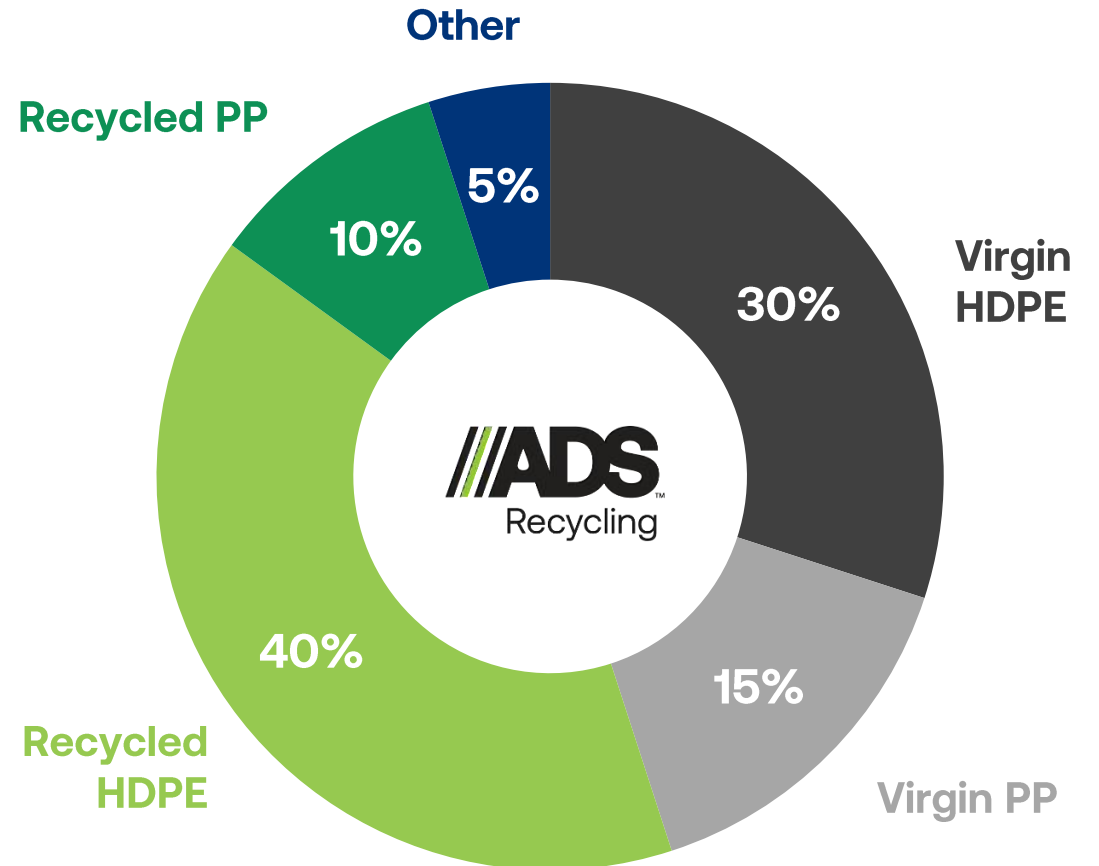
As a well-known industry partner, ADS also purchases recycled post-industrial plastics, and **ADS is a sought-out partner for end-of-life collaboration.**

We process 67% of the recycled plastics we consume in house, and source the remainder through other recycling partners. **ADS is the 2nd largest recycling company in North America.**

Differentiated Recycling Capabilities

Leaders in Material Science

- Vertically integrated recycling operations that process over 510 million pounds of plastic annually, making ADS the 2nd largest plastic recycler in North America
- Track record of refining raw material blending capabilities to increase recycled content in products, significantly reducing plastic landfill waste
- Recycled plastic is less expensive and historically less volatile in price compared to virgin material
- Initiatives in place to leverage material science and procurement capabilities at both ADS and Infiltrator.



Committed to Progress



Established in 2020



Diversity, Equity and Inclusion at ADS

We value diverse perspectives because they lead to **better ideas.**

Better ideas

lead to

Better processes.

Better processes

lead to

Better performance.

Better performance

leads to

More opportunities for all.

Diversity, Equity and Inclusion

We foster DE&I by developing a diverse workforce at all levels of our organization and creating an inclusive workplace

Developing our Workforce

- Promoting and developing diverse talent
- Investing in DE&I-driven professional development



59%

Of FY22 director hires and promotions were diverse candidates.

Creating an inclusive Workplace

- Centering DE&I education and training
- Engaging employees to drive DE&I policy and programs



320

Hours spent on DE&I training in FY22.

Our commitment to DE&I extends beyond our four walls and into our engagement with our partners and community

Engaging with our Partners

- Building relationships with diverse suppliers and customers
- Partnering with DE&I industry and professional associations



\$50M

Of XBE sales in FY22, an increase of 50%

Supporting our Community

- DE&I purposed philanthropic support and engagement
- Encouraging employee volunteerism efforts



\$500,000

Philanthropic support for DE&I-focused causes over the last two years

Our DE&I ambitions are aligned with our strategic priorities and enabled by our leaders

Governance Highlights



Established ESG Board Subcommittee



Declassified Board of Directors



Eliminated supermajority voting requirements for charter and bylaw changes



Introduced majority vote standard for uncontested elections



Financial services & distribution skills added with new director elections



Independent Board Chairperson

5 of 12

Board Directors elected since 2018 Investor Day

5 years

Average Board Director tenure

5 of 12

Board Directors female or ethnically diverse

Furthering our Commitment **Through 10-Year Goals**



Recycling

- **1 billion pounds** of recycled material used annually by FY32

Environmental Impact Reduction

- **Science-Based Targets** in line with 1.5°C

Accountability

- Continued transparency in reporting annual progress towards goals
- Implementation of supplier sustainability program

Social Purpose

- Continued good work through the ADS Foundation and community partnerships
- Increase execution on Diversity, Equity & Inclusion

Operational Excellence

- **Reduce TRIR to 1.0** by FY32
- Commit to **Operation Clean Sweep**
- Implement **closed-loop water recycling** at 100% of manufacturing locations

News

- **Keep lines of communication open and transparent** and share news of our progress



Our reason is water.™





Infiltrator Overview

Scott Barbour

President and Chief Executive Officer



Infiltrator Water Technologies **Acquisition**

| | | RESULTS | |
|--|--------------------|---|--|
|  | SYNERGIES | ~\$60M Material Science, Procurement and Manufacturing |  |
|  | PERFORMANCE | Sales and profitability ahead of plan |  |
|  | INVESTMENT | >\$200M |  |

Introduction & Strategy

Roy Moore

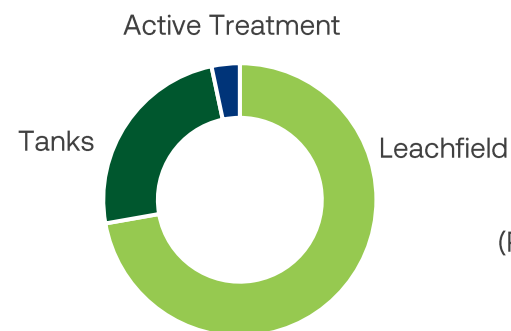
Executive Vice President, Infiltrator

Infiltrator Water Technologies **at a Glance**

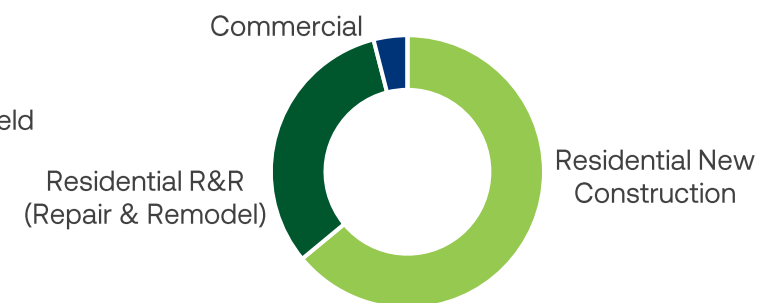
Business Overview

- Leading designer and manufacturer of highly-engineered leachfields, tanks, and advanced decentralized treatment systems for onsite wastewater management
- Track record of consistent organic growth and margin expansion driven by operational excellence and market leadership
- State-of-the-art manufacturing processes with a high level of production automation providing high-quality, cost effective and innovative products to our customers.

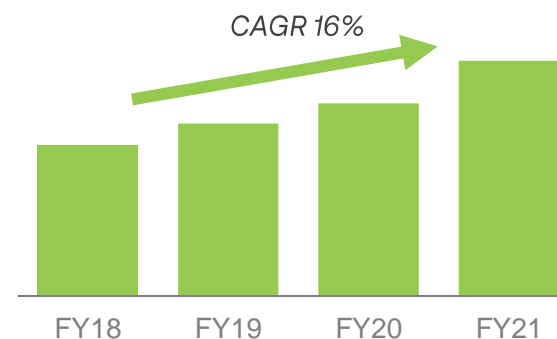
Sales by Product Category ⁽¹⁾



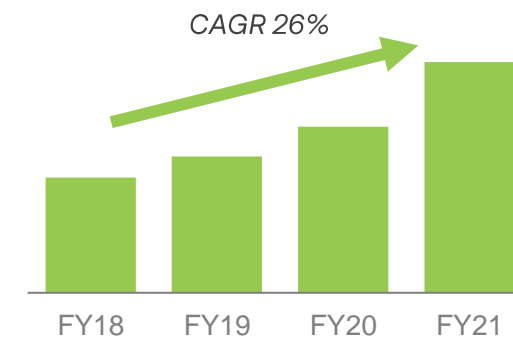
Domestic Sales by End Market ⁽¹⁾



Net Sales ⁽²⁾



Adj. EBITDA ⁽²⁾



Infiltrator Water Technologies **Growth Success**



Market leadership in wastewater treatment through innovative products, market solutions and customer service



Transforming the residential and commercial wastewater space through highly cost-effective and sustainable products



Extending our track record of operational excellence built on world-leading machinery and automation that achieves significant manufacturing efficiencies



Supporting housing and construction market trends that have led to roughly one-third of new single-family builds using decentralized, septic wastewater systems

Onsite Septic Wastewater **Solutions Overview**

Passive



1

Conveyance

Wastewater is fed through piping systems into an underground tank located outside of the home

2

Primary Treatment

Septic tank stores and treats solids while releasing clarified effluent into the leachfield

3

Secondary Treatment

Leachfield stores and allows infiltration of effluent into soil; naturally filtered and returned to local aquifer

Active



4

Active Treatment Systems

Additional higher-level effluent treatment prior to dispersal

Driving Market Conversion with Infiltrator's Innovative Septic Leachfield and Tank Solutions



REDUCED INSTALLATION COST

INFILTRATOR LEACHFIELD CHAMBERS

20%+ cheaper than traditional stone-and-pipe systems

INFILTRATOR SEPTIC TANKS

20%+ cheaper than traditional concrete tanks



IMPROVED TIME EFFICIENCY

2X faster installation

- Smaller site footprint with easier cleanup

2X faster installation

- No waiting for delivery – installer can bring lightweight tank to site



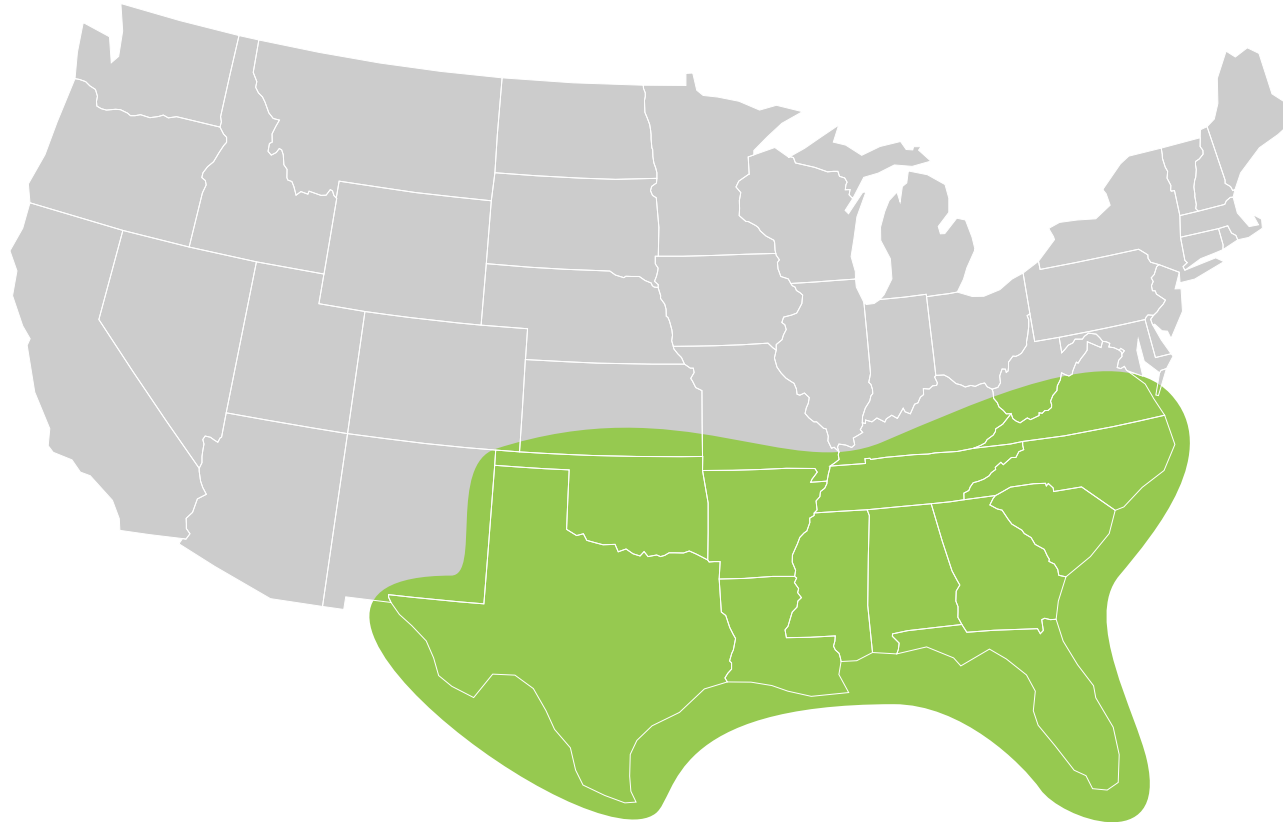
ENHANCED PERFORMANCE

- Increased soil contact area for improved infiltration

- Durable and watertight product

Our highly-engineered products deliver enhanced performance with reduced installation cost and time

Geographical Spread of Onsite Septic Use



~1/3

of new single-family homes built in the U.S. use onsite wastewater treatment systems

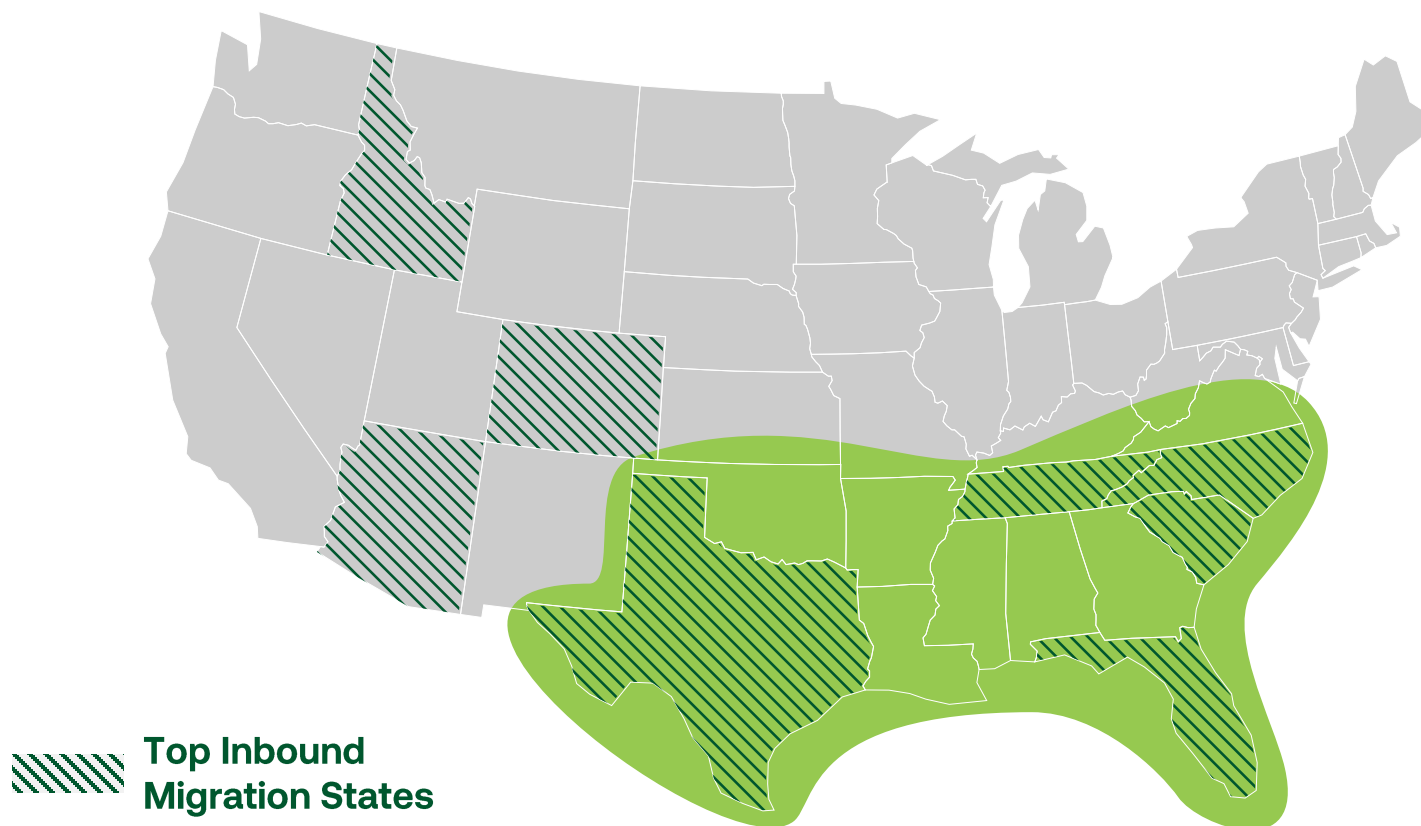
~54%

of Infiltrator onsite wastewater treatment system sales are in the southern crescent of the U.S.

Strong and durable market trends underpin the onsite septic market

Infiltrator Well Positioned For Growth

Benefits from Migration Shift



Demand for single-family homes has increased due to **population migration from high density areas to suburban and rural areas.**

These migration trends are particularly evident **in states along the southern crescent of the U.S.**

Wastewater management systems in these areas are **often served by septic systems.**

Migration out of densely populated areas is further supporting demand for onsite septic systems

Strong Regulatory Presence



50 States

Regulatory approval in every state, with nearly all states granting approval with a reduction in footprint vs. traditional systems.



Each Year

The Infiltrator regulatory team pursues over 50 key regulatory and legislative changes each year to open new markets and improve ease of product selection.



\$250 Million

New EPA grant program in Infrastructure Investment and Jobs Act (IIJA) created to replace old, inadequate, or non-existent septic systems for low-income homeowners.

The public health, environmental, and economic benefits of onsite septic systems are recognized by the EPA

Growth & Innovation

Carl Thompson

Vice President, Infiltrator Sales and Delta Advanced

Strategic Growth Overview



Continue executing septic system conversion strategy with key decision makers – contractors, designers, and local permitting authorities



Maintain market leadership through innovation and delivering increasing value to our customers



Expand the market for current and future products through regulatory and legislative efforts



Proactively hire new talent to continuously improve existing technologies and create solutions targeting the active onsite treatment market

Execution of the **Market Share Model**



Approvals

- Regulatory and legislative approvals on products allowed to be used and specified.
- Working with local and state/provincial authorities to have products approved in a way that fully harnesses the power of our solutions.



Acceptance

- Sales team members are "in the trench pros" who demonstrate product installations.
- Showcasing improved jobsite efficiency drives conversion from traditional systems to Infiltrator products.



Coverage

- Driven by Infiltrator's highly specialized septic direct sales force and inside sales development teams.
- Building relationships and solving problems for septic system contractors, designers, and local permitting authorities.



