

Second Quarter Fiscal 2017 Financial Results

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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.

1

Second quarter net sales decline as expected due to softer core domestic construction markets and continued weakness in Ag and Mexico.

2

1H17 continued track record of delivering above market growth in non-residential construction.

3

Strong profits and margins driven by lower raw material costs and effective price management.

4

Favorable cash flow generation supporting debt reduction, growth investments and cash returns to shareholders.

Summary of Restatement Impact – FY2012 to FY2016

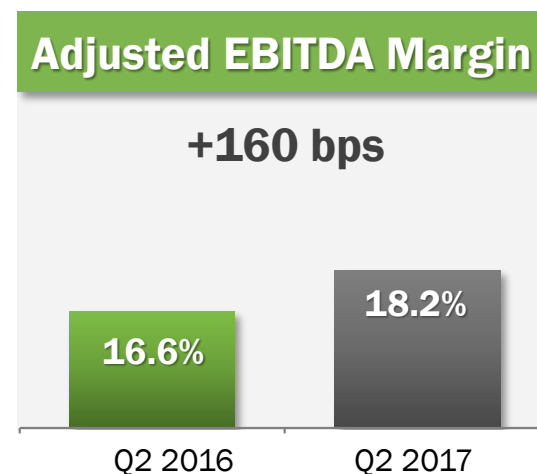
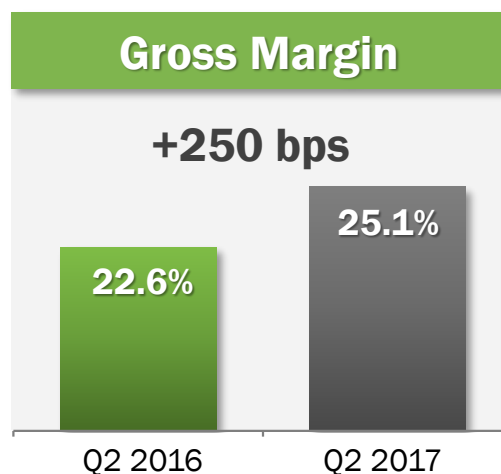
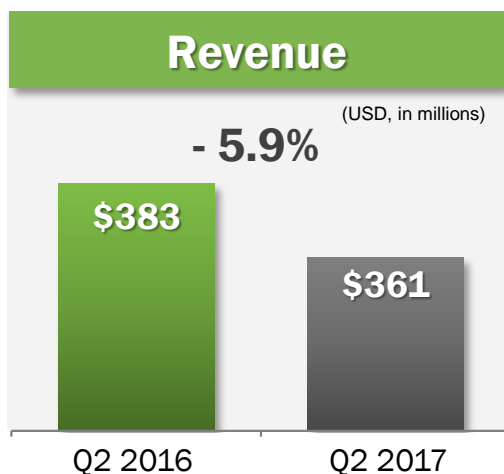
(in thousands)	Fiscal Year Ended March 31,				
	FY2012	FY2013	FY2014	FY2015	FY2016
As Reported FY2016 10-K					
Net sales	\$1,015,667	\$1,017,102	\$1,067,780	\$1,180,073	\$1,290,678
Income before income taxes	\$61,119	\$38,141	\$33,833	\$24,629	\$49,558
Adjusted EBITDA	\$119,601	\$131,591	\$151,333	\$143,877	\$187,340
Restatement Impact					
Net sales	\$0	\$0	\$0	\$0	\$0
Income before income taxes	\$(5,249)	\$(2,539)	\$(3,136)	\$(19,706)	\$9,741
Adjusted EBITDA	\$0	\$0	\$0	\$0	\$0
10-K/A Filed on 1/10/2017					
Net sales	\$1,015,667	\$1,017,102	\$1,067,780	\$1,180,073	\$1,290,678
Income before income taxes	\$55,870	\$35,602	\$30,697	\$4,923	\$59,299
Adjusted EBITDA	\$119,601	\$131,591	\$151,333	\$143,877	\$187,340

The completed restatement has no impact on net sales or Adjusted EBITDA

Q2 FY17 Form 10-Q expected January 2017.

