

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

Form 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2026
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
COMMISSION FILE NO.: 001-36557

ADVANCED DRAINAGE SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

51-0105665
(I.R.S. Employer
Identification Number)

4024 Green Stripe Lane, Hilliard, Ohio 43026
(Address of principal executive offices and zip code)
(800) 733-7473
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: Common Stock, \$0.01 par value per share

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, \$0.01 par value per share	WMS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes No

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the shares of common stock held by non-affiliates of the registrant (treating all executive officers and directors of the registrant, for this purpose, as affiliates of the registrant) was \$10,679 million as of September 30, 2025, the last business day of the registrant's most recently completed second fiscal quarter, based on the reported closing price of the shares of common stock as reported on the New York Stock Exchange on September 30, 2025.

As of May 14, 2026, the registrant had 76,595,708 shares of common stock outstanding. The shares of common stock trade on the New York Stock Exchange under the ticker symbol "WMS." In addition, as of May 14, 2026, 221,893 shares of unvested restricted common stock were outstanding and a total of 76,817,601 shares of common stock were outstanding, inclusive of outstanding shares of unvested restricted common stock.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates by reference specific portions of the Registrant's Notice of Annual Meeting and Proxy Statement relating to the Annual Meeting of Stockholders to be held on July 16, 2026, which statement will be filed no later than 120 days after the end of the fiscal year covered by this report.

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CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes forward-looking statements. Some of the forward-looking statements can be identified by the use of terms such as “believes,” “expects,” “may,” “will,” “should,” “could,” “seeks,” “intends,” “plans,” “estimates,” “anticipates” or other comparable terms. These forward-looking statements include all matters that are not related to present facts or current conditions or that are not historical facts. They appear in a number of places throughout this Annual Report on Form 10-K and include statements regarding our goals, intentions, beliefs or current expectations concerning, among other things, our consolidated results of operations, financial condition, liquidity, prospects, growth strategies, and the industries in which we operate and include, without limitation, statements relating to our future performance.

Forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond our control. We caution that forward-looking statements are not guarantees of future performance and that our actual consolidated results of operations, financial condition, liquidity, and industry development may differ materially from those made in or suggested by the forward-looking statements contained in this Annual Report on Form 10-K. In addition, even if our actual consolidated results of operations, financial condition, liquidity, and industry development are consistent with the forward-looking statements contained in this Annual Report on Form 10-K, those results or developments may not be indicative of results or developments in subsequent periods. A number of important factors could cause actual results to differ materially from those contained in or implied by the forward-looking statements, including those reflected in forward-looking statements relating to our operations and business, the risks and uncertainties discussed in this Annual Report on Form 10-K (including under the heading “Item 1A. Risk Factors”) and those described from time to time in our other filings with the SEC. Factors that could cause actual results to differ from those reflected in forward-looking statements relating to our operations and business include, among other things:

- fluctuations in the price and availability of resins and other raw materials, new tariff and international trade policies, and our ability to pass any increased costs of raw materials and tariffs on to our customers in a timely manner;
- 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, including our ability to successfully integrate National Diversified Sales (“NDS”) into our business;
- risks that the acquisition of NDS may involve unexpected costs, liabilities, risks that the cost savings and synergies from the acquisition of NDS may not be fully realized;
- the effect of any claims, litigation, investigations or proceedings, including those described under “Item 3. Legal Proceedings” of this Annual Report;
- 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, robotics and blockchain or other new approaches to data mining 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, including those listed under “Item 1A. Risk Factors.”

Please read this Annual Report on Form 10-K completely and with the understanding that actual future results may be materially different from expectations. All forward-looking statements made in this Annual Report on Form 10-K are qualified by these cautionary statements. All forward-looking statements are made only as of the date of this Annual Report on Form 10-K, and we do not undertake any obligation, other than as may be required by law, to update or revise any forward-looking statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends, or indications of future performance, unless expressed as such, and should only be viewed as historical data.

PART I

Item 1. Business

COMPANY OVERVIEW

Unless the context otherwise indicates or requires, as used in this Annual Report on Form 10-K, the terms “we,” “our,” “us,” “ADS” and the “Company” refer to Advanced Drainage Systems, Inc. and its directly- and indirectly-owned subsidiaries as a combined entity, except where it is clear that the terms mean only Advanced Drainage Systems, Inc. exclusive of its subsidiaries. The term “Infiltrator” refers to Infiltrator Water Technologies, LLC, our wholly-owned subsidiary.

ADS is the leading manufacturer of innovative water management solutions in the stormwater and onsite wastewater industries, providing superior drainage solutions to manage the world’s most precious resource: water. Our innovative products are used across a broad range of end markets and applications, including residential, non-residential, infrastructure and agriculture applications. We have established a leading position in many of these end markets by leveraging our national sales and distribution platform, market share model, industry-acclaimed engineering support, overall product breadth and scale plus manufacturing excellence. Our best-in-class product portfolio, go-to-market strategy and material conversion strategy helped drive consistent above market growth.

On February 2, 2026, we completed the acquisition of National Diversified Sales (“NDS”). NDS is a leading designer and manufacturer of residential stormwater and drainage solutions focused on managing surface and subsurface water around homes. NDS develops durable, easy-to-install products that help homeowners and contractors control runoff, prevent water damage, and protect landscapes and foundations. This combination brings together complementary water management solutions to expand our offerings. By adding NDS’ expertise in residential water management solutions, access boxes and irrigation to our product portfolio, we further enhance our capabilities as a comprehensive provider of full-scale water management solutions.

We believe the ADS brand has long been associated with quality products and market-leading performance. Our trademarked green stripe, which is prominently displayed on many of our products, serves as clear identification of our commitment to the customers and markets we serve, and fortifies our brand recognition and presence. Our approach to water management is to manage the lifecycle of a raindrop from the moment water hits the ground until it is released back into the ecosystem. The ADS product portfolio is built around four steps of this lifecycle: Capture, Conveyance, Storage, and Treatment. ADS solutions safely and efficiently manage stormwater with environmentally friendly products. We believe we are the only water management solutions company that manages stormwater from when the rain first hits the ground until the moment it is returned to lakes and streams.



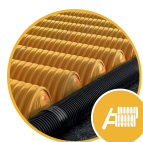
Capture

Stormwater enters our basins and filters work to remove sediment and debris.



Conveyance

Pipe directs water away from parking lots, freeways and fields so areas stay dry and neighborhoods stay safe.



Storage

Chambers ensure water flow is managed appropriately, guarding against flooding.



Treatment

Finally, our water quality products clean water before returning it to lakes and streams.

We estimate that the stormwater industry, including landscape irrigation, annually, is an approximately \$14 billion industry. We estimate that the onsite wastewater market is a roughly \$2 billion industry and that approximately 30% of new North American single-family homes utilize onsite wastewater systems. On a combined basis, we estimate that we have an addressable market opportunity of approximately \$16 billion.

SEGMENT INFORMATION

For a discussion of segment and geographic information, see “Note 20. Business Segment Information” to our audited consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of this Form 10-K.

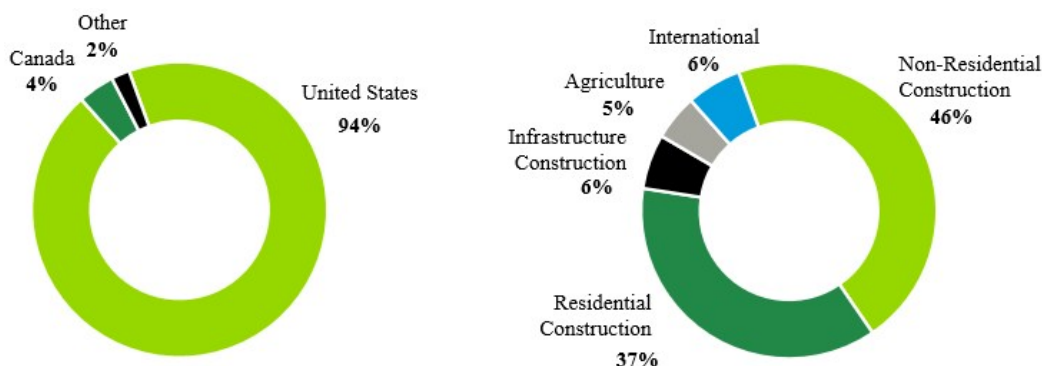
Advanced Drainage Systems, Inc

Following the acquisition of NDS, we realigned our reportable segments to align with the manner in which the Chief Operating Decision Maker (“CODM”) assesses performance and makes resource allocation decisions (the “Segment Realignment”). Our revised reportable segments consist of Stormwater and Wastewater (formerly referred to as the “Infiltrator” reportable segment). Further, we changed the measure used to evaluate segment profitability from adjusted gross profit to Adjusted EBITDA.

Segment results for the historical periods presented in these consolidated financial statements have been recast to reflect these changes. The Segment Realignment had no impact on our previously reported consolidated net sales, income from operations, net income attributable to ADS or earnings per share. These segments are described in greater detail in “Note 20. Business Segment Information” to our audited consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” of this Form 10-K.

As illustrated in the charts below, we provide a broad range of high performance thermoplastic corrugated pipe and related water management products to a highly diversified set of end markets and geographies.

Fiscal 2026 Revenue



OUR PRODUCTS



We design, manufacture and market a complete line of high performance thermoplastic corrugated pipe and related water management products for use in a wide range of end markets. Our product line includes stormwater and wastewater management solution products. Stormwater products are designed as an integrated, end-to-end solution set which provides a comprehensive approach to managing stormwater from the moment it hits the ground until it is cleaned and returned to its natural environment. Stormwater products include single, double and triple wall corrugated polypropylene and polyethylene pipe (“Pipe”); a variety of additional water management products (“Allied Products”), including storm retention/detention and onsite wastewater chambers (“Chambers”); polyvinyl chloride drainage structures (“Structures”); fittings (“Fittings”); water quality filters and separators (“Water Quality”); and NDS channel drains, catch basins and access boxes; and various complementary products distributed through resale agreements, including geotextile products, drainage grates and other products. Wastewater products (formerly referred to as “Infiltrator”) include plastic leachfield

chambers and systems, onsite wastewater tanks and accessories. The table below summarizes the percentage of Net Sales for Stormwater and Wastewater.

	2026	2025	2024
Stormwater	78.6 %	80.1 %	82.2 %
Wastewater	21.4 %	19.9 %	17.8 %

Our products and engineering project designs have been continuously and frequently recognized by the industry. This includes being honored many times during the past decade as the Plastics Pipe Institute's Project of the Year. We have won numerous awards from organizations such as the American Society of Testing & Materials ("ASTM"), the American Society of Civil Engineers, and many others.

Stormwater

Dual Wall Corrugated Pipe - Our N-12 pipe is a dual wall high-density polyethylene ("HDPE") pipe with a corrugated exterior for strength and a smooth interior wall for hydraulics and flow capacity. Our N-12 pipe competes in the storm sewer and drainage markets that are also served by concrete pipe. Our N-12 pipe is available in a wide range of diameters and sections of length. N-12 provides joint integrity, with integral bell and spigot joints for fast push-together installations and is sold either with watertight or soil-tight coupling and fitting systems. Our corrugated polyethylene pipe offers many benefits including ease of installation, job site handling and resistance to corrosion and abrasion. Corrugated pipe can easily be cut or coupled together, providing precise laying lengths while minimizing installation waste and difficulty.

HP Storm Pipe and SaniTite HP Pipe - Our HP Storm pipe utilizes polypropylene ("PP") resin, which provides: (i) increased pipe stiffness relative to HDPE; (ii) higher Environmental Stress Crack Resistance; and (iii) improved thermal properties, which improves joint performance. These improved physical characteristics result in a reduced need for select backfill, which creates installation savings for customers and expands the range of possible product applications.

Our SaniTite HP pipe utilizes the same polypropylene resins as our HP Storm pipe but includes a smooth third exterior wall in 30" to 60" pipe. The highly engineered polypropylene resin along with the triple wall design enables SaniTite HP to surpass the stiffness requirement for sanitary sewer applications. SaniTite HP offers cost and performance advantages relative to reinforced concrete pipe (such as improved hydraulics and better joint integrity) and polyvinyl chloride ("PVC") pipe (such as impact resistance).

Single Wall Corrugated Pipe - Our single wall corrugated HDPE pipe is ideal for drainage projects where flexibility, light weight and low cost are important. Single wall HDPE pipe products have been used for decades in agricultural drainage, highway edge drains, onsite wastewater systems and other construction applications. In the agricultural market, improved technology has highlighted the favorable impact of drainage on crop yields. For homeowners, it is an economical and easily installed solution for downspout run-off, foundation drains, driveway culverts and general lawn drainage. Single wall pipe is also used for golf courses, parks and athletic fields to keep surfaces dry by channeling away excess underground moisture. Standard single wall products are available in a wide range of diameters and sold in varying lengths. Pipe can be either perforated or non-perforated depending on the particular drainage application.