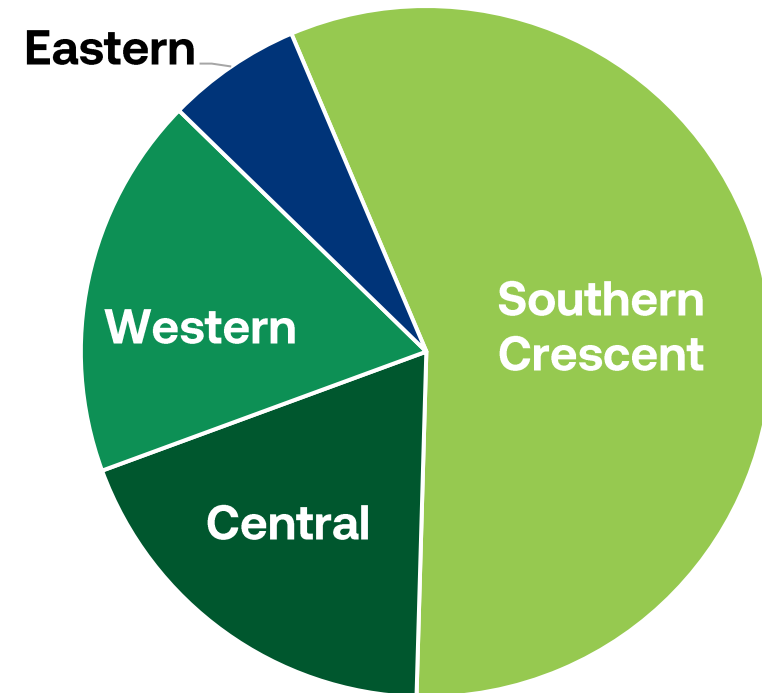
Delivery

- Our contractor and designer focused sales force and distribution footprint coupled with our manufacturing delivers the right products at the right time to meet customer needs.

Go-to-Market **Workforce and Strategy**

- ~50 highly specialized direct and inside sales professionals build relationships with contractors, designers, and local permitting authorities.
- Our reach is extended by our network of over 1,500 distribution points across the U.S. and Canada.
- Infiltrator has become the preferred brand by installers, and in turn, our key distributors.

Sales By US Region



Product Line Evolution



First Chamber



Quick 4 Chamber



EZflow Acquisition



Delta Acquisition



Compression Molded Tank

1986

2003

2004

2008

2009

2011

2018

2019

2022

StormTech



Rotomold Tank



Injection Molded Tank



Presby Acquisition



- We continue to innovate and expand our new products offerings that increase the strength and depth of our product portfolio, enabling us to better support the installation of 370K septic systems annually
- We have innovated 9 generations of chambers and 3 generations of tanks, and will leverage that same innovative process to continually improve our active treatments offering
- Constant innovation across every product line allows us to adapt and stay ahead of the competition

Innovation Focus - Chambers

Innovation through 9 Generations of Chambers

- Infiltrator has consistently innovated new chamber designs. Each generation of chamber:
 - Provides additional value to the septic contractor including faster installation and improved functionality - making it even easier for contractors to select an Infiltrator chamber
 - Improves manufacturing cycle times and lowers cost



Increasing market penetration through innovative products

Innovation Focus - Tanks

Innovation through 3 Generations of Tanks

- Improved shipping efficiency, ease of storage, and assembly for distributors
- Increased strength to improve performance in difficult soil and site conditions, opening additional market opportunities and facilitating conversion of traditional septic tanks
- Significant reduction in manufacturing cycle time resulting in increase in overall machine capacity and lower cost to produce
- Highly transferable technology to adjacent products and markets

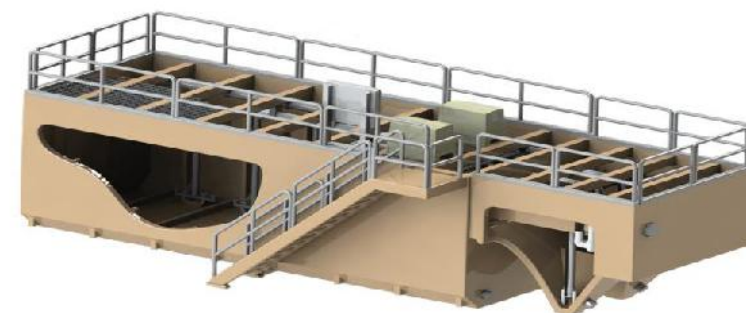


Innovative tank development that supports passive & active systems

Innovation Focus – Active Treatment

Active treatment systems represent an incremental \$1 billion market opportunity

- High growth potential for increased decentralized wastewater treatment for residential and commercial markets
- Our sophisticated solutions address current market whitespace
- Standardized systems and innovation leverage technology to enhance service
- Consolidation opportunities will grow over time
- Active Treatment is a growing, complimentary market



Active treatment is a growth opportunity that is complementary to our existing offerings

Manufacturing & Operational Excellence

Ron Brochu

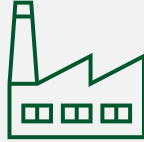
Vice President, Infiltrator Manufacturing

Infiltrator Manufacturing: **Key Enablers and Differentiation**



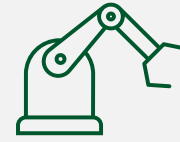
Centralized Production

\$155M investment into Advanced Molding Facility that will significantly **increase production capacity** by the end of FY23 and help meet growing residential onsite septic demand.



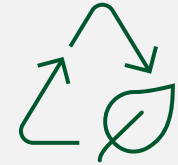
Advanced Manufacturing

Proprietary manufacturing process in combination with advanced manufacturing engineering expertise produces our innovative product.



Automation

Continuous improvement across our full manufacturing process **enables better employee safety and increased efficiency.**



Recycling / Material Science

Vertically integrated recycling operations that blend **over 155 million pounds** of plastic annually.



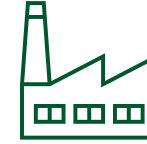
Centralized Production

- The Winchester, KY campus has ample room for continued expansion
- Advanced Molding Facility is a \$155M capital investment that includes the world's largest presses and molds to meet strong demand in residential onsite septic market



Winchester, KY
Manufacturing
Operations





Advanced Manufacturing



Worlds largest injection molding presses



Worlds largest compression molding machine



Robust patent portfolio including 190 patents



Advanced automation moving towards no-touch operations

Case Study – Infiltrator Advanced Molding Manufacturing Efficiency

Manufacturing engineering delivering capacity, cost reductions and high-quality product



- **World's largest equipment** designed by Infiltrator to manufacture compression molded septic tanks
- Revolutionizing molding & automation while competition utilizes rotomolding
- Integrated next generation product designs that improved structural integrity while reducing the material (weight)

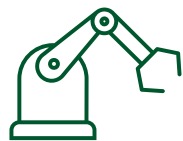
Cycle Time Reduction **95%** | **23x** Capacity Expansion

Weight Reduction **17%** | Shipping Cost Reduction **72%**

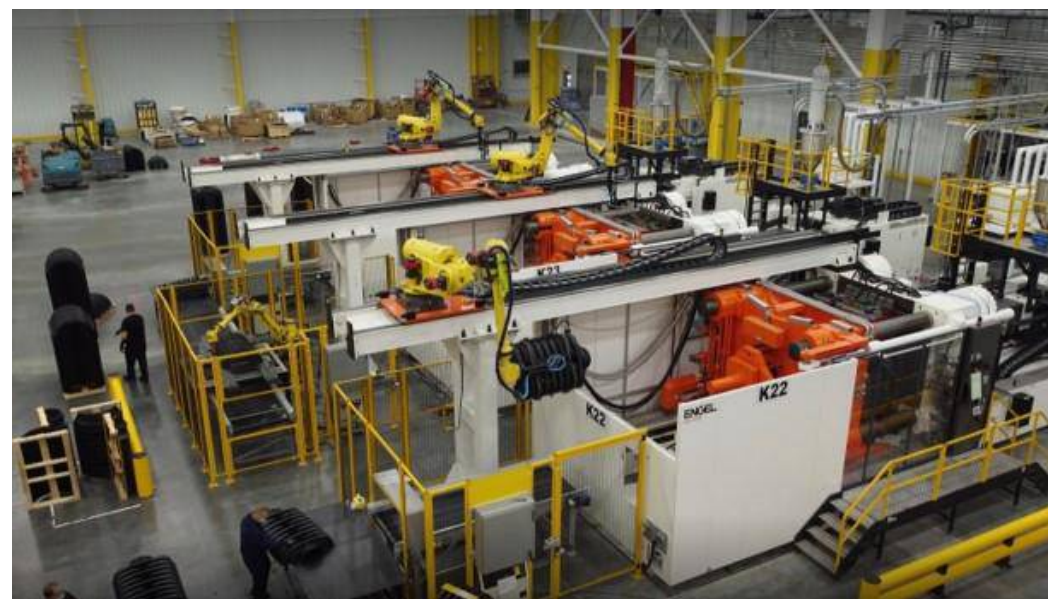


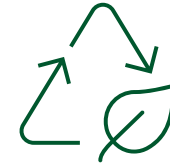
6x
Improvement in
Labor Efficiency

World-class manufacturing and engineering with proven track record to develop innovative products



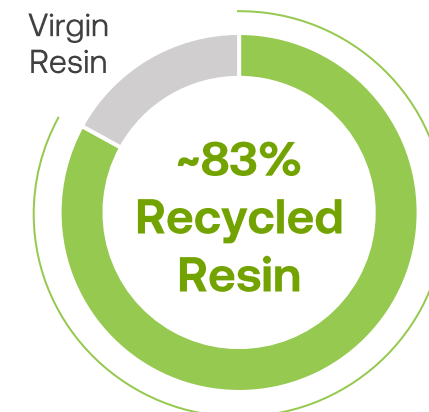
Automation





Recycling / Material Science

- Infiltrator blends 155 million pounds of plastic annually
- Infiltrator sorts, cleans, grinds, extrudes, and blends recycled resins using proprietary recipes and processes mastered over 30+ years
- Unique ability to trace material throughout the manufacturing process enables Infiltrator to rapidly resolve any material deviation



Path Forward: **Areas of Focus**



Wrap-Up

Roy Moore

Executive Vice President, Infiltrator

Infiltrator is committed to performance

Material Conversion Strategy

- Material conversion strategy has led to consistent track record of generating above-market growth
- Continue to convert to our more sustainable product

Driven by Water & Sustainability

- Pure play water company with leadership position in onsite septic industry
- Well positioned to capitalize on \$1B active onsite treatment sector

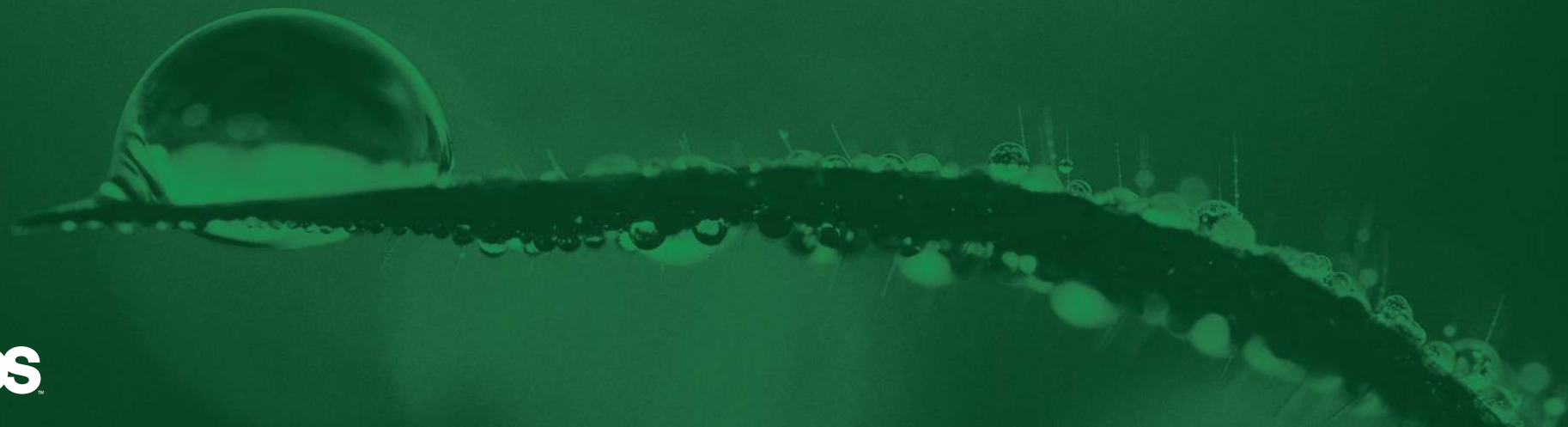
Delivering Consistent Performance

- Growing faster than our market segments
- Ahead of competition by being 1st in providing innovative mindset to the market

Effective Capital Deployment

- Significant capital investments in Advanced Molding Facility, which will add capacity to support organic growth
- Successful acquisition of recycler for vertical integration
- Automation in manufacturing to manage growth, labor, and safety

Break





Case Study: ADS Agriculture Business

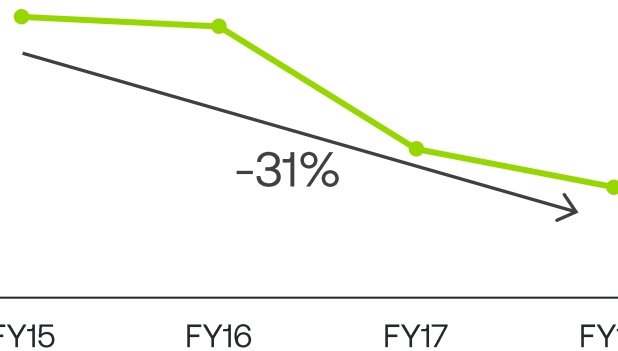
Scott Barbour

President and Chief Executive Officer



State of the Business: November 2018

Agriculture Market Sales Trend

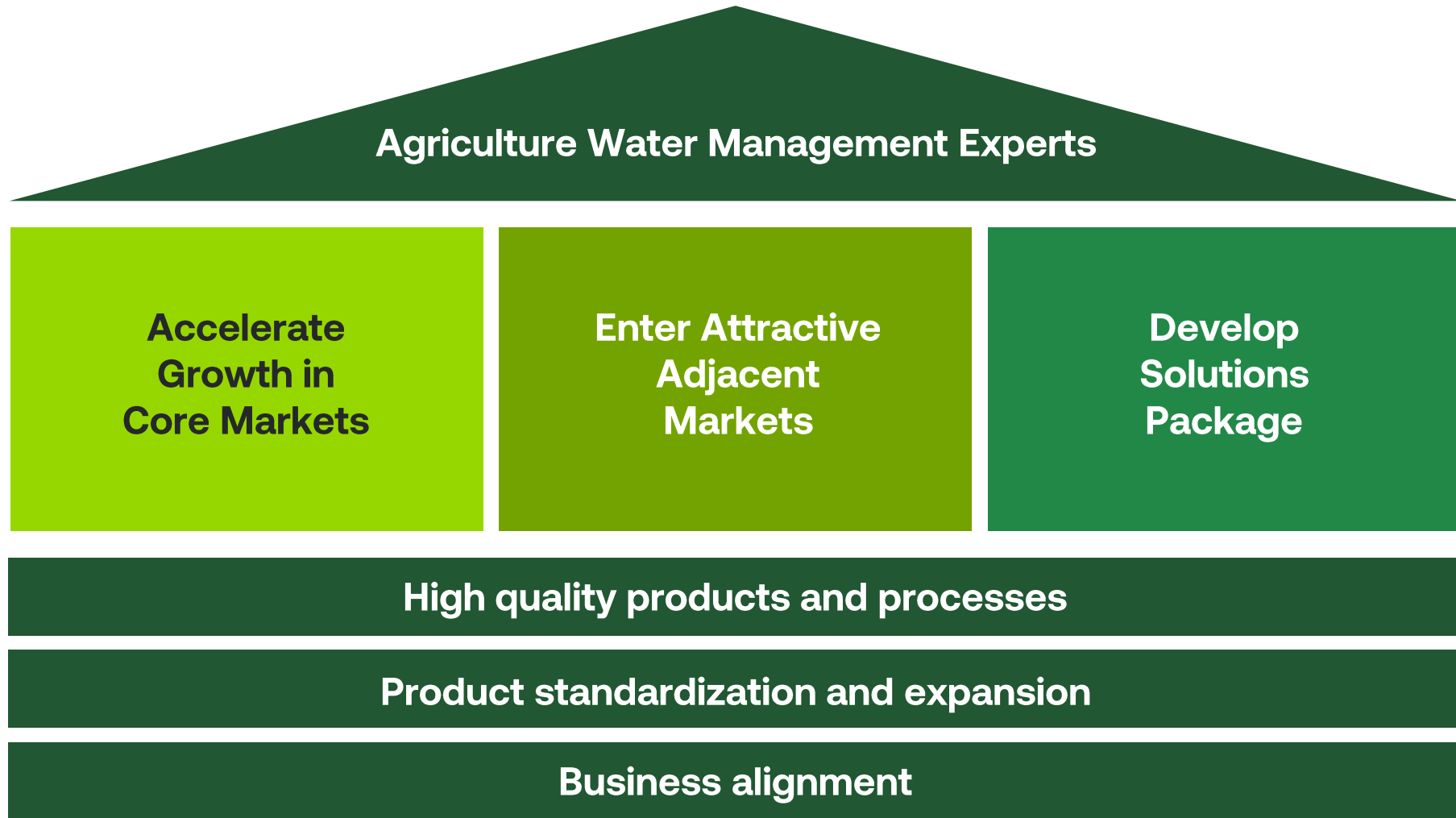


ADS lacked focus on growing this business

Not investing in growing our capabilities

Localized quality issues, no new products or resources

Defining the Strategy



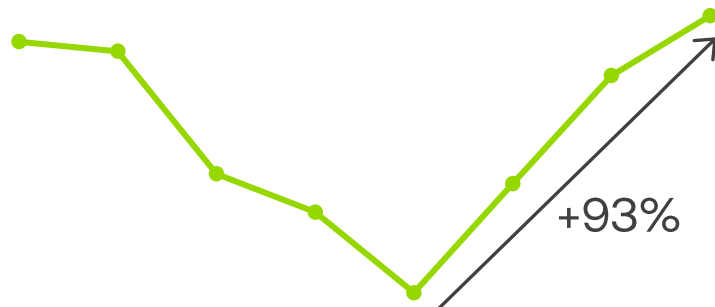
Thinking Differently: **No Touch Trailers**



Introducing the all-new
ADS Agriculture Automated Trailer

State of the Business: **Today**

Agriculture Market Sales Trend



FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

Increased execution on quality and delivery

New product introductions and focused sales strategies driving growth

Investing \$30M in equipment and logistics

Growing in attractive adjacent geographic markets

Aligned with progressive farmers and influencers



**We keep
families farming.**



Sales: Achieving the Full Potential

Scott Barbour

President and Chief Executive Officer



Our Value Proposition Drives Growth of our Conversion and Water Management Solutions

The ADS customer value proposition sets us apart from our competition and makes us the partner of choice.



Comprehensive Portfolio of Products for Water Management Solutions

Our leading product position in the storm water and on-site septic wastewater management industries allow us to **drive conversion** and sell the whole package

Capture



Nyloplast



Duraslot

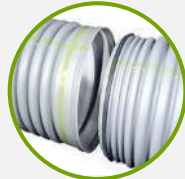
Conveyance



N-12



Single Wall



HP



InsertaTee



Fittings



Triple Wall

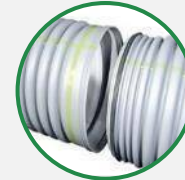


PolyFlex

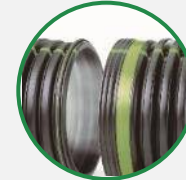
Storage



StormTech



HP



N-12

Treatment



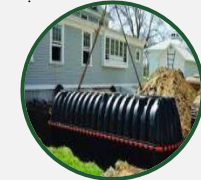
Water Quality



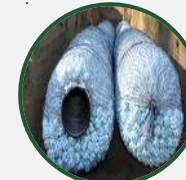
Arc Chambers



Quick4
Chambers



Tanks



EZFlow



Delta

Sales, Distribution and Logistics Capabilities to serve the Water Works industry

Our vast sales and engineering force and distribution footprint coupled with our company owned fleet ensures we have the right products, at the right site, at the right time to meet customer needs

Our vast capabilities allow us to serve the customer



300+
Sales and
Engineering
Professionals



50+
Field
Engineers



48 US & Canada
Manufacturing
Facilities



26 US & Canada
Distribution
Centers



Company-Owned Fleet
700 Trucks & 1,300 Trailers

ADS also partners with 3,000+ distribution partners, including

FERGUSON

CORE & MAIN

FORTILINE
WATERWORKS

WinWholesale
THE WIN GROUP OF COMPANIES

TDC
THE DISTRIBUTION GROUP

EJP

H.D. FOWLER
COMPANY

LB Water
We Make Water Work.

CORIX
Water Products

BRENT
SUCCESSION SERVICE SINCE 1951

HAYES PIPE SUPPLY, INC.
A FAMILY OWNED, FULL LINE WATER AND SEWER DISTRIBUTOR

SiteOne
LAWN SUPPLY

EWING



ETNA
SUPPLY COMPANY

LBM Advantage
Better. Stronger. Together.

Horizon

Virtualrain

ACE

True Value
COMPANY

Omni

EQUITY

Do it Best Corp.

ORGILL
Residential Distribution & Retail Service

LMC

THE HOME DEPOT

Lowé's
Home Improvement Warehouse

EG
EMBASSY GROUP LTD.

