



# Advanced Drainage Systems

Q1 Fiscal 2020 Financial Results &  
Infiltrator Acquisition Announcement

# Management Presenters

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## Scott Barbour

President and Chief Executive Officer

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## Scott Cottrill

Executive Vice President, Chief Financial Officer

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## Mike Higgins

Vice President, Corporate Strategy & Investor Relations

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# Call Agenda

Q1 Fiscal 2020 Results

Infiltrator Acquisition

Q&A

# Forward Looking Statements and Non-GAAP Financial Metrics

Certain statements in this presentation may be deemed to be forward-looking statements. Such statements include, but are not limited to, statements regarding the anticipated timing for the issuance of additional historic and future financial information and related filings. These statements are not historical facts but rather are based on the Company's current expectations, estimates and projections regarding the Company's business, operations and other factors relating thereto. Words such as "may," "will," "could," "would," "should," "anticipate," "predict," "potential," "continue," "expects," "intends," "plans," "projects," "believes," "estimates," "confident" and similar expressions are used to identify these forward-looking statements. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include: fluctuations in the price and availability of resins and other raw materials and our ability to pass any increased costs of raw materials on to our customers in a timely manner; volatility in general business and economic conditions in the markets in which we operate, including, without limitation, factors relating to availability of credit, interest rates, fluctuations in capital and business and consumer confidence; cyclical and seasonality of the non-residential and residential construction markets and infrastructure spending; the risks of increasing competition in our existing and future markets, including competition from both manufacturers of high performance thermoplastic corrugated pipe and manufacturers of products using alternative materials; uncertainties surrounding the integration of acquisitions and similar transactions, including the recently completed acquisition of Infiltrator and the integration of Infiltrator; our ability to realize the anticipated benefits from the acquisition of Infiltrator; risks that acquisitions of Infiltrator and related transactions may involve unexpected costs, liabilities and delays; our ability to continue to convert current demand for concrete, steel and PVC pipe products into demand for our high performance thermoplastic corrugated pipe and Allied Products; the effect of weather or seasonality; the loss of any of our significant customers; the risks of doing business internationally; our ability to remediate the material weakness in our internal control over financial reporting; including remediation of the control environment for our joint venture affiliate ADS Mexicana, S.A. de C.V. as described in "Item 9A Controls and Procedures" of our Annual Report Form 10-K for the year ended March 31, 2019; 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; our ability to achieve the acquisition component of our growth strategy; the risk associated with manufacturing processes; our ability to manage our assets; the risks associated with our product warranties; our ability to manage our supply purchasing and customer credit policies; the risks associated with our self-insured programs; our ability to control labor costs and to attract, train and retain highly-qualified employees and key personnel; our ability to protect our intellectual property rights; changes in laws and regulations, including environmental laws and regulations; our ability to project product mix; the risks associated with our current levels of indebtedness; fluctuations in our effective tax rate, including from the recently enacted Tax Cuts and Jobs Act; changes to our operating results, cash flows and financial condition attributable to the recently enacted Tax Cuts and Jobs Act; our ability to meet future capital requirements and fund our liquidity needs; the risk that additional information may arise during the course of the Company's ongoing accounting review that would require the Company to make additional adjustments or revisions or to restate the financial statements and other financial data for certain prior periods and any future periods; a conclusion that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) were ineffective; the review of potential weaknesses or deficiencies in the Company's disclosure controls and procedures, and discovering further weaknesses of which we are not currently aware or which have not been detected; additional uncertainties related to accounting issues generally and other risks and uncertainties described in the Company's filings with the Securities and Exchange Commission. New risks and uncertainties emerge from time to time and it is not possible for the Company to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this press release. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company's expectations, objectives or plans will be achieved in the timeframe anticipated or at all. Investors are cautioned not to place undue reliance on the Company's forward-looking statements and the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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

# Q1 FY 2020 Highlights

1

Net sales growth of 7% driven by both Pipe and Allied products. Domestic sales grew 9%, with growth in all end markets.

2

Profitability driven by strong sales growth, favorable material cost and disciplined execution, partially offset by inventory absorption headwind from fourth quarter production.

3

Strong cash flow generation primarily driven by working capital improvement.

# Q1 Fiscal 2020 Financial Performance

## Revenue

+6.7%

\$414

\$388

Q1 FY20

Q1 FY19

## By Geography

- + Domestic +9%
- International -13%

## By Application

- + Pipe +5%
- + Allied +10%

## Domestic Markets

- + Construction +9%
- + Non-Residential +6%
- + Residential +20%
- + Infrastructure +4%
- + Agriculture +15%
- + Pipe +8%
- + Allied +12%