Q3 FY17 Form 10-Q anticipated to be filed timely.

Q2 2017 Financial Performance



Revenue

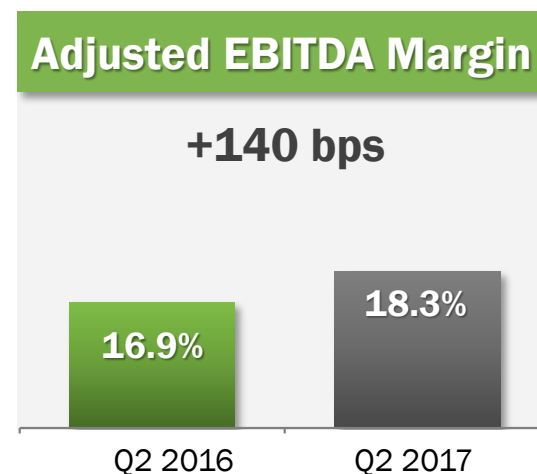
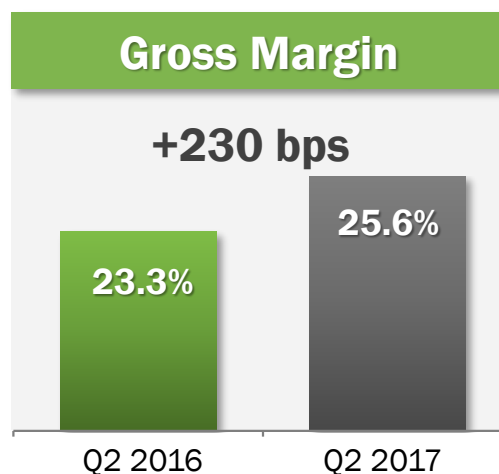
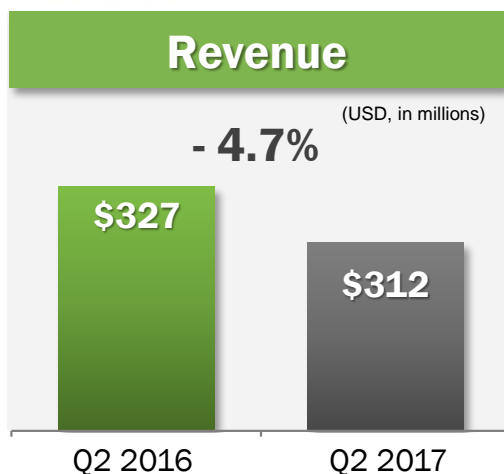
By Geography		Domestic Markets	
- Domestic	- 5%	+ Non-Residential	+1%
- International	- 13%	- Residential	- 2%
		- Infrastructure	- 5%
		- Agriculture	- 27%
By Application		- Pipe	- 7%
- Pipe	- 8%	+ Allied Products	+1%
- Allied Products	- 1%		

Adjusted EBITDA Margin

Q2 FY16	16.6%
Price/Material Costs	1.6%
Transportation, Other Operations	1.0%
SG&A	(1.0)%
Other	—
Q2 FY17	18.2%

Despite lower revenues, earnings exceeded the prior year driven by disciplined pricing and a favorable cost environment.

Q2 2017 Domestic Performance



Revenue

By Application

- Pipe	- 7%
+ Allied Products	+1%

By End Market

- Construction	- 1%
+ Non-Residential	+1%
- Residential	- 2%
- Infrastructure	- 5%
- Agriculture	- 27%