Sales Strategy

Mike Huebert

Senior Vice President, Sales

ADS Sales Strategies



Execute our proven market share model and conversion strategy



Drive further Allied Products growth through attachment programs, segment expansion, new products and acquisitions



Increase participation in the residential and infrastructure segments through partnerships, obtaining new approvals and investments in sales resources



Grow sales and share in large diameter (30”-60”) storm sewer pipe

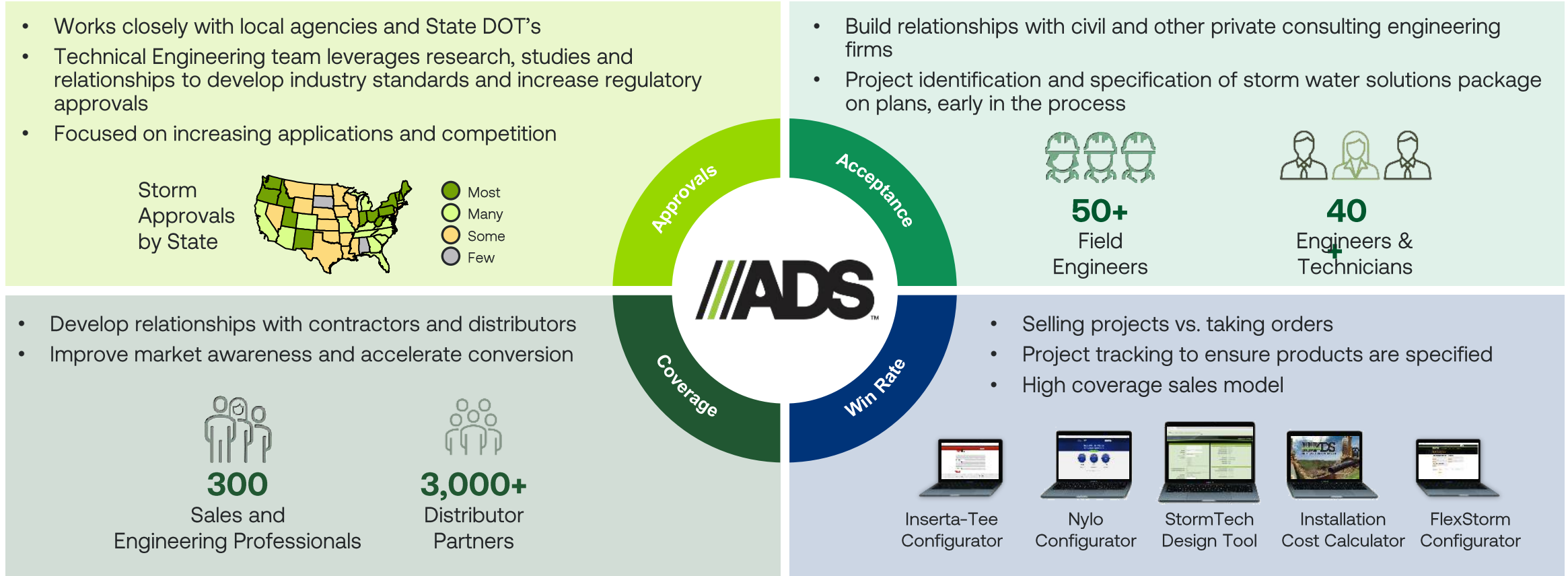


Win in key geographies, with a focus on FL, TX and CA

| Non-Residential | Residential | Infrastructure |
|-----------------|-------------|----------------|
| | | |
| | | |
| | | |
| | | |
| | | |

Market Share Model Accelerates Conversion

Proven market share model leverages best-in-class sales force, technical expertise, and distribution & logistics network to deliver above-market growth and position ADS as the supplier of choice



Allied Products Growth

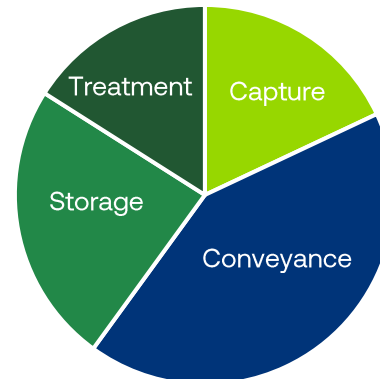
ALLIED PRODUCTS

Allied products give ADS the ability to sell the complete water management solutions package

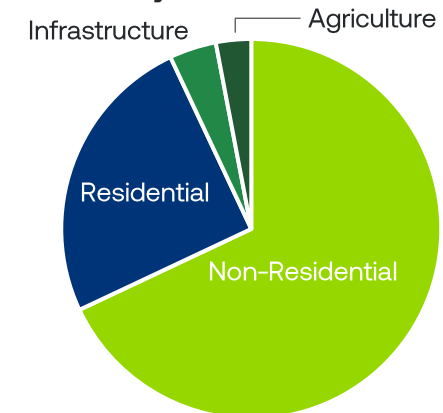
- Makes ADS the preferred partner with distribution and contractors
- Regulatory tailwinds and awareness of large storm events driving large and growing market opportunity for ADS to capitalize on
- Opportunities for innovation & acquisitions

Domestic Allied Product Sales

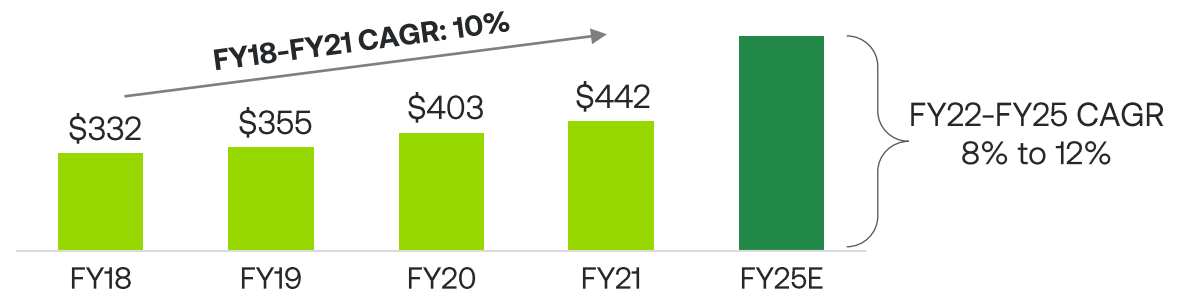
By Solution



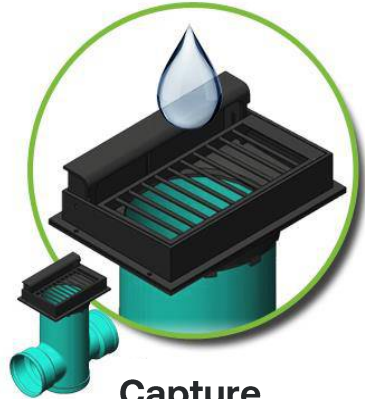
By End Market



Domestic Allied Product Sales Growth



Allied Products Category and Product Strategy



Capture

Structures

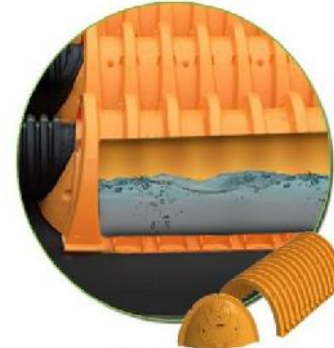
Structures used to collect and direct storm water and move it to underground conveyance system



Conveyance

Pipes & Fittings

Pipes used to move storm water away from developed sites to be discharged



Storage

Retention & Detention

Managed infiltration and recharging of storm water that mitigates erosion and flooding

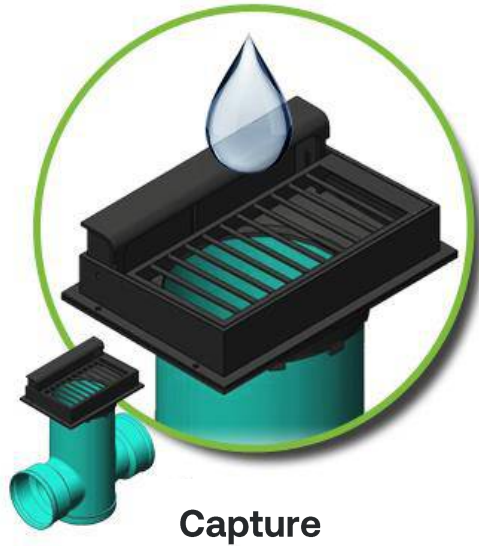


Treatment

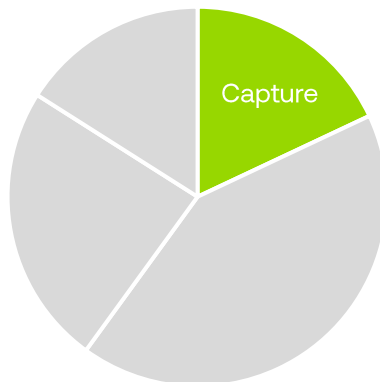
Water Quality

Products removing trash, debris and pollutants from storm water runoff before it is discharged into the environment

Capture: Growth Through Awareness and Visibility



Allied Products by Solution



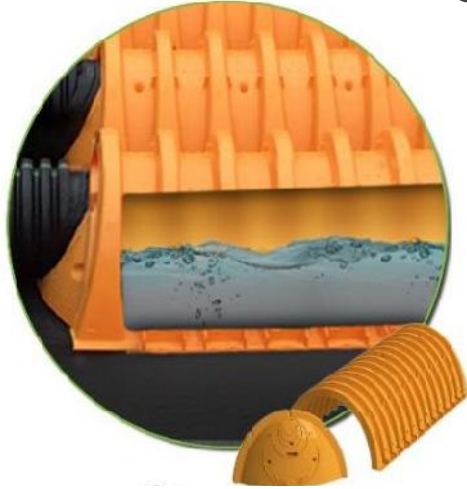
Nyloplast product line overview

- The Nyloplast solution is an engineered PVC catch basin with superior joint performance that is easily installed compared to precast concrete options
- Core market focus is sizes 12”-36”, for non-residential, out of pavement applications

Growth Strategies

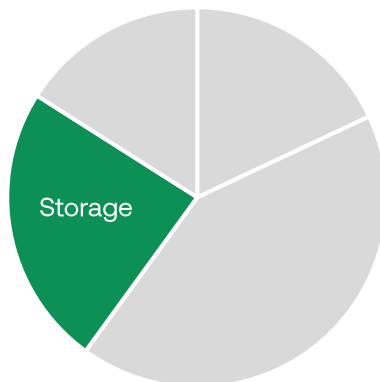
- Leverage strength in the non-residential market and drive growth by increasing **attachment** to pipe projects
- Expand and improve product offering to increase sales in core, out of pavement applications
- Scale awareness and outreach campaigns to drive **increased specifications**
- Drive value proposition with new and improved **design tools**

Storage: Capitalize on Market Leading Position and Segment Participation



Storage

Allied Products by Solution



StormTech product line overview

- Cost-effective plastic chamber for storage, infiltration and recharge of storm water
- Maximizes land use and value
- Primarily used in non-residential and multi-family residential applications

Growth Strategies

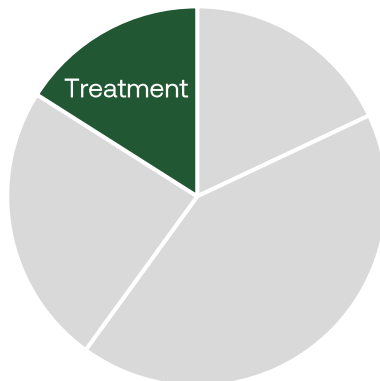
- **Investment in capacity** to meet strong demand
- Driving acceptance and **growth in priority states and active project types in non-residential and residential applications**
- Increasing awareness, adoption and usage of ADS digital **design tools**
- Drive **attachment** by marketing an integrated product suite of ADS storage and water quality solutions
- Improve order management process to enhance **customer delivery experience** and coordination with other products
- Develop or acquire other product solutions to expand participation in areas of the segment not available to us today

Treatment: Growth Through Specifications and Partnerships



Treatment

Allied Products by Solution



Water Quality product line overview

- Products that remove trash, debris and pollutants before storm water is introduced into a watershed
- Highly variable product selection by location, state and regulatory environment

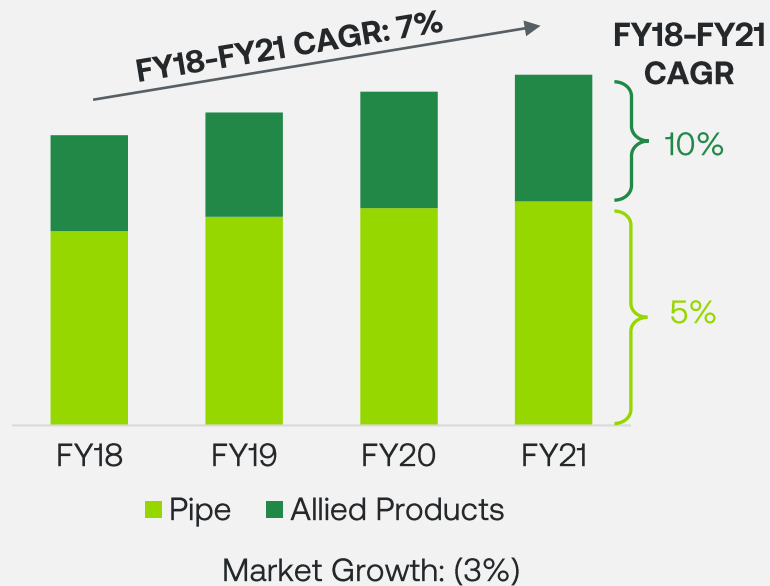
Growth Strategies

- Drive **geographic expansion**
- Penetrate the bio-filtration segment
- Drive **attachment** by marketing an integrated product suite of ADS storage and water quality solutions
- Increase adoption of digital **design tools** related to water quality
- Develop innovative solutions to **improve supply chain and delivery**

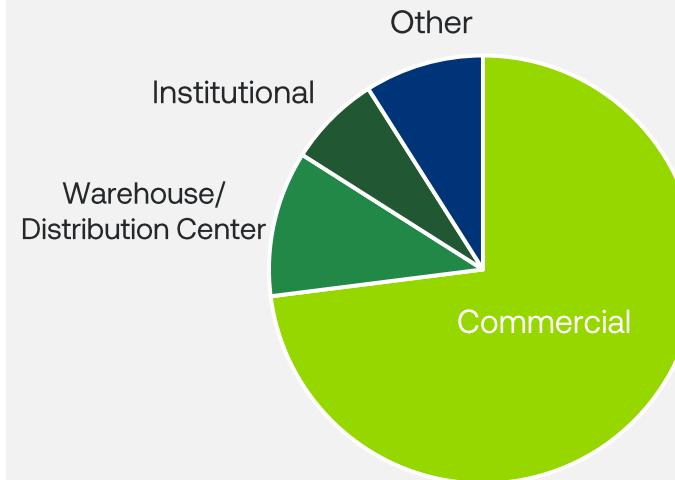
ADS Non-Residential Market Performance

NON-RESIDENTIAL

Non-Residential End Market Sales



Non-Residential Sales by Project Type



Sales strongest in “horizontal”, “low-rise” construction

Most advanced conversion story

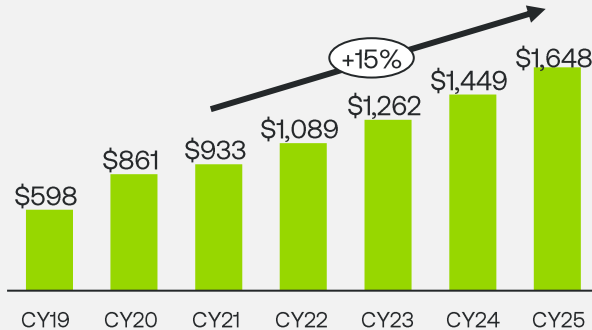
Highest concentration of Allied Product sales

Focus on active project types related to warehouse/distribution centers, development related to residential build-out and trends towards “on-shoring” supply chain

E-commerce Growth Provides Tailwinds to Warehouse Construction

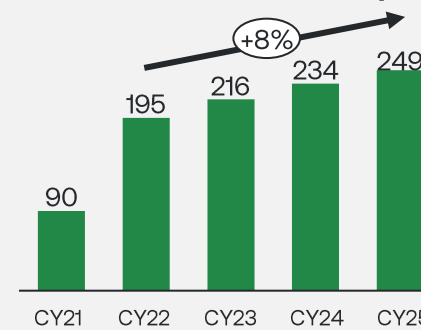
NON-RESIDENTIAL

E-commerce Retail Sales* (trillions)



E-commerce sales are expected to see strong growth and account for 20% to 25% of all retail sales by CY25 (was 6% in CY10, 16% in CY19)

Incremental warehouse space* (sq ft/M)

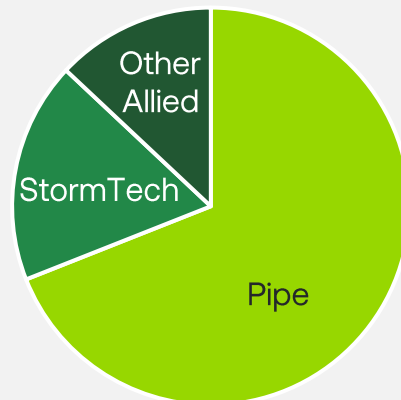


According to CBRE, every \$1B of incremental e-commerce sales generates 1.25M sq. ft. of warehouse space demand

This would suggest ~5,300 warehouses would need to be built/expanded to handle the forecasted growth in e-commerce sales (over the CY21 to CY25 time period)

Highlights

Typical ADS project sales mix



In 2019, allocated and added resources to focus on the top developers, engineering firms, project identification and pursuit

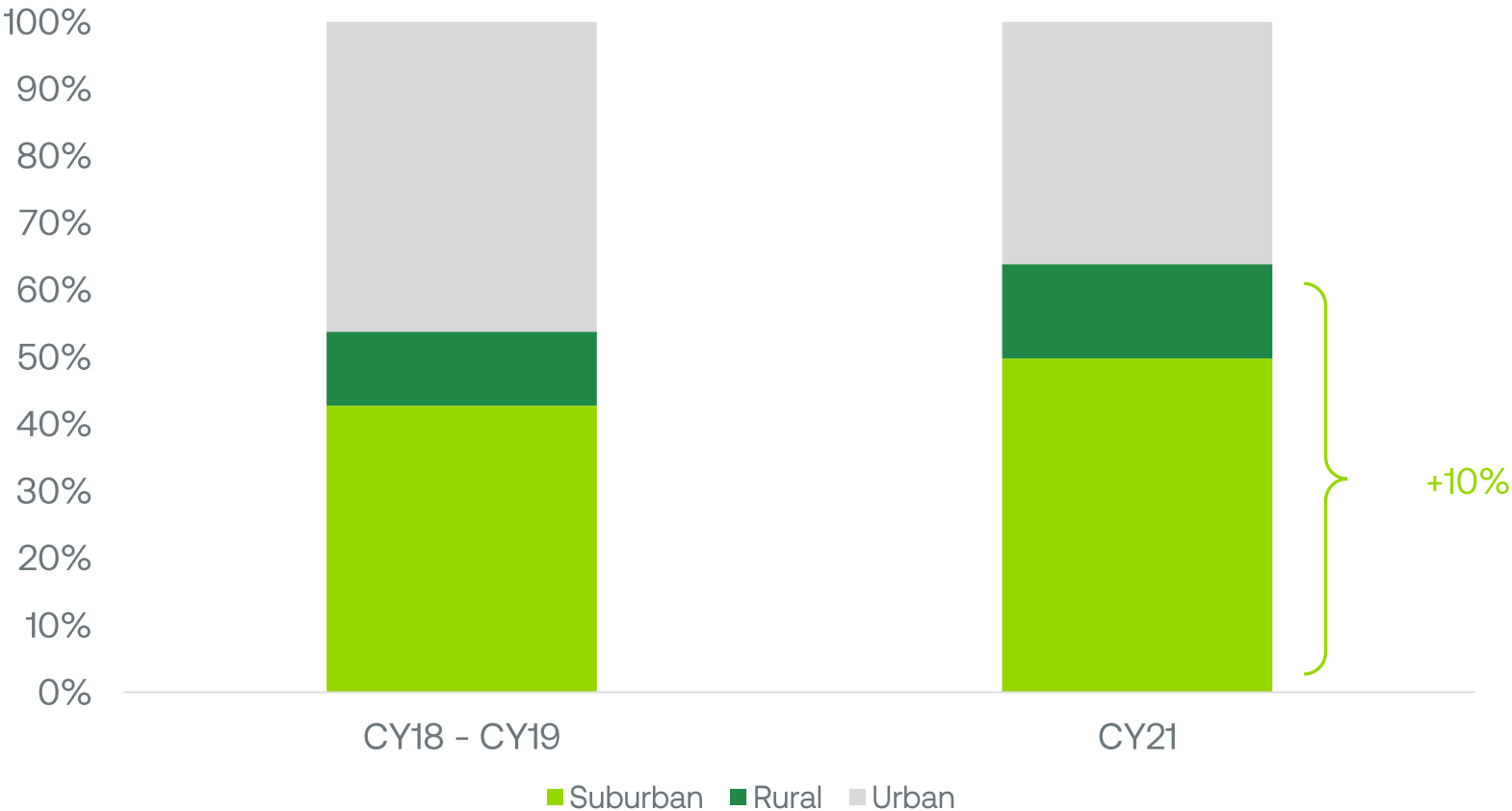
Opportunity to drive further Allied Product attachment – large water management needs

