



Q1 Fiscal 2026 Financial Results

August 7, 2025



Management Presenters

Scott Barbour

President and Chief Executive Officer

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Executive Vice President, Chief Financial Officer

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Vice President, Corporate Strategy & Investor Relations

Forward Looking Statements and Non-GAAP Financial Metrics

Forward Looking Statements

Certain statements in this press release may be deemed to be forward-looking statements. These statements are not historical facts but rather are based on the Company's current expectations, estimates and projections regarding the Company's business, operations and other factors relating thereto. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "confident" and similar expressions are used to identify these forward-looking statements. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include: fluctuations in the price and availability of resins and other raw materials, new tariff policies, and our ability to pass any increased costs of raw materials and tariffs on to our customers; disruption or volatility in general business, political and economic conditions in the markets in which we operate; cyclical and seasonality of the non-residential and residential construction markets and infrastructure spending; the risks of increasing competition in our existing and future markets; uncertainties surrounding the integration and realization of anticipated benefits of acquisitions or doing so within the intended timeframe; the effect of weather or seasonality; the loss of any of our significant customers; the risks of doing business internationally; the risks of conducting a portion of our operations through joint ventures; our ability to expand into new geographic or product markets; the risk associated with manufacturing processes; the effects of global climate change and any related regulatory responses; our ability to protect against cybersecurity incidents and disruptions or failures of our IT systems; our ability to assess and monitor the effects of artificial intelligence, machine learning, and robotics on our business and operations; our ability to manage our supply purchasing and customer credit policies; our ability to control labor costs and to attract, train and retain highly qualified employees and key personnel; our ability to protect our intellectual property rights; changes in laws and regulations, including environmental laws and regulations; our ability to appropriately address any environmental, social or governance concerns that may arise from our activities; the risks associated with our current levels of indebtedness, including borrowings under our existing credit agreement and outstanding indebtedness under our existing senior notes; and other risks and uncertainties described in the Company's filings with the SEC. New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's expectations, objectives or plans will be achieved in the timeframe anticipated or at all. Investors are cautioned not to place undue reliance on the Company's forward-looking statements and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Financial Measures

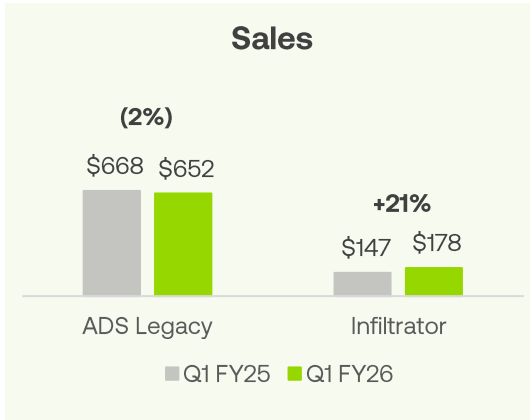
This presentation includes references to Adjusted EBITDA and Free Cash Flow, non-GAAP financial measures. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP. These measures are not intended to be substitutes for those reported in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

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

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

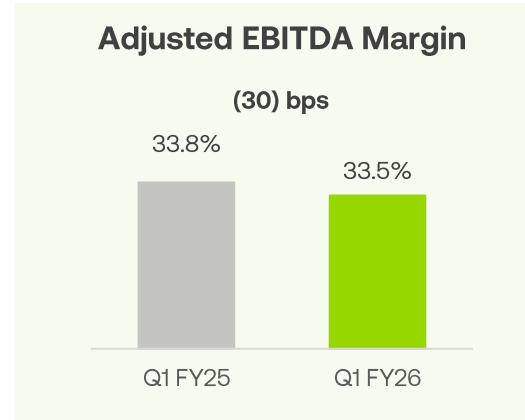
CEO Highlights

Q1 Fiscal 2026 Revenue



- Pricing sequentially stable as expected, remains in line with expectations.
- Infiltrator sales growth primarily driven by Orenco acquisition.
- Non-residential and residential construction markets performed in line with expectations.
- Infrastructure and international businesses remain challenged.

Q1 Fiscal 2026 Profitability



- Favorable volume, price/cost and transportation costs offset by unfavorable manufacturing costs due to fixed cost absorption as well as Orenco mix.
- Increased volume drove a stronger mix, as Allied and Infiltrator grew faster than pipe.