Performance Highlights

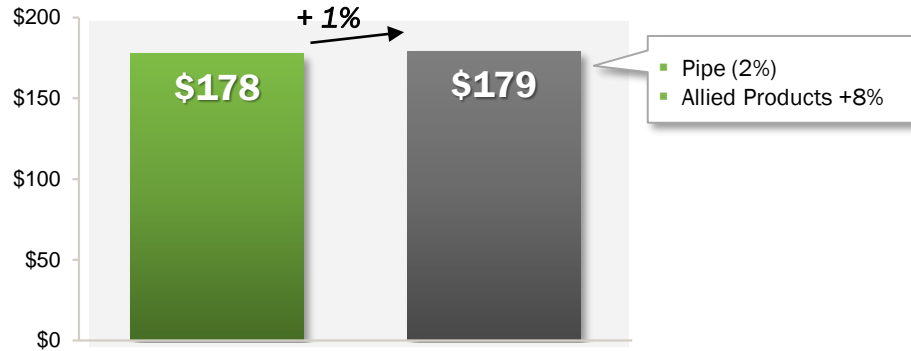
- Domestic sales down 4.7% YoY driven primarily by Agriculture and lower growth in our domestic construction markets
- Non-Residential end markets up slightly
- Early start to planting season caused weaker-than-expected performance in agriculture

Adjusted EBITDA Margin

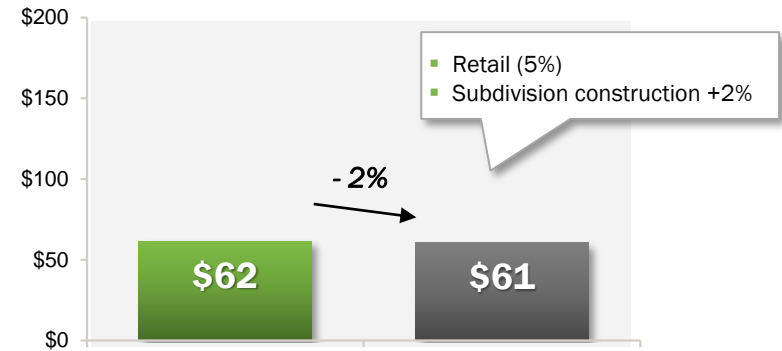
Q2 FY16	16.9%
Price/Material Costs	1.4%
Transportation, Other Operations	0.5%
SG&A	(1.2)%
Other	0.7%
Q2 FY17	18.3%

Q2 2017 Domestic End Market Performance

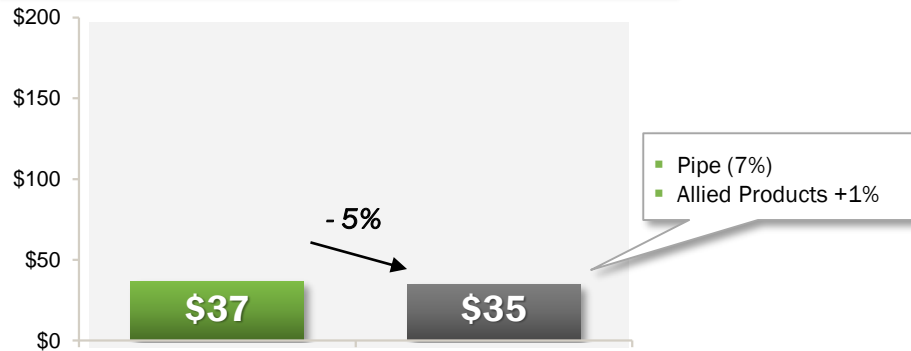
Non-Residential



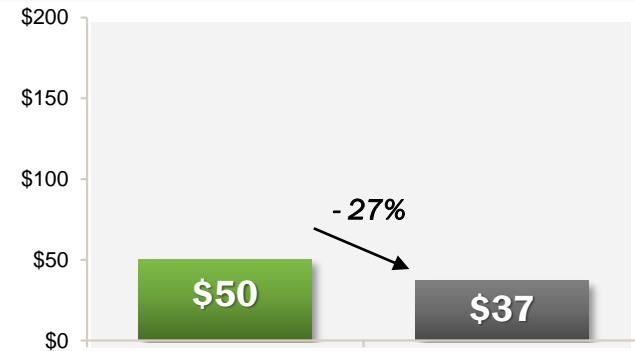
Residential



Infrastructure



Agriculture



■ Q2 2016

■ Q2 2017

2Q performance impacted by slower demand in domestic construction markets.