Focused on key geographies with high activity – FL, TX, CA, Northeast

Market size estimate of \$200M +

The Shift to Suburban Non-Residential Construction Benefits ADS Sales

NON-RESIDENTIAL

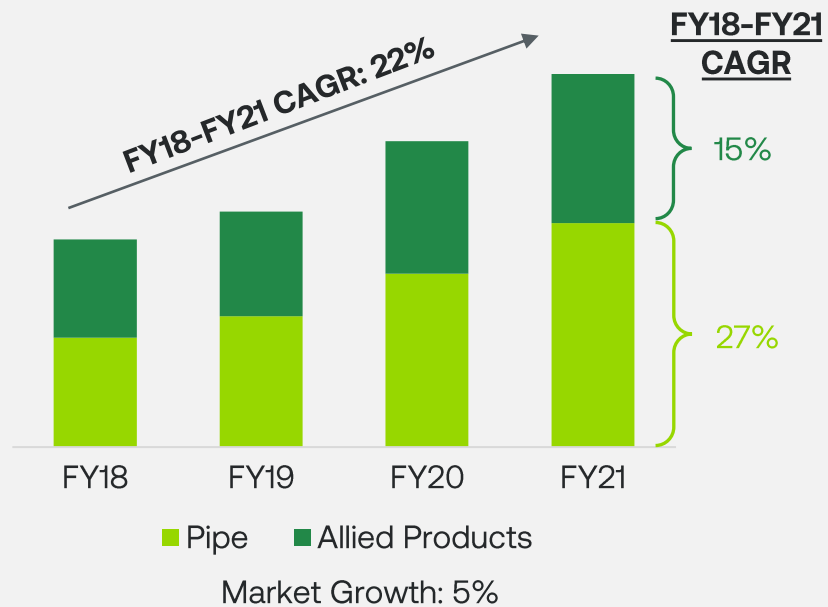


Trend towards more suburban development will benefit horizontal, low-rise construction

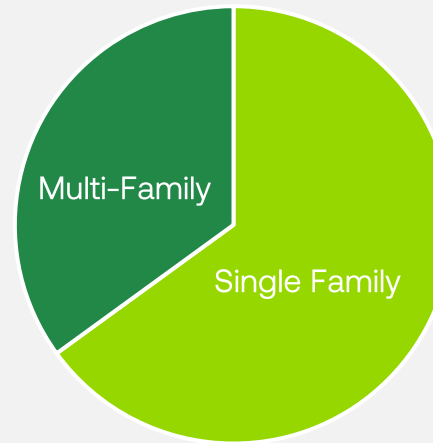
ADS Residential Market Performance

RESIDENTIAL

Residential End Market Sales¹



Residential Sales by Housing Type



ADS products align with “early” stages of residential projects

Acquisition of raw land and development of streets for subdivisions are key activities

Multi-family developments offer and are important solutions (Allied Products) opportunities for ADS

Market share growth from ~8% in FY18 to ~19% today

Residential Homebuilder Programs

RESIDENTIAL

Focusing on building partnerships with the top homebuilders – estimated 30% of market opportunity is with the top 20 homebuilders

In 2019, began allocating key sales and engineering talent to focus on this segment

Driving the ADS value proposition

- Footprint in key geographies
- Delivery and service model
- Product depth and breadth
- Technical support
- National distribution partnerships
- Future investments to support growth and customer demand

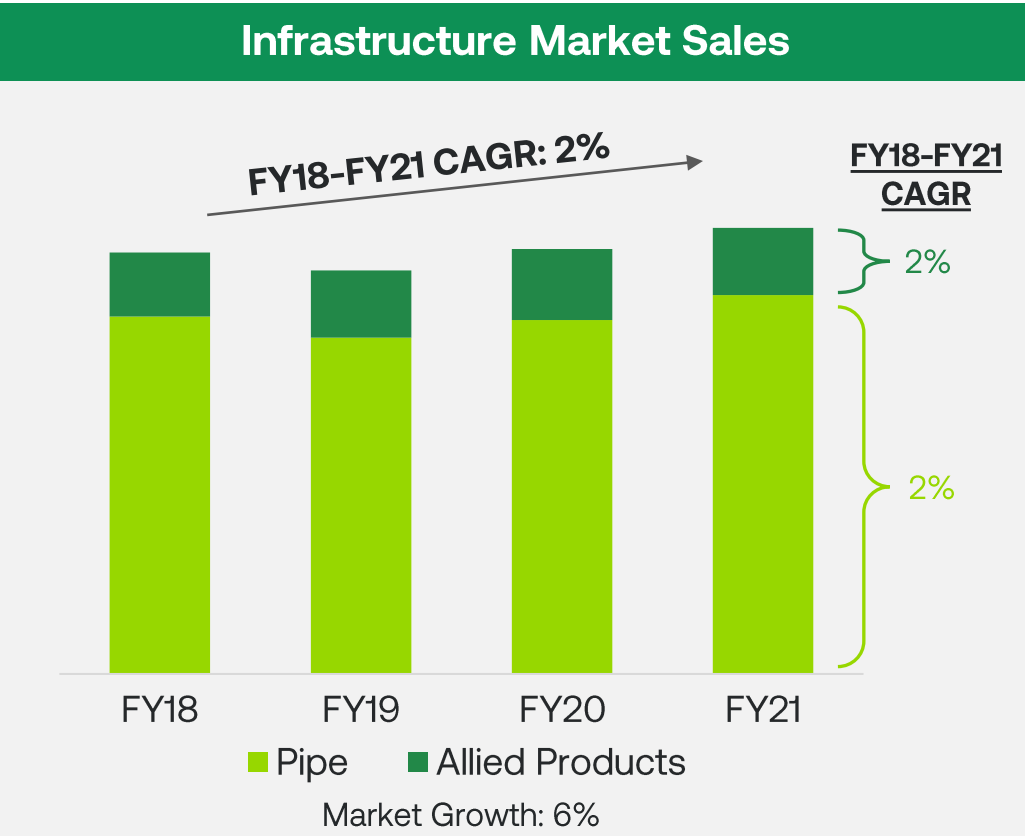
National programs with 5 of the top 20 homebuilders

Developing local relationships with 12 other builders



Infrastructure Market Performance

INFRASTRUCTURE



Highlights

Priority States

FY18 – FY21 \$ CAGR

8%

FL, TX, CA saw growth of 10%

Saw strong growth in CO, a state with new, recent approvals for the public markets

Focused on driving acceptance for new approvals obtained

Other States

FY18 – FY21 \$ CAGR

(4%)

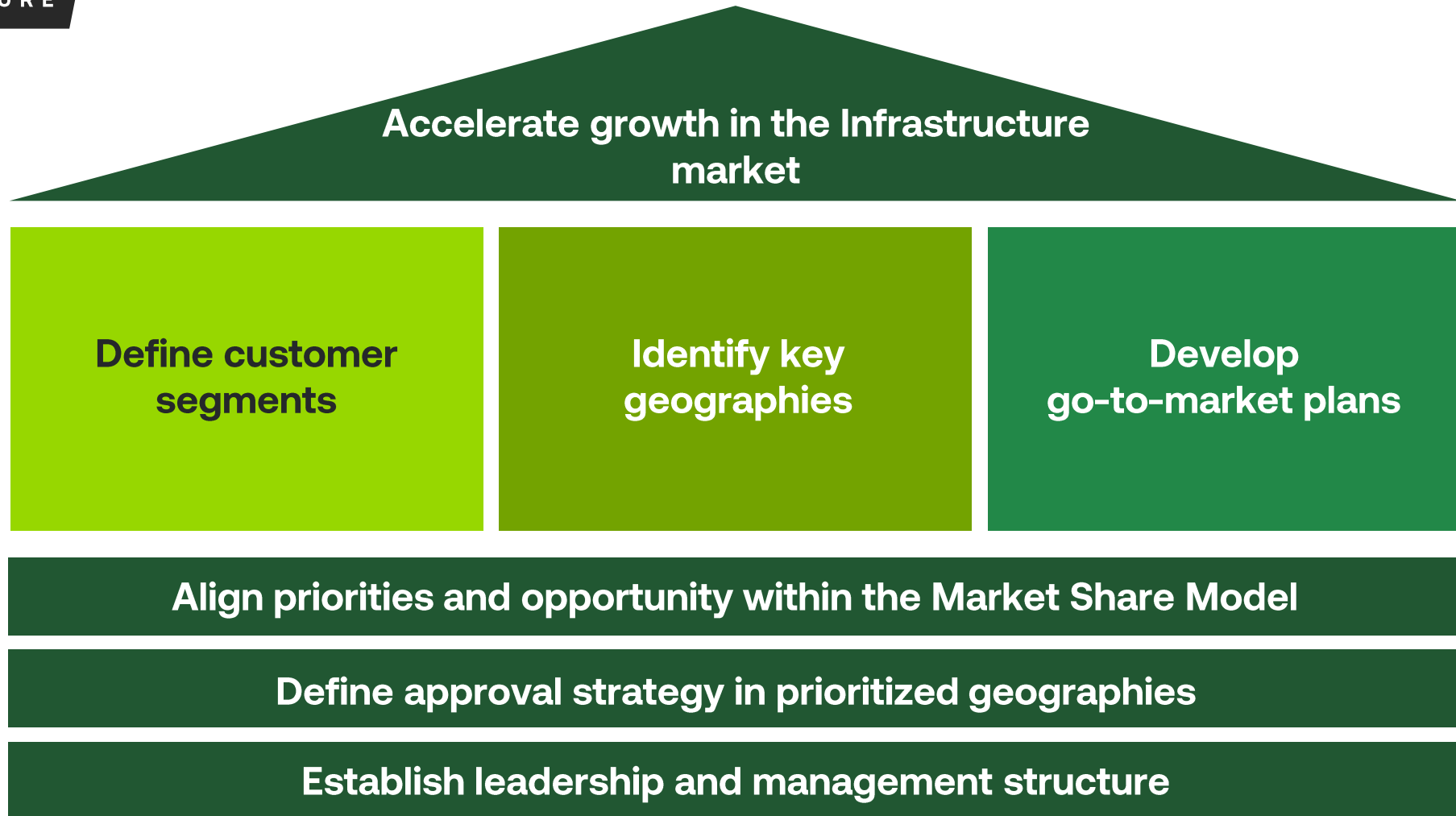
More mature states like OH, NY and PA saw modest sales growth or sales declines

Declines driven by lack of project activity vs. any notable loss of market share

Infrastructure bill to drive improved project volume and activity

Defining Strategic Priorities for the Infrastructure Market

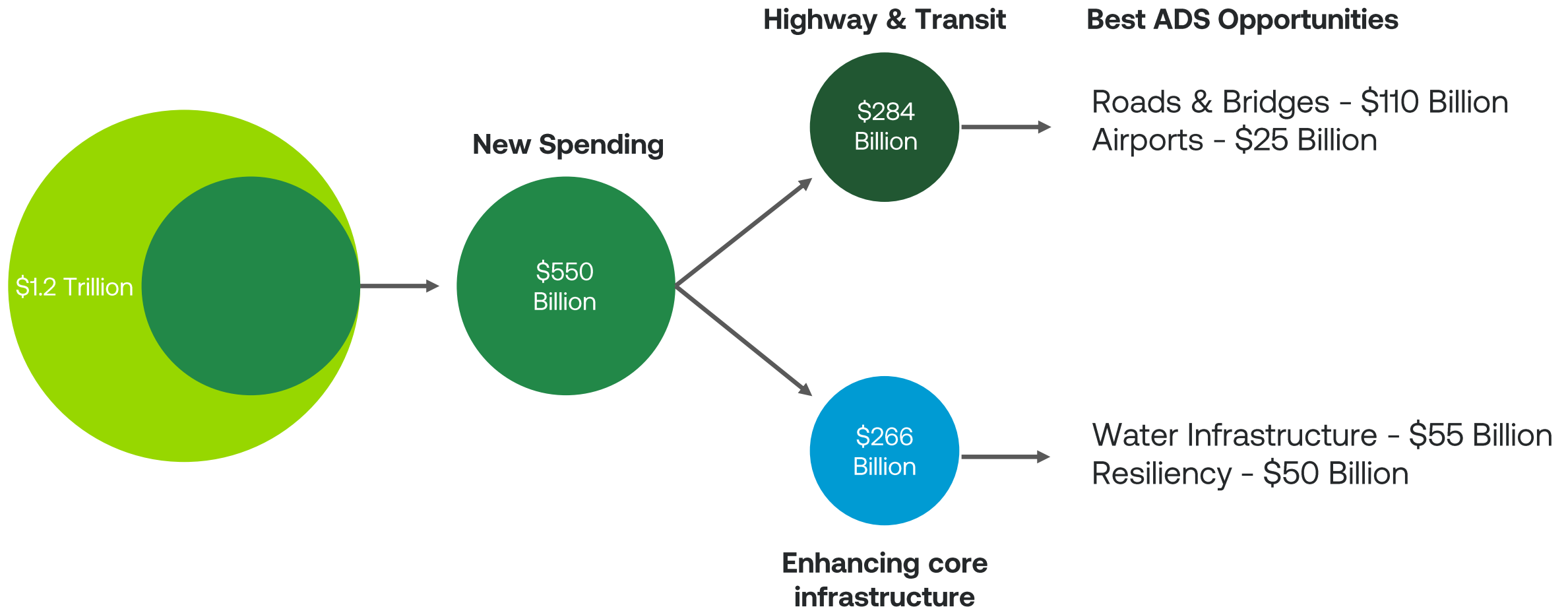
INFRASTRUCTURE



Infrastructure Investment & Jobs Act (IIJA)

\$1.2T over 5 years, including \$550B in incremental new funding

INFRASTRUCTURE



Key Approval Progress Since FY18

INFRASTRUCTURE

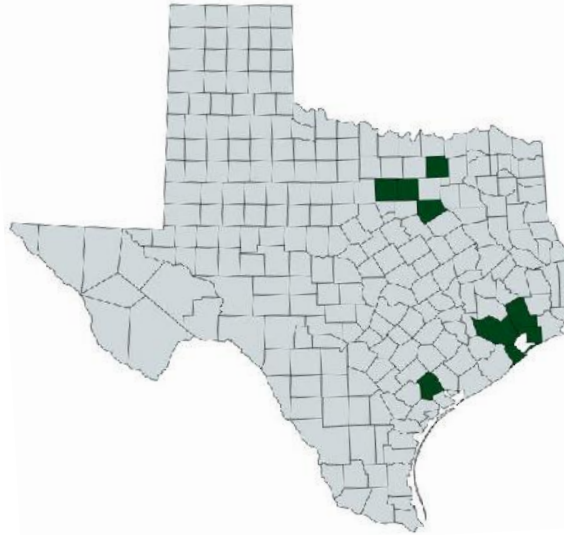


Florida - ~\$260M pipe market

New approvals in key metro markets of Orlando, Jacksonville, Tampa, Ft. Lauderdale and Miami

Approvals follow FL DOT specifications

New approvals cover ~60% of the state's population



Texas - ~\$390M pipe market

New approvals in key metro markets of Dallas and Houston

New approvals cover ~50% of the state's population

Continue to make progress on program to obtain TX DOT approval



California - ~\$250M pipe market

New approvals for key metro markets in Southern California

New approvals cover ~45% of the state's population

Focused on driving acceptance of CalTrans approval with various agencies in the state

Pipe Product Growth

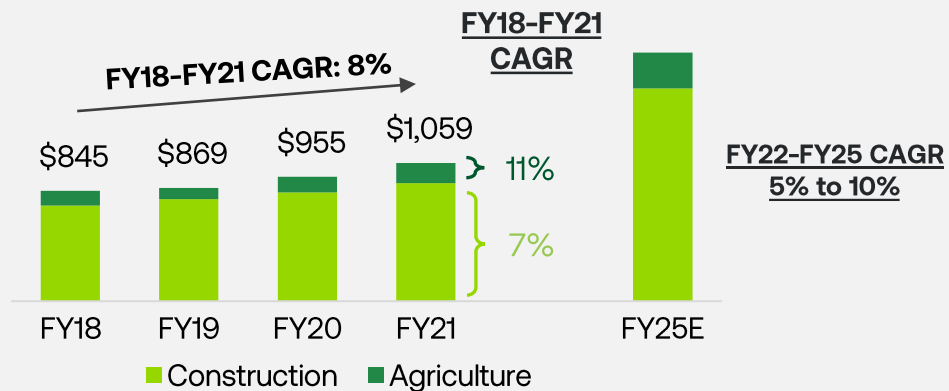
CONVERSION

Execute the Market Share Model

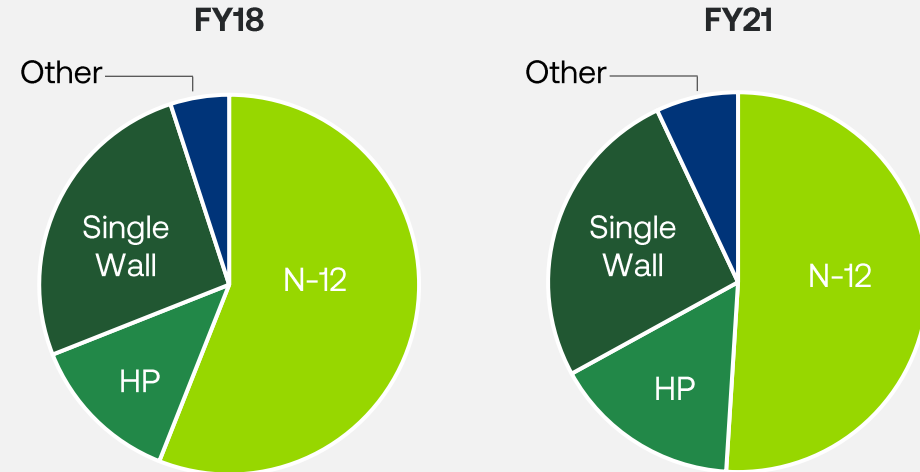
Capture large diameter opportunity with HP pipe