Triple Wall Corrugated Pipe and Smoothwall HDPE Pipe - Our ADS-3000 Triple Wall pipe, small diameter triple wall corrugated pipe, consists of a corrugated polyethylene core molded between a smooth white outer wall and a smooth black inner wall. This combination of the three-wall design adds strength and stiffness, while reducing weight as compared to PVC 2729. Triple Wall is produced and sold through our distribution network. We also manufacture smoothwall HDPE pipe sold into the residential drainage and onsite wastewater systems markets.

We additionally produce a range of Allied Products that are complementary to our Pipe products. Our Allied Products offer adjacent technologies to our core Pipe offering, presenting a complete drainage solution for our clients and customers with this combination forming a key strategy in our sales growth, profitability and market share penetration. The practice of selling a drainage system is attractive to both distributors and end users, by providing a broad package of products that can be sold on individual projects and strengthens our competitive advantage in the marketplace. We aggressively seek and evaluate new products, technologies and regulatory changes that impact our customers' needs for Allied Products.

The underground construction industry has historically been project (not product) driven, creating the impetus for owners, engineers and contractors to seek manufacturers that deliver solution-based product portfolios. Many of the components of underground construction are related and require linear compatibility of function, regulatory approval and technology.

Storm Chambers - Our StormTech and Cultec chambers are used for stormwater retention, detention and “first flush” underground water storage on residential and non-residential site development along with public projects. These highly engineered chambers are injection molded or thermoformed from HDPE and PP resins into a proprietary design which provides strength, durability, and resistance to corrosion. The chambers allow for the efficient storage of stormwater volume, reducing the underground construction footprint and costs to the contractors, developers, and property owners. The chambers are open bottom, which allows for high density stacking in both storage and shipment. This freight-efficient feature drives favorable cost-competitiveness in serving long-distance export markets. These chamber systems typically incorporate our other product lines such as corrugated pipe, fabricated fittings, water quality units and geotextiles.

Structures - Our Nyloplast PVC drainage structures are used in non-residential, residential and municipal site development, road and highway construction, as well as landscaping, recreational, industrial and mechanical applications. The product family includes inline drains, drain basins, curb inlets and water control structures which move surface-collected stormwater vertically down to pipe conveyance systems. These custom structures are fabricated from sections of PVC pipe using a thermoforming process to achieve exact site-specific hydraulic design requirements. Our Nyloplast products are a preferred alternative to heavier and larger concrete structures, by offering greater design flexibility and improved ease of installation which reduces overall project costs and timelines. The structures incorporate rubber gaskets to ensure watertight connections, preventing soil infiltration which plagues competitive products.

Fittings - We produce fittings and couplings utilizing blow molding, injection molding and custom fabrication on our pipe products. Our innovative coupling and fitting products are highly complementary to our broader product suite and include both soil-tight and water-tight capabilities across the full pipe diameter spectrum. Our fittings are sold in all end markets where we sell our current pipe products.

NDS - The NDS residential product portfolio includes channel drains, catch basins, grates, access boxes, and accessories engineered to capture, convey, and disperse stormwater efficiently. Designed with both performance and aesthetics in mind, NDS products are commonly used in driveways, patios, yards, and landscaped areas to reduce flooding, erosion, and pooling water. With an emphasis on quality materials, code-compliant designs, and straightforward installation, NDS supports effective stormwater management for everyday residential applications.

NDS channel drains are designed to efficiently capture and redirect surface water away from residential areas, such as driveways, patios, pool decks, and walkways. Featuring a low-profile, modular design, these drains collect water along their entire length rather than at a single point, helping to prevent pooling and flooding.

NDS catch basins are designed to collect and manage surface water runoff before it can cause flooding, erosion, or damage around residential properties. Installed at low points in landscapes, driveways, or yards, these basins capture rainwater and debris, directing water into underground drainage pipes while trapping sediment to help prevent clogs.

NDS access boxes are designed to provide durable, below-ground access to a wide range of residential utility components. These boxes are commonly used to protect and organize irrigation valves, water shutoffs, electrical connections, lighting transformers, cleanouts, and other underground service points.

Other Products - Our BioDiffuser, Contactor and Recharger products are chambers that are used in onsite wastewater systems for residential and small volume non-residential wastewater treatment and disposal. The innovative designs of our chambers are generally approved for a footprint reduction, further reducing the cost of the onsite wastewater system. Injection-molded or thermoformed from HDPE or PP, these products are strong, durable, and chemical-resistant. These interconnecting chambers are favored by onsite wastewater contractors because they are lightweight and easy to install.

Our Water Quality product line targets the removal of sediment, debris, oils and suspended solids throughout a stormwater rain event by separating and/or filtering unwanted pollutants.

We purchase and distribute construction fabrics and other geosynthetic products for soil stabilization, reinforcement, filtration, separation, erosion control, and sub-surface drainage. Constructed of woven and non-woven PP, geotextile products provide permanent, cost-efficient site-development solutions. Construction fabrics and geotextiles have applications in all of our end markets.

Our Inserta Tee product line consists of a PVC hub, rubber sleeve and stainless steel band. Inserta Tee is compression fit into the cored wall of a mainline pipe and can be used with all pipe material types and profiles. This product offers an easy tap-in to existing sanitary and storm sewers by limiting the excavation needed for installation compared to competitive products.

Wastewater

The Wastewater reportable segment (formerly referred to as the “Infiltrator” reportable segment) contains the Company’s wholly-owned subsidiary, Infiltrator Water Technologies, LLC (“Infiltrator”). Infiltrator is the leading designer and manufacturer of highly engineered plastic chambers, synthetic aggregate leachfields, combined treatment and dispersal systems, plastic tanks, advanced treatment systems, and related accessories that are used in onsite wastewater systems and decentralized commercial wastewater treatment systems. In addition to the core Wastewater products discussed below, Orenco Systems, Inc. (“Orenco”) was acquired in October of 2024 and added to the Wastewater segment. The onsite wastewater market is heavily reliant on rural homes and communities that do not have access to centralized sewer and will require an onsite wastewater solution. Onsite wastewater technologies are scalable and can easily meet the needs of churches, schools, light commercial and small community construction projects.

Leachfield Products - Our Quick4, Quick5 and ARC line of onsite wastewater leachfield chambers are injection molded using recycled polyolefin materials. There are Quick4, Quick5 and ARC line chamber models available to meet a wide variety of regulatory and market needs. The Quick4, Quick5 and ARC chambers are engineered for strength and performance, easy to install, and offer the user greater design flexibility, including a smaller footprint, as compared with traditional stone and pipe products. The product advantages are cost savings on labor, materials and time savings on the job.

EZflow - EZflow synthetic aggregate bundles replace stone and pipe leachfields for effluent and drainage applications. The EZflow proprietary products are a modular design that incorporates recycled polystyrene aggregate bundles and corrugated polyethylene pipe that act as a replacement to the traditional materials stone and pipe.

Combined Treatment and Dispersal Products - Combined Treatment and Dispersal Products include our AeroFin, Advanced Enviro-Septic (“AES”), Enviro-Septic (“ES”), and Advanced Treatment Leachfield (“ATL”). Our AES and ES systems are proprietary combined treatment and dispersal systems made with a twelve-inch diameter corrugated extrusion product that is encapsulated in fibrous materials and geotextiles. These systems when installed in a bed of sand provide combined treatment and dispersal in the same small footprint and at a reduced cost with minimal long-term maintenance. Our ATL product is an alternative combined treatment and dispersal system that provides advanced wastewater treatment. The ATL is a profile of polystyrene aggregates and geotextiles installed in a bed of sand. Our AeroFin product is the newest innovation in combined treatment and dispersal systems designed to provide higher treatment within a small footprint reducing installation time and energy.

Tank Products - Our Infiltrator tanks line, including our IM-Series and CM-Series onsite wastewater tanks, are injection or compression molded polypropylene plastic tanks manufactured from recycled materials. Our Infiltrator tanks are available in various capacities for wastewater storage. Our IM-Series is the only two-piece construction, injection molded onsite wastewater tank design in North America. In comparison to traditional concrete tanks, our Infiltrator tanks are easier to transport to the job site and require less time and energy to install.

Our IM-Series line of potable tanks are injection-molded polypropylene plastic tanks manufactured from virgin materials suitable for water reuse and drinking water storage. IM-Series potable tanks are available in various capacities for water storage. IM-Series potable tanks are commonly used in water cistern applications, such as rainwater harvesting systems.

Residential Advanced Treatment Products - Our Advanced Treatment Systems provide a higher level of wastewater purification through mechanical aeration wastewater for residential systems. Our advanced treatment systems product line for residential applications includes ECOPOD, ENVIRO-AIRE, Whitewater, and Orenco Advantex (AX-20 and AX-RT).

Commercial Advanced Treatment Products - Our Advanced Treatment Systems for decentralized and commercial systems are ideal solutions for treatment needs up to 250,000 gallons per day. Our advanced treatment systems product line for commercial applications includes ECOPOD, ENVIRO-AIRE Package Wastewater Treatment Plants, Whitewater, and Advantex Commercial (AX-100 and AX-MAX).

General Onsite Products - We offer a wide assortment of products for general onsite use. These products include Infiltrator EZsnap and EZset risers and lids and secondary tank-riser safety lids. Also included in this category are pump vaults, control panels, pumps, filters, risers, lids, basins, and miscellaneous products from the Orenco general onsite product catalog.

Orenco Controls - Orenco Controls designs and builds more than 20,000 panels a year for residential, commercial, municipal, and original equipment manufacturing (“OEM”) markets. This product line includes pump controllers for Orenco wastewater systems, pump controllers for commercial systems, and OEM controls applications.

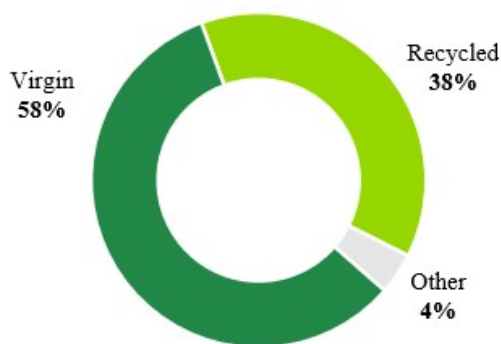
Orenco Composites - Orenco Composites use filament winding and two types of closed-molding processes, resin transfer molding and vacuum infusion, to produce fiber-reinforced plastic composite parts. This product line includes large composite tanks, composite utility buildings, treatment plant lids, and custom structures.

RAW MATERIALS AND SUPPLIERS

Virgin HDPE and PP resins are derivatives of ethylene and propylene, respectively. Ethylene and propylene are derived from natural gas liquids or crude oil derivatives primarily in the U.S. We currently purchase in excess of 1.0 billion pounds of virgin and recycled resin annually from approximately 450 suppliers. As a high-volume buyer of resin, we achieve economies of scale to negotiate favorable terms and pricing. Our purchasing strategies differ based on the material (virgin resin versus recycled material) ordered for delivery to our production locations. The price movements of the different materials also vary, resulting in the need to use strategies to reduce volatility and successfully pass cost increases on to our customers through timely selling price increases when needed.

We have relationships with most of the North American producers of virgin high-density polyethylene and impact copolymer polypropylene producers that manufacture the grades we need to produce our products. The North American capacity for ethylene derivatives has been expanded primarily as a result of supplies of natural gas liquids being produced through sustained oil and gas exploration and production. We anticipate continued growth in the availability of ethylene and propylene which are used to manufacture HDPE and PP, respectively.

Fiscal 2026 Materials Purchased



We leverage our raw material blending and processing technologies to produce an HDPE pipe that incorporates recycled resin. These products, which meet an ASTM International standard and an American Association of State Highway and Transportation Officials standard, replaces a majority of the virgin resin that is used with optimized recycled materials. The manufacturing of onsite wastewater leach field chambers and tanks leverage these same core competencies in the use of recycled polypropylene material streams. ADS Recycling procures and processes recycled raw materials that can be used in products we produce and sell.

We believe that we are well positioned for future growth as we add additional recycled material processing facilities, add capacity to existing facilities, and expand our supplier base for recycled and virgin resin. In fiscal 2025, we broke ground on a facility expansion at our facility in Cordele, GA that will increase the total facility size to over 110,000 square feet. In October 2024, we opened the \$65 million ADS Engineering and Technology Center. The 110,000 square foot research and testing facility, located near our company headquarters, is dedicated to innovation across product engineering, material science and manufacturing technology.

