

ADVANCED DRAINAGE SYSTEMS, INC.
Form SC 13D/A
August 30, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

SCHEDULE 13D

(Rule 13d-101)

Under the Securities Exchange Act of 1934

(Amendment No. 2)

ADVANCED DRAINAGE SYSTEMS INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

00790R104

(CUSIP Number)

Sharlyn C. Heslam

Berkshire Partners Holdings LLC

200 Clarendon Street, 35th Floor

Boston, MA 02116

(617) 227-0050

with a copy to:

Edward S. Horton, Esq.

Seward & Kissel LLP

One Battery Park Plaza

New York, NY 10004

(212) 574-1265

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 28, 2018

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note. Schedule filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* § 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended ("Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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Names of Reporting Persons

1
Berkshire Partners LLC

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3
Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6
Citizenship or Place of
Organization

Massachusetts

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
6,757,355

Sole Dispositive Power

9
0

Shared Dispositive Power

10
6,757,355

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

6,757,355

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

11.9%*

Type of Reporting Person

14

IA

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1
Berkshire Fund IX, L.P.

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3

Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6
Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
4,644,754

Sole Dispositive Power

9
0

Shared Dispositive Power

10
4,644,754

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

4,644,754

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

8.2%*

Type of Reporting Person

14

PN

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1

Berkshire Fund IX-A, L.P.

Check the Appropriate Box if a
Member of a Group

2

(a) (b)

SEC Use Only

3

Source of Funds

4

OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6

Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of Shares Beneficially Owned by Each Reporting Person With 8
1,902,714
Sole Dispositive Power
9
0

Shared Dispositive Power

10
1,902,714

Aggregate Amount Beneficially Owned by Each Reporting Person

11

1,902,714

Check if the Aggregate Amount in Row (11) Excludes Certain Shares

12

13 Percent of Class Represented by Amount in Row (11)

3.3%*

Type of Reporting Person

14

PN

*Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1
Berkshire Investors III LLC

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3

Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6
Citizenship or Place of
Organization

Massachusetts

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
107,224

Sole Dispositive Power

9
0

Shared Dispositive Power

10
107,224

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

107,224

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

0.2%*

Type of Reporting Person

14

OO

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1

Berkshire Investors IV LLC

Check the Appropriate Box if a
Member of a Group

2

(a) (b)

SEC Use Only

3

Source of Funds

4

OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6

Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
102,663

Sole Dispositive Power

9
0

Shared Dispositive Power

10
102,663

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11
102,663

12 Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

Percent of Class Represented by
Amount in Row (11)

13

0.2%*

Type of Reporting Person

14

OO

*Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1

Stockbridge Fund, L.P.

Check the Appropriate Box if a
Member of a Group

2

(a) (b)

SEC Use Only

3

Source of Funds

4

OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6 Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
3,019,087

Sole Dispositive Power

9
0

Shared Dispositive Power

10
3,019,087

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

3,019,087

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

5.3%*

Type of Reporting Person

14

PN

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1 Stockbridge Absolute Return
Fund, L.P.

Check the Appropriate Box if a
Member of a Group

2 (a) (b)

SEC Use Only

3 Source of Funds

4 OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6 Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
9,199

Sole Dispositive Power

9
0

Shared Dispositive Power

10
9,199

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

9,199

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

Less than 0.1%*

Type of Reporting Person

14

PN

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1
Stockbridge Partners LLC

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3
Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6
Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
3,756,420

Sole Dispositive Power

9
0

Shared Dispositive Power

10
3,756,420

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

3,756,420

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

6.6%*

Type of Reporting Person

14

IA

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1
Berkshire Partners Holdings
LLC

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3

Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6

Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
10,513,775

Sole Dispositive Power

9
0

Shared Dispositive Power

10
10,513,775

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

10,513,775

12 Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

Percent of Class Represented by
Amount in Row (11)

13

18.5%*

Type of Reporting Person

14

OO

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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Names of Reporting Persons

1
BPSP, L.P.

Check the Appropriate Box if a
Member of a Group

2
(a) (b)

SEC Use Only

3

Source of Funds

4
OO

Check if Disclosure of Legal
Proceedings is Required
Pursuant to Item 2(d) or 2(e)

5

6
Citizenship or Place of
Organization

Delaware

Sole Voting Power

7
0

Shared Voting Power

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

8
10,513,775

Sole Dispositive Power

9
0

Shared Dispositive Power

10
10,513,775

Aggregate Amount Beneficially
Owned by Each Reporting
Person

11

10,513,775

Check if the Aggregate Amount
in Row (11) Excludes Certain
Shares

12

13

Percent of Class Represented by
Amount in Row (11)

18.5%*

Type of Reporting Person

14

PN

* Percentage calculations are based on the number of shares of Common Stock outstanding as of July 31, 2018, as reported in the Issuer's Quarterly Report on Form 10-Q for the quarterly fiscal period ended June 30, 2018.

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EXPLANATORY NOTE

This Amendment No. 2 ("Amendment No. 2") amends the Schedule 13D first filed on August 8, 2017, as amended on May 31, 2018 (the "Schedule 13D"), and is being filed jointly by the following (each, a "Reporting Person" and collectively, the "Reporting Persons"): Berkshire Partners LLC ("BP"), Berkshire Fund IX, L.P. ("BF IX"), Berkshire Fund IX-A, L.P. ("BF IX-A"), Berkshire Investors III LLC ("BI III"), Berkshire Investors IV LLC ("BI IV"), Stockbridge Fund, L.P. (f/k/a Stockbridge Special Situations Fund, L.P.) ("SF"), Stockbridge Absolute Return Fund, L.P. ("SARF"), Stockbridge Partners LLC ("SP"), BPSP, L.P. ("BPSP") and Berkshire Partners Holdings LLC ("BPH"). Unless otherwise indicated, all capitalized terms not used and not defined herein have the respective meanings provided to them in the Schedule 13D.