Business Updates

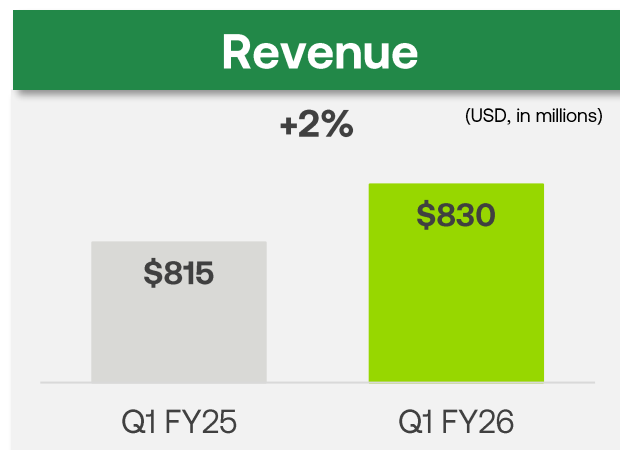
- Solid first quarter results demonstrate the strength of business model and highly-relevant water management solutions.
- River Valley Pipe acquisition completed in Q1 FY26.
- Capital Expenditures to remain elevated in Fiscal 2026 as we continue investing in growth, recycling capacity, productivity, and automation.



Arcadia™ Hydrodynamic Separator

Industry leading stormwater separator technology launched Q1 Fiscal 2026.

Q1 Fiscal 2026 Financial Performance



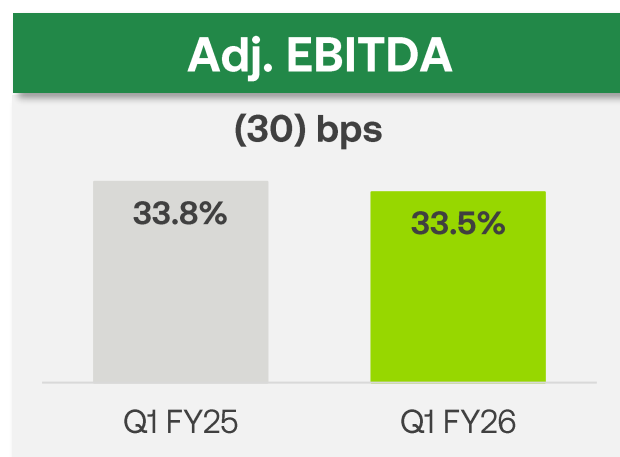
Revenue Performance

By Business

- ADS Legacy	(2%)
- Pipe	(4%)
+ Allied Products	+0%
+ Infiltrator	+21%

Domestic Markets

+ Construction	+3%
+ Non-Residential	+6%
+ Residential	+4%
- Infrastructure	(17%)
+ Agriculture	+4%



Free Cash Flow and Capital Structure

Free Cash Flow ⁽¹⁾

	FY 2026	FY 2025	Δ
Consolidated Adjusted EBITDA	\$278	\$275	\$3
Working capital ⁽²⁾	(8)	(64)	56
Cash tax	(1)	(1)	0
Cash interest	(10)	(10)	0
Transaction costs ⁽³⁾	(1)	0	(1)
Other	17	(17)	34
Consolidated cash flow from operations	\$275	\$183	\$92
Capital expenditures	(53)	(57)	4
Consolidated Free Cash Flow	\$222	\$126	\$96

Debt & Capital Leases

(in millions)	June 30, 2025	March 31, 2025
Term Loan Facility	\$ 412	\$ 413
Senior Notes	850	850
Revolving Credit Facility	-	-
Total debt	\$ 1,262	\$ 1,263
Finance leases & Equipment financing	\$ 176	\$ 170
Leverage	0.9x	1.1x

Liquidity

(in millions)	June 30, 2025
Unrestricted Cash	\$ 638
Availability under Revolving Credit Facility	590
Total Liquidity	\$ 1,228