We are one of the largest domestic recyclers of HDPE and PP. We maintain relationships with several of the largest environmental companies which provide us with post-consumer HDPE and PP recycled materials. We also maintain relationships with several key post-industrial HDPE and PP suppliers which provide us with materials that cannot otherwise be utilized in their respective production processes. Further, we are focused on a program of continuous sustainability improvement, with approximately 225 million pounds of post-consumer and post-industrial recycled HDPE and 140 million pounds of post-consumer and post-industrial recycled polypropylene converted each year to make our products. This industry-leading program keeps millions of used bottles out of the landfill and puts them to work again for more than a hundred years as part of our infrastructure. This recycling capacity not only contributes to our sustainability

initiatives through the promotion of a circular economy but also allows us to better and more quickly serve the needs of our customers.

OUR MANUFACTURING AND DISTRIBUTION PLATFORM

We have a leading domestic and international manufacturing and distribution infrastructure, serving customers throughout the United States, Canada, Mexico and other countries worldwide through 64 manufacturing plants and 41 distribution centers, including six manufacturing plants and seven distribution centers owned or leased by our joint ventures.

We manufacture our corrugated pipe products using a continuous extrusion process, where polyethylene or polypropylene is extruded through a die into a moving series of corrugated U-shaped molds. We utilize customized and proprietary production equipment, which we believe produces higher quality final products and is more cost efficient than other pipe making equipment generally available in the market.

Domestically, we can produce more than one billion pounds of pipe annually. Additional capacity is in place to support seasonal production needs and expected growth. Our production equipment is built to accept transportable molds and die tooling over a certain range of sizes, so each plant is not required to house the full range of tooling at any given time. This transportability provides us with the flexibility to optimize our capacity through centrally coordinated production planning, which helps to adapt to shifting sales demand patterns while reducing the capital needed for tooling. With our large manufacturing footprint, we can support rapid seasonal demand growth while focusing on customer service and minimizing transportation costs.

A wide variety of production processes and expertise allow us to provide cost-effective finished goods at competitive prices delivered in a timely fashion to our customers. Our molds and machines have been designed to maximize interchangeability in order to optimize flexibility, maximize efficiency and minimize downtime. The standard fittings products (tees, wyes, elbows, etc.) that we produce and sell to connect our pipe on job sites are blow molded or injection molded at two domestic plants. In addition, customized fabricated fittings (e.g. more complex dual wall pipe reducers, bends or structures) are produced in specific North American plants. We produce storm and onsite wastewater chambers, tanks and accessories using injection molding machines ranging in size.

International Presence - We own manufacturing facilities in Canada to produce our products for sale in the Canadian markets. We serve international markets primarily in Mexico, Central America and South America through joint venture operations with local partners. Our joint venture strategy has provided us with local and regional access to key markets such as Mexico, Brazil, Chile, Argentina, and Peru. Our international joint ventures produce pipe and related products to be sold in their respective regional markets. We also have wholly-owned subsidiaries that distribute our pipe and related products in Europe and the Middle East. Combining local partners' customer relationships, brand recognition and local management talent, with our world-class manufacturing and process expertise, broad product portfolio and innovation creates a powerful solution driven platform and opportunities for continued profitable international expansion. With the acquisition of NDS, we acquired certain NDS international entities. As discussed in "Note 1. Background and Summary of Significant Accounting Policies," the NDS International Entities met the held for sale criteria upon acquisition. See "Note 5. Discontinued Operations and Assets and Liabilities Held for Sale" for additional information.

Quality Assurance Control - We have two internal quality assurance control laboratory facilities equipped and staffed to evaluate and confirm incoming raw material and finished goods quality in addition to the quality testing that is done at our manufacturing facilities. We conduct annual safety, product and process quality audits at each of our facilities, using centralized internal resources in combination with external third-party services. In the quality area, various national and international agencies such as Product Evaluation and Audit Solutions, International Association of Plumbing and Mechanical Officials, Bureau de normalisation du Québec, Intertek for Canadian Standards Association, Entidad Mexicana de Acreditacion A.C. and NSF International and several state Departments of Transportation and municipal agencies conduct both scheduled and unscheduled audits/inspections of our plants to verify product quality and compliance to applicable standards.

Fleet - We also operate an in-house fleet of approximately 600 tractors. Our effective shipping radius is approximately 250 miles from one of our manufacturing plants or distribution centers. The combination of a dedicated fleet and team of company drivers allows greater flexibility and responsiveness in meeting dynamic customer job site delivery expectations. We strive to achieve less than three-day lead-time on deliveries and have the added benefit of redeploying fleet and driver assets to respond to short-term regional spikes in sales activity. For deliveries that are outside an economic delivery radius of our truck fleet, common carrier deliveries are tendered to a third-party to ensure that lowest delivered freight costs are achieved while maintaining high levels of customer service. In addition, in line with our commitment to sustainability, we are continuously upgrading our tractors with state-of-the-art safety features, fuel economy, and digital technology to attract the driver of the future, reduce our total emissions and keep our drivers safe on and off the road.

Our North American truck fleet incorporates approximately 1,100 trailers that are specially designed to haul our lightweight pipe and Allied Products. These designs maximize payload versus conventional over the road trailers and facilitate the loading and unloading of our products at the various customer delivery locations. The trailer design assists in managing the fuel efficiency of our fleet by decreasing total trailer weight and aerodynamic design. The scope of fleet operations also includes backhaul throughout our network to lower our total delivered cost and increase our asset utilization.

Facility Network - Our scale and extensive network of Pipe and Allied Products facilities provide a critical cost advantage versus our competitors, as we are able to more efficiently transport products to our customers and end users and to promote faster product shipments due to our proximity to the delivery location. The optimized design of our onsite wastewater chambers and tanks provides the ability to nest products, enabling us to manufacture products from one location and efficiently ship throughout North America.

SUSTAINABILITY

“Our Reason is Water” and our vision is to advance the quality of life through sustainable solutions to water management challenges. We are dedicated to providing clean water management solutions to communities and delivering unparalleled service to our customers. Our commitment to sustainability was recognized when we were first named on Newsweek’s list of America’s Most Responsible Companies in 2024.

We are focused on bringing highly engineered products to market that are both sustainable and resilient. These products assist our customers in meeting sustainability targets such as LEED or ENVISION certification while also allowing them to make needed repairs to aging infrastructure, plan for and mitigate future impacts from climate change and rapidly recover from catastrophic events when necessary. Our manufacturing facilities have no material process-related by-products released into the atmosphere, waterways, or solid waste discharge. During pipe production start-ups and size changeovers, non-compliant scrap and any damaged finished goods pipe are recycled for internal re-use.

In fiscal 2022, we announced our 10 Year Sustainability Goals, which are available on our website. The goals are a set of targets focused on the “REASON” in “Our Reason is Water” and demonstrate our commitment to leadership in environment, social and governance. The goals include: a commitment to increase our use of recycled plastic, a commitment to operation clean sweep for plastic pellet management, implementing a supplier sustainability program, reducing our total recordable injury rate, implementing closed-loop water usage at all our manufacturing locations, continuing our efforts in culture and employee engagement and maintaining transparency in our sustainability reporting efforts. The goals are not included as part of, or incorporated by reference, into this Annual Report on Form 10-K.

SALES AND MARKETING

We believe we have one of the largest and most experienced sales and engineering forces in the industry. Offering the broadest product line in the industry enables our sales force to source the greatest number of new opportunities and more effectively cross-sell products than any of our competitors. We consistently maintain thousands of touch points with customers, civil engineers and municipal authorities, continuously educating them on new product innovations and their advantages relative to traditional products. We believe we are the industry leader in these efforts, and we view this work as an important part of our marketing strategy, particularly in promoting N-12 and SaniTite HP for storm and sanitary sewer systems, as regulatory approvals are essential to the specification and acceptance of these product lines.

Our sales and marketing strategy is divided into four components: comprehensive market coverage, diverse product offerings, readily-available local inventory and specification efforts. Our goal is to provide the distributor/owner with the most complete, readily available product line in our industry. We strive to use our manufacturing footprint, product portfolio and market expertise to efficiently service our customers.

Our sales and engineering objective is to influence, track and quote all selling opportunities as early in the project life cycle as possible. We strive to be meaningfully involved in all phases of the project cycle, including design, bidding, award and installation. Conceptual project visibility allows sales and engineering professionals the ability to influence design specifications and increase the probability of inclusion of our products in bid documents. The inclusion of our products in bid documents improves the probability of completing the sale. On-demand installation support allows us to maintain customer relationships and ensure positive installation experience. In addition to direct channel customers, we also maintain and develop relationships with federal agencies, municipal agencies, national standard regulators, private consulting engineers and architects. Our consistent interaction with these market participants enables us to continue our market penetration. This ongoing dialogue has positioned us as an industry resource for design guidance and product development and as a respected expert in water management solutions.

NDS goes to market through a multi-channel distribution strategy focused on reaching both professionals and homeowners. Its primary customers include landscape contractors, irrigation installers, builders, and engineers, as well as DIY consumers. NDS products are sold through wholesale distribution partners such as landscape supply yards and irrigation distributors, along with national home improvement retailers and online channels. By supporting professional specifiers while also making products accessible at retail, NDS effectively serves a broad residential stormwater market with solutions designed for both trade and consumer use.

CUSTOMERS

We have a large, active customer base of approximately 16,000 customers, with two customers representing 10% or more of fiscal 2026 net sales. Ferguson Enterprises (“Ferguson”) accounted for 13.1% and Core & Main, Inc. (“Core & Main”) accounted for 12.8% of fiscal 2026 net sales. Our customer base is diversified across the range of end markets that we serve.

A majority of our sales are made through distributors, including many of the largest national and independent waterworks distributors, with whom we have long-standing distribution relationships and who sell primarily to the storm sewer and sanitary sewer markets. We also utilize a network of hundreds of small to medium-sized independent distributors across the United States. We have strong relationships with major national retailers that carry drainage products. We offer the most complete line of HDPE products in the industry and are the only national manufacturer that can service the “Big-Box” retailers from coast-to-coast. We also sell to buying groups and co-ops in the United States that serve the plumbing, hardware, irrigation and landscaping markets. Selling to buying groups and co-ops provides us with a further presence on a national, regional and local basis for the distribution of our products. Our preferred vendor status with these groups allows us to reach thousands of locations in an effective manner. Members of these groups and co-ops generally are independent businesses with strong relationships and brand recognition with smaller contractors and homeowners in their local markets. The combination of our large sales force, long-standing retail and contractor customer relationships and extensive network of manufacturing and distribution facilities complements and strengthens our broad customer and market coverage.

Our customer service organization is supplemented by the employees of our manufacturing plants, distribution centers and drivers of our tractor-trailers. In conjunction with our field sales and engineering team, this highly trained and competent staff allows us to maintain more customer touch points and interaction than any of our competitors.

SEASONALITY

Historically, sales of our products have been higher in the first and second quarters of each fiscal year due to favorable weather and longer daylight conditions accelerating construction activity during these periods. Seasonal variations in operating results may also be impacted by inclement weather conditions, such as cold or wet weather, which can delay projects. In the non-residential, residential and infrastructure markets in the northern United States and Canada, construction activity typically begins to increase in late March and is slower in December, January and February. In the southern and western United States, Mexico, Central America and South America, the construction markets are less seasonal. The agricultural drainage market is concentrated in the early spring just prior to planting and in the fall just after crops are harvested prior to freezing of the ground in winter.

COMPETITION

We operate in a highly fragmented industry and hold leading positions in multiple market sectors. Competition, including our competitors and specific competitive factors, varies for each market sector. Our products are generally lighter, more durable, more cost effective and easier to install than comparable alternatives made with traditional materials. Following our entrance into the non-residential construction market with the introduction of N-12 corrugated HDPE pipe in the late 1980s, our pipe has been displacing traditional materials, such as reinforced concrete, corrugated steel and PVC, across an ever-expanding range of end markets, including non-residential, residential, agriculture and infrastructure applications. In the United States, our nationwide footprint combined with our strong local presence and broad product offering make us the leader in an otherwise highly fragmented sector comprised of many smaller competitors.

We believe the principal competitive factors for our market sectors include local selling coverage, product availability, breadth and cost of products, technical knowledge and expertise, customer and supplier relationships, reliability and accuracy of service, effective use of technology, delivery capabilities and timeliness, pricing of products, and the provision of credit. We believe that our competitive strengths and strategy allow us to compete effectively in our market sectors.

The stormwater drainage industry, in particular, is highly fragmented with many smaller specialty and regional competitors providing a variety of product technologies and solutions. We compete against concrete pipe, corrugated steel pipe and PVC pipe producers on a national, regional and local basis. In addition, there are many HDPE pipe producers in the United

States. We believe we are the only corrugated HDPE pipe producer with a national footprint, and our competitors operate primarily on a regional and local level.

INTELLECTUAL PROPERTY

We rely upon a combination of patents, trademarks, trade names, licensing arrangements, trade secrets, know-how and proprietary technology in order to secure and protect our intellectual property rights, both in the United States and in foreign countries.