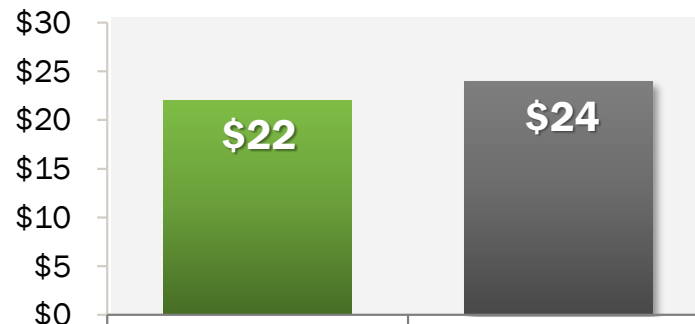
Figures may not add due to rounding

Free Cash Flow Performance

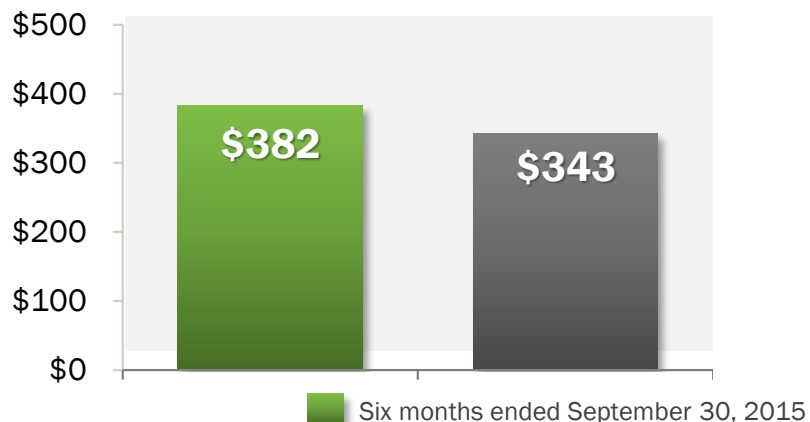
Free Cash Flow¹

	FY 2017	FY 2016	Change
Adjusted EBITDA	\$137	\$116	\$21
Working Capital	\$(61)	\$(79)	\$18
Cash Tax	\$(3)	\$(17)	\$14
Cash Interest	\$(9)	\$(9)	\$0
Restatement related costs	\$(19)	\$(7)	\$(12)
Other	\$1	\$13	\$(12)
Cash flow from operating activities	\$46	\$17	\$29
Cap Ex	\$(24)	\$(22)	\$(2)
FCF	\$22	\$(5)	\$27