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

1. Operating Cash Flow less capital expenditures

2. Inventory, Trade Receivables, Accounts Payable

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

Fiscal Year 2026 Guidance

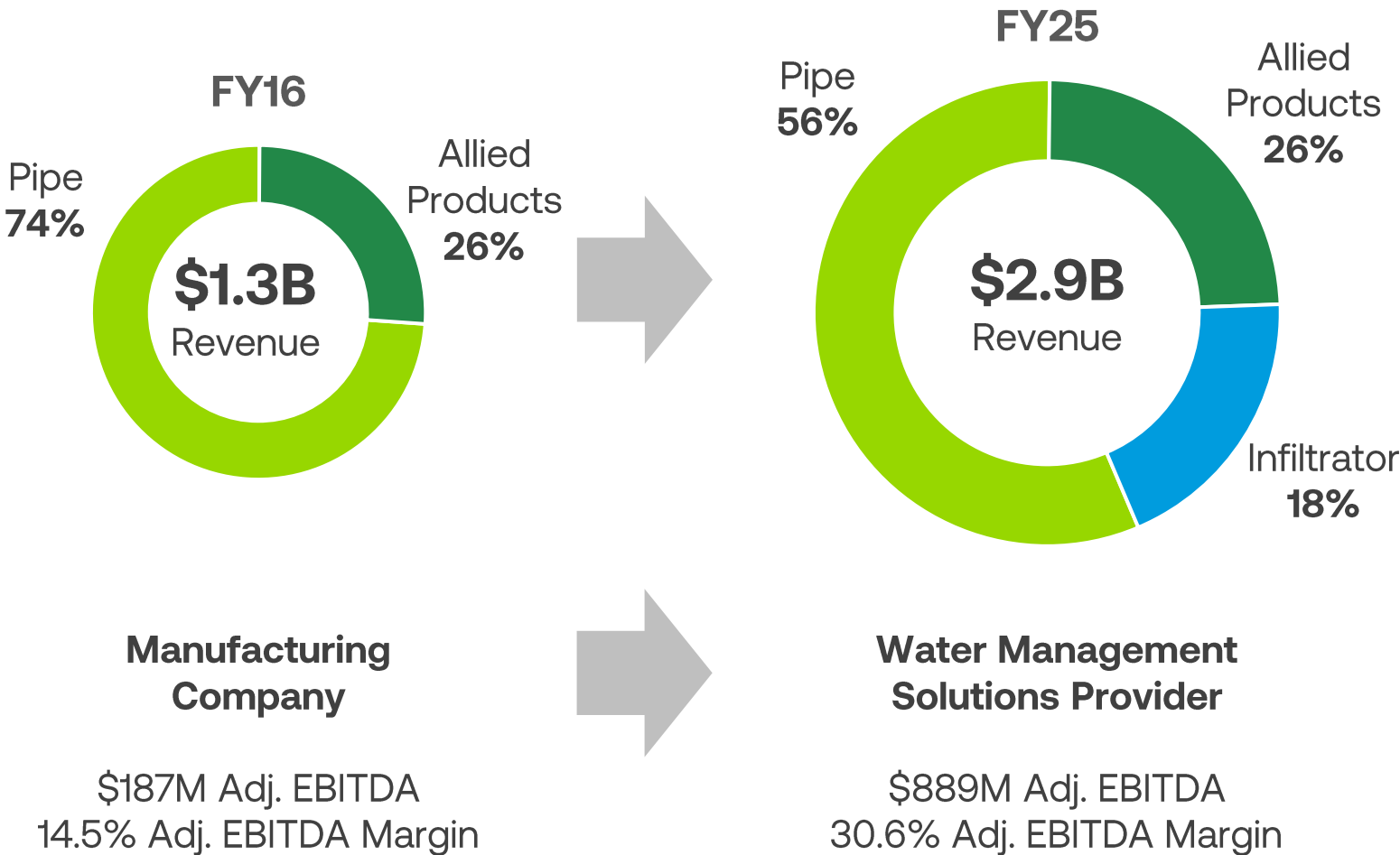
Fiscal 2026 Expectations			
Key Metric	FY 2025	FY 2026	Y-o-Y Change
Net Sales (in Millions)	\$2,904	\$2,825 - \$2,975	(3%) to +2%
Adj. EBITDA (in Millions)	\$889	\$850 - \$910	(4%) to +2%
Adj. EBITDA Margin	30.6%	30.1% - 30.6%	(50) bps to flat



Q&A

Appendix

Diversified Product Mix Shifting to High Margin Categories



Allied Products

56.2%

Segment
Adjusted Gross
Margin

- Stormwater capture, storage and treatment products
- Growth driven by regulatory advancement, market adoption of new technologies and new product introductions