We seek to protect our new technologies with patents and trademarks and defend against patent infringement allegations. We hold a significant amount of intellectual property rights pertaining to product patents, process patents and trademarks. We continually seek to expand and improve our existing product offerings through product development and acquisitions. Although our intellectual property is important to our business operations and in the aggregate constitutes a valuable asset, we do not believe that any single patent, trademark or trade secret is critical to the success of our business as a whole. We cannot be certain that our patent applications will be issued or that any issued patents will provide us with any competitive advantages or will not be challenged by third parties.

In addition, we generally control access to and use of our proprietary and other confidential information through the use of internal and external controls, including contractual protections with employees, distributors and others. See “Item 1A. Risk Factors - Risks Relating to Our Business - *If we are unable to protect our intellectual property rights, or we infringe on the intellectual property rights of others, our ability to compete could be negatively impacted.*”

HUMAN CAPITAL RESOURCES

At the core of the Company’s history are the people, many of whom have been with the Company for several decades. We are dedicated to fostering a culture that empowers employees and communities by embracing the dynamics of different backgrounds, experiences and perspectives. We are committed to creating an environment where employees feel valued, respected, and fully engaged to contribute to our future success. The ability to recruit, retain, develop and protect our global workforce is key to our success. In addition to providing competitive compensation and benefits, this includes the following categories: Health and Safety; Values; and Training.

Employees - As of March 31, 2026, in our domestic and international operations, the Company and its consolidated subsidiaries had both hourly personnel and salaried employees. As of March 31, 2026, approximately 100 hourly personnel in our Mexican joint venture were covered by collective bargaining agreements.

	March 31, 2026	March 31, 2025
<u>Employees by Region</u>		
United States	5,785	5,330
Canada	365	345
Other	275	325
Total	6,425	6,000
<u>Employees by Type</u>		
Hourly	4,035	3,865
Salary	2,390	2,135
Total	6,425	6,000

We base hiring and promotional decisions on job qualifications, such as work records, performance history and length of service, to ensure equal opportunity to all. We also ensure equal opportunity across all relevant aspects of employment such as recruiting, job assignment, compensation, benefits, transfers, promotional opportunities, Company sponsored training, and recreation programs, among others.

Health and Safety - Employee safety is our highest priority and a key component of our company culture. Our operations follow a comprehensive, proactive safety and health management system that includes a collaborative process to find and fix workplace hazards prior to injury occurrence. Our U.S. facilities follow the Occupational Safety and Health Act safety and health general industry standards under the Department of Labor and Federal Motor Carrier Safety Administration under the Department of Transportation, as required by law; our Canadian facilities follow the Canada Occupational Health and Safety Regulations under the Canada Labour Code for the Minister of Labour and Canada Motor Vehicle Safety

Standards under Transport Canada as required by law; and our Mexico locations follow the NOMs as required by the Federal Labor Law for the Labor Ministry and Secretary of Communication and Transportation as required by law.

Values - Our success as a company is built on the Honesty, Professionalism, and Core Values of our employees, directors, and agents. These three tenets serve as the guiding principles of our Code of Business Conduct and Ethics (the “Ethics Code”).

- **Honesty:** We believe in always being honest in dealing with our customers, suppliers, and others and complying with all laws and regulations applicable to our business at all levels.
- **Professionalism:** We believe in providing our products and services in a prompt and professional manner, gaining the loyalty and trust of our customers and suppliers.
- **Core Values:** We believe in certain “core values” centered upon ensuring quality throughout our product and organization for long-term growth and profitability.

The Ethics Code provides a framework by which we maintain the highest ethical standards in the conduct of our business and is an integral part of implementing our vision of ethically and sustainably maximizing value. All members of our organization are expected to adhere to each of the policies of the Ethics Code, while also employing good ethical judgment. The Ethics Code provides guidelines in relation to conflicts of interest, fair dealing, confidential information and intellectual property, fair employment practices, environmental health and safety, and improper payments to third parties, among many other areas of ethical business conduct.

Training - Our operational and management training programs are core to our commitment and enablement of a safe and productive manufacturing environment. Through our ADS Academy, we deliver targeted role-specific training to our operations team members through a blended curriculum of online and hands-on training experiences covering safety, quality, product knowledge and manufacturing process. Our learning management system serves as the foundation of our operational training programs and provides us with appropriate scale, efficiency, and governance to support our growth. We have a strong commitment to the training of our manufacturing supervisors and managers in technical, management, and leadership subjects through intense role-based assimilation plans, e-learning and classroom-based development experiences.

REGULATION

Our operations are affected by various statutes, regulations and laws in the markets in which we operate, which historically have not had a material effect on our business. We are subject to various laws applicable to businesses generally, including laws affecting land usage, zoning, the environment, health and safety, transportation, labor and employment practices, competition, immigration and other matters. Additionally, building codes may affect the products our customers are allowed to use, and, consequently, changes in building codes may affect the salability of our products. The transportation and disposal of many of our products are also subject to federal regulations. We are subject to safety requirements governing interstate operations prescribed by the U.S. Department of Transportation (“U.S. DOT”). Vehicle dimensions and driver hours of service also remain subject to both federal and state regulation.

We have been able to consistently capitalize on changes in both local and federal regulatory statutes relating to storm and sanitary sewer construction, repair and replacement. Most noteworthy is the Federal Clean Water Act of 1972 and the subsequent U.S. Environmental Protection Agency Phase I, II and sustainable infrastructure regulations relating to storm sewer construction, stormwater quantity, stormwater quality, and combined sewer separation. Our diversity of products offering a solution-based selling approach coupled with detailed market knowledge makes us an integral industry resource in both regulatory changes and compliance.

An important element of our growth strategy has been our focus on industry education efforts to drive regulatory approvals for our core HDPE products at national, state and local levels. We employ field-based engineers who work closely with government agencies to obtain regulatory approvals for our products, and also with civil engineering firms to specify our products on non-residential construction and road-building projects. Additional state and local regulatory approvals will continue to present new growth opportunities in new and existing geographic markets for us. The trend of substituting traditional materials for HDPE and PP is expected to continue as more states and municipalities recognize the benefits of our HDPE N-12 pipe and our polypropylene HP pipe by approving it for use in a broader range of applications.

Our onsite wastewater and decentralized wastewater treatment systems cannot be sold without regulatory approval. We have a dedicated regulatory team with a track record of gaining favorable regulatory approvals and advancing policy and legislation. Over the past 10 years, the team has successfully embarked in over 100 regulatory initiatives increasing the addressability and size of markets across the U.S. and Canada.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

We are subject to a broad range of foreign, federal, state and local environmental, health and safety laws and regulations, including those pertaining to air emissions, water discharges, the handling, disposal and transport of solid and hazardous materials and wastes, the investigation and remediation of contamination and otherwise relating to health and safety and the protection of the environment and natural resources. To a limited extent, our current and past operations, and those of many of the companies we have acquired, involve materials that are, or could be classified as, toxic or hazardous. There is an inherent risk of contamination and environmental damage in our operations and the products we handle, transport and distribute. See “Item 1A. Risk Factors — Risks Relating to Our Business — *We could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits.*”

PRACTICES RELATED TO WORKING CAPITAL ITEMS

Information about the Company’s working capital practices is incorporated herein by reference to “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Form 10-K.

CORPORATE AND AVAILABLE INFORMATION

We were founded in 1966 and are a Delaware corporation. Our principal executive offices are located at 4024 Green Stripe Lane, Hilliard, Ohio 43026, and our telephone number at that address is (800) 733-7473. Our corporate website is www.adspipe.com.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, (“Exchange Act”) are filed with the SEC. We are subject to the informational requirements of the Exchange Act and file or furnish reports, proxy statements, and other information with the SEC. Such reports and other information filed by the Company with the SEC are available free of charge on our website at www.adspipe.com when such reports are available on the SEC’s website. We use our www.adspipe.com website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor such portions of www.adspipe.com in addition to following press releases, SEC filings and public conference calls and webcasts. The contents of the websites are not incorporated into this filing. Further, our references to these websites are intended to be inactive textual references.

Item 1A. Risk Factors

Please carefully consider the risks described below, together with all other information included or incorporated by reference in this Annual Report on Form 10-K. If any of the following risks actually occur, our business, financial condition, results of operations and cash flows could be materially adversely affected. In these circumstances, the market price of our common stock could decline significantly.

Risks Relating to Our Business

Fluctuations in the price and availability of resins, our principal raw materials, new tariff policies and our inability to obtain adequate supplies of resins from suppliers and pass on resin price increases to customers could adversely affect our business, financial condition, results of operations and cash flows.

Resin prices fluctuate substantially as a result of changes in crude oil and natural gas prices, changes in existing processing capabilities and the capacity of resin suppliers. Polypropylene resin suppliers are limited, high-density polyethylene suppliers are geographically concentrated, and supply of recycled resin is also limited. Supply interruptions could arise from disruptions to existing petrochemical capacity and recycled resin sources caused by labor disputes and shortages, weather conditions or natural disasters affecting supplies or shipments, transportation disruptions or other factors beyond our control. An extended disruption in the timely availability of raw materials from our key suppliers would result in a decrease in our revenues and profitability. Additionally, our customers’ production schedules could be impacted by these shortages, which could result in reduced sales of our products.

Inflation in these raw material costs could also result in significant cost increases, further affecting our business. Our ability to maintain profitability heavily depends on our ability to pass through to our customers any increase in raw material costs. If increases in the cost of raw materials or any potential tariffs cannot be passed on to our customers, our business, financial condition, results of operations and cash flows will be adversely affected. Conversely, in the event that there is deflation, we may experience pressure from our customers to reduce prices. We may not be able to reduce our cost base to offset any such price concessions which could adversely impact our results of operations and cash flows.

Any disruption or volatility in general business and economic conditions in the markets in which we operate, including market uncertainty and volatility, could have a material adverse effect on the demand for our products and services.

The markets in which we operate are sensitive to regional, U.S. and worldwide economic conditions, including availability of credit, interest rates, inflation, tariffs or other trade policies, fluctuations in capital and business and consumer confidence. The difficult conditions in these markets and the overall economy affect our business in a number of ways. For example:

- The volatility of the U.S. economy, including market uncertainty and volatility, can have an adverse effect on our sales that are dependent on the non-residential construction market if participants in this industry may postpone spending or are otherwise unable to secure financing for construction projects.
- Our business depends upon general activity levels in the agriculture market. The nature of the agriculture market is such that a downturn in demand can occur suddenly, resulting in excess inventories, underutilized production capacity and reduced prices for pipe products.
- Shifts in residential housing trends (urban vs. suburban), homeowner demographics, increasing mortgage rates, and consumers ability to finance home construction impact demand for our products.
- Demand for our products and services depends to a significant degree on spending on infrastructure. Infrastructure spending is affected by a variety of factors beyond our control, including interest rates, inflation, availability and commitment of public funds for municipal spending and highway spending and general economic conditions.

Additionally, U.S. policies related to global trade and tariffs could have a material adverse effect on our results of operations. The current administration has suggested various new strategies regarding tariffs. In response, countries have imposed or proposed additional tariffs on certain U.S. imports, as well as additional trade restrictions. Tariffs may result in a decrease of global trade volumes due to uncertainty, may create an administrative burden and will cause companies to make difficult decisions as to how to pay the tariffs or absorb the cost into their profit margins.

Weakness in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows. Bank failures and market disruptions could impact banks used by our customers, which could negatively affect our customers. Delays in the placement of new orders and extended uncertainties may reduce future sales of our products and services. The revenue growth and profitability of our business depend on the overall demand for our product and services. We may have to close under-performing facilities as warranted by general economic conditions and/or weakness in the markets in which we operate. In addition to a reduction in demand for our products, these factors may also reduce the price we are able to charge for our products and restrict our ability to pass on raw material cost increases to our customers. This, combined with an increase in excess capacity, will negatively impact our profitability, cash flows and our financial condition, generally.

Demand for our products and services could decrease if we are unable to compete effectively, and our success depends largely on our ability to convert current demand for competitive products into demand for our products.

Competitors may have financial and other resources that are greater than ours and may be better able to withstand price competition and inflationary pressures. In addition, consolidation by industry participants could result in competitors with increased market share, larger customer bases, greater diversified product offerings and greater technological and marketing expertise, which would allow them to compete more effectively against us. Moreover, our competitors may develop products that are superior to our products or may adapt more quickly to new technologies or evolving customer requirements or requests. In many markets in which we operate, there are no significant entry barriers that would prevent new competitors from entering the market, especially on the local level, or existing competitors from expanding in the market. Increased competition by existing and future competitors could result in reductions in sales, prices, volumes and gross margins that would materially adversely affect our business, financial condition, results of operations and cash flows. Furthermore, our success will depend, in part, on our ability to maintain our market share, generate adequate demand for our products and gain market share from competitors.

We may be affected by global climate change or by legal, regulatory or market responses to such change.