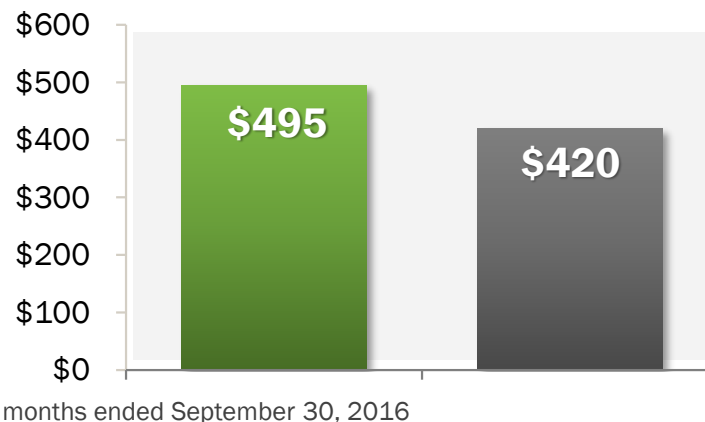
CapEx



Working Capital²



Net Debt³

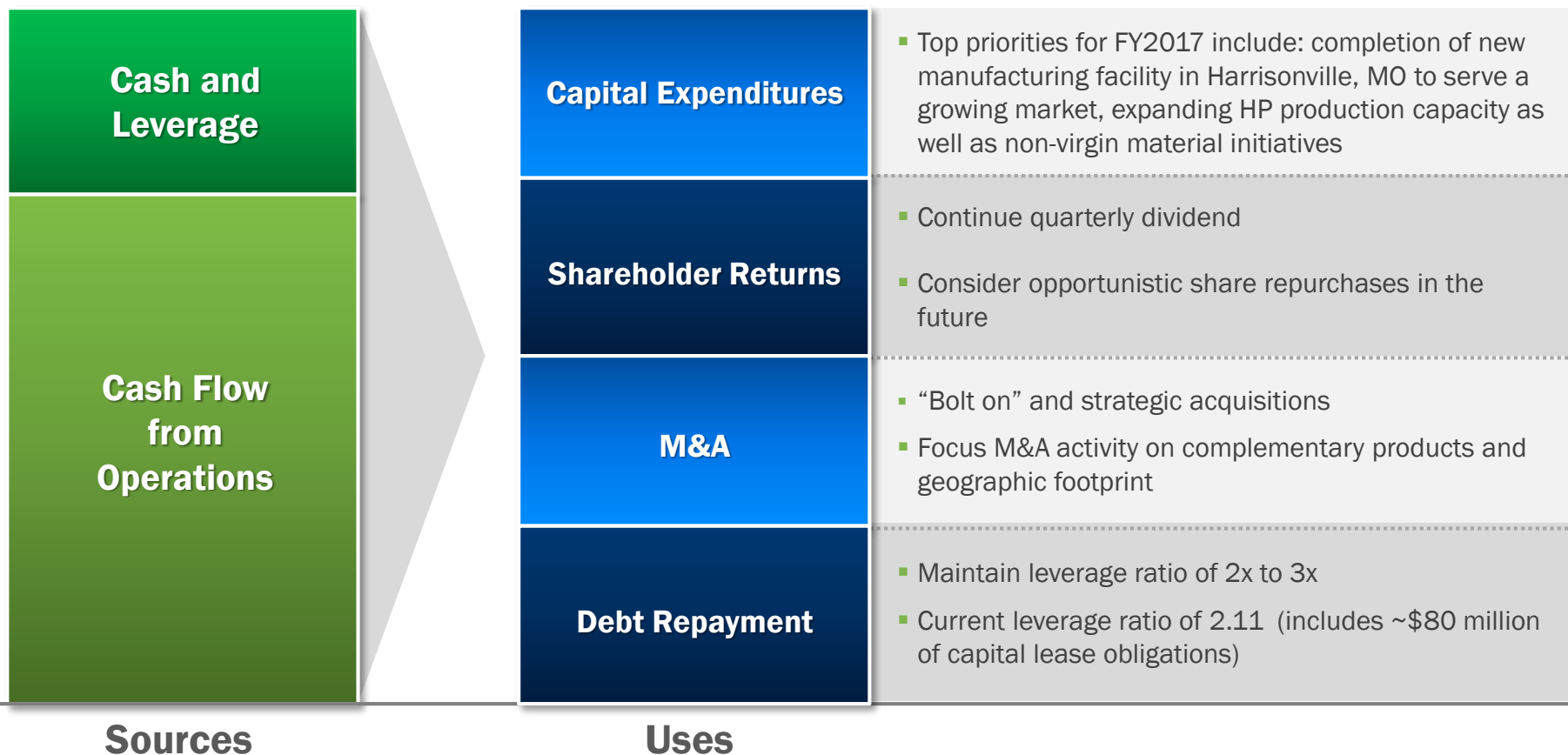


All figures in USD, mm

¹Operating Cash Flow less CapEx (see appendix for GAAP/non-GAAP reconciliation)

²Inventory, Accounts Receivable, Accounts Payable

³Total debt less cash (includes capital leases)









Fiscal Year 2017 Expectations

Key Metric	Previous Guidance*	Current Guidance	Comments
Net Sales (in Billions)	\$1,270 - \$1,310	\$1,225 - \$1,250	Driven by softer domestic construction market and further weakness in Ag and Mexico
Adj. EBITDA (in Millions)	\$200 - \$225	\$190 - \$210	Impacted by volume decline and modest price erosion
Adj. EBITDA Margin	15.7% - 17.2%	15.5% - 16.8%	Maintain healthy margins despite net sales weakness