## Adj. EBITDA

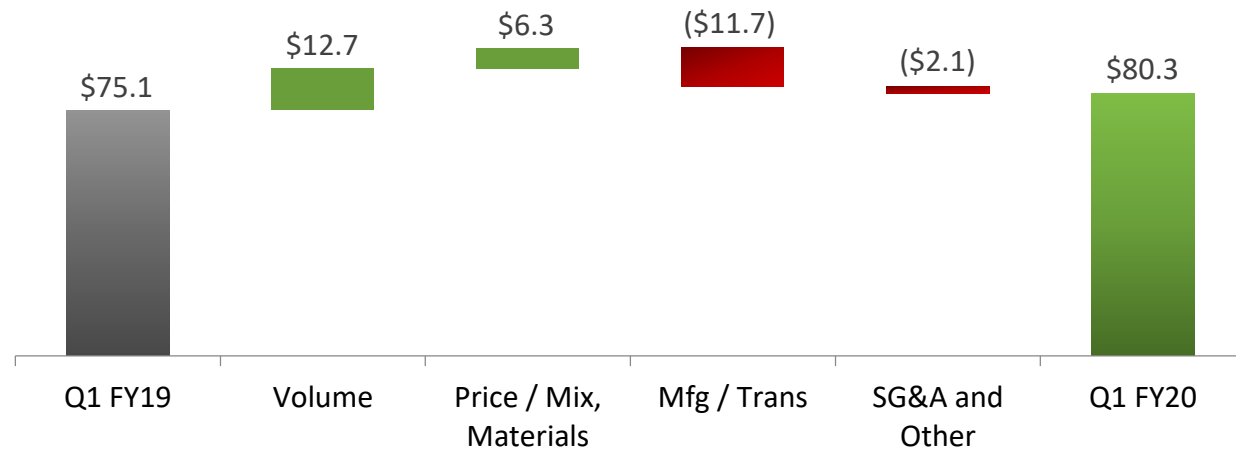
flat

19.4%

19.4%

Q1 FY20

Q1 FY19



# Free Cash Flow

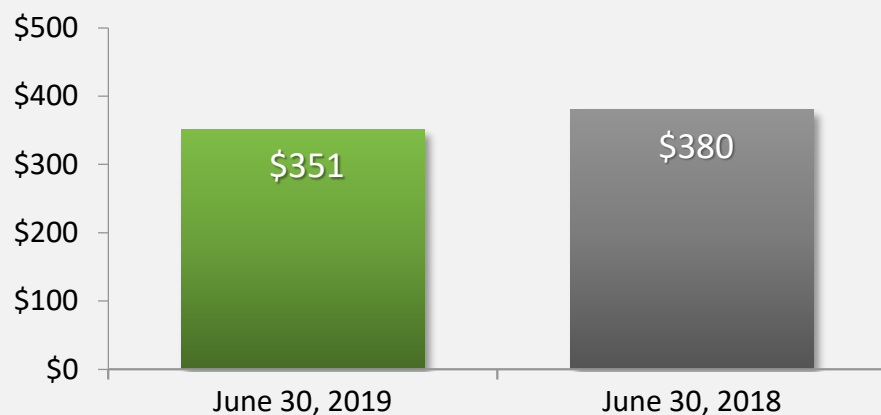
## Free Cash Flow <sup>(1)</sup>

	FY 2020	FY 2019	Δ
Adjusted EBITDA	\$80	\$75	\$5
Working Capital <sup>(2)</sup>	(\$8)	(\$58)	\$50
Cash Tax	(\$1)	(\$1)	\$0
Cash Interest	(\$3)	(\$4)	\$1
Other	(\$5)	(\$2)	(\$3)
Cash flow from operating activities	\$63	\$10	\$53
Capital Expenditures	(\$10)	(\$7)	(\$3)
Free Cash Flow	\$53	\$3	\$50

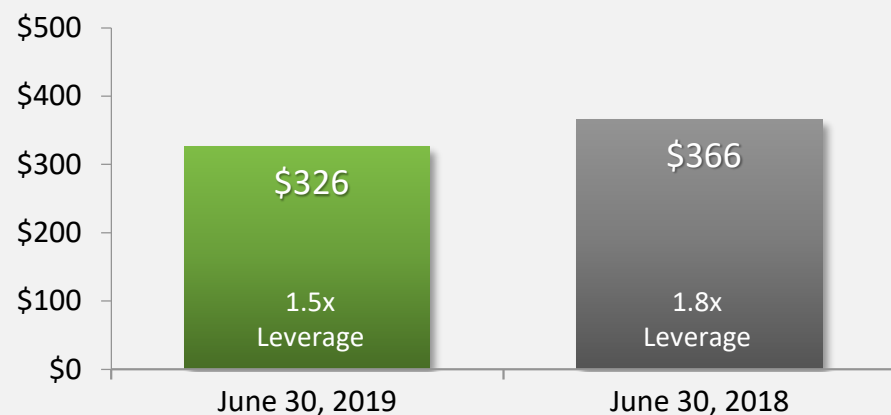
## CapEx



## Working Capital <sup>(2)</sup>



## Net Debt <sup>(3)</sup>



Note: all figures in USD, \$mm.