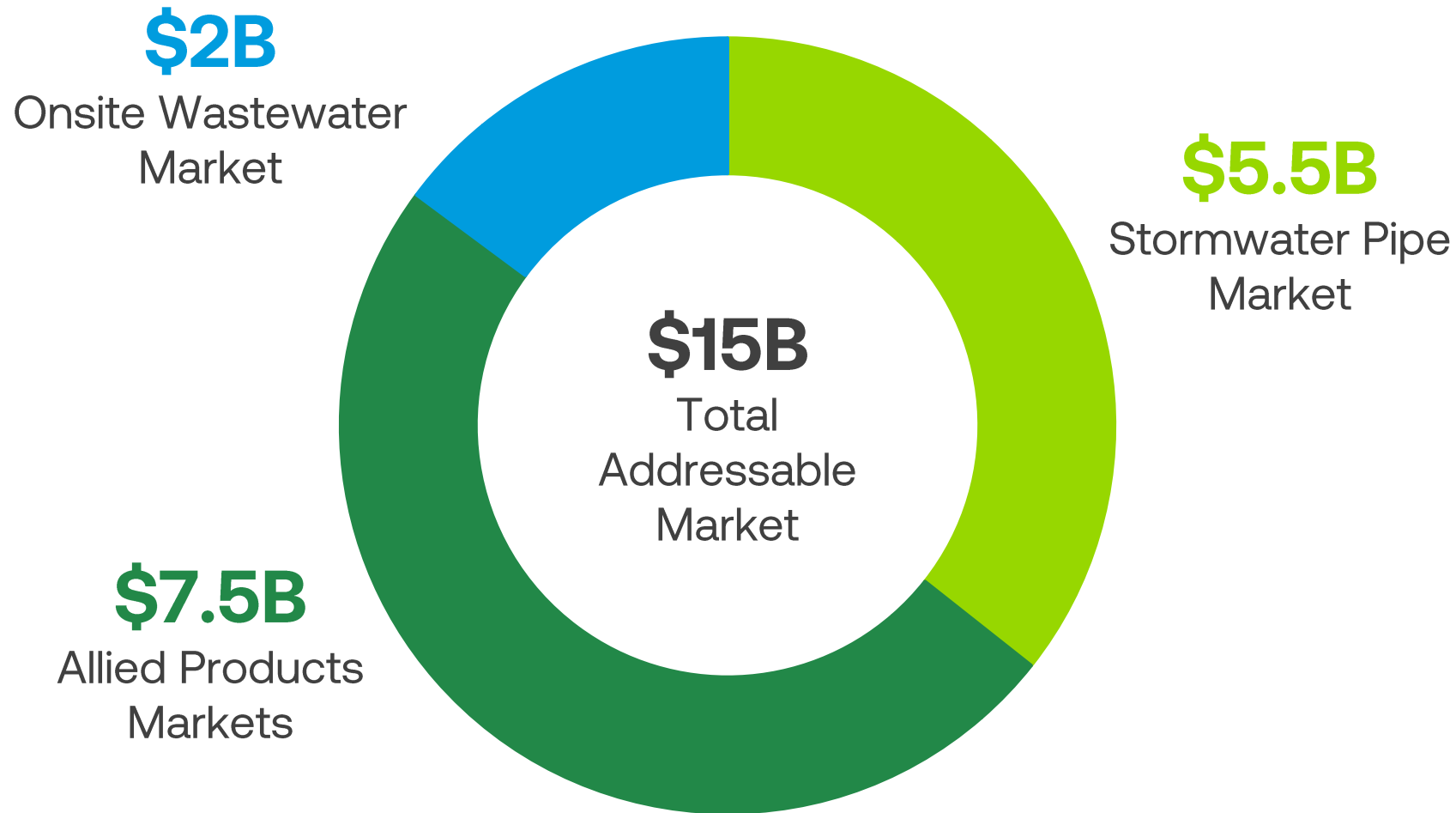
Infiltrator

53.6%

Segment
Adjusted Gross
Margin

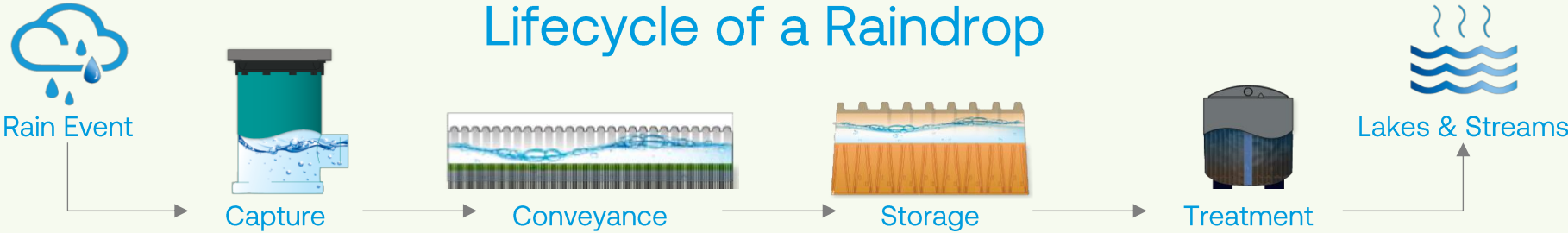
- Infiltrator acquired in 2019
- Chambers, tanks and advanced wastewater treatment solutions
- Growth driven by market conversion and regulatory advancement