Many of our products are made from a material whose manufacturing process involves the emission of carbon dioxide, a greenhouse gas (“GHG”) that scientists have attributed as a cause of climate change. Our products require transportation from our facilities to the site where they are used, which consumes energy. Concerns over climate change, including the impact of global warming, has led to federal, state, and international efforts to limit GHG emissions. Although it is uncertain what actions various governmental bodies will take to address the effects of climate change and to achieve goals in response to the effects of climate change, including in what timeframe those actions would be implemented, new laws or regulations could directly and indirectly affect our customers and suppliers (through an increase in the cost of production or their ability to produce satisfactory products) and our business (through the impact on our inventory availability, cost of

sales, operations or demands for the products we sell). Until the timing, scope and extent of any regulation becomes known, we cannot predict its effect on our cost structure or our operating results, but it is likely our costs will increase in relation to any climate change legislation and regulations concerning GHG, which could have an adverse effect on our future financial position, results of operations or cash flows.

In January 2022, we communicated our initial 10-year goals regarding sustainability. To reduce our environmental impact, we have committed to pursuing science-based targets consistent with limiting global temperature increase to 1.5°C above pre-industrial levels. We are working to define absolute targets for reduction of scope 1 (direct) & 2 (indirect) greenhouse gas emissions that align with limiting future temperature rise to 1.5°C above baseline. These goals reflect our current plans and there is no guarantee that they will be achieved. Our ability to achieve any goal is subject to factors and conditions, many of which are outside of our control, including technology, or the availability of recycled resin.

While we no longer face reporting requirements under SEC rules after the SEC stated it would no longer defend its previous rules on climate-related disclosures, we may be subject to reporting requirements as states enact reporting obligations. Regardless of whether governmental bodies enact legislation to address climate change and reduce GHG emissions or we achieve our 10-year goals, the public perception of carbon-intensive industries may change adversely over time and additional focus on environmental, social and governance issues by the public and/or investors may harm our business as it could damage our reputation, require us to expend resources in reducing our net carbon emissions, or reduce demand for our products, which could adversely impact our results of operations and cash flows.

Our results of operations could be adversely affected by the effects of weather.

Most of our business units experience seasonal variation as a result of the dependence of our customers on suitable weather to engage in construction projects. Generally, during the winter months, construction activity declines due to inclement weather, frozen ground and shorter daylight hours. In addition, to the extent that hurricanes, severe storms, floods, other natural disasters or similar events occur in the geographic regions in which we operate, our results of operations may be adversely affected. We anticipate that fluctuations of our operations results from period to period due to seasonality will continue in the future.

Notwithstanding our commitment to advancing sustainable business practices, climate change may also have adverse physical or financial impacts on our business to the extent that it causes more severe or more frequent major storm events, flooding, drought-induced wildfires, or other shifts in weather patterns. Increases in the intensity and frequency of acute weather events have been linked to climate change, and this risk may increase to the extent global warming continues or is unabated. These types of extreme weather events may include disruptions to operations or production, disruptions to supply chains or damage to our physical plants, which could lead to reduced financial performance of our business.

The loss of any of our significant customers could adversely affect our business.

Our success will depend, in part, on our ability to maintain the quality of our customer service, and selling and marketing efforts, as well as our ability to develop long-term relationships with our customers. Our ten largest customers generated approximately 50% of our net sales in fiscal 2026. Because we do not have long-term arrangements with many of our customers, such customers may cease purchasing our products without notice or upon short notice to us. In addition, consolidation among customers could also result in a loss of some of our present customers to our competitors. The loss of one or more of our significant customers, a significant customer's decision to purchase our products in significantly lower quantities than they have in the past, or deterioration in our relationship with any of them could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Because our business is working capital intensive, we rely on our ability to manage our supply purchasing and customer credit policies.

The majority of our net sales volume is facilitated through the extension of credit to our customers whose ability to pay is dependent, in part, upon the economic strength of the industry in the areas where they operate. The inability of our customers to pay in a timely manner, or at all, would adversely affect our business, financial condition, results of operations and cash flows. Furthermore, our collections efforts with respect to non-paying or slow-paying customers could negatively impact our customer relations going forward.

Our operations are working capital intensive, and our inventories, accounts receivable and accounts payable are significant components of our net asset base. We manage our inventories and accounts payable through our purchasing policies and our accounts receivable through our customer credit policies. If we fail to adequately manage our supply purchasing or customer credit policies, our working capital and financial condition may be adversely affected.

Our international operations expose us to political, economic and regulatory risks not normally faced by businesses that operate only in the U.S. As a result of our international operations, we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws.

Our international operations are subject to risks similar to those affecting our operations in the U.S. in addition to a number of other risks, including: difficulties in enforcing contractual and intellectual property rights; impositions or increases of withholding and other taxes on remittances and other payments by subsidiaries and affiliates; difficulties in managing and complying with continually evolving data and privacy laws, such as the European Union's General Data Protection Regulation and a number of state-specific consumer privacy laws in the U.S.; exposure to different or changing legal standards, including potential changes in government mandated regulatory product standards in those countries in which we or our joint ventures operate; fluctuations in currency exchange rates; impositions or increases of investment and other restrictions by foreign governments; the requirements of a wide variety of foreign laws; political and economic instability; war, escalating geopolitical conflicts or acts or threats of terrorism; and difficulties in staffing and managing operations, particularly in remote locations.

The U.S. Foreign Corrupt Practices Act and similar foreign anti-corruption laws generally prohibit companies and their intermediaries from making improper payments or providing anything of value to wrongfully influence foreign government officials for the purpose of obtaining or retaining business or obtaining an unfair advantage, and generally require companies to maintain accurate books and records and internal controls, including at foreign controlled subsidiaries. Our internal policies provide for compliance with all applicable anti-corruption laws for both us and for our joint venture operations. Our continued operation and expansion outside the U.S., including in developing countries, could increase the risk of such violations in the future. Despite our training and compliance programs, our internal control policies and procedures may not always protect us from unauthorized, reckless or criminal acts committed by our employees, agents or joint venture partners.

Conducting a portion of our operations through joint ventures exposes us to risks and uncertainties, many of which are outside of our control.

With respect to our existing joint ventures, any differences in views among the joint venture participants may result in delayed decisions or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default or bankruptcy of our joint venture partners. We may be unable to control the quality of products produced by the joint ventures or achieve consistency of product quality as compared with our other operations. In addition to net sales and market share, this may have a material negative impact on our brand and how it is perceived thereafter. Moreover, if our partners also fail to invest in the joint venture in the manner that is anticipated or otherwise fail to meet their contractual obligations, the joint ventures may be unable to adequately perform and conduct their respective operations, requiring us to make additional investments or perform additional services to ensure the adequate performance and delivery of products and/or services to the joint ventures' customers, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may not be able to successfully expand into new products.

We may develop new products and processes based on our existing manufacturing, design and engineering capabilities and services. Our business depends in part on our ability to identify future products and product lines that complement existing products and product lines and that respond to our customers' needs. We may not be able to compete effectively unless our product selection keeps up with trends in the markets in which we compete or trends in new products. In addition, our ability to integrate new products and product lines into our distribution network could impact our ability to compete. Furthermore, the success of new products and new product lines will depend on market demand and there is a risk that new products and new product lines will not deliver expected results, which could negatively impact our future sales and results of operations.

We continue to invest in our initiatives. If we fail to implement these initiatives as expected, our business, financial condition, and results of operations could be adversely affected.

Our financial performance and future growth depend on our management's ability to successfully implement our initiatives. Our operational initiatives are focused on customer experience, capacity expansion, automation, safety, order management and transportation. Automation in our plants will allow for production efficiency and improved safety for plant personnel. Any failure to successfully implement these initiatives and related strategies could adversely affect our business, financial condition, and results of operations, including increases in our severance and impairment charges.

We are affected by increased fuel and energy prices, and our inability to obtain sufficient quantities of fuel to operate our in-house delivery fleet could negatively impact our business, results of operations and cash flows.

Prices and availability of petroleum products are subject to political, economic and market factors that are outside our control. We consume a large amount of energy and petroleum products in our operations, including the manufacturing process and delivering products to our customers by our in-house fleet. The recent conflict in the Middle East has led to an increase in oil prices in the U.S. Oil prices may continue to surge if the conflict continues, other geopolitical conflicts arise or continue, certain oil supply routes remain blocked or additional supply routes become blocked. While we utilize a diesel hedging program associated with our in-house fleet to mitigate against higher fuel prices, our operating profit will be adversely affected if we are unable to obtain the energy and fuel we require or to fully offset the anticipated impact of higher energy and fuel prices through increased prices or surcharges to our customers or through other hedging strategies. If shortages occur in the supply of energy or necessary petroleum products and we are not able to pass along the full impact of increased energy or petroleum prices to our customers, our business, financial condition, results of operations and cash flows would be adversely affected.

Internally manufacturing our products at our own facilities subjects our business to risks associated with manufacturing processes and supply chain disruption.

We internally manufacture our own products at our facilities with substantial fixed costs. While we maintain insurance covering our facilities and have significant flexibility to manufacture and ship our own products from various facilities, a loss of the use of our facilities, whether short or long-term, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our business interruption insurance may not be sufficient to offset the lost revenues or increased costs that we may experience during a disruption of our operations.

Unexpected failures of our equipment and machinery may result in production delays, revenue loss and significant repair costs, injuries to our employees, and customer claims. Increasing manufacturing capacity requires successful execution of capital projects, including adding, upgrading and replacing equipment, which may be subject to supply chain delays for equipment or parts. Global supply chain disruptions and the related impacts on our third-party suppliers to deliver the raw materials, components, systems and parts that we need to manufacture and service our products could also adversely impact our production. Any interruption in production may limit our ability to supply enough products to customers and may require us to make capital expenditures, which could have a negative impact on our profitability and cash flows.

The nature of our business exposes us to construction defect and product liability claims as well as other legal proceedings.

We are exposed to construction defect and product liability claims relating to our various products if our products do not meet customer expectations. Such liabilities may arise out of the quality of raw materials we purchase from third-party suppliers. We also operate a large fleet of trucks and other vehicles and therefore face the risk of traffic accidents. We cannot make assurances that our insurance will provide adequate coverage against claims or that we will be able to obtain such insurance on acceptable terms in the future, if at all.

From time to time, we are also involved in government inquiries and investigations, as well as consumer, employment, tort proceedings and other litigation. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies. The outcome of some of these legal proceedings and other contingencies could require us to take actions which would adversely affect our operations, negatively impact customer confidence in us and our products or could require us to pay substantial amounts of money. Additionally, defending against these lawsuits and proceedings may involve significant expense and diversion of management's attention and resources from other matters.

Our operations are affected by various laws and regulations in the markets in which we operate, including government mandated regulatory product standards, and our failure to obtain or maintain approvals by municipalities, state departments of transportation, engineers and developers may affect our results of operations.

While we are not engaged in a regulated industry, we are subject to various laws applicable to businesses generally, including laws affecting land usage, zoning, the environment, health and safety, transportation, labor and employment practices (including pensions), competition, immigration and other matters. Approvals by municipalities, the U.S. and state departments of transportation, engineers and developers may affect the products our customers are allowed to use, and, consequently, failure to obtain or maintain such approvals may affect the salability of our products. Building codes may also affect the products our customers use, and, consequently, changes in building codes may also affect the salability of our products. Changes in applicable regulations governing the sale of some of our products, including changes in government-mandated regulatory product standards in countries in which we or our joint ventures operate, could increase

our costs. In addition, changes to applicable tax laws and regulations could increase our costs of doing business. We may incur material costs or liabilities in connection with regulatory requirements.

We deliver products to many of our customers through our own fleet of vehicles. The U.S. DOT regulates our operations in domestic interstate commerce. Vehicle dimensions and driver hours of service are subject to both federal and state regulation. More restrictive limitations on vehicle weight and size, trailer length and configuration, or driver hours of service could increase our costs, which, if we are unable to pass these cost increases on to our customers, would reduce our gross profit and net income (loss) and increase our selling, general and administrative expenses.

We cannot predict whether future developments or changes in law, regulations or government mandated product standards will affect our business, financial condition and results of operations in a negative manner. Similarly, we cannot assess whether we will be successful in meeting future demands of regulatory agencies in a manner which will not materially adversely affect our business, financial condition, results of operations and cash flows.

Interruptions in the proper functioning of information technology systems could disrupt operations and cause unanticipated increases in costs, decreases in revenues, or both. The implementation of our technology initiatives could disrupt our operations in the near term, and our technology initiatives might not provide the anticipated benefits or might fail.

Because we use our information technology (“IT”) systems to, among other things, manage inventories and accounts receivable, make purchasing decisions and monitor our results of operations, the proper functioning of our IT systems is important to the successful operation of our business. Although our IT systems are protected through physical and software safeguards and remote processing capabilities exist, IT systems are still vulnerable to natural disasters, power losses, unauthorized access, telecommunication failures and other problems. If critical IT systems fail, or are otherwise unavailable, our ability to process orders, track credit risk, identify business opportunities, maintain proper levels of inventories, collect accounts receivable and pay expenses and otherwise manage our business units would be adversely affected.