1. Operating Cash Flow less CapEx
2. Inventory, Trade Receivables, Accounts Payable
3. Total debt less cash (includes capital leases)

# Capital Deployment Priorities

## Investor Day – November 2018

Reinvest  
in Business

1

CapEx

### FY20 Priorities

**Growth:** Capacity for high growth products & regions

**Productivity & Efficiency:** Continuous Improvement, Automation, Recycling

2

Strategic Acquisitions

Acquisition of Infiltrator Water Technologies

*Closed  
July 31, 2019*

3

Dividends

\$1.00 Special Dividend Declared  
\$0.09 per share Quarterly Dividend

*\$82M in dividends  
paid  
June 2019*

4

Share Repurchases

\$50M authorized  
\$42M remaining

Return to  
Shareholders



# Previous ADS Fiscal 2020 Financial Outlook

## Fiscal 2020 Expectations

Key Metric	FY 2019	FY 2020	Y-o-Y Change
<b>Net Sales</b> (in Millions)	\$1,385	\$1,425 - \$1,475	Up 3% to 6%
<b>Adj. EBITDA</b> (in Millions)	\$232	\$245 - \$265	Up 6% to 14%
<b>Adj. EBITDA Margin</b>	16.8%	17.2% - 18.0%	+40 to +120 basis points

# Infiltrator Acquisition



# A Compelling Strategic Acquisition

## Strategic

- Combines leaders in stormwater management and on-site septic wastewater management
- Shared strategy on gaining share by driving conversion from traditional materials
- Strong distribution networks
- Complementary and scaled recycling operations












## Qualitative

- Infiltrator is a world-class operating platform and a leading manufacturer of plastic chambers and tanks in the highly attractive on-site septic business
- Builds upon Infiltrator's and ADS' successful operating partnership that has been in place for over 15 years
- Complementary cultures, similar growth strategies and a shared commitment to innovation and recycling

## Financial

- Increases ADS' Adjusted EBITDA margins by 360 bps, LTM 3/31/19, without the impact of synergies
- ~\$20 - \$25 million in synergies to be realized by Year 3
- Accretive to EPS in first year
- ROIC > WACC

# Infiltrator Accelerates Our Path to Achieving 3-Year Plan

	3-Year Plan			Combined
<b>Organic Sales Growth</b>	4% to 6% CAGR			
<b>Adj. EBITDA Margin</b>	18% to 19%			
<b>Free Cash Flow Conversion</b>	>50% of Adjusted EBITDA			

*Infiltrator is expected to enhance our growth, margin and cash flow profile*

# Evolution of a Strong, Long-standing Partnership with IWT

ADS and IWT have been partners for over 15 years

2003

The companies formed a joint venture called StormTech LLC

- ✓ Infiltrator designed and manufactured the chambers for the Retention/Detention application
- ✓ ADS managed sales, marketing and field engineering support

2012

Infiltrator acquired assets of ADS' septic chamber business

- ✓ ADS entered a long-term, non-exclusive distribution agreement to continue to market and sell its Arc and BioDiffuser product lines

***Partnering for Success in Stormwater and On-Site Septic***

2010

ADS acquired Infiltrator's interest in StormTech LLC

- ✓ Infiltrator retained exclusive manufacturing right

2019

*ADS acquires Infiltrator to drive the next phase of growth and innovation*

# Transaction Overview

Purchase Price	<ul style="list-style-type: none"> <li>• ~\$1.08 billion assuming debt-free balance sheet at closing             <ul style="list-style-type: none"> <li>▪ Purchase multiple of 8.6x LTM Adjusted EBITDA <sup>(1)</sup>, including impact of run-rate synergies</li> </ul> </li> </ul>
Consideration and Financing	<ul style="list-style-type: none"> <li>• Consideration will be 100% cash</li> <li>• Initial funding for the acquisition via Credit Facility provided by Barclays and Morgan Stanley, which will also be used to refinance existing debt             <ul style="list-style-type: none"> <li>▪ At close, ADS will be levered ~4.4x LTM Adjusted EBITDA <sup>(2)</sup> <ul style="list-style-type: none"> <li>◆ ~4.1x LTM Adjusted EBITDA <sup>(3)</sup>, pro forma for impact of run-rate synergies</li> </ul> </li> </ul> </li> <li>• We intend to de-lever to our long-term target with a prudent mix of cash flow from the business and new equity funding. We intend to be &lt;3.0x within 18 months.             <ul style="list-style-type: none"> <li>▪ As a part of the mix, we may issue up to \$250mm of new equity</li> </ul> </li> </ul>
Estimated Synergies	<ul style="list-style-type: none"> <li>• Approximately \$20-\$25 million of annual synergies expected to be realized by Year 3             <ul style="list-style-type: none"> <li>▪ Expect to achieve synergies through manufacturing, recycling, logistics and SG&amp;A efficiencies</li> <li>▪ Significant cross-selling opportunities through independent distribution networks</li> </ul> </li> </ul>
Financial Impact	<ul style="list-style-type: none"> <li>• Acquisition expected to enhance growth, margins, and cash flow, generate meaningful synergies and expected to be accretive to EPS <sup>(4)</sup> <ul style="list-style-type: none"> <li>▪ Pro forma for the acquisition and including run-rate synergies of \$25 million, ADS' Adjusted EBITDA margins would have increased ~510 bps for the LTM period ended March 31, 2019</li> </ul> </li> </ul>
Infiltrator Management	<ul style="list-style-type: none"> <li>• CEO Roy Moore and other key management from Infiltrator will remain with the Company and operate Infiltrator as a business unit within ADS</li> </ul>
Timing	<ul style="list-style-type: none"> <li>• We have signed and closed the transaction as of July 31</li> </ul>

1. Non-GAAP financial measure calculated as net income before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other expenses. Purchase multiple reflects LTM 6/30/19 EBITDA and includes estimated run-rate synergies of \$25 million.

2. Reflects LTM 6/30/19 EBITDA and includes \$5M of synergies.

3. Reflects LTM 6/30/19 EBITDA and includes estimated run-rate synergies of \$25 million.

4. Excludes certain transaction-related expenses and estimated IWT annual intangible asset amortization estimated at approximately \$42M.