Win in our Priority States, with an emphasis on FL, TX and CA

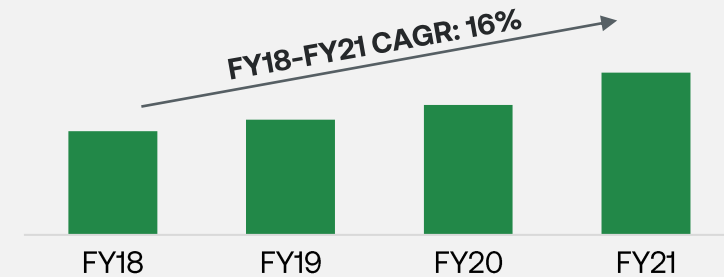
Domestic Pipe Sales Mix



Domestic Pipe Sales Mix

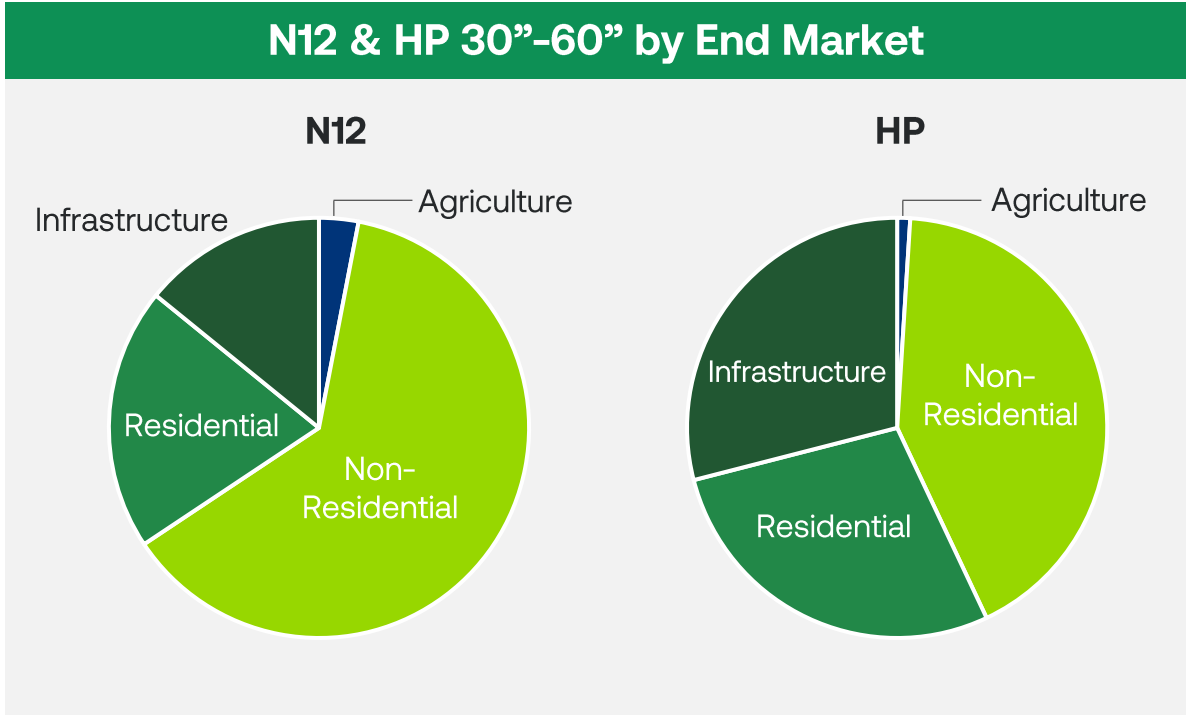
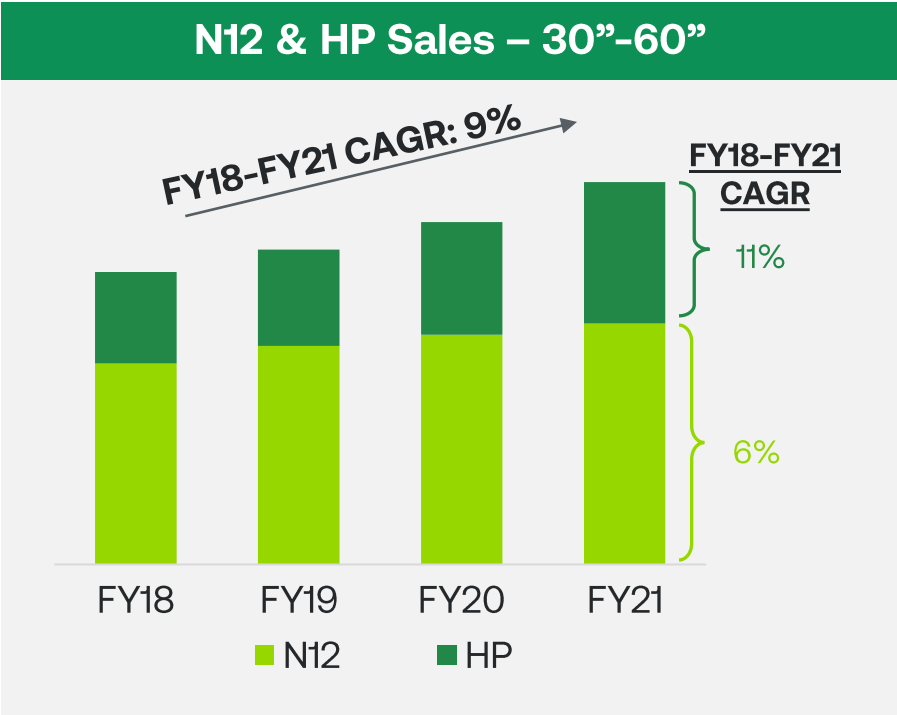


Domestic HP Pipe Sales Growth



Large Diameter Pipe Performance

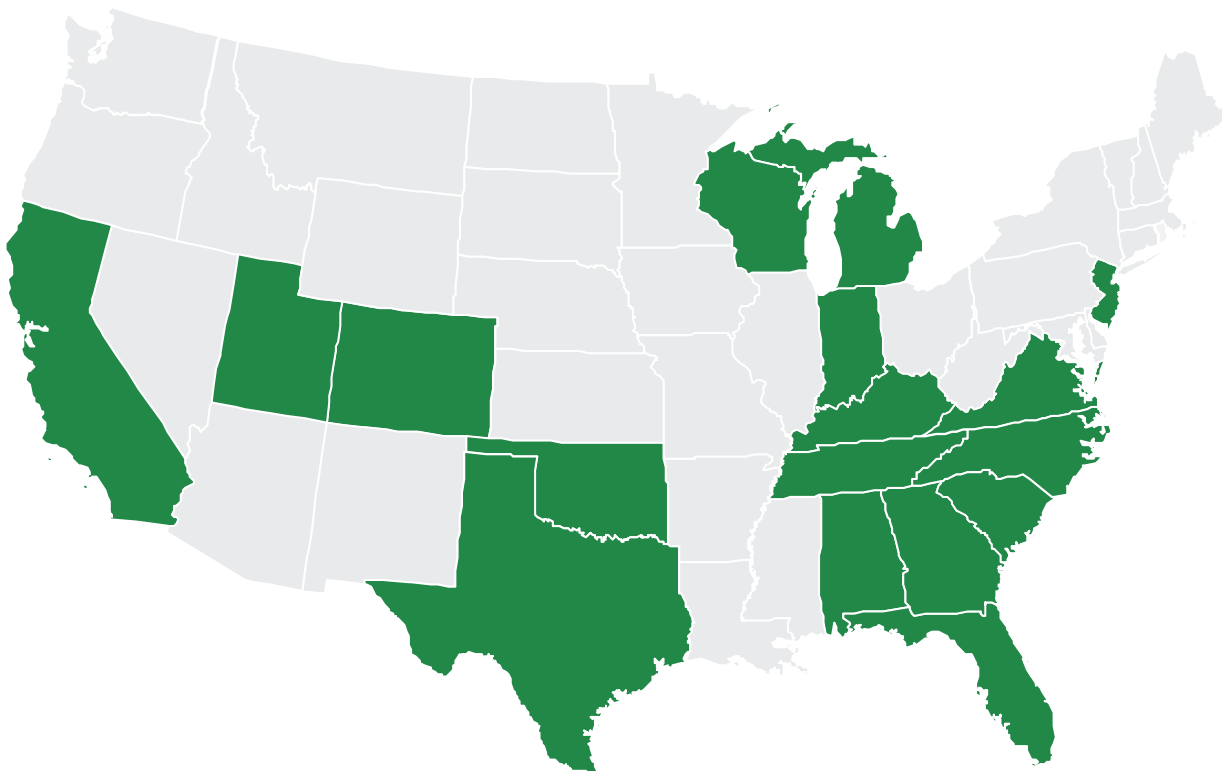
LARGE DIAMETER PIPE



HP is our lead pipe product to gain share in the Residential and Infrastructure end markets

Winning in Priority States

PRIORITY STATES



Priority States

FY18 – FY21 \$
CAGR
12%

Other States

FY18 – FY21 \$
CAGR
7%

Market Context

Priority states represent ~60% of construction activity in the U.S.

Represent ~55% of non-residential activity

~70% of overall housing starts

~60% of streets & highways activity

Construction activity forecasted to grow at 7% CAGR from CY21 to CY25

Florida: Contractor and Municipal Acceptance Key to Continued Growth

PRIORITY STATES

FY18 – FY21 \$ CAGR

15%



State Context



Florida is poised for continued rapid growth given strong DOT approval and rapid gains in acceptance

Primary **constraints** are hold-out contractors and engineers comfortable with concrete

Metro market focused team model has experienced success

Major Initiatives



Improve contractor acceptance with public concrete pipe loyalists through named account targeting strategy

Build out **comprehensive metro-specific teams** with full complement of stakeholder coverage

Win approvals in prioritized holdout municipalities

Key Enablers



Incremental **resourcing** focused on filling gaps in metro market teams and providing support

Streamline pre- and post-order **support functions**

Water quality offering suited to FL environment

Explore other **products for retention/detention**

Infrastructure focused sales team to capitalize on market opportunity

Texas: Gaining Public Approvals and “Winning” in Dallas Key to Unlocking Sales Potential

PRIORITY STATES

FY18 – FY21 \$ CAGR

9%



State Context



Texas is **low maturity**, with weaker approvals and mixed acceptance

Houston private pipe market has driven historical sales, while **Dallas is underpenetrated, due to approvals and acceptance**

Very competitive market with concrete pipe

Major Initiatives



Win approvals, targeting suburban towns in key metro markets

Drive contractor and engineer acceptance in Dallas by building deeper relationships

Continue to make progress on program to obtain **TX DOT approval**

Key Enablers



Incremental sales resources focused largely on driving **approvals and acceptance with engineers**

Streamline pre- and post-order **support functions**

Driving higher **Allied Product attachment**, focusing on the storage and treatment segments

California: Improving Coverage, Product Solutions and Service to Drive Future Growth

PRIORITY STATES

FY18 – FY21 \$ CAGR

7%



State Context



California is **lower maturity** due to coverage and acceptance limitations

Unique storm pipe applications require fabricated fittings; fabrication presents **service level challenge**

Water Quality market promising, owned by low impact solutions

Major Initiatives



Add coverage to improve **market and project visibility**

Resolve **customer service challenges**

Win approvals in prioritized municipalities (LA, San Diego, San Francisco)

Capitalize on CalTrans approval by driving acceptance with engineers

Improve existing **distributor engagement** in S. CA

Key Enablers



Incremental **resourcing** focused on improving coverage and engineer acceptance

Redefine logistics to **improve service levels**

Improve **curvilinear design** solution

Develop **bio-filtration water quality** offering

Sales Investor Day Themes

Material Conversion Strategy

- Execute the Market Share Model
- Grow sales and share in large diameter storm sewer pipe (30"-60")
- "Winning" in our priority states with a focus on FL, TX and CA
- Grow sales and share in the Residential and Infrastructure end markets

Driven by Water & Sustainability

- Drive growth of Allied Products, with a focus on StormTech, Nyloplast and Water Quality
- Drive approvals and specifications to allow for pipe with recycled materials
- Capitalize on opportunities from the Infrastructure Bill

Delivering Consistent Performance

- Achieve growth above the market of 200bps to 300bps annually
- Execute on the levers of our value proposition to maintain competitive differentiation in the industry

Effective Capital Deployment

- Grow sales and share in the construction end markets
- Continue to execute on growth plans in the Agriculture market
- Drive Allied Product attachment through our digital design tools and engineering services support team



Enabling Growth through Operational Excellence

Scott Barbour

President and Chief Executive Officer



ADS Business Model



Raw Material



Conversion



Distribution & Logistics



Trade Delivery



Sales

Operations Strategic Overview

Capacity Expansion

- Execution on approved capital investments
- Raw material growth and productivity strategies
- Workforce planning
- Future capital investments

Automation

- Processes and information
- Stick pipe down stream automation
- Single wall automated coiling
- Septic stack automation
- Sock stuffing automation

Continuous Improvement & Environmental, Health and Safety

- Safety program execution
- Lean Transformation
- Downtime reduction
- Training programs

Order Management

- Production planning and systems
- Customer service
- Order automation

Logistics and Transportation

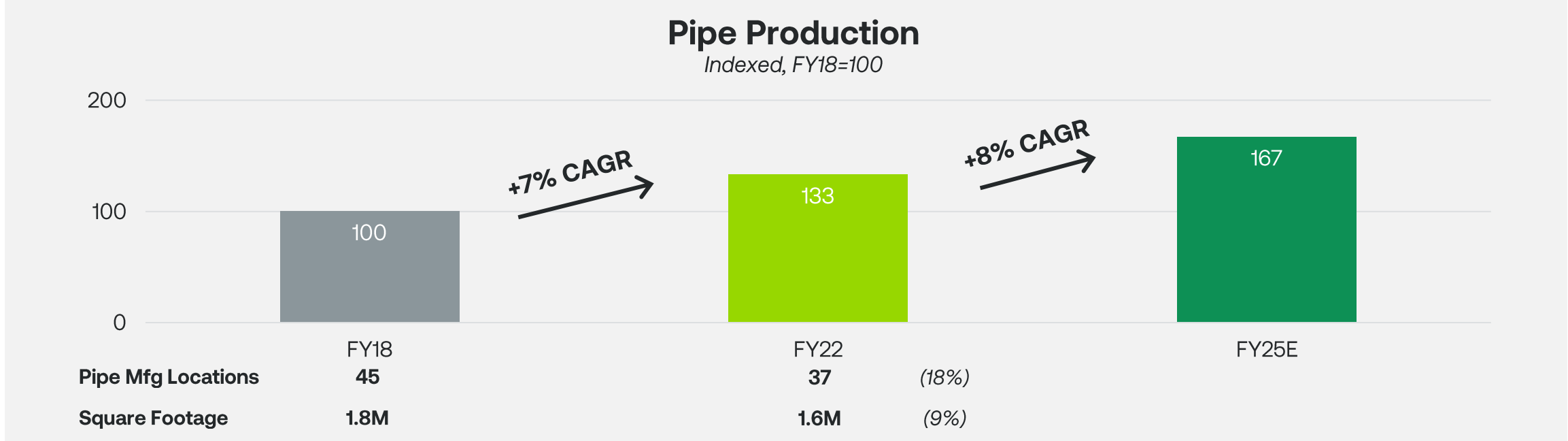
- Retail strategy
- Asset refresh and growth strategy
- Workforce planning

Capacity Expansion, Automation and Continuous Improvement

Darin Harvey

Executive Vice President, Supply Chain

Optimizing Manufacturing Network through Continuous Improvement and Investing in Capacity



- Continuous Improvement & Lean Transformation
- Planning & Scheduling
- Optimizing the Network
- Capacity Expansion
- Automation

Investing in Capacity Will Enable Growth

CAPACITY EXPANSION

\$150M

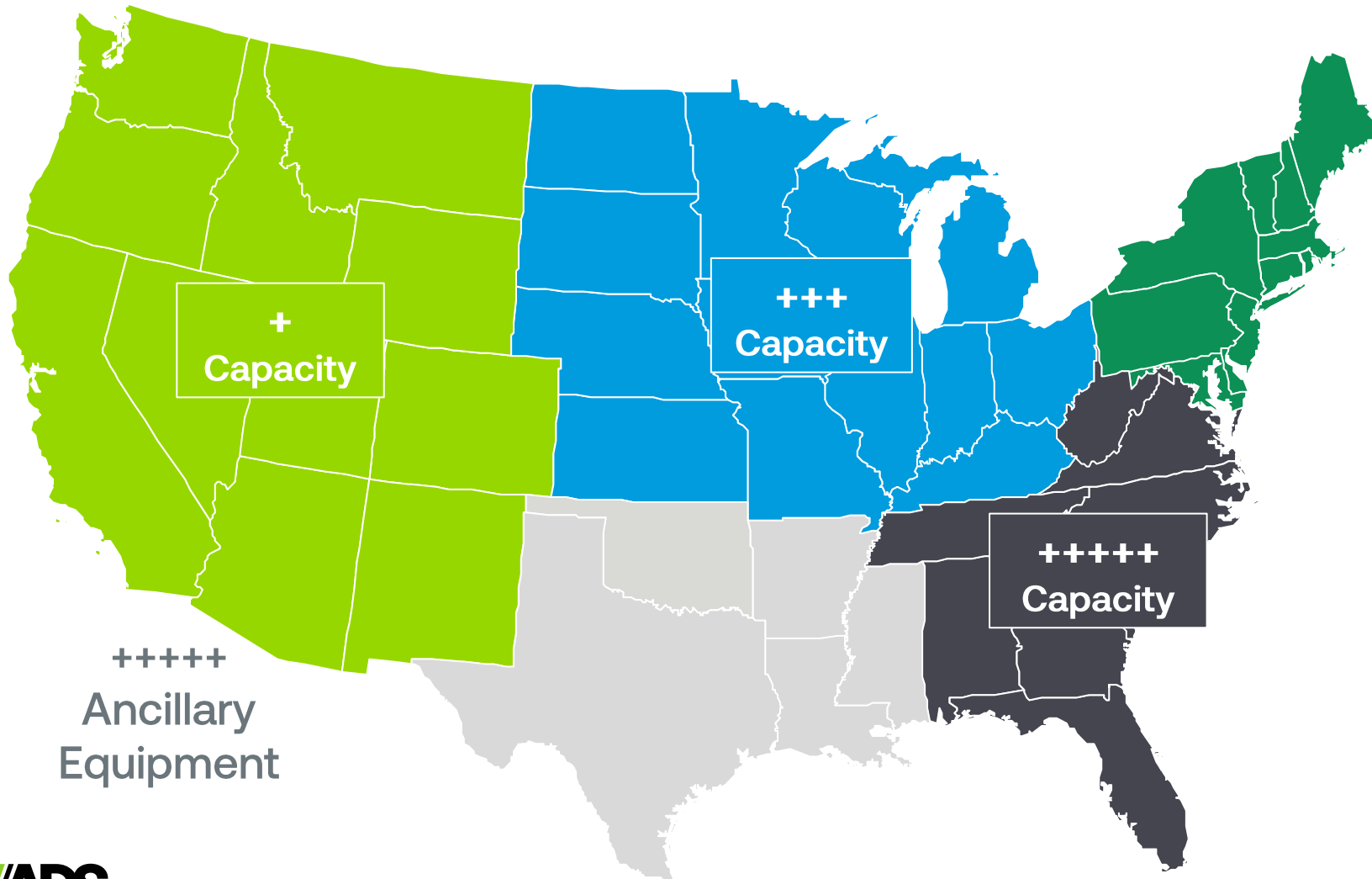
approved for
**Manufacturing
Capacity**

| | |
|--|-----|
| New production lines | 30% |
| Additional tooling to debottleneck and support network | 30% |
| Automation | 20% |
| Improving productivity on existing lines | 10% |
| Ancillary equipment to improve production capacity | 5% |
| Debottlenecking raw material operations | 5% |

New Production Capacity Investments

Approved Investments Coming Through FY25

CAPACITY EXPANSION



~10%
Incremental
Capacity from
New Production
Lines

Leveraging International Footprint for Delivery Performance

CAPACITY EXPANSION

Canada

- Maximized footprint to support peak business in Northeast and agriculture markets

Mexico

- Supports Texas and California, as well as opens capacity to support Florida
- Supports Exports business



- Importing 40M lbs. annually from Mexico and Canada
- Improves delivery and reduces backlog
- ADS is the only stormwater manufacturer with international capabilities that can be leveraged during periods of high demand
- Requires a high level of execution
 - Logistics and transportation intensive but alleviates labor issues
 - Leveraged centralized common carrier control tower to obtain favorable rates

Investing in our Existing Network of Assets to Increase Productivity and Long-Term Reliability

CAPACITY EXPANSION

Maturing Asset Maintenance and Upgrade Plans to Consistently and Safely Keep Equipment Running



IMPROVES SAFETY

Retrofits to equipment (safety guarding)
Reduces reactive maintenance



INCREASES RATE AND UPTIME OF EQUIPMENT

Increases output
Planning and scheduling benefits from production run consistency



SIMPLIFIES JOBS AND TRAINING

Standardization of equipment
Focus on running machines, not fixing

Recycled Material Growth Strategy to Achieve to 1 Billion Pounds

CAPACITY EXPANSION

Right Now

Debottleneck Current Operations

- Improve technology to increase flexibility of feedstock
- Increase automation
- Machine upgrades

Acquisitions

- Target regional recycling operations and transition capacity to ADS and Infiltrator

Develop New Supply Partnerships

- Increase raw material streams through strategic partnerships with existing suppliers
- Identify new partnerships and supply streams in North America

Material Science

- Expand the types of recycled materials we can purchase, process, and consume
- Improve blending technologies, capabilities and capacity

Invest in New Organic Capacity

- Potential Greenfield / Brownfield site to add new capacity
- Add new sort/grind and wash capacity