*As provided on October 6, 2016

Fiscal Year 2017 Market Outlook (Prior vs. Current)

Market	Previous Outlook*	Current Outlook	Comments
Domestic Construction End Markets			ADS anticipates mid-single digit growth in domestic construction markets
Agriculture End Market			Softness expected to continue throughout FY2017
International End Market			Continued weakness in Mexico; Canada expected to be down due to weaker Ag market conditions

*As provided on October 6, 2016

Q&A Session

1

Year to date net sales growth in domestic construction markets offset by softness in agriculture and international. Year to date construction end market sales have increased 3.5%.

2

Continued outperformance in the construction market this year led by double digit growth of HP Pipe and increased Allied product sales.

3

Gross margin and adjusted EBITDA margin improved 250 basis points and 160 basis points respectively, versus the second quarter of fiscal 2016, driven by lower raw material costs and effective price management.

Appendix



EBITDA Reconciliation

(Amounts in thousands)

Net income

Depreciation and amortization

Interest expense

Income tax expense

EBITDA⁽¹⁾

Derivative fair value adjustments

Foreign currency translation losses (gains)

Loss on disposal of assets or business

Unconsolidated affiliates interest, tax, depreciation and amortization

Contingent consideration remeasurement

Stock-based compensation (benefit) expense

ESOP deferred stock-based compensation

Expense related to executive termination payments

Restatement-related costs

Loss related to BaySaver acquisition

Adjusted EBITDA⁽²⁾

Three Months Ended September 30,		Six Months Ended September 30,	
2016	2015	2016	2015
\$ 24,281	\$ 15,928	\$ 43,702	\$ 28,710
18,010	17,367	36,036	34,751
4,546	4,947	9,330	9,233
15,348	5,187	29,542	13,066
62,185	43,429	118,610	85,760
(4,153)	5,773	(9,060)	9,534
685	(151)	(1,077)	166
737	295	939	1,161
802	769	1,580	1,638
33	45	57	100
(2,908)	1,170	6,112	2,212
2,368	3,125	5,105	6,250
79	82	158	164
5,773	8,710	14,985	8,710
-	490	-	490
\$ 65,601	\$ 63,737	\$ 137,409	\$116,185

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



Segment EBITDA Reconciliation

(Amounts in thousands)

Net income

Depreciation and amortization

Interest expense

Income tax expense

EBITDA⁽¹⁾

Derivative fair value adjustments

Foreign currency translation losses (gains)

Loss on disposal of assets or business

Unconsolidated affiliates interest, tax, depreciation and amortization

Contingent consideration remeasurement

Stock-based compensation (benefit) expense

ESOP deferred stock-based compensation

Expense related to executive termination payments

Restatement-related costs

Loss related to BaySaver acquisition

Adjusted EBITDA⁽²⁾

Three Months Ended September 30, 2016		Three Months Ended September 30, 2015	
Domestic	International	Domestic	International
\$ 21,049	\$ 3,232	\$ 8,641	\$ 7,287
15,829	2,181	15,243	2,124
4,436	110	4,901	46
13,824	1,524	6,703	(1,516)
55,138	7,047	35,488	7,941
(4,153)	-	5,784	(11)
-	685	-	(151)
512	225	289	6
272	530	260	509
33	-	45	-
(2,908)	-	1,170	-
2,368	-	3,125	-
79	-	82	-
5,773	-	8,710	-
-	-	490	-
\$ 57,114	\$ 8,487	\$ 55,443	\$ 8,294

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



Free Cash Flow Reconciliation

(Amounts in thousands)

Cash flow from operating activities

Capital expenditures

Free Cash Flow

Six Months Ended September 30,	
2016	2015
\$ 45,576	\$ 16,924
(23,796)	(21,534)
\$ 21,780	\$ (4,610)