# Compelling Financial Rationale that Supports Long-term, Sustainable Value Creation



*Pro Forma*

Net Sales (LTM 3/31/19)	\$1,385 million	\$293 million	\$1,609 million <sup>(1)</sup>
Adjusted EBITDA (LTM 3/31/19)	\$232 million	\$96 million	\$328 million <sup>(2)</sup>
Adjusted EBITDA Margin (LTM 3/31/19)	16.8%	32.7%	20.4% <sup>(1)</sup>
Manufacturing Facilities	56	7	63
Distribution Facilities	32	-	32
Number of Employees	4,400	479	4,879
Product Mix			
End Markets			

*Transaction is expected to enhance growth, margin and cash flow profile*

Note: LTM data as of 3/31/19

1. Excludes \$69 million in inter-company sales
2. Adj. EBITDA margin including full run-rate synergies of \$25 million estimated at 21.9%.
3. Cash Flow Conversion defined as Free Cash Flow (Cash Flow from Operations – Capex) / Adj. EBITDA.



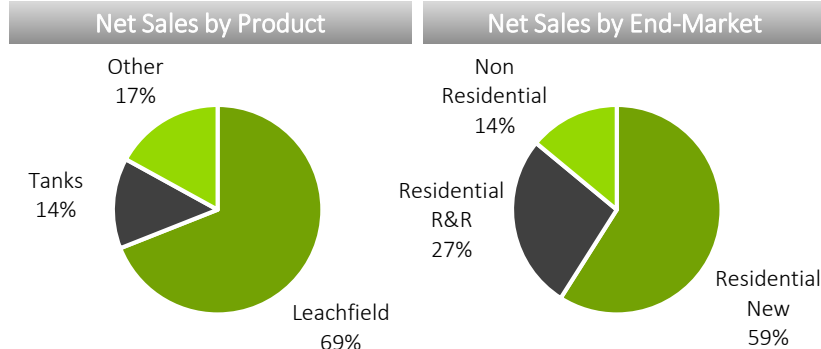
# Infiltrator at a Glance

## A Proven, High-Margin Growth Platform

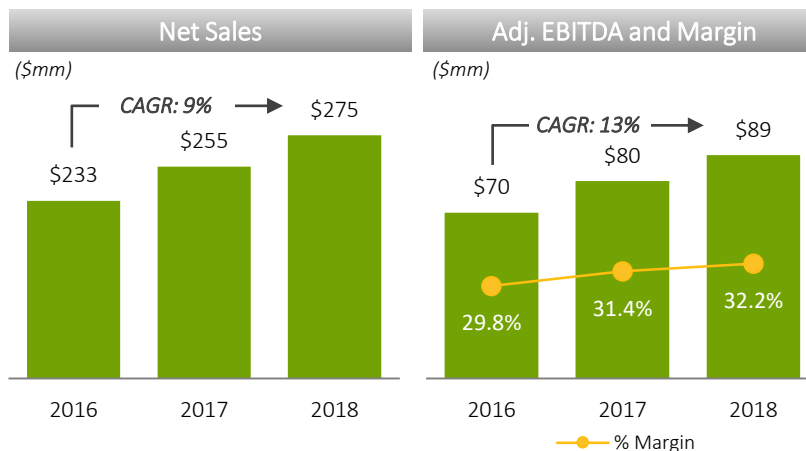
### Company Overview

- Headquartered in Old Saybrook, CT, Infiltrator is a leading provider of plastic leachfield chambers and systems, septic tanks and accessories, and manufacturer of stormwater chambers
- Leverages a broad product portfolio to deliver solutions for the wastewater and stormwater management industries
  - Wastewater:** manufactures and markets plastic leachfield chambers, synthetic aggregate leachfields, and plastic septic tanks designed to replace traditional stone-and-pipe and concrete systems
  - Stormwater:** manufactures plastic stormwater chamber systems designed to replace traditional management methods, such as concrete or corrugated steel pipe
- Maintains leading market position in each of its core product offerings, including tanks and leachfields
- Sophisticated and scaled internal recycling capabilities complementary to ADS
  - 5th largest consumer of post-industrial plastic in U.S.

### 2018 Business Mix



### Historical Financials



*A leading platform and innovator poised to continue to gain share by driving conversion from traditional materials*



# Investment Highlights



Builds on ADS' Core Strengths and Enhances Position as a Leader in Water Management Solutions



Expands and Diversifies ADS' Addressable Opportunity into Highly Related and Attractive On-Site Septic business



Infiltrator is a Leading Platform and Innovator Poised to Continue to Gain Share by Driving Conversion from Traditional Materials



ADS and Infiltrator Have Complementary Cultures, Similar Growth Strategies and a Shared Commitment to Innovation



Strengthens ADS' Commitment to Sustainability with Best-in-Class Polypropylene (PP) and Polyethylene (PE) Recycling Capabilities



Infiltrator is Led by a World Class Management Team with a Proven Ability to Generate Above Market Growth and Margins



Acquisition Expected to Enhance Growth, Margins and Cash Flow and to Generate Significant Synergies