Next Up

Improved Machine Throughput with Pelletized Recycled Material

CAPACITY EXPANSION



**RECYCLED
MATERIAL**



**FLAKE
MATERIAL**



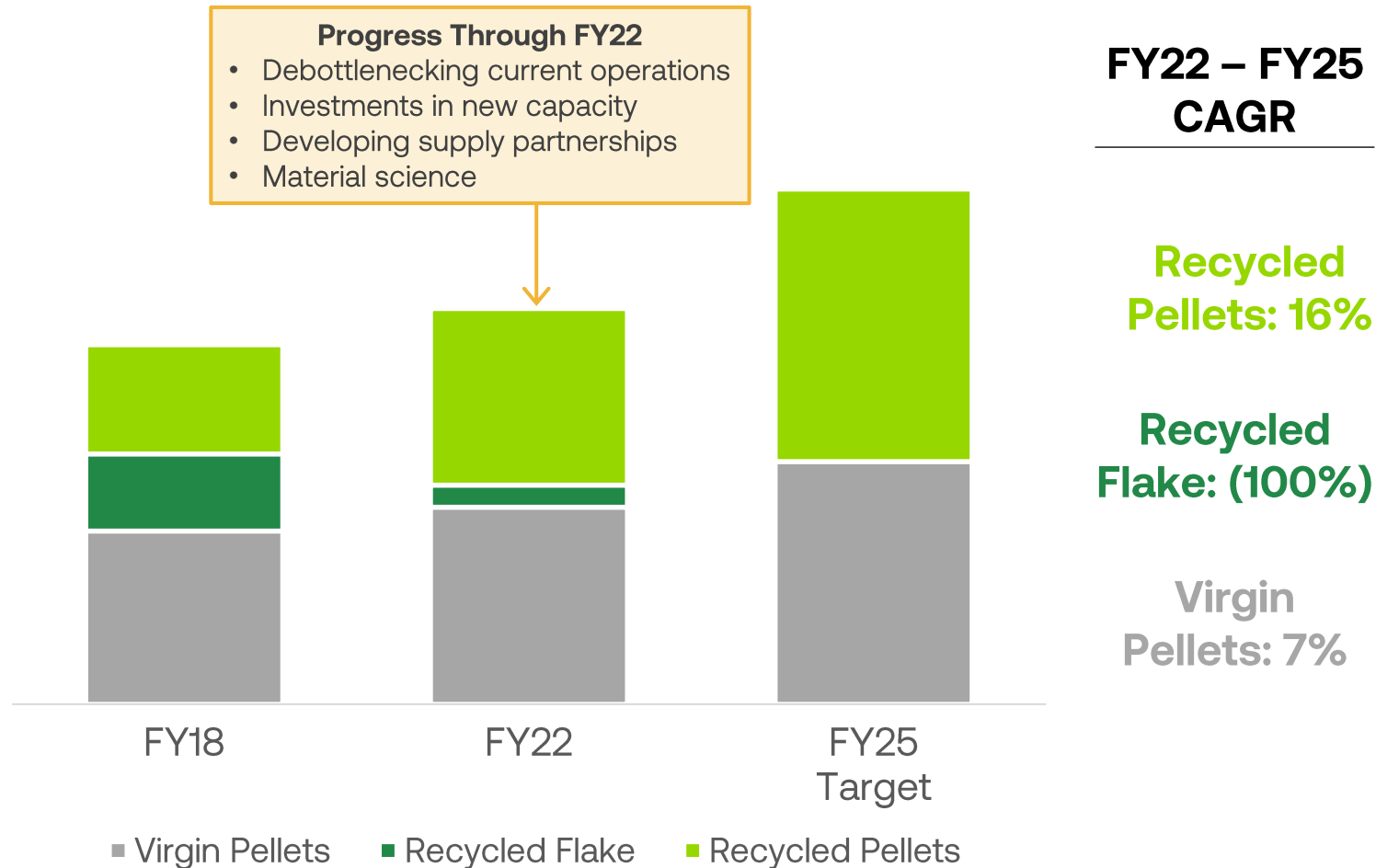
**PELLETIZED
MATERIAL**



**PIPE
EXTRUSION**

Increasing HDPE Recycled Pellet Consumption Improves Output

CAPACITY EXPANSION



Goals

- Improve material quality and consistency
- Improve machine throughput
- Eliminate flake consumption
- Centralize distribution of recycled pellets
- Progress towards FY32 Sustainability goals

Investing in Automation Helps Alleviate Labor Challenges and Improves Safety

AUTOMATION

\$30M

approved for
Automation

Areas of Focus

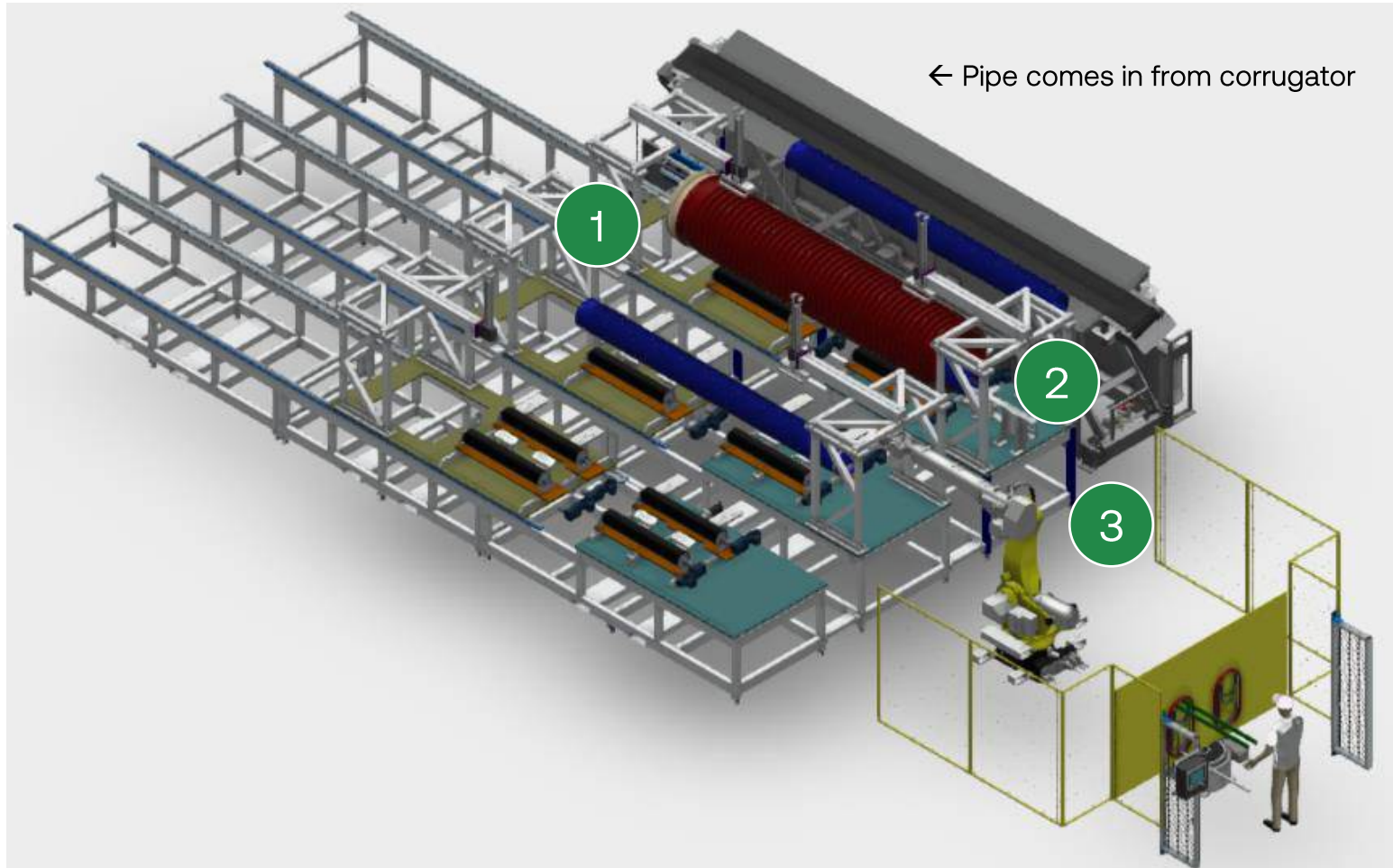
- Downstream automation for stick pipe
- Automated coiling for single wall pipe
- Sock application on pipe
- Septic Stack automation

Benefits

- Improved safety
- Reduces headcount (50% to 75% reduction for specified positions) in high turnover areas
- Improved downtime and productivity

Automating Downstream Processes

AUTOMATION



Automation Points

1 Length Adjustment

2 Trimming

3 Gasket Application

Automated Coiling for Single Wall Pipe

AUTOMATION



Taking Actions to Mitigate Labor Challenges



FOCUS ON SAFETY AND TRAINING

Behavior
Engineering out risk



UPGRADING THE WORK ENVIRONMENT

Facilities
Equipment



EDUCATION PROGRAMS

Training
Partnerships



SIMPLIFYING PROCESSES

Centralized scheduling techniques
Real time information



AUTOMATION

Information availability
Machine automation

Continuous Improvement Continues to Enable Growth and is Important to Unlocking Capacity

Maximizing our established footprint and asset base

CONTINUOUS IMPROVEMENT

Green Line
OPERATING SYSTEM



Mission Statement

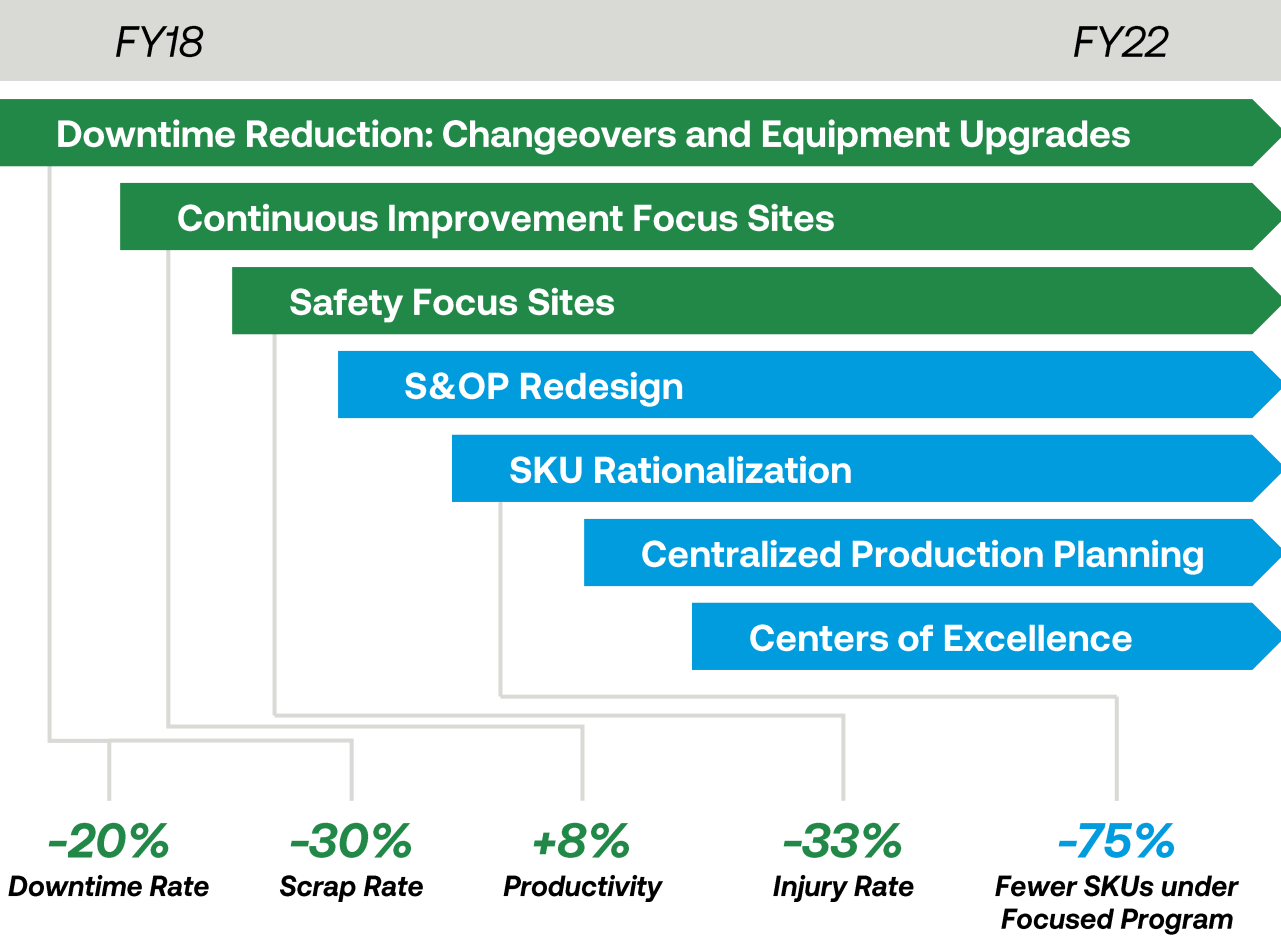
Safely execute and deliver the industry's best customer experience at the highest quality and best cost. Develop the best talent in a **culture** that embraces continuous improvement, learning, empowerment, ownership and accountability.

Guiding Principles

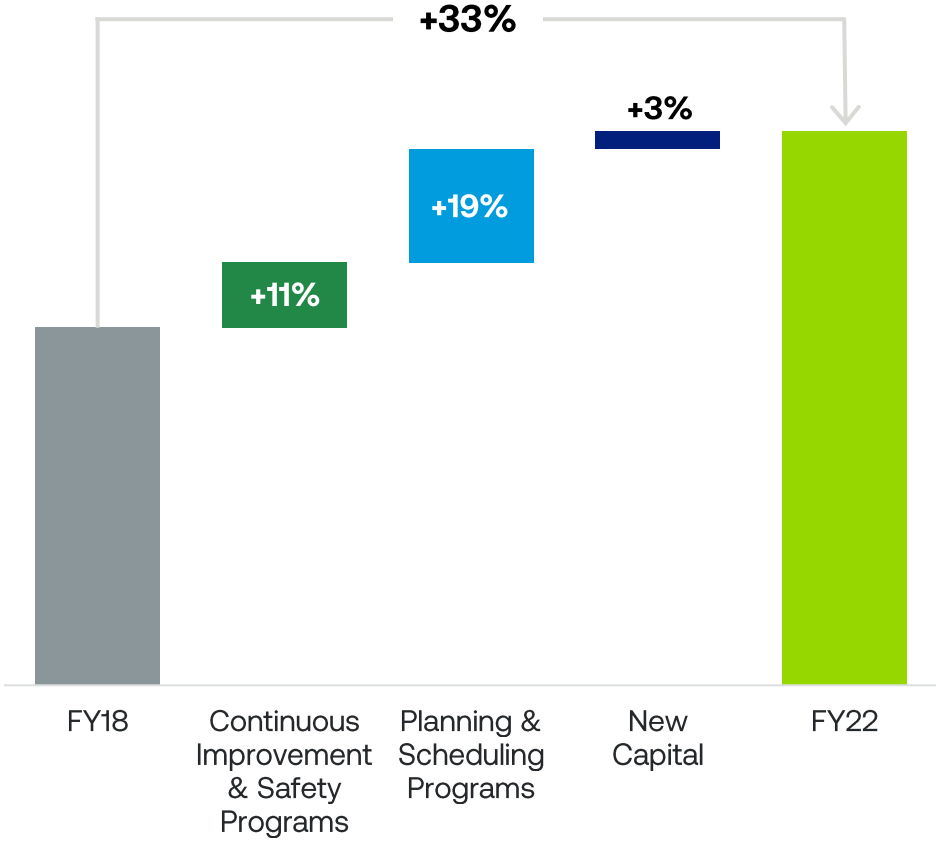


Lean Transformation is Still in Early Innings

CONTINUOUS IMPROVEMENT



Pipe Production Growth from Operations Initiatives



Supply Chain and Logistics

Pat Coyle

Vice President, Supply Chain Planning & Logistics

Order Management, Planning, Logistics and Transportation Programs Increase Capacity and Enable Growth



Order Management

- >400K order transactions per year
- 2.5m Order line items created
- 120 Customer service agents
- >500k Customer calls per year



Production Planning

- 1,565 → focus 400 SKUs
- 255 unique tool sets
- Centralized network production plans
- Improved inventory control and visibility
- Better and more visible production reporting



Logistics

- 48 Manufacturing facilities
- 27 Distribution centers
- 3 Retail distribution centers
- 700 Trucks
- 1,250 Trailers
- 500 Drivers

Automating the Order Process to Reduce Complexity and Increase Productivity

ORDER MANAGEMENT

Order Routing Automation

COMPLETED

- New process utilizes AI and optical character recognition technology to optimize data recognition
- Previous process was highly manual, over 400k orders processed per year
- New process prepares for future workforce composition
- Focuses employees on solving customer issues vs. order input

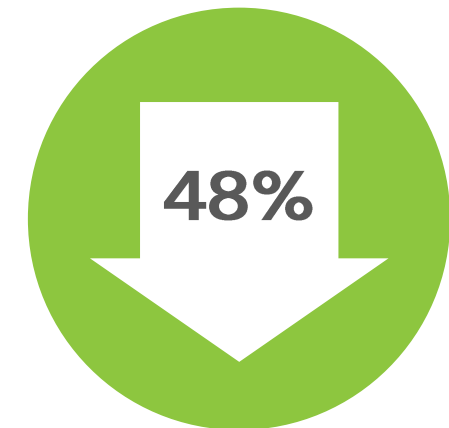
Order Entry Automation

OPTIMIZING

Full Order Automation

NEXT

Order Processing Time



Since program launch

Improving Utilization and Efficiency through Logistics & Transportation Programs

LOGISTICS & TRANSPORTATION

2019

2020

2021

Today

Asset Management & Refresh

Centralized Common Carrier Control Tower

Maintenance Partnerships

Equipment Technology & Accident Mitigation

Retail Strategy

SmartWay Transportation Partner

No Touch Automation

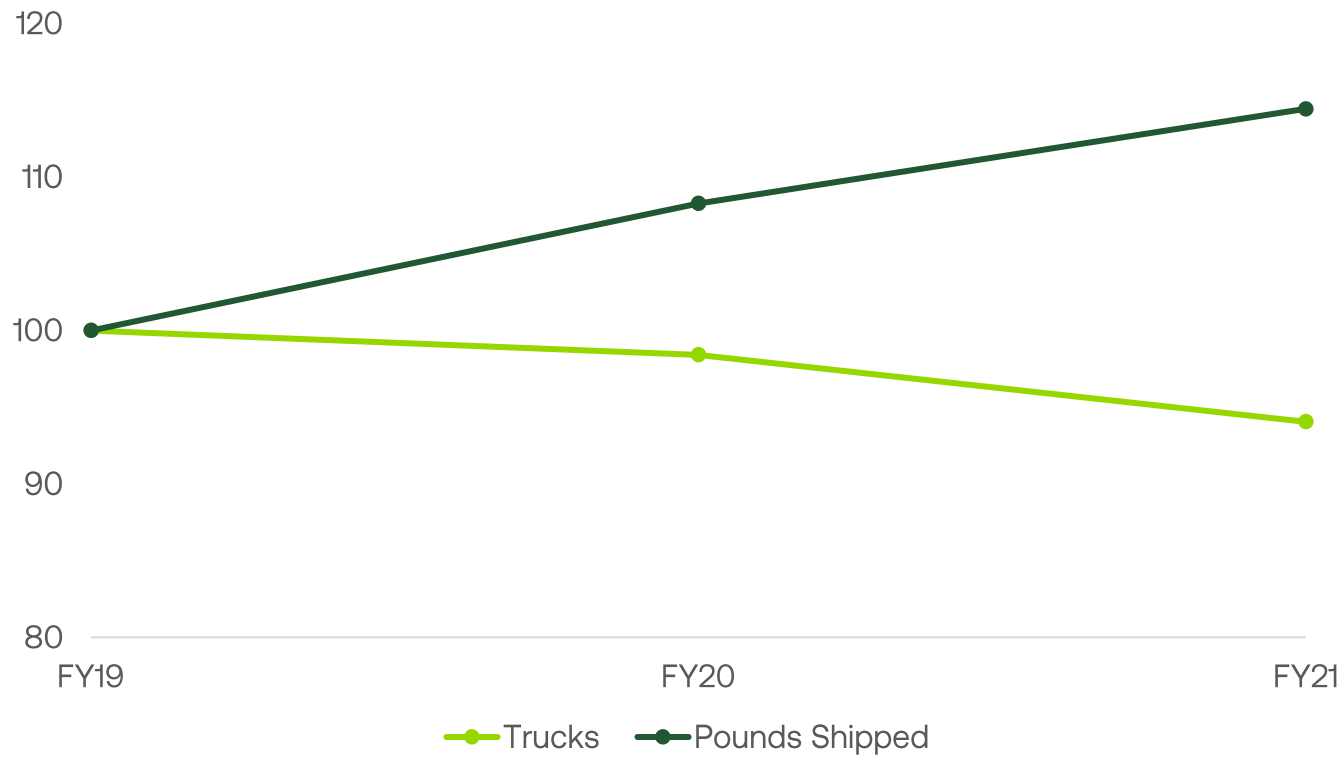
Payload Improvement

Improvement to Asset Utilization

Operating More Sustainably Improves Efficiency and Utilization

LOGISTICS & TRANSPORTATION

Fleet Assets vs. Fleet Pounds Shipped



Indexed to fiscal year 2019

Demonstrated Benefits

**Payload
Efficiency**

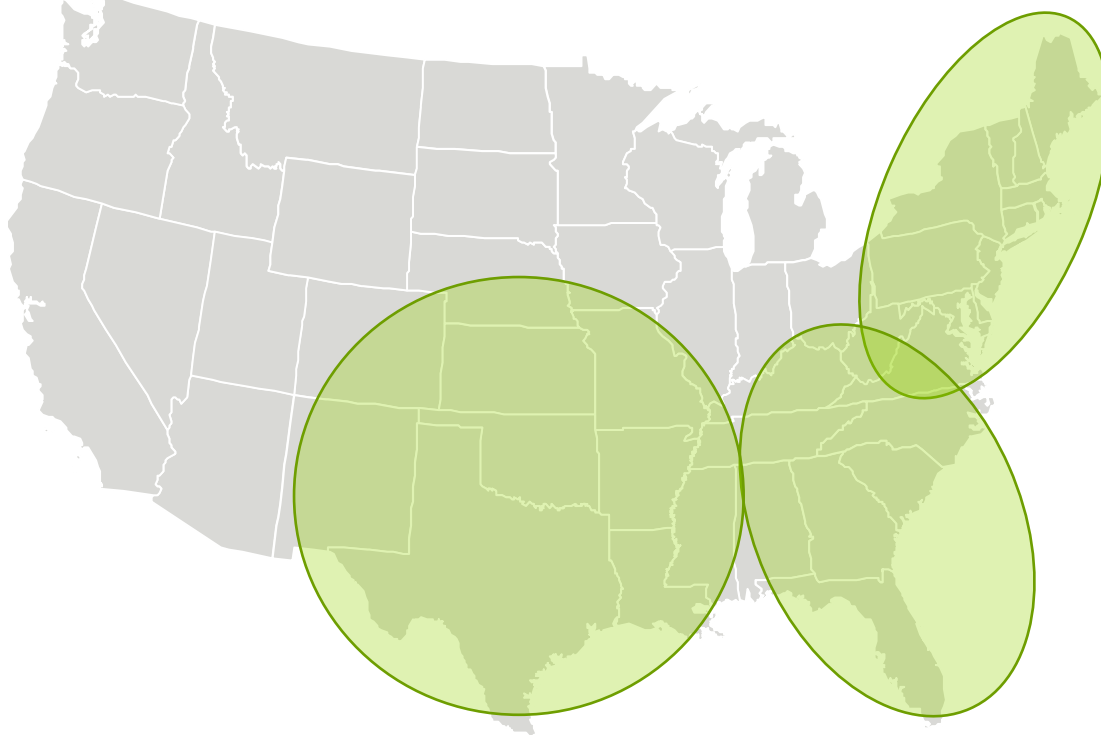
9%

**Pounds per
Driver**

11%

Retail Distribution Model Unlocks ADS Fleet Capacity and Improves Customer Service