Management uses IT systems to support decision making and to monitor business performance. We may fail to generate accurate financial and operational reports essential for making decisions at various levels of management. In addition, if we do not maintain adequate controls such as reconciliations, segregation of duties and verification to prevent errors or incomplete information, our ability to operate our business could be limited.

We have made, and will continue to make, significant investments in technology. Our technology initiatives are designed to provide our customers a better order management and fulfillment experience, streamline our manufacturing operations and improve the quality of our internal control environment. The cost and potential problems and interruptions associated with the implementation of our technology initiatives could disrupt or reduce the efficiency of our operations in the near term. In addition, our new or upgraded technology might not provide the anticipated benefits, might take longer than expected to realize the anticipated benefits or might fail altogether. The occurrence of such issues could have a material adverse effect on our business financial condition and results of operations.

Cybersecurity incidents may threaten our confidential information, disrupt operations and result in harm to our reputation and adversely impact our business and financial performance.

In the conduct of our business, we collect, use, transmit and store data on information systems, which are vulnerable to disruption and an increasing threat of continually evolving cybersecurity risks. Cybersecurity incidents across industries are sophisticated and frequent and may range from uncoordinated individual attempts to targeted measures. These incidents include but are not limited to, malicious software or viruses, including “ransomware” attempts to gain unauthorized access to, or otherwise disrupt, our information systems, attempts to gain unauthorized access to business, proprietary or other confidential information, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. New developments in the fields of generative artificial intelligence (“AI”), machine learning, and robotics may create new vulnerabilities and cybersecurity risks. Cybersecurity failures may be caused by employee error, malfeasance, other corporate or governmental actors, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, and their products.

While we have been subject to cybersecurity incidents in the past that (based on information known to date) did not have a material impact on our financial condition or results of operations, we may experience such incidents in the future, potentially with more frequency or sophistication which may have a material impact on our financial condition or results of operations. The occurrence of any of these events could adversely affect our reputation and could result in litigation, regulatory action, financial loss, project delay claims and increased costs and operational consequences of implementing further data protection systems.

Failures of our IT systems as a result of cybersecurity incidents or other disruptions could result in a breach of critical operational or financial controls and lead to a disruption of our operations, commercial activities or financial processes. Cybersecurity incidents or other disruptions impacting significant customers and/or suppliers could also lead to a disruption of our operations. Given the persistent and advanced nature of cybersecurity threats, we continue to invest in upgraded programs, implement advanced features, and establish adequate controls to stop or curtail these threats. However, investing in upgraded programs, advanced features and adequate controls is expensive and an ongoing, rapidly changing challenge. Further, our attempts to safeguard our systems and mitigate potential risks may not be sufficient to prevent cyberattacks or security breaches that manipulate or improperly use our systems or networks, compromise confidential or otherwise protected information, destroy or corrupt data, or otherwise disrupt our operations. The occurrence of such events could have a material adverse effect on our business financial condition, reputation and results of operations.

All of these risks are also applicable when we rely on outside vendors to provide services. We are dependent on third-party vendors to operate secure and reliable systems which may include data transfers over the internet. Any events which deny us use of vital operating or information systems may seriously disrupt our normal business operations. Additionally, our key partners, distributors or suppliers could experience a compromise of their information security due to a cybersecurity incident, which may have an impact on our business, reputation and financial performance.

Our success depends upon our ability to control labor costs and to attract, train and retain highly qualified employees and key personnel.

To be successful, we must attract, train and retain a large number of highly qualified employees while controlling related labor costs. Our ability to control labor costs is subject to numerous external factors, including prevailing wage rates and health and other insurance costs. The market for highly qualified employees remains competitive and may not be able to attract or retain highly qualified employees in the future, including those employed by companies we acquire. None of our domestic employees are currently covered by collective bargaining or other similar labor agreements. However, if a number of our employees were to unionize, the effect on us may be negative. Additionally, we increasingly compete for talent within our industry.

In addition, our business results of operations depend largely upon our chief executive officer and senior management team as well as our plant managers and sales personnel, including those of companies acquired, and their experience, knowledge of local market dynamics and specifications and long-standing customer relationships. Our inability to retain, develop or hire qualified employees would restrict our ability to grow our business, limit our ability to continue to successfully operate our business and result in lower operating results and profitability.

If we are unable to protect our intellectual property rights, or we infringe on the intellectual property rights of others, our ability to compete could be negatively impacted.

Our ability to compete effectively depends, in part, upon our ability to protect and preserve proprietary aspects of our intellectual property through a combination of patent, trademark, copyright and trade secret laws, as well as licensing agreements and third-party nondisclosure and assignment agreements. Because of the differences in foreign trademark, patent and other laws concerning proprietary rights, our intellectual property rights may not receive the same degree of protection in foreign countries as they would in the U.S. Our failure to obtain or maintain adequate protection of our intellectual property rights for any reason could have a material adverse effect on our business, results of operations and financial condition.

We could incur significant costs in complying with environmental, health and safety laws or permits or as a result of satisfying any liability or obligation imposed under such laws or permits.

Our operations are subject to various federal, state, local and foreign environmental, health and safety laws and regulations. Violations of these laws and regulations, failure to obtain or maintain required environmental permits or non-compliance with any conditions contained in any environmental permit can result in substantial fines or penalties, injunctive relief, requirements to install pollution or other controls or equipment, civil and criminal sanctions, permit revocations and/or facility shutdowns. We could be held liable for the costs to address contamination of any real property we have ever owned, leased, operated or used, including as a disposal site. We could also incur fines, penalties, sanctions or be subject to third-party claims for property damage, personal injury or nuisance or otherwise as a result of violations of or liabilities under environmental laws in connection with releases of hazardous or other materials.

In addition, changes in, or new interpretations of, existing laws, regulations or enforcement policies, the discovery of previously unknown contamination, or the imposition of other environmental liabilities or obligations in the future, including additional investigation or other obligations with respect to any potential health hazards of our products or

business activities or the imposition of new permit requirements, may lead to additional compliance or other costs that could have material adverse effect on our business, financial condition, results of operations and cash flows.

Risks Relating to Our Acquisition of NDS

We may be unable to successfully integrate our and NDS' businesses in order to realize the anticipated benefits of the acquisition or do so within the intended timeframe.

We will be required to devote significant management attention and resources to integrating the business practices and operations of NDS with our business. We may be unable to realize the planned synergies from the acquisition or other benefits in the timeframe that we expect or at all. We continue to assess synergies that we may realize as a combined company, the realization of which will depend on a number of factors.

The success of the acquisition, including anticipated synergies, benefits and cost savings, will depend, in part, on our ability to successfully combine and integrate our current operations with NDS' business. If we experience difficulties with the integration process or other unforeseen costs, the anticipated benefits and cost savings of the acquisition may not be realized fully or at all or may take longer to realize than expected. The integration planning and implementation process will result in significant costs and divert management attention and resources. These integration matters could have an adverse effect on our combined company for an undetermined period after completion of the acquisition. In addition, the actual cost savings of the acquisition could be less than anticipated or otherwise offset by other factors.

Additional difficulties we may encounter as part of the integration process include the following:

- the costs of integration and compliance and the possibility that the full benefits anticipated to result from our acquisition of NDS will not be realized;
- any delay in the integration of management teams, strategies, operations, products and services;
- diversion of the attention of each company's management as a result of our acquisition of NDS;
- differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- operating in foreign jurisdictions where we have no prior operating experience, including compliance, workforce and operational challenges;
- delays in the disposition of the NDS International Entities;
- the ability to retain key employees;
- the ability to create and enforce uniform standards, controls, procedures, policies and information systems;
- the challenge of integrating complex systems, technology, networks and other assets of NDS into those of ours in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies;
- potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisition, including costs to integrate NDS beyond current estimates; or
- the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies.

Any of these factors could adversely affect each company's ability to maintain relationships with customers, suppliers, employees and other constituencies or our ability to achieve the anticipated benefits of the acquisition or could reduce each company's earnings or otherwise adversely affect our business and financial results after the acquisition. These risks are not limited to our acquisition of NDS and could also apply to our future acquisitions.

Uncertainties associated with our acquisition of NDS may cause a loss of management personnel and other key employees, which could adversely affect our future business, operations and financial results.

The acquisition of NDS could disrupt our and NDS' businesses. We are dependent on the experience and industry knowledge of senior management and other key employees to execute our business plans, which could be disrupted by the unanticipated departure of any key member of our management team or employee base, as well as management or key employees of NDS. Our and NDS' current and prospective employees may experience uncertainty about their roles within our company, which may have an adverse effect on the ability of each of us to attract or retain key management and other key personnel.

Accordingly, no assurance can be given that we will be able to attract or retain our and NDS' key management personnel and other key employees to the same extent that our companies have previously been able to attract or retain such employees. In addition, because of the specialized and technical nature of our business, our future performance is dependent on the continued service of, and on our ability to attract and retain, qualified management, engineering,

technical, marketing and support personnel. Competition for such personnel is intense, and we may be unable to continue to attract or retain such personnel.

Our results after our acquisition of NDS may suffer if we do not effectively manage our expanded operations following the acquisition or the business of NDS may underperform relative to our expectations.

Following our acquisition of NDS, the size and complexity of our business will increase significantly beyond the current size of either our or NDS' existing business. Our future success depends, in part, upon our ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and new types of manufacturing processes and products and associated increased costs and complexity. There can be no assurances that we will be successful after completion of the acquisition or that we will realize the expected benefits currently anticipated from our acquisition of NDS.

Additionally, we may not be able to maintain the levels of revenue, earnings or operating efficiency that we and NDS have achieved or might achieve separately. The business and financial performance of NDS is subject to certain risks and uncertainties, including the risk of the loss of, or changes to, its relationships with its customers. We may be unable to achieve the same growth, revenues and profitability that NDS has achieved in the past.

Risks Relating to Our Indebtedness

Our level of indebtedness could adversely affect our business, financial conditions or results of operations and prevent us from fulfilling our obligations under the agreements governing the terms of our indebtedness.

Our indebtedness could have risks. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the Company's existing debt obligations;
- increase our vulnerability to and compromise our flexibility to plan for, or react to, general adverse economic, industry or competitive conditions, including interest rate fluctuations, because a portion of our borrowings will be at variable rates of interest;
- cause us to be unable to meet the financial covenants contained in our debt agreements, or to generate cash sufficient to make required debt payments, which circumstances would have the potential of accelerating the maturity of some or all of our outstanding indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, joint ventures and investments and other general corporate purposes, which could improve our competitive position, results of operations or share price;
- require us to sell debt or equity securities or to sell some of our core assets, possibly on unfavorable terms, to meet payment obligations;
- place us at a competitive disadvantage compared to our competitors that do not have the same level of indebtedness as we do and competitors that may be in a more favorable position to access additional capital resources;
- limit our ability to execute business development and acquisition activities to support our strategies;
- limit our ability to obtain additional indebtedness or equity due to applicable financial and restrictive covenants in our debt agreements; and
- limit our ability to refinance our indebtedness on more favorable terms.

We expect to pay principal and interest on current and future debt from cash provided by operating activities. Therefore, our ability to meet these payment obligations will depend on future financial performance and cash availability. If our cash flow and capital resources are insufficient to fund our debt obligations, we may be forced to reduce or delay expansion plans and capital expenditures, limit payment of dividends, sell material assets or operations, obtain additional capital or restructure our debt.

Risks Relating to Our Common Stock

Future sales of shares by existing stockholders could cause our stock price to decline.

Sales of substantial amounts of our common stock in the public market, or the perception that these sales could occur, could cause the market price of our common stock to decline. Based on shares outstanding as of May 14, 2026, we have 76.6 million outstanding shares of common stock, including 0.2 million outstanding shares of our restricted stock, a significant portion of which are freely tradable without restriction under the Securities Act of 1933, as amended, ("Securities Act") unless held by "affiliates," as that term is defined in Rule 144 under the Securities Act. As of March 31,

2026, there were stock options outstanding to purchase a total of approximately 0.9 million shares of our common stock. In addition, approximately 1.5 million shares of common stock are available for grant under our 2017 Omnibus Plan.

Certain of our significant stockholders may distribute shares that they hold to their investors who themselves may then sell into the public market. Such sales may not be subject to the volume, manner of sale, holding period and other limitations of Rule 144 of the Securities Act (“Rule 144”). As resale restrictions end, the market price of our common stock could decline if the holders of those shares sell them or are perceived by the market as intending to sell them.

In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement or employee arrangement or otherwise. Any of these issuances could result in substantial dilution to our existing stockholders and could cause the trading price of our common stock to decline.

Our directors, officers and principal stockholders have significant voting power and may take actions that may not be in the best interests of our other stockholders. The trustee of our retirement plan has certain limited powers to vote a large block of shares on matters presented to stockholders for approval.