# Builds on ADS' Core Strengths and Enhances Position as the Leader in Water Management Solutions



Leader in stormwater management

Industry leading go-to-market model

Expansive distribution network

Owned logistics fleet

Cost effective and well positioned manufacturing network

- ✓ Leading positions in stormwater and on-site septic businesses
- ✓ Innovative products displacing traditional materials
- ✓ Independent distribution network poised for cross-selling
- ✓ Strengthened platform to penetrate agencies
- ✓ Leaders in plastics recycling
- ✓ Shared commitment to safety, operational excellence and sustainability



Leader in the on-site septic business

Strong distribution network in southern crescent of US

Significant recycled PP sourcing capabilities

Highly specialized regulatory and legislative team

Best-in-class margin profile and cash flow conversion



# Expands and Diversifies ADS' Addressable Opportunity into Attractive On-Site Septic Business

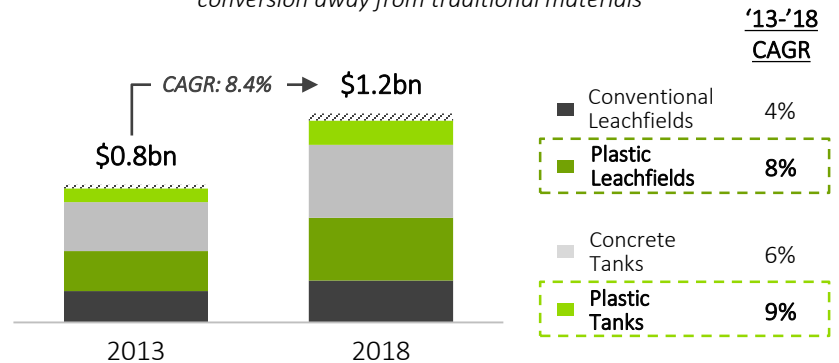


## Leading Platform in an Attractive Business ...

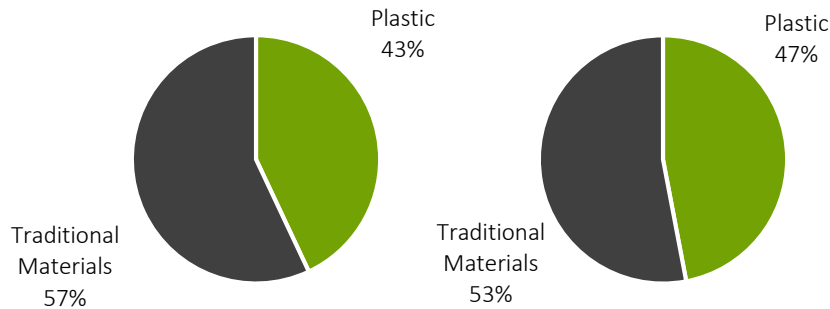
- Plastic chambers and tanks have steadily gained share vs. traditional materials with HDPE and PP products now accounting for ~50% of the more than \$1.2 billion on-site septic leachfield and tank businesses
- Infiltrator is the leading manufacturer of plastic solutions in these businesses
- Infiltrator has leveraged its innovative products and regulatory and legislative capabilities to drive market adoption of plastic products and is poised to continue that conversion going forward

## ... with Strong Secular Growth Tailwinds

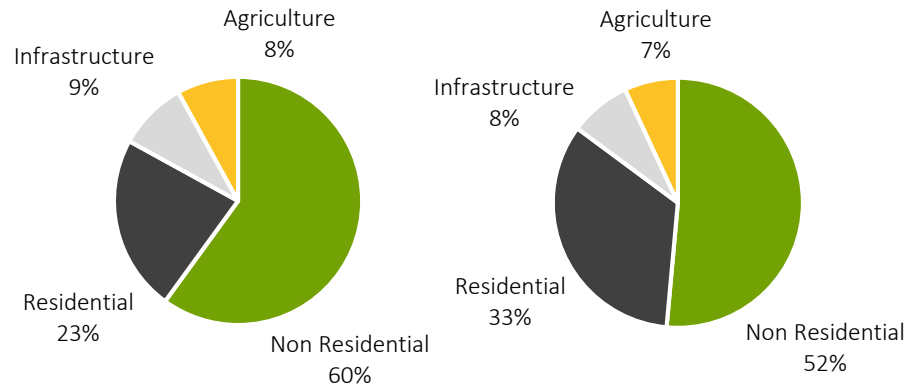
Strong growth expected to continue propelled by conversion away from traditional materials



## Total Septic Business



## End-Customer Breakdown



*Infiltrator significantly expands ADS' addressable market opportunity within the \$7 billion stormwater and on-site septic segment*

Note: LTM data and market/segmentation data as of 3/31/19. Market share breakdowns based on Management Estimates. Market sizing based on management estimates and third-party research.



# Complementary Cultures, Similar Growth Strategies and a Shared Commitment to Innovation



Similar Market Share Models and Cultures...