LOGISTICS & TRANSPORTATION



- Utilizing third-party retail distribution enables growth and simplifies ADS freight model
- Improves customer experience by better aligning service to customer needs
- Improves asset utilization for ADS fleet, better payload and improves yard efficiency
- **Enabled reallocation of 100 drivers to trade deliveries**

Demonstrated Benefits

Delivery
Performance

23%

Payload
Efficiency

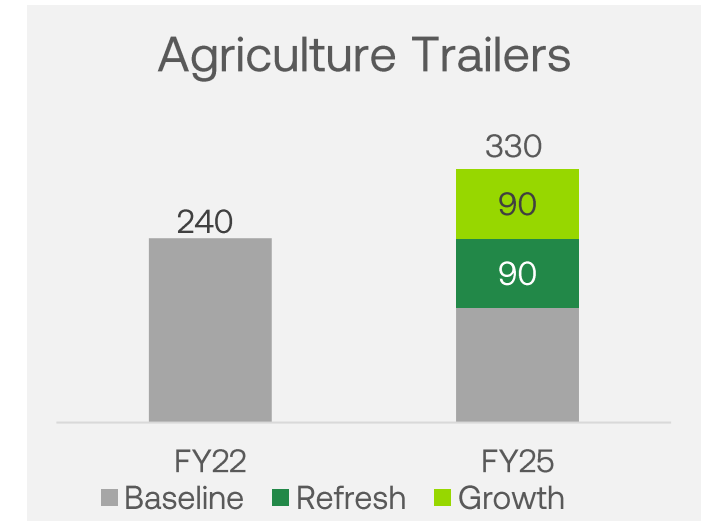
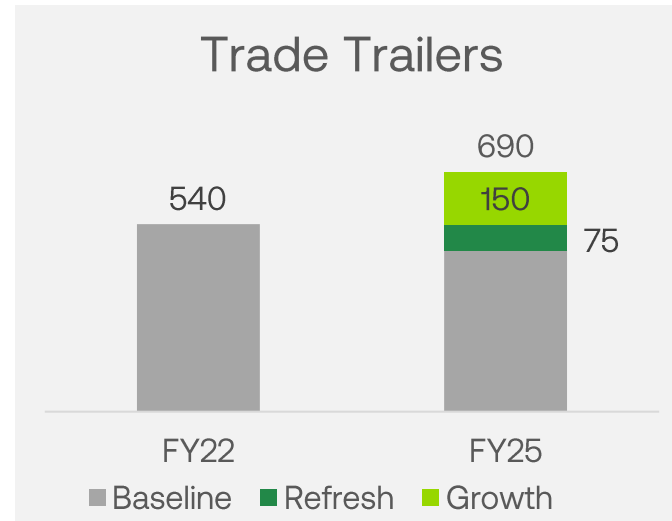
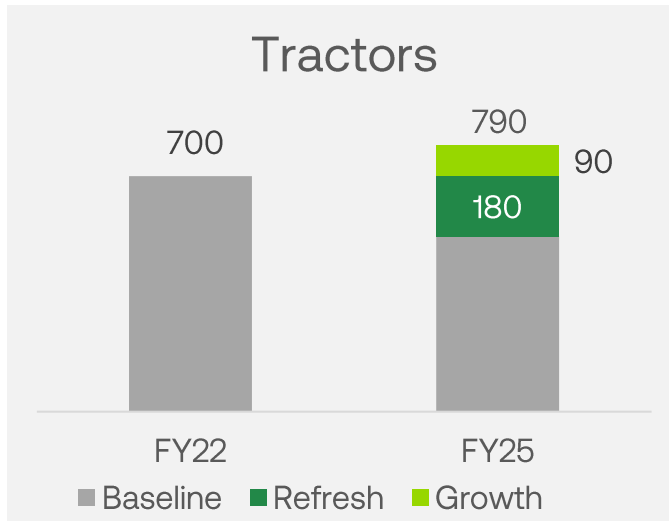
8%

Loading
Errors

56%

Asset Refresh and Growth Strategy

LOGISTICS & TRANSPORTATION



- Implementing managed maintenance program with world class provider to increase asset uptime, improve safety and reduce cost
- New equipment comes with state-of-the-art telematics
- Rolling out new, no-touch agriculture trailers that are designed to unload maxi-coils
- New trailer design improves the loading and unloading process
- Implementing state-of-the-art in cab technology to improve safety attract new drivers
- Goal is to maintain average age of 6 years (tractors) and 15 years (trailers)

Workforce Planning

LOGISTICS & TRANSPORTATION



DRIVER DAILY MANAGEMENT

Advanced analytical tools to maximize driver utilization
Move drivers to support demand fluctuations throughout the network
Utilize flexible fleet to service high demand



DRIVING RECRUITMENT

Partnership with 3rd parties to manage the network recruitment
Utilizing national temp to hire relationships to bring in more drivers
Partnerships with Veteran and Military programs for civilian work placement



EDUCATION PROGRAMS

CDL Tuition and sponsorship programs
Dock to driver programs



IN CAB TECHNOLOGY

Automatic transmissions
State of the art safety and driving technology
Support digital customer experience



COMPETITIVE WAGES

Competitive rates with excellence benefits
Sign on and referral bonuses

Wrap Up

Darin Harvey

Executive Vice President, Supply Chain

Operations Alignment with Key Themes

Material Conversion Strategy

- Investing in capacity, automation and continuous improvement initiatives to support growth
- Aligning capital investments to support key growth areas
- Automating order process to support growth

Driven by Water & Sustainability

- Increasing recycled material capabilities
- GHG emissions strategy
- Pathway to closed-loop water recycling at all manufacturing locations

Delivering Consistent Performance

- Standardizing processes across all facets of operations
- Actions introduced and upcoming to mitigate labor challenges
- Importing product from International to support domestic capacity
- Investing in existing network of assets to ensure reliability

Effective Capital Deployment

- Built internal team and capabilities to enable execution on capital investments
- Automating out labor challenges
- Investing in high return projects
- Focused projects on “needle movers” first



Financial Overview

Scott Cottrill

Executive Vice President and Chief Financial
Officer



Delivering Consistent Performance

Delivering Consistent Performance

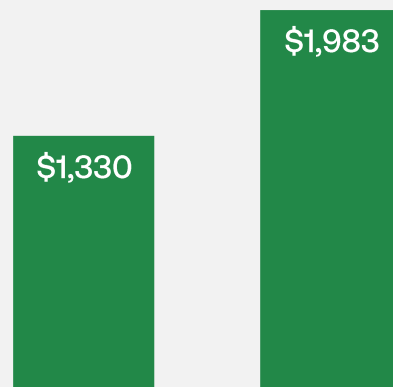
- Revenue and Adj. EBITDA CAGR of 14.2% and 39.2%, respectively, from FY18 to FY21
- Exceeded 3-year targets for organic sales growth, Adj. EBITDA margin and FCF conversion set at our last investor day in 2018

Executed on 2018 Investor Day Commitments

Sales Growth

Target
+4 to +6% CAGR

CAGR 14.2%



FY18

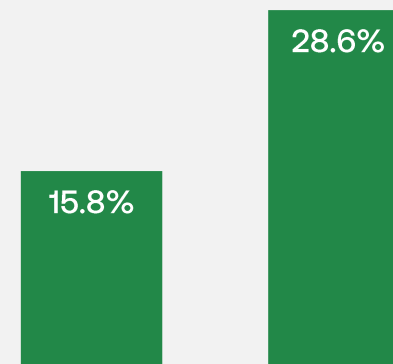
FY21

ADS Legacy CAGR 7.7%

Adjusted EBITDA* Margin

Target
18% to 19%

+1280 basis points



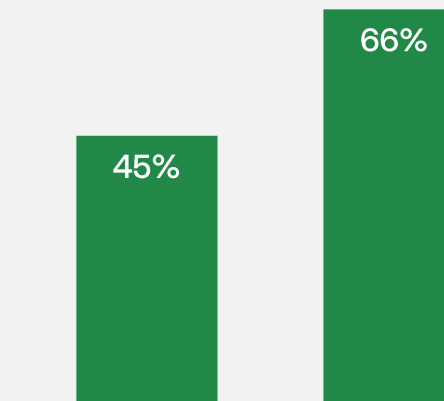
FY18

FY21

ADS Legacy 24.3%

Free Cash Flow* Conversion

Target
>50% of Adj. EBITDA



FY18

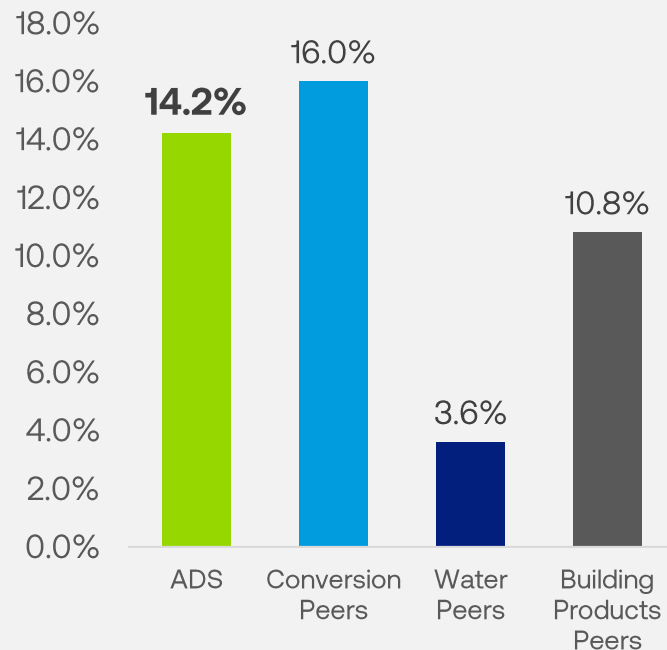
FY21

Delivering Superior Performance

ADS Performance vs. Select Groups – FY18 to FY21

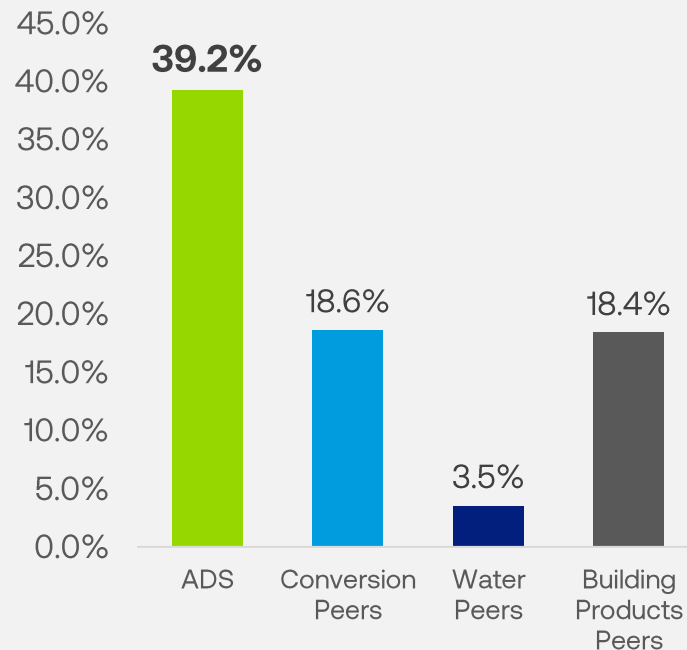
Sales Growth

3 Year CAGR



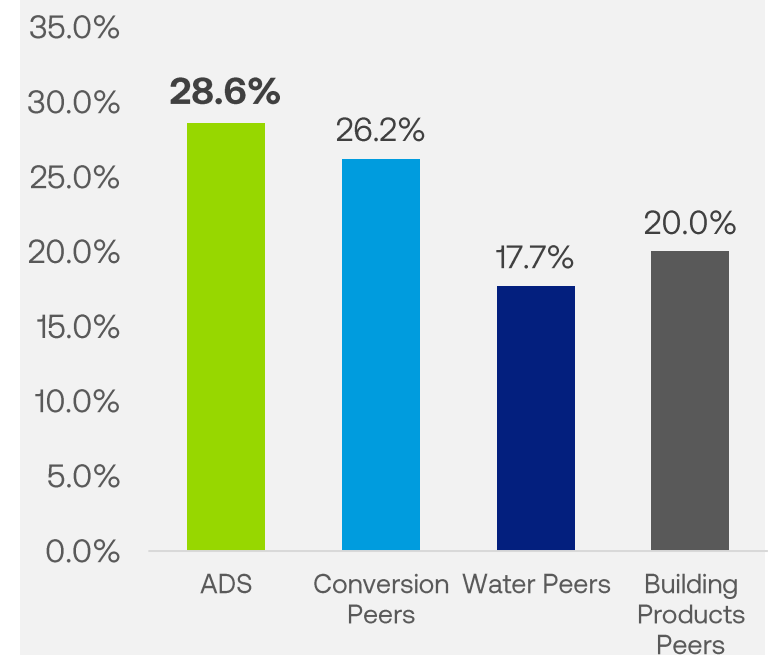
Adjusted EBITDA* Growth

3 Year CAGR

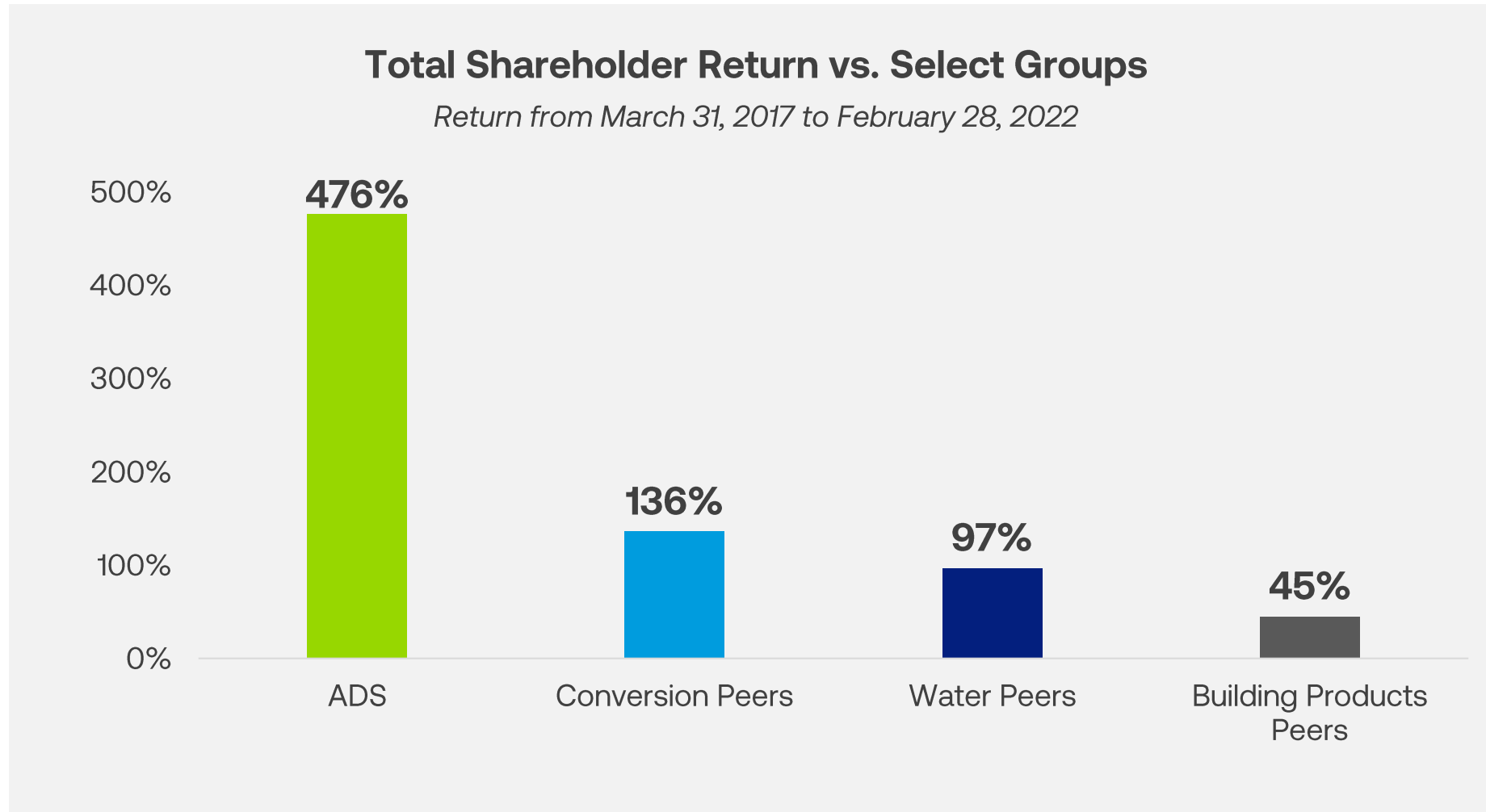


Adjusted EBITDA Margin

FY21



Investment Thesis



FY22 – FY25 Financial Outlook

Targets

Sales Growth

+10% CAGR

- Strength and diversity of our end-markets
- Above market volume growth (material conversion)
- Growth capex
- New product introduction and innovation

Margin Expansion

**+400 to +500
basis points expansion
(28% to 29%)**

- Adjusted EBITDA +~15%
- Pricing above inflationary cost pressure
- Volume, mix and leverage
- Use of recycled materials
- Continuous improvement, lean transformation, productivity initiatives and automation

Free Cash Flow Generation

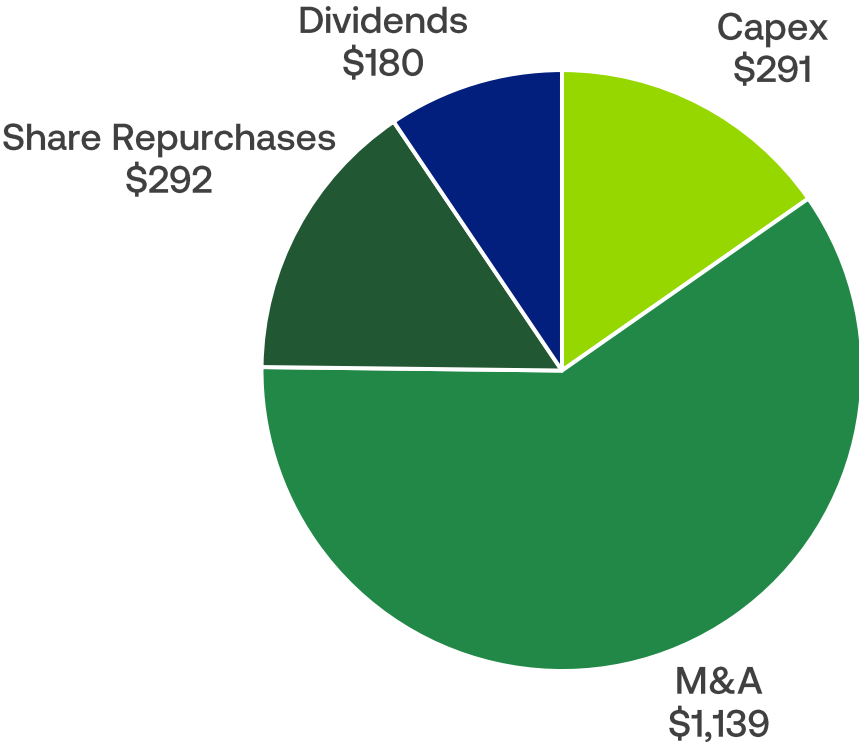
**45% to 50%
conversion of Adj.
EBITDA**