Certain of the Reporting Persons filed a statement on Schedule 13G on August 27, 2015, as amended on February 16, 2016 and February 14, 2017 (the "Original Schedule 13G") with the U.S. Securities and Exchange Commission (the "SEC") pursuant to Section 13(d) of the Act and Rule 13d-1(c) thereunder, with respect to their ownership of the shares of Common Stock.

Items 2(a), 4 and 5(a)-(c) are amended as follows:

Item 2.

Identity and Background

No material changes from the Schedule 13D filed by the Reporting Persons on May 31, 2018.

Item 4.

Purpose of Transaction.

No material changes from the Schedule 13D filed by the Reporting Persons on May 31, 2018.

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Item 5. Interest in Securities of the Issuer

The twelfth paragraph of Item 5(a) and (b) is amended in its entirety as follows:

"Pursuant to the Issuer's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2018, there were 56,929,194 shares of Common Stock issued and outstanding as of July 31, 2018. Accordingly, the shares of Common Stock beneficially owned by the Reporting Persons, in the aggregate, represent approximately 18.5% of the outstanding shares of Common Stock, which is broken out by Reporting Person as follows:

- i. BPH beneficially owns 18.5% of the Issuer's Common Stock.
- ii. BPSP beneficially owns 18.5% of the Issuer's Common Stock.
- iii. BP beneficially owns 11.9% of the Issuer's Common Stock.
- iv. SP beneficially owns 6.6% of the Issuer's Common Stock.
- v. BF IX beneficially owns 8.2% of the Issuer's Common Stock.
- vi. BF IX-A beneficially owns 3.3% of the Issuer's Common Stock.
- vii. SF beneficially owns 5.3% of the Issuer's Common Stock.
- viii. SARF beneficially owns less than 0.1% of the Issuer's Common Stock.
- ix. BI III beneficially owns 0.2% of the Issuer's Common Stock.
- x. BI IV beneficially owns 0.2% of the Issuer's Common Stock."

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(c) The trading dates, number of shares of Common Stock purchased or sold, and the price per share for all transactions by the Reporting Persons in the shares of Common Stock within the late 60 days, are set forth below:

| Reporting Persons | Date | Price Per Share | Number of Shares Purchased / (Sold) |
|-------------------|-----------|-----------------|-------------------------------------|
| BF IX | 8/28/2018 | \$30.08 | 1,031,273 |
| BF IX-A | 8/28/2018 | \$30.08 | 422,459 |
| BI III | 8/28/2018 | \$30.08 | 25,423 |
| BI IV | 8/28/2018 | \$30.08 | 20,845 |

The above transactions in shares of Common Stock were pursuant to a private Stock Purchase Agreement.

Item 7.

Material to be Filed as Exhibits.

Exhibit A Joint Filing Agreement

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: August 30, 2018

BERKSHIRE PARTNERS LLC

By: BPSP, L.P.,
its managing member

By: Berkshire Partners Holdings LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE FUND IX, L.P.

By: Ninth Berkshire Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE FUND IX-A, L.P.

By: Ninth Berkshire Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE INVESTORS IV LLC

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE INVESTORS III LLC

By: /s/ Sharlyn C. Heslam

Name: Sharlyn C. Heslam

Title: Managing Director

[Signature Page to Schedule 13D]

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STOCKBRIDGE FUND, L.P.

By: Stockbridge Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

STOCKBRIDGE ABSOLUTE RETURN
FUND, L.P.

By: Stockbridge Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

STOCKBRIDGE PARTNERS LLC

By: BPSP, L.P.,
its managing member

By: Berkshire Partners Holdings LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE PARTNERS HOLDINGS
LLC

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BPSP, L.P.

By: Berkshire Partners Holdings LLC,

its general partner

By: /s/ Sharlyn C. Heslam

Name: Sharlyn C. Heslam

Title: Managing Director

[Signature Page to Schedule 13D]

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JOINT FILING AGREEMENT

This will confirm the agreement by and among all the undersigned that the Schedule 13D filed on or about this date and any amendments thereto with respect to the beneficial ownership by the undersigned of shares of common stock, \$0.01 par value per share, of Advanced Drainage Systems, Inc. is being filed on behalf of each of the undersigned in accordance with Rule 13d-1(k)(1) under the Securities Exchange Act of 1934. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The execution and filing of this agreement shall not be construed as an admission that the undersigned are a group, or have agreed to act as a group.

Dated: August 30, 2018

BERKSHIRE PARTNERS LLC

By: BPSP, L.P.,
its managing member

By: Berkshire Partners Holdings LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE FUND IX, L.P.

By: Ninth Berkshire Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE FUND IX-A, L.P.

By: Ninth Berkshire Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE INVESTORS IV LLC

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE INVESTORS III LLC

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

[Signature Page to Schedule 13D - Joint Filing Agreement]

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STOCKBRIDGE FUND, L.P.

By: Stockbridge Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

STOCKBRIDGE ABSOLUTE RETURN
FUND, L.P.

By: Stockbridge Associates LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

STOCKBRIDGE PARTNERS LLC

By: BPSP, L.P.,
its managing member

By: Berkshire Partners Holdings LLC,
its general partner

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BERKSHIRE PARTNERS HOLDINGS
LLC

By: /s/ Sharlyn C. Heslam
Name: Sharlyn C. Heslam
Title: Managing Director

BPSP, L.P.

By: Berkshire Partners Holdings LLC,

its general partner

By: /s/ Sharlyn C. Heslam

Name: Sharlyn C. Heslam

Title: Managing Director

[Signature Page to Schedule 13D - Joint Filing Agreement]