... and a Commitment to Innovation



Approvals



Acceptance



Coverage



Win Rate

1980s *World's first plastic chamber*



1990s *First 100% recycled chamber*



2000s *TW-Series Tanks*



2000s *IM-Series Tank*



*Next Generation chambers and tanks expected to drive increased conversion and profitability during the 2020's*

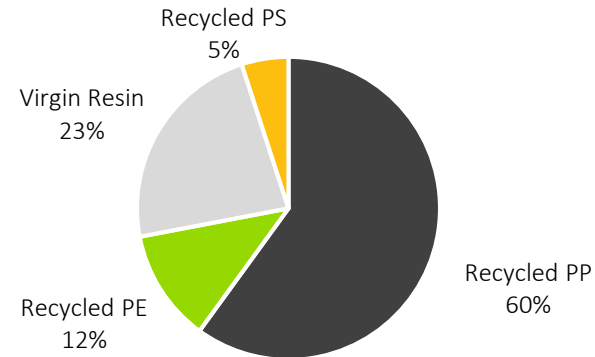
# Strengthens ADS' Commitment to Sustainability with Best-in-Class PP and PE Recycling Capabilities



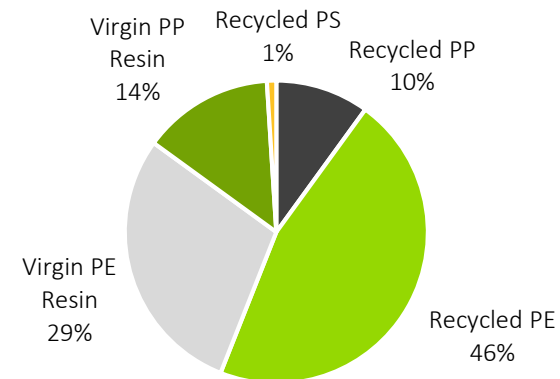
## Overview

- Infiltrator has a long-track record of continuously refining its raw material processing capabilities to increase the recycled content in its products, significantly reducing its input costs and increasing its margins
  - Infiltrator manufactured the first chamber from 100% recycled materials in 1991
  - Today, Infiltrator's leachfield chambers and septic tanks are manufactured using 100% recycled products
- Recycled materials are less expensive and historically have been significantly less volatile in price, compared to virgin material
- ADS is poised to continue to leverage its scale and existing capabilities and Infiltrator's expertise to expand its recycled inputs and continue to reduce its costs
  - Increasing ~40% in recycling purchases
  - Adding depth and expertise in material science, engineering, processing and procurement

## Infiltrator Raw Material Purchases Overview



## Pro Forma Raw Material Purchases Overview



# World-Class Operations Team with a Proven Ability to Generate Above Market Growth and Exceptional Margins



## Roy Moore – President and Chief Executive Officer

- Joined Infiltrator in 1987 and has served as CEO since 2005
- Has led several departments at various times, including manufacturing, sales, marketing, engineering, R&D, and government affairs
- Has specialized in specialty plastic molding since 1979



## Ron Brochu – Vice President, Manufacturing

- Joined Infiltrator in 2000 and has served in his current role since 2010
- Has led operational improvements in manufacturing, automation, capital equipment and recycling



## Bryan Coppes – Vice President, Engineering and R&D

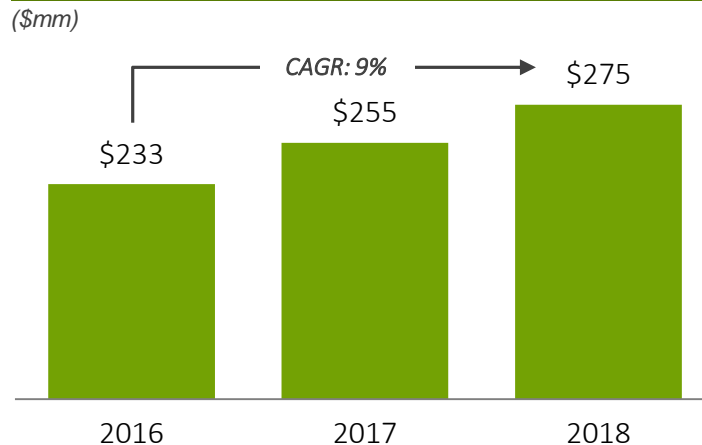
- Joined Infiltrator in 1993 and has held increasingly senior positions, primarily focused on new product development
- Since joining Infiltrator, Bryan has been instrumental in the design and development of all IWT product lines



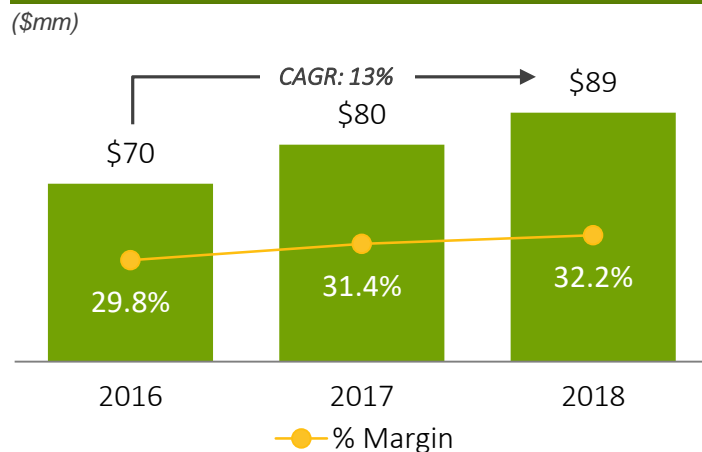
## Carl Thompson – Vice President, Sales & Marketing