- Capital expenditures to remain at elevated levels – focus on growth and productivity initiatives
- Increased profitability and margin performance
- Working capital ~20% of sales

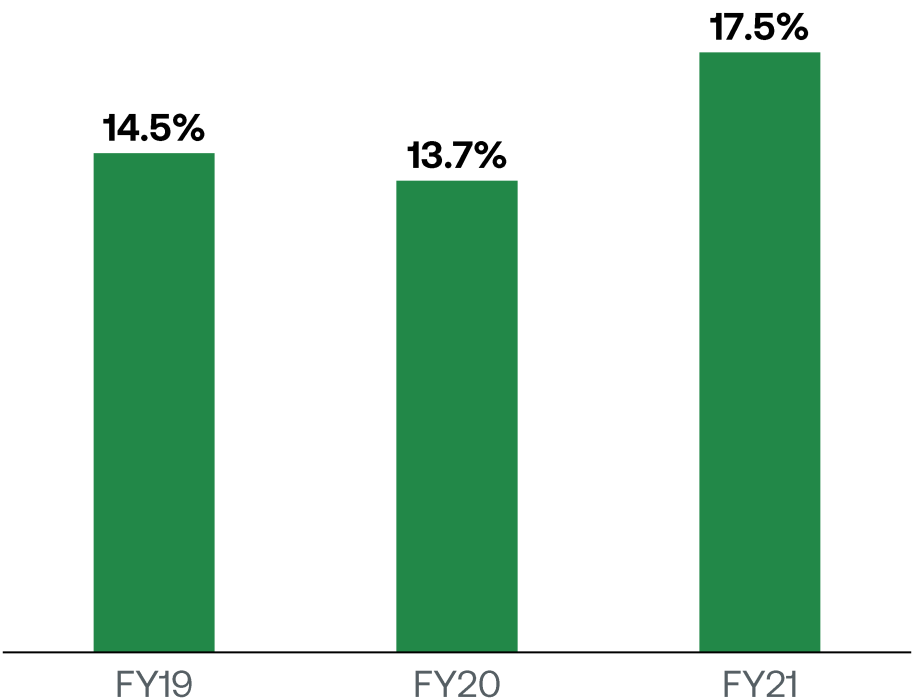
Disciplined and Balanced Approach to Capital Allocation Driving Enhanced Returns

Capital Deployment

FY19 to FYTD22 Q3

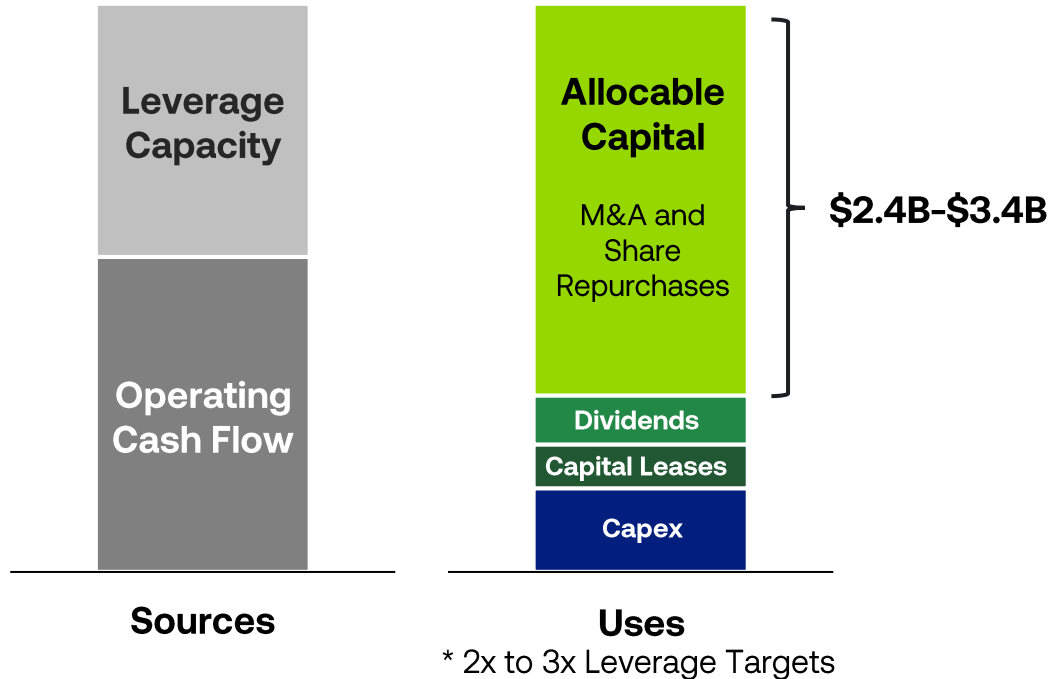


Return on Invested Capital*



\$2.4B to \$3.4B of Allocable Capital FY23 – FY25

FY23 – FY25 Capital Allocation

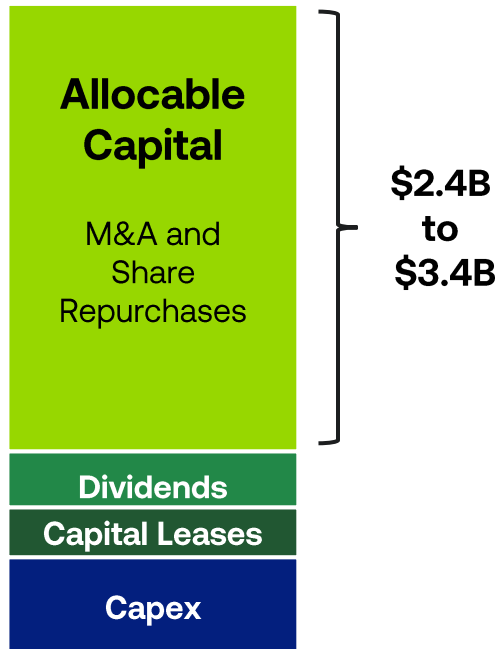


Deployment Priorities

- 1 Capital Expenditures**
 - Investing in strategic growth, productivity, and automation initiatives
 - Growth / Capacity Expansion
 - Recycling and Material Science Capabilities
 - Safety Initiatives
- 2 Strategic Acquisitions**
 - ROIC > WACC
 - Significant synergy opportunities
- 3 Share Buybacks**
 - Opportunistic
 - Ladder/threshold disciplined execution
 - \$292M buyback completed in early FY22
 - \$1B buyback plan announced in FY22
- 4 Dividend Growth**
 - Use current and forecasted financial performance to dictate future increases

Balanced and Disciplined Capital Allocation Strategy

FY23 – FY25 Allocable Capital



Deployment Priorities

* 2x to 3x Leverage Targets



CAPITAL EXPENDITURES

- \$400M to \$500M spend planned for the next 3 years



SHARE REPURCHASES

- \$292M program executed in FY22
- \$1B program announced in February 2022

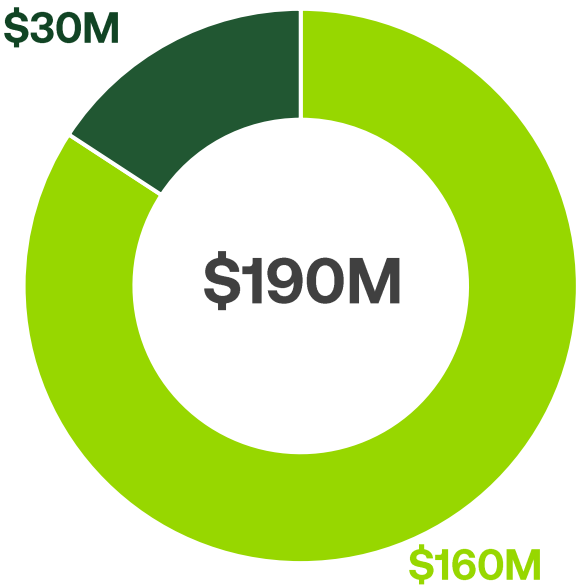


ALLOCABLE CAPITAL

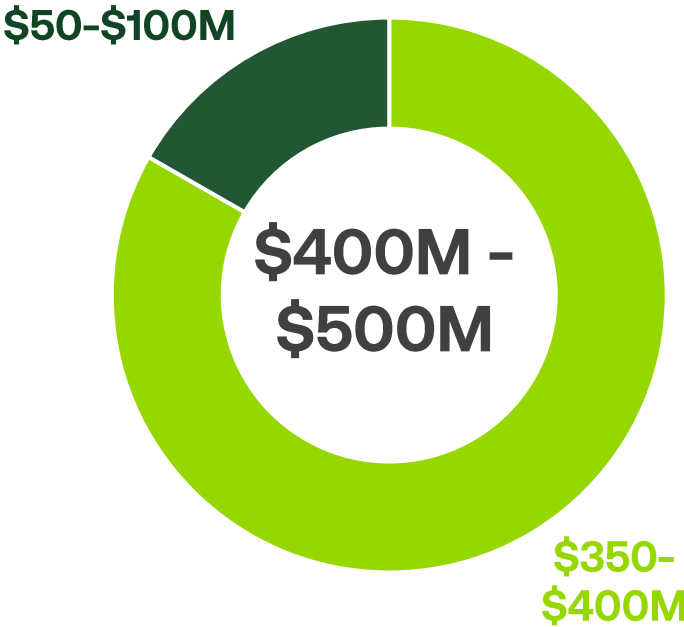
- Significant allocable capital remains and provides management with significant flexibility to optimize shareholder value

Capital Expenditures: Prioritizing Capacity Expansion and Growth

FY2019-2021

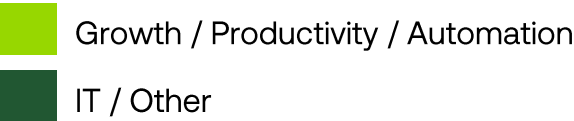


FY2023-2025



Growth & Productivity

- Equipment modernization / upgrades
- Adding incremental capacity (new production lines, molds, etc.)
- Automation / Safety
- Investment in recycling capacity and capabilities



Focused Acquisition Strategy

Dedicated Resources



Widening Aperture



Disciplined Process

Increased Corporate Development function capabilities over the last 2 years

Grown internal capabilities and resources

- Proactive approach to M&A and target identification
- Effective and cost-efficient mix of internal and external resources to manage integration and synergy capture
- Nimble when opportunities develop
- Portfolio of knowledge and perspective on likely targets

Continue to maintain a robust M&A Funnel

- Multiple sources of 'Target' identification beyond Corporate Development team (Sales & Marketing, Supply Chain, Advisors, etc.)

Primary emphasis on Capture, Convey, Store and Treat components of ADS' core stormwater business

- North American focus
- Geographic expansion considered if attractive opportunities arise
- Will explore opportunities to expand on themes of water, sustainability and conversion

Well-defined measures of attractiveness and relatedness guide disciplined pursuit of M&A

- Quantitative and qualitative metrics for prioritization of deal flow
- Strong ability to extract significant synergies
- Target ROIC > WACC by year 3

Financial Outlook

Sales Growth

+10% CAGR

- Strength and diversity of our end-markets
- Above market volume growth (material conversion)
- Growth capex
- New product introduction and innovation

Margin Expansion

**+400 to +500
basis points expansion
(28% to 29%)**

- Pricing above inflationary cost pressures
- Volume, mix and leverage
- Use of recycled materials
- Continuous improvement, lean transformation, productivity initiatives and automation

Free Cash Flow Generation

**45% to 50% of Adj.
EBITDA**

- Capital expenditures to remain at elevated levels – focus on growth and productivity initiatives
- Increased profitability and margin performance
- Working capital ~20% of sales

Allocable Capital for Deployment

\$2.4B to \$3.4B

- Strong balance sheet and FCF generation results in significant capacity for M&A and/or share repurchases over the 3-year period
- Balanced approach to capital allocation drives enhanced shareholder returns



Closing Remarks

Scott Barbour

President and Chief Executive Officer



Long Runway Ahead

A Unique Investment Opportunity with Multiple Value Creation Levers



Question and Answer Session



Thank you for participating.

///ADSTM Investor Day 2022



Appendix

Case Studies
Reconciliations



Amazon Projects

Nationwide | 2020 – present (ongoing)

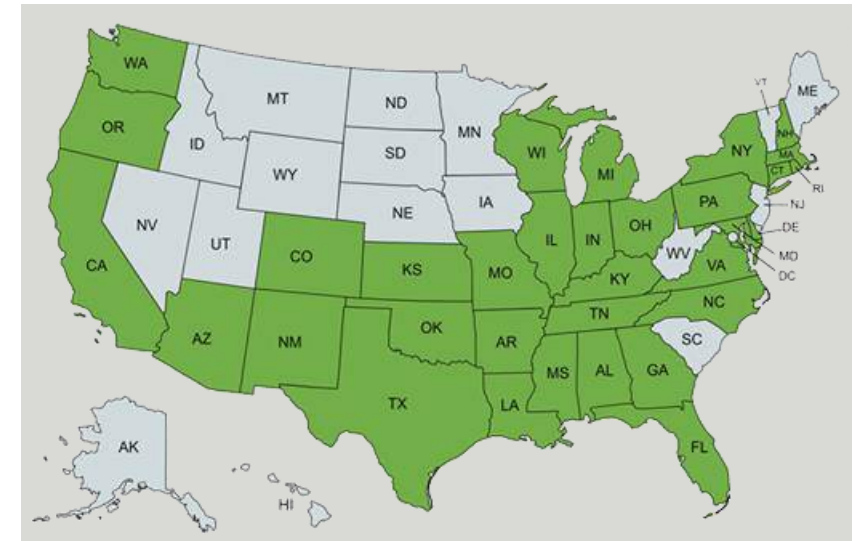
Amazon distribution centers, warehouses and call centers continue to choose ADS products as they develop their sites.

ADS' pipes lightweight construction, strength and durability made it an obvious choice for Amazon's projects, providing consistent dependable value.

Products quoted

- 264K ft. HP Storm Pipe
- 569K ft. N-12® Pipe
- 11,500 StormTech® chambers
- 8700+ fittings
- Geotextiles
- Nyloplast®
- Inserta Tee®
- Water Quality

We currently have 164 active projects that have been won or are in the final bidding stage across 33 states.



Walmart Fulfillment Center

Greencastle, PA: 2021

This new warehouse facility in Greencastle, PA required a very large amount of underground storage beneath the proposed loading and parking areas. This project had 5 retention beds that included over 91,000 ft. of AASHTO pipe, as well fittings, gaskets, Nyloplast drains/grates and Flexstorm.

Products quoted:

- 91,000 ft. of AASHTO N-12® pipe
- Fittings
- Nyloplast drains/grates
- Flexstorm

Key Takeaways

- ADS' production capabilities, nested deliveries and multiple servicing plants kept the project on time.
- ADS' technical oversight provided support to the contractor during installation.
- ADS' ability do on-site maintenance saved the contractor time and money.



Edwards Aquifer

Georgetown, TX: 2018

When developing the 1.6-acre Wolf Ranch site of the Natural Grocers store in Georgetown, TX, the main goal was to protect the Edwards Aquifer as much as possible while also providing the maximum control for storm water runoff.

ADS combined several products to design a solution that exceeded the strict local guidelines. Water is conveyed through N-12 pipe, moves through an isolator row to remove coarse sediments and other contaminants, and then into a StormTech detention system. Finally, it runs through BayFilter water quality units to filter and remove fine sediments before being released back into the San Gabriel River. StormTech and BayFilter were chosen for this project because they were cost effective and had all the approvals needed by the state.

The new system created more parking spaces, provided storage for nearly 17,000 gallons of water, and removed 87% of total suspended solids.



Francisco Street Reservoir

San Francisco, CA : 2021-2022

When the Francisco Street Reservoir site was being redeveloped, keeping it as a natural resource that harvested rainwater was a top priority. The 4.5-acre Francisco Park features a picnic area, dog run, community garden, reservoir interpretive area, children's playground and restrooms. Underneath the large central open area is a stormwater capture and reuse system comprised of HP Storm, N-12 Pipe, Nyloplast and StormTech that will perpetually provide water for the park's irrigation and toilets.

Key takeaways

- The system has 72 StormTech MC-3500 chambers and 300 StormTech MC-4500 which efficiently provide 2,000 cubic meters of water storage in a relatively small footprint.
- The non-potable water captured and reused meets public health regulations and saves the city 5.7M liters of potable water each year.



Non-GAAP Definitions

- **Adjusted EBITDA:** We calculate EBITDA as net income before interest, income taxes and depreciation and amortization. We calculate adjusted EBITDA as net income before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other gains and expenses.
- **Adjusted EBITDA Margin:** We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by net sales.
- **Free Cash Flow:** Free cash flow is a non-GAAP financial measure that comprises cash flow from operations less capital expenditures.
- **Free Cash Flow Conversion:** Free cash flow divided by Adjusted EBITDA.
- **Return on Invested Capital:** Net operating profit after tax divided by Invested Capital.
- **Adjusted EBIT:** Adjusted EBITDA less depreciation and amortization.
- **Net Operating Profit After Tax:** Adjusted EBIT less tax expense at the period's Effective Tax Rate.
- **Invested Capital:** The average net debt, Mezzanine Equity and Equity at the beginning and ending of the period.
- **Net Debt:** Long-term debt (including any current portion) and finance lease obligations (including any current portion), net of cash.

Adjusted EBITDA Reconciliation

| (Amounts in millions) | Fiscal Year Ended March 31, | | | |
|--|-----------------------------|---------------|-----------------|---------------|
| | 2018 | 2019 | 2020 | 2021 |
| Net income (loss) | \$ 65 | \$ 81 | \$ (192) | \$ 226 |
| Depreciation and amortization | 75 | 72 | 125 | 146 |
| Interest expense | 15 | 19 | 83 | 36 |
| Income tax expense | 11 | 30 | 14 | 86 |
| EBITDA | 166 | 202 | 30 | 494 |
| Loss on disposal of assets and costs from exit and disposal activities | 15 | 4 | 5 | 4 |
| ESOP and stock-based compensation expense | 19 | 22 | 32 | 65 |
| ESOP special dividend compensation | - | - | 247 | - |
| Transaction costs | 1 | 1 | 23 | 1 |
| Inventory step up related to the Acquisition of Infiltrator | - | - | 8 | - |
| Strategic growth and operational improvement initiatives | - | 3 | 7 | 3 |
| COVID-19 related expenses | - | - | 5 | 1 |
| Other adjustments | 9 | 0 | 5 | (2) |
| Adjusted EBITDA | \$ 210 | \$ 232 | \$ 362 | \$ 567 |
| Adjusted EBITDA Margin | 15.8% | 16.8% | 21.6% | 28.6% |

Free Cash Flow & ROIC Reconciliations

| (Amounts in millions) | Fiscal Year Ended March 31, | | | |
|--|-----------------------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 2021 |
| Cash flow from operating activities | \$ 137 | \$ 152 | \$ 306 | \$ 452 |
| Capital expenditures | (42) | (43) | (68) | (79) |
| Free cash flow | <u>\$ 95</u> | <u>\$ 108</u> | <u>\$ 239</u> | <u>\$ 373</u> |
| Free Cash Flow Conversion | 45.4% | 46.7% | 65.9% | 65.9% |

| (Amounts in millions) | Fiscal Year Ended March 31, | | | | | | | |
|---|-----------------------------|-------|------|-------|-------|-------|----|-------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | | | |
| Numerator: | | | | | | | | |
| Adjusted EBITDA | \$ | 210 | \$ | 232 | \$ | 362 | \$ | 567 |
| Depreciation and amortization | | 75 | | 72 | | 125 | | 146 |
| Adjusted EBIT | | 135 | | 160 | | 237 | | 421 |
| Effective Tax Rate (a) | | 15% | | 27% | | 25% | | 28% |
| Income tax expense at Effective Tax Rate | | 20 | | 43 | | 59 | | 117 |
| Net Operating Profit After Tax | \$ | 115 | \$ | 117 | \$ | 178 | \$ | 305 |
| Denominator: | | | | | | | | |
| Long-Term Debt Obligations | 350 | 301 | 237 | 1,100 | 791 | | | |
| Mezzanine Equity and Stockholders' Equity | 350 | 434 | 501 | 785 | 1,063 | | | |
| Finance Lease Obligations | 80 | 82 | 85 | 65 | 52 | | | |
| - Cash | (6) | (18) | (9) | (174) | (195) | | | |
| Invested Capital | 774 | 799 | 814 | 1,776 | 1,711 | | | |
| ROIC | | 14.6% | | 14.5% | | 13.7% | | 17.5% |