As of May 14, 2026, our directors, officers and principal stockholders and their affiliates collectively own, or have the right to own within 60 days, approximately 16% of our outstanding shares of common stock. Additionally, our tax-qualified Retirement and Stock Ownership Plan (“KSOP”) holds shares of common stock that KSOP participants with ESOP accounts are entitled to vote on a one-for-one basis on any matter requiring the vote or consent of our stockholders. Thus, the collective voting power of our directors, officers and principal stockholders and their affiliates as of May 14, 2026 is approximately 22%, inclusive of the outstanding shares of common stock held by the KSOP. As a result, these stockholders, if they act together, may be able to control our management and affairs and most matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. This concentration of ownership may have the effect of delaying or preventing a change of control and might adversely affect the market price of our common stock. This concentration of ownership may not be in the best interests of our other stockholders.

The KSOP trustee has the ability to vote a significant block of shares on certain matters presented to stockholders for approval. Each participant with an ESOP account in the KSOP may direct the KSOP trustee on how to vote the shares of common stock allocated to the participant’s ESOP accounts in the KSOP; and the KSOP trustee may vote any shares of common stock for which no participant instructions were received in the same proportion as the allocated stock for which participants’ voting instructions have been received is voted.

Anti-takeover provisions in our charter documents and Delaware law could discourage, delay or prevent a change in control of us and may affect the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws include a number of provisions that may discourage, delay or prevent a change in our management or control over us that stockholders may consider favorable. For example, our amended and restated certificate of incorporation and amended and restated bylaws, each as further amended, authorize the issuance of “blank check” preferred stock that could be issued by our board of directors to thwart a takeover attempt; provide that vacancies on our board of directors, including newly-created directorships, may be filled only by a majority vote of directors then in office; prohibit stockholders from calling special meetings of stockholders; prohibit stockholder action by written consent, thereby requiring all actions to be taken at a meeting of the stockholders; do not give the holders of our common stock cumulative voting rights with respect to the election of directors, which means that the holders of a majority of our outstanding shares of common stock can elect all directors standing for election; establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; require a super-majority stockholders vote of 75% to approve any reorganization, recapitalization, share exchange, share reclassification, consolidation, merger, conversion or sale of all or substantially all assets to which we are a party that is not approved by the affirmative vote of at least 75% of the members of our board of directors; and require the approval of holders of a majority of the outstanding shares of our voting common stock to amend the bylaws and at least 75% of the outstanding shares of our voting common stock to amend certain provisions of the certificate of incorporation.

Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware General Corporation Law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws may also make it difficult for stockholders to replace or remove our management. These provisions may facilitate management entrenchment that may delay, deter, render more difficult or prevent a change in our control, which may not be in the best interests of our stockholders.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a claim of breach of a fiduciary duty owed to us or our stockholders by our directors, officers, employees or agents; any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our common stock shall be deemed to have notice of and to have consented to the provisions of our amended and restated certificate of incorporation described above. The choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us or our directors, officers, employees or agents. If a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition.

General Risk Factors

As a publicly-traded manufacturing company, we are subject to a variety of risks in addition to the risks described above, each of which could adversely affect our financial position, results of operations or cash flows.

These risks include but are not limited to:

- taxation by multiple jurisdictions and the impact of such taxation on the effective tax rate and taxes paid;
- material liabilities under our self-insured programs for workers' compensation, automobile and product/general liability coverage as well as health coverage to our employees;
- fluctuations in our effective tax rate, including from the OBBBA signed July 4, 2025, Inflation Reduction Act of 2022, Tax Cuts and Jobs Act of 2017, the Coronavirus Aid, Relief, and Economic Security Act and any future tax legislation;
- the impact of tariffs;
- new or modified legislation related to health care;
- 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;
- our inability to assure our stockholders that an active market for shares of our common stock can be sustained, and the market price of our common stock may be volatile and could decline in the future; and
- failure to meet the expectations of investors, including as a result of factors beyond our control.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Our cybersecurity program is designed to assess, identify and manage material risks from cybersecurity threats, and is a component of our overall enterprise risk program. Our cybersecurity program is based on the National Institute of Standards and Technology Cybersecurity Framework, version 2.0. We conduct regular scans, penetration tests, and vulnerability assessments to identify potential threats or vulnerabilities in our systems. Our processes to assess, identify and manage material risks from cybersecurity threats include potential threats associated with third party service providers, including cloud-based platforms.

We believe we have invested in monitoring practices to reduce cybersecurity risks and continue to monitor our systems on an ongoing basis for compliance with applicable privacy regulations and any current or potential threats. We engage third-party service providers to enhance our risk prevention and mitigation efforts. We have periodically engaged third parties to serve in a consultative and advisory manner to review current and future strategies. We also purchase insurance to help protect us against the risk of cybersecurity breaches.

Cybersecurity Governance

Board and Committee Oversight - Our Board of Directors has ultimate oversight of the Company’s cybersecurity programs and strategy, with the Audit Committee maintaining oversight responsibility in reviewing cybersecurity and other information technology risks. The Audit Committee assesses the steps management has taken to monitor, minimize or control such risks or exposures. The Company’s Chief Information Officer (“CIO”) presents a cybersecurity report to the Audit Committee each quarter. The report includes updates of recent cybersecurity threats, current key performance indicators of security controls and summaries of any recent incidents at the Company.

Management’s Role - The Company’s CIO, supported by the Director of IT Security and Compliance, manages cybersecurity risk. Our CIO has over 25 years of experience in information technology and eight years of experience with the Company. The Company’s enterprise-wide cybersecurity strategy is supported by policies, procedures, security controls and training designed to protect the Company’s IT systems, operations and sensitive data. Specifically, our Cyber Incident Response Plan provides a process by which our Company is informed about and monitors the prevention, detection, mitigation and remediation of cybersecurity incidents and includes engaging the Cybersecurity and Risk Management Committee (“CRMC”). The CRMC is a management committee established to identify, assess and manage material cybersecurity incidents, including the incident recovery process within the Company. Depending on the significance of the incident, the Cyber Incident Response Plan could include engaging affected internal and external parties, escalating the issue to executive management, notifying one or more members of our Audit Committee, maintaining communication with users and notifying law enforcement and government agencies as warranted.

For additional information regarding cybersecurity risks, see the risk factor captioned “*Cybersecurity incidents may threaten our confidential information, disrupt operations and result in harm to our reputation and adversely impact our business and financial performance*” under Part I, Item 1A “Risk Factors”.

Item 2. Properties

Property - We have a network of 64 manufacturing plant locations and 41 distribution centers, summarized in the following table:

	Manufacturing Plants	Distribution Centers	Total
United States	54	29	83
Canada	4	4	8
Mexico ⁽¹⁾	3	3	6
South America ⁽²⁾	3	4	7
Other ⁽³⁾	—	1	1
Total	64	41	105

(1) Manufacturing plants and distribution centers in Mexico are owned or leased by our joint venture.

(2) Manufacturing plants and distribution centers owned or leased by our South America joint venture are not consolidated.

(3) The other facility is located in the Netherlands.

We currently own approximately 110,000 square feet in Hilliard, Ohio for our corporate headquarters through a joint venture and own our approximately 110,000 square foot ADS Engineering and Technology Center. Additionally, we lease an office space in Old Saybrook, Connecticut for our Infiltrator headquarters.

Our network of 64 manufacturing plants consists of 45 that are owned and 19 that are leased. We generally prefer to own our manufacturing plant locations, with a typical pipe manufacturing facility consisting of approximately 40,000 square feet and 15 to 20 acres of land for storage of pipe and related products. Our network of 41 distribution centers consists of 4 owned and 37 leased locations. We believe that our properties have been adequately maintained and are generally in good condition. The extent to which we use our properties varies by property, but we believe the capacity of our facilities is adequate for the level of production and distribution activities necessary in our business as presently conducted. Our Wastewater Segment utilizes 10 of our properties in the United States. The remainder of our properties are utilized by the Stormwater segment. Each distribution center carries pipe, fittings and other Allied Products per needs of the local market.

In-House Fleet - As of March 31, 2026, our in-house fleet consists of approximately 600 tractors and approximately 1,100 trailers that are specially designed to haul our lightweight pipe and fittings products.

Item 3. Legal Proceedings

The Company is involved from time to time in various legal proceedings that arise in the ordinary course of our business, including but not limited to commercial disputes, environmental matters, employee related claims, intellectual property disputes and litigation in connection with transactions including acquisitions and divestitures. The Company does not believe that such litigation, claims, and administrative proceedings will have a material adverse impact on our financial position or our results of operations. The Company records a liability when a loss is considered probable, and the amount can be reasonably estimated.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information for Common Stock - Our common stock is listed and traded on the NYSE under the symbol “WMS”. During each quarter of fiscal 2026, 2025 and 2024, the Board of Directors approved a quarterly cash dividend of \$0.18, \$0.16 and \$0.14 per share, respectively, to all common stockholders. During the first quarter of fiscal 2027, the Company declared a quarterly cash dividend of \$0.20 per share of common stock. The dividend is payable on June 15, 2026 to stockholders of record at the close of business on June 1, 2026.

Holders of Record - As of May 14, 2026, we had 862 holders of record of our common stock. The number of holders of record is based upon the actual number of holders registered as of such date and does not include holders of shares in “street name” or persons, partnerships, associates, corporations or other entities in security position listings maintained by depositories.

Stock Performance Graph - The following graph presents a comparison from March 31, 2021 through March 31, 2026 of the cumulative return of our common stock, the Standard and Poor’s Index and the Standard and Poor’s Mid Cap 400 - Capital Goods Index. The graph assumes investment of \$100 on March 31, 2021 in our common stock and in each of the two indices and the reinvestment of dividends.



Recent Sales of Unregistered Securities - Since the completion of our IPO, we have not sold any securities without registration under the Securities Act of 1933, as amended.

Issuer Purchases of Equity Securities - In February 2026, we announced that our Board of Directors approved a new \$1.0 billion stock repurchase authorization (the “Repurchase Program”) of ADS common stock in accordance with applicable securities laws. During fiscal 2026, we repurchased 0.7 million shares of common stock at a cost of \$98.7 million. With the new authorization, the Repurchase Program has a total available capacity of \$1.0 billion as of March 31, 2026. The Repurchase Program does not obligate us to acquire any particular amount of common stock and may be suspended or terminated at any time at our discretion.

Advanced Drainage Systems, Inc

The following table provides information with respect to repurchases of our common stock by us and our “affiliated purchasers” (as defined by Rule 10b-18(a)(3) under the Exchange Act) during the three months ended March 31, 2026.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
		(amounts in thousands, except per share data)		
January 1, 2026 to January 31, 2026	—	—	—	\$ 147,742
February 1, 2026 to February 28, 2026	—	—	—	1,147,742
March 1, 2026 to March 31, 2026	720	\$ 137.06	720	1,049,043
Total	720	\$ 137.06	720	\$ 1,049,043

Equity Compensation Plan Information - For equity compensation plan information, refer to “Part III, Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters,” of this Annual Report on Form 10-K.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our fiscal year begins on April 1 and ends on March 31. Unless otherwise noted, references to "year" pertain to our fiscal year. For example, "2026" refers to fiscal 2026, which is the period from April 1, 2025 to March 31, 2026.

The following discussion and analysis of our financial condition and results of our operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. This discussion contains forward-looking statements that are based on the beliefs of our management, as well as assumptions made by, and information currently available to, our management. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the sections titled "Item 1A. Risk Factors" and "Cautionary Statement About Forward-Looking Statements" included elsewhere in this Annual Report on Form 10-K. Please read the following discussion together with the sections titled "Item 1A. Risk Factors" and our consolidated financial statements, including the related notes, included in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Overview

We are the leading manufacturer of innovative water management solutions in the stormwater and onsite wastewater industries, providing superior drainage solutions for use in the construction and agriculture marketplaces. Our innovative products, for which we hold many patents, are used across a broad range of end markets and applications, including non-residential, infrastructure and agriculture applications. We have established a leading position in many of these end markets by leveraging our national sales and distribution platform, industry-acclaimed engineering support, overall product breadth and scale plus manufacturing excellence.

Key Factors Affecting Our Results of Operations

Product Demand - There are numerous factors that influence demand for our products. Our businesses are cyclical in nature and sensitive to general economic conditions, primarily in the United States, Canada, Mexico and South America. The non-residential, residential, agricultural and infrastructure markets we serve are affected by the availability of credit, lending practices, interest rates and unemployment rates. Demand for new homes, farm income, commercial development and highway infrastructure spending have a direct impact on our financial condition and results of operations. Accordingly, the following factors may have a direct impact on our business in the markets in which our products are sold:

- the strength of the economy;
- the amount and type of non-residential and residential construction;
- funding for infrastructure spending;
- farm income and agricultural land values;
- inventory of improved housing lots;
- changes in raw material and commodity prices;
- the availability and cost of credit;
- non-residential occupancy rates; and
- demographic factors such as population growth and household formation.