- Joined Infiltrator in 1997 and has worked in increasingly senior sales, regulatory, technical, and marketing positions
- Serves on a number of national committees and boards including the U.S. EPA Environmental Financial Advisory Board and the National Onsite Wastewater Recycling Association

## Historical Net Sales



## Historical Adj. EBITDA and Margin





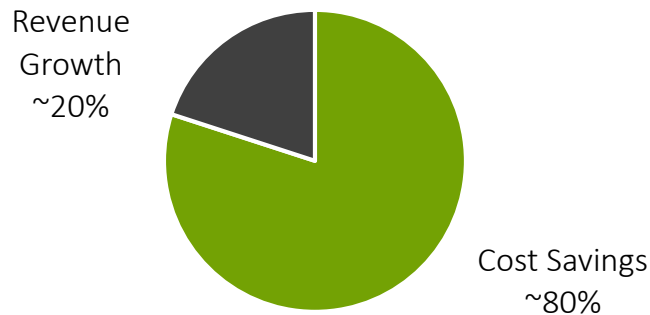
# Highly Achievable Synergies

## Estimated Synergies

(\$ in millions)



## Estimated Synergies by Category



## Commentary

- Integration strategy developed with clear objectives and well-defined integration leadership team
- Highly identifiable and achievable cost savings
- Synergies of \$4-\$6 million realized in Year 1, increasing to \$20-\$25 million by Year 3
  - Expand Polypropylene recycling capabilities
  - Leverage procurement
  - Execute SG&A programs
  - Optimize manufacturing operations
  - Opportunities to accelerate growth on combined platform through cross-selling broader services and product capabilities
- Estimated one-time costs to achieve synergies of \$7 to \$10 million

***\$20-\$25 million in run-rate synergies expected to be realized by Year 3, which would potentially drive an additional ~150bps of margin expansion***

Source: Management estimates.

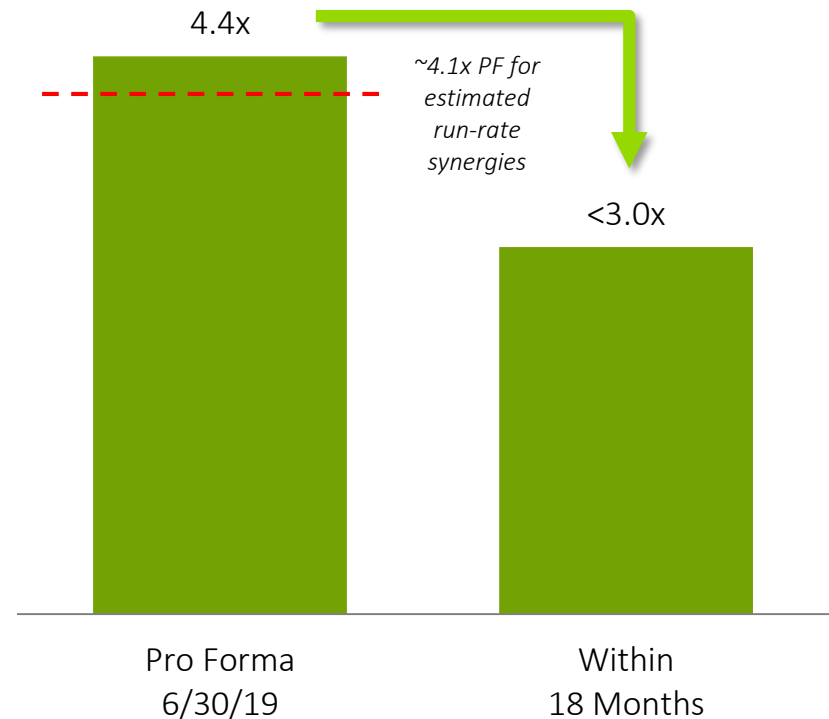
# Strong Combined Cash Flow Generation Supports Rapid De-leveraging



## Commentary

- We have initially funded the deal with a new \$1.425 billion credit facility to enable closing of the acquisition and to refinance our existing debt
  - This structure gives us adequate flexibility to operate our business, but we plan to transition to a more balanced permanent capital structure in the near term
  - We will syndicate the loan to a broader group of our core relationship banks and we will likely refinance a portion of the loan in the bond market to diversify our capital structure
  - We intend to de-lever to our long-term target with a prudent mix of cash flow from the business and new equity funding
    - ◆ As a part of the mix, we may issue up to \$250 million of new equity

## Leverage Summary (Net Debt / LTM Adjusted EBITDA)



***Strong combined free cash flow will allow ADS to rapidly de-lever***

Source: Management estimates.



# Combined Company Fiscal 2020 Financial Outlook

## ADS & 8-months Infiltrator

### Fiscal 2020 Expectations

Key Metric	FY 2019 (ADS only)	FY 2020 (Combined)	Y-o-Y Change
<b>Net Sales</b> (in Millions)	\$1,385	\$1,575 - \$1,625	Up 14% to 17%
<b>Adj. EBITDA</b> (in Millions)	\$232	\$310 - \$330	Up 34% to 42%
<b>Adj. EBITDA Margin</b>	16.8%	19.7% - 20.3%	+290 to +360 basis points

# Investment Highlights



Builds on ADS' Core Strengths and Enhances Position as a Leader in Water Management Solutions



Expands and Diversifies ADS' Addressable Opportunity into Highly Related and Attractive On-Site Septic business



Infiltrator is a Leading Platform and Innovator Poised to Continue to Gain Share by Driving Conversion from Traditional Materials



ADS and Infiltrator Have Complementary Cultures, Similar Growth Strategies and a Shared Commitment to Innovation



Strengthens ADS' Commitment to Sustainability with Best-in-Class Polypropylene (PP) and Polyethylene (PE) Recycling Capabilities



Infiltrator is Led by a World Class Management Team with a Proven Ability to Generate Above Market Growth and Margins



Acquisition Expected to Enhance Growth, Margins and Cash Flow and to Generate Significant Synergies

# Q&A Session



## Closing Remarks

1

Fiscal 2020 off to a strong start. Steady demand in core domestic construction markets expected to continue.