Large Addressable Market with Significant Conversion Opportunity



How We Win: The ADS Value Proposition

Best-In-Class
Product
Portfolio



Proven
Go-to-Market
Strategy

Approvals	Acceptance	Coverage	Win Rate	300+ Field Sales and Engineering Professionals
<ul style="list-style-type: none"> >200 national and state approvals >1,100 local approvals 	<ul style="list-style-type: none"> >3,700 engineering firm engaged in Fiscal 2025 	<ul style="list-style-type: none"> >4,500 waterworks distributor locations 30 US pipe production plants 	5 Year CAGRs 24% HP Pipe 14% Allied	

Balance
Sheet to
Invest

Productivity & Capacity	Design Tools & Services	Customer Investments	Innovation
<ul style="list-style-type: none"> \$405M invested in growth, capacity and productivity over the last 3 years 10x larger than closest competitor 	<ul style="list-style-type: none"> \$7M invested in digital engineering and design tools 115 dedicated design services resources, with ~100k designs annually 	<ul style="list-style-type: none"> 625 trucks and 1,150 trailers \$17M invested in Customer Experience project On time in full delivery performance trending >90% 	<ul style="list-style-type: none"> Engineering and Technology Center 10 new products launched in Fiscal 2025 + 3 product partnerships

Reconciliations

	Three Months Ended					
	June 30, 2025			June 30, 2024		
	Net Sales	Intersegment Net Sales	Net Sales from External Customers	Net Sales	Intersegment Net Sales	Net Sales from External Customers
(In thousands)						
Pipe	\$ 428,815	\$ (13,277)	\$ 415,538	\$ 441,142	\$ (14,754)	\$ 426,388
Infiltrator Water Technologies	194,962	(16,609)	178,353	164,142	(16,840)	147,302
International						
International - Pipe	34,636	(1,163)	33,473	43,927	(3,853)	40,074
International - Allied Products & Other	15,097	(79)	15,018	17,679	(48)	17,631
Total International	49,733	(1,242)	48,491	61,606	(3,901)	57,705
Allied Products & Other	191,170	(3,672)	187,498	188,526	(4,585)	183,941
Intersegment Eliminations	(34,800)	34,800	-	(40,080)	40,080	-
Total Consolidated	\$ 829,880	\$ -	\$ 829,880	\$ 815,336	\$ -	\$ 815,336

Reconciliations

(Amounts in thousands)	Three Months Ended June 30,	
	2025	2024
Segment adjusted gross profit		
Pipe	\$ 134,105	\$ 139,967
Infiltrator	104,333	92,904
International	14,108	19,663
Allied Products & Other	113,816	109,443
Intersegment Eliminations	(756)	(970)
Total Segment Adjusted Gross Profit	365,606	361,007
Depreciation and amortization	33,512	27,212
Stock-based compensation expense	1,656	1,341
Total Gross Profit	\$ 330,438	\$ 332,454

(Amounts in thousands)	Three Months Ended June 30,	
	2025	2024
Net income	\$ 144,091	\$ 162,322
Depreciation and amortization	50,228	41,098
Interest expense	23,029	22,824
Income tax expense	46,674	49,886
EBITDA	264,022	276,130
Restructuring and realignment expense (a)	9,993	292
Stock-based compensation expense	8,404	6,977
Transaction costs	807	10
Interest income	(5,405)	(6,565)
Other adjustments (b)	346	(1,346)
Adjusted EBITDA	\$ 278,167	\$ 275,498

Notes:

- Includes Loss on disposal of assets and costs from exit and disposal activities, which includes costs associated with plant closures as well as professional fees incurred in connection with supporting enterprise-wide restructuring and realignment initiatives.
- Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, and the proportionate share of interest, income taxes, depreciation and amortization related to the South American Joint Venture, which is accounted for under the equity method of accounting and executive retirement expense.