2

Infiltrator acquisition expected to enhance growth, margins, cash flow and generate significant synergies.

3

Positioned for continued above-market growth in fiscal 2020 due to conversion strategy and strong growth of key products.

4

Focused on building shareholder value through sustained profitability improvements and disciplined execution.

# Appendix



# Adjusted EBITDA Reconciliation

<i>(Amounts in thousands)</i>	<b>Three Months Ended</b>	
	<b>June 30,</b>	
	<b>2019</b>	<b>2018</b>
<b>Net (loss) income</b>	\$ (227,451)	\$ 33,651
Depreciation and amortization	16,694	17,827
Interest expense	5,264	3,802
Income tax expense	22,370	14,284
<b>EBITDA</b>	<b>(183,123)</b>	<b>69,564</b>
Loss on disposal of assets and costs from exit and disposal activities	707	1,104
ESOP and stock-based compensation expense	7,425	5,580
ESOP special dividend compensation	246,752	-
Transaction costs	4,245	256
Strategic growth and operational improvement initiatives	2,195	-
Other adjustments	2,095	(1,361)
<b>Adjusted EBITDA</b>	<b>\$ 80,296</b>	<b>\$ 75,143</b>

# Adjusted EBITDA Reconciliations - IWT

	Calendar Year		
	2016	2017	2018
<b>Net income (loss)</b>	\$ (6,386)	\$ 42,804	\$ 9,820
Depreciation and amortization	51,555	52,024	47,198
Interest expense	24,260	23,707	19,580
Income taxes	(86)	(40,142)	3,334
<b>EBITDA</b>	69,343	78,393	79,932
Loss on disposal of assets and costs from exit and disposal activities	-	82	23
Contingent consideration measurement	-	931	39
Stock-based compensation expense	283	733	936
Legal settlement	-	-	7,500
Transaction costs	-	-	252
<b>Adjusted EBITDA</b>	\$ 69,626	\$ 80,139	\$ 88,682
<i>Adjusted EBITDA Margin</i>	29.8%	31.4%	32.2%

	Twelve Months Ended	Six Months Ended		Twelve Months Ended
	December 28, 2018	June 29, 2018	July 5, 2019	July 5, 2019
<b>Net income (loss)</b>	\$ 9,820	\$ (6,920)	\$ 16,712	\$ 19,612
Depreciation and amortization	47,198	(23,361)	21,947	45,784
Interest expense	19,580	(9,648)	11,074	21,006
Income taxes	3,334	(2,670)	4,018	4,682
<b>EBITDA</b>	79,932	(42,599)	53,751	91,084
Loss on disposal of assets and costs from exit and disposal activities	23	(23)	-	-
Stock-based compensation expense (benefit)	936	(350)	447	1,033
Legal settlement	7,500	-	-	7,500
Contingent consideration measurement	39	(39)	-	-
Transaction costs	252	(252)	1,165	1,165
<b>Adjusted EBITDA</b>	\$ 88,682	\$ (43,263)	\$ 55,363	\$ 100,782



# Pro Forma Adjusted EBITDA

	Twelve months ended March 31, 2019			
	ADS	IWT	Adjustment / Eliminations	Pro Forma
<b>Pro Forma Net income (loss)</b>	\$ 81,466	\$ 15,280	\$ (43,919)	\$ 52,827
Depreciation and amortization	71,900	46,559	10,537	128,996
Interest expense	18,618	20,812	49,102	88,532
Income taxes	30,049	4,210	(15,431)	18,828
<b>Pro Forma EBITDA</b>	<b>202,033</b>	<b>86,861</b>	<b>289</b>	<b>289,183</b>
Derivative fair value adjustments	634	-	-	634
Foreign currency transaction (gain) losses	314	-	-	314
Loss on disposal of assets and costs from exit and disposal activities	3,647	22	-	3,669
Unconsolidated affiliates interest, taxes, depreciation and amortization	1,463	-	-	1,463
Contingent consideration measurement	(6)	39	-	33
Stock-based compensation expense	6,532	985	-	7,517
ESOP deferred stock-based compensation	15,296	-	-	15,296
Executive retirement expense (benefit)	(178)	-	-	(178)
Restatement-related costs	(1,924)	-	-	(1,924)
Legal settlement	-	7,500	-	7,500
Strategic growth and operational improvement initiatives	3,450	-	-	3,450
Transaction costs	699	252	(289)	662
<b>Pro Forma Adjusted EBITDA</b>	<b>\$ 231,960</b>	<b>\$ 95,659</b>	<b>\$ -</b>	<b>\$ 327,619</b>