Growth in Allied Products - Our Allied Products include storm and onsite wastewater chambers, PVC drainage structures, fittings, stormwater filters and water separators. These products complement our pipe products and allow us to offer a comprehensive water management solution to our customers and drive organic growth. Our leading market position in pipe products allows us to cross-sell Allied Products effectively. Our comprehensive offering of Allied Products can also increase pipe sales in certain markets. Allied Products are less sensitive to resin prices since resin prices represent a smaller percentage of the cost for Allied Products. Our leading position in the pipe market has allowed us to increase organic growth of our Allied Products, and we also expect to expand our Allied Product offerings through acquisitions, including our recent acquisition of NDS.

Product Pricing - The price of our products is impacted by competitive pricing dynamics in our industry as well as by raw material costs. Our industry is highly competitive and the sales prices for our products may vary based on the sales policies of our competitors. Raw material costs represent a significant portion of the cost of goods sold for our products. We aim to increase our product selling prices in order to cover raw material price increases, including increases due to tariffs, but the inability to do so could impact our profitability. Movements in raw material, logistics or other overhead costs and resulting changes in the selling prices may also impact changes in period-to-period comparisons of net sales.

Material Conversion - Our HDPE and PP pipe, plastic leachfield chambers, onsite wastewater tanks and related water management product lines compete with other manufacturers of similar products as well as manufacturers of alternative products made with traditional materials, such as concrete, steel and PVC. Our net sales are driven by market trends, including the adoption of thermoplastic corrugated pipe products as a replacement for traditional materials. Thermoplastic corrugated pipe is generally lighter, more durable, more cost effective and easier to install than comparable products made

from traditional materials. We believe customers will continue to acknowledge the superior attributes and compelling value proposition of our thermoplastic products and expanded regulatory approvals allow for their use in new markets and geographies. In addition, we believe that PP pipe products will also help accelerate conversion given the additional applications for which our PP pipe products can be used.

Raw Material Costs - Our raw material cost and product selling prices fluctuate with changes in the price of resins utilized in production. We actively manage our resin purchases and pass fluctuations in the cost of resin through to our customers, where possible, in order to maintain our profitability. Fluctuations in the price of crude oil and natural gas prices may impact the cost of resin. In addition, changes in and disruptions to existing capacities could also significantly increase resin prices, often within a short period of time. Our ability to pass through raw material price increases to our customers may lag the increase in our costs of goods sold. Sharp rises in raw material prices over a short period of time have historically occurred with a significant supply disruption, which may increase prices to levels that cannot be fully passed through to customers due to pricing of competing products or the anticipated length of time the raw material pricing will stay elevated.

We currently purchase in excess of 1.0 billion pounds of virgin and recycled resin annually from approximately 450 suppliers in North America. As a high-volume buyer of resin, we are able to achieve economies of scale to negotiate favorable terms and pricing. Our purchasing strategies differ based on the material (virgin resin versus recycled material). The price movements of the different materials vary, resulting in the need to use a number of strategies to reduce volatility.

In order to reduce the volatility of raw material costs in the future, our raw material strategies for managing our costs include the following:

- increasing the use of low cost resin in place of virgin resin while meeting or exceeding industry standards;
- internally processing greater amounts of our recycled resin in order to closely monitor quality and minimize costs;
- managing a resin price risk program that may entail both physical fixed price and volume contracts; and
- maintaining supply agreements with our major resin suppliers that provide multi-year terms and volumes that are in excess of our projected consumption.

We also consume a large amount of energy and other petroleum products in our operations, including the electricity we use in our manufacturing process as well as the diesel fuel consumed in delivering a significant volume of products to our customers through our in-house fleet. As a result, our operating profit also depends upon our ability to manage the cost of the energy and fuel we require, as well as our ability to pass through increased prices or surcharges to our customers.

Seasonality - Our operating results are impacted by seasonality. Historically, sales of our products have been higher in the first and second quarters of each fiscal year due to favorable weather and longer daylight conditions accelerating construction project activity during these periods while fourth quarter results are impacted by the timing of spring in the northern United States and Canada. Seasonal variations in operating results may also be significantly impacted by inclement weather conditions, which can delay projects, resulting in decreased net sales for one or more quarters, but we believe that these delayed projects generally result in increased net sales during subsequent quarters.

In the non-residential, residential and infrastructure markets in the northern United States and Canada, the construction season typically begins to gain momentum in late March and lasts through November, before winter significantly slows the construction markets. In the southern and western United States, Mexico, Central America and South America, the construction markets are less seasonal. The agricultural drainage market is concentrated in the early spring just prior to planting and in the fall just after crops are harvested prior to freezing of the ground in winter.

Currency Exchange Rates - Although we sell and manufacture our products in many countries, our sales and production costs are primarily denominated in U.S. dollars. We have wholly-owned facilities in Canada, the Netherlands and joint venture facilities in Mexico, Chile, Brazil, Argentina, Colombia and Peru. The functional currencies in the areas in which we have wholly-owned facilities and joint venture facilities other than the U.S. dollar are the Canadian dollar, Euro, Mexican peso, Chilean peso, Brazilian real and Colombian peso. From time to time, we use derivatives to reduce our exposure to currency fluctuations.

Executive Summary of Our Fiscal 2026 Results

- Net sales increased 5.0% to \$3.1 billion
- Net income from continuing operations decreased 5.0% to \$429.9 million
- Adjusted EBITDA increased 8.3% to \$962.9 million
- Cash provided by operating activities increased \$237.6 million to \$819.1 million
- Free cash flow increased \$200.7 million to \$569.3 million

Net sales increased \$146.1 million, or 5.0%, to \$3,050.4 million, as compared to \$2,904.2 million in the prior year. Stormwater sales increased \$71.0 million, or 3.1%, to \$2,397.4 million. Wastewater sales increased \$75.1 million, or 13.0%, to \$653.0 million.

Gross profit increased \$73.1 million, or 6.7%, to \$1,167.4 million as compared to \$1,094.2 million in the prior year. The increase in gross profit is primarily driven by favorable volume, price/cost and mix of construction market and Infiltrator sales, partially offset by unfavorable fixed cost absorption as well as the mix impact from acquisitions.

Adjusted EBITDA, a non-GAAP financial measure, increased \$73.7 million, or 8.3%, to \$962.9 million, as compared to \$889.2 million in the prior year. The increase is primarily due to the factors mentioned above. As a percentage of net sales, Adjusted EBITDA was 31.6% as compared to 30.6% in the prior year.

Description of our Segments

Following the acquisition of NDS, the Company realigned its reportable segments to align with the manner in which the CODM assesses performance and makes resource allocation decisions. The Company's revised reportable segments consist of Stormwater and Wastewater (formerly referred to as the "Infiltrator" reportable segment). Further, the Company changed the measure used to evaluate segment profitability from adjusted gross profit to Adjusted EBITDA. Segment results for the historical periods presented in these consolidated financial statements have been recast to reflect these changes. The Segment Realignment had no impact on our previously reported consolidated net sales, income from operations, net income attributable to ADS or earnings per share.

We generate a greater portion of our net sales and Adjusted EBITDA in our Stormwater segment, which includes sales of high performance thermoplastic corrugated pipe and complementary products throughout the United States and certain international regions. We expect the percentage of total net sales and gross profit derived from the Wastewater segment to continue to increase in future periods as we continue to expand our wastewater management presence. See "Note 20. Business Segment Information" to our audited consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" of this Form 10-K.

Stormwater - The Stormwater segment manufactures and markets high performance thermoplastic corrugated pipe and complementary products designed as an integrated, end-to-end solution set which provides a comprehensive approach to managing stormwater from the moment it hits the ground until it is cleaned and returned to its natural environment. In February 2026, the Company acquired NDS to further expand the Stormwater product offering, enhance go-to-market capabilities in retail and distributor channels, and expand the Stormwater addressable market. Stormwater products are sold and manufactured throughout the United States and certain international regions, including Company owned facilities in Canada, subsidiaries that distribute to Europe and the Middle East, and exports through the Company's joint ventures with local partners in Mexico and South America. The Company maintains and serves these markets through product distribution relationships with many of the largest waterworks distributors, buying groups and co-ops, major retailers as well as an extensive network of hundreds of small to medium-sized distributors. Our joint venture strategy has provided us with local and regional access to new international markets. The unconsolidated sales of the South American Joint Venture were \$75.6 million, \$72.3 million, and \$75.9 million, in fiscal 2026, 2025, and 2024, respectively.

Wastewater - Wastewater (formerly "Infiltrator") is a leading national provider of plastic leachfield chambers and systems, onsite wastewater tanks and accessories, primarily for use in residential applications. Wastewater products are used in onsite wastewater treatment systems in the United States and Canada.

Results of Operations for Fiscal Year Ended March 31, 2026 Compared with Fiscal Year Ended March 31, 2025

The following table summarizes our operating results as a percentage of net sales that have been derived from our Consolidated Financial Statements for the fiscal years ended March 31, 2026 and 2025. We believe this presentation is useful to investors in comparing historical results.

(Amounts in thousands)	2026		2025	
Net sales	\$ 3,050,376	100.0 %	\$ 2,904,245	100.0 %
Cost of goods sold	1,882,990	61.7	1,810,004	62.3
Gross profit	1,167,386	38.3	1,094,241	37.7
Selling, general and administrative expenses	469,549	15.4	380,378	13.1
Loss on disposal of assets and costs from exit and disposal activities	19,211	0.6	3,858	0.1
Intangible amortization	59,424	1.9	52,569	1.8
Income from operations	619,202	20.3	657,436	22.6
Interest expense	93,869	3.1	91,803	3.2
Interest income and other, net	(34,455)	(1.1)	(23,832)	(0.8)
Income before income taxes	559,788	18.4	589,465	20.3
Income tax expense	134,988	4.4	141,063	4.9
Equity in net income of unconsolidated affiliates	(5,063)	(0.2)	(4,171)	(0.1)
Net income from continuing operations	429,863	14.1	452,573	15.6
Net loss from discontinued operations, net of taxes	(1,090)	—	—	—
Net income	428,773	14.1	452,573	15.6
Less: net income attributable to the non-controlling interest	2,308	0.1	2,401	0.1
Net income attributable to ADS	\$ 426,465	14.0 %	\$ 450,172	15.5 %

Net sales - The following table presents net sales to external customers by reportable segment for the fiscal years ended March 31, 2026 and 2025.

(Amounts in thousands)	2026		2025		\$ Variance	% Variance
Stormwater	\$ 2,397,414	\$ 2,326,370	\$ 71,044	3.1 %		
Wastewater	652,962	577,875	75,087	13.0		
Total Consolidated	\$ 3,050,376	\$ 2,904,245	\$ 146,131	5.0 %		

Our consolidated net sales for the fiscal year ended March 31, 2026 increased by \$146.1 million, or 5.0%, compared to fiscal 2025. The increase in Stormwater sales was primarily driven by NDS net sales of \$48.8 million and an increase in demand for our Allied Products in the non-residential construction market. The increase in Wastewater sales was primarily driven by an increase of Orenco net sales of \$52.6 million to account for a full year of sales in fiscal 2026 and an increase in demand in the construction market.

Cost of goods sold and Gross profit - The following table presents gross profit by reportable segment for the fiscal years ended March 31, 2026 and 2025.

(Amounts in thousands)	2026		2025		\$ Variance	% Variance
Stormwater	\$ 820,710	\$ 779,189	\$ 41,521	5.3 %		
Wastewater	346,579	315,441	31,138	9.9		
Intersegment eliminations	97	(389)	486	(124.9)		
Total gross profit	\$ 1,167,386	\$ 1,094,241	\$ 73,145	6.7 %		

Our consolidated Cost of goods sold for the fiscal year ended March 31, 2026 increased by \$73.0 million or, 4.0%, and our consolidated Gross profit decreased by \$73.1 million, or 6.7%, compared to the same period in fiscal 2025. The increase in gross profit for Stormwater is primarily due to favorable material costs and the acquisition of NDS. The increase in gross profit for Wastewater was driven by Orenco and volume.

Advanced Drainage Systems, Inc

Selling, general and administrative expenses - The following table presents Selling, general and administrative expenses as a percentage of sales for the fiscal years ended March 31, 2026 and 2025.

(Amounts in thousands)	2026	2025
Selling, general and administrative	\$ 469,549	\$ 380,378
% of Net Sales	15.4 %	13.1 %

Selling, general and administrative expenses for the fiscal year ended March 31, 2026 increased \$89.2 million from the same period in fiscal 2025. The increase in Selling, general and administrative expenses is primarily the result of an increase in transaction costs of \$31.5 million due to the acquisition of NDS, incremental operating expenses of NDS and Orenco, unfavorable incentive and stock-based compensation, and realignment expenses of \$12.0 million.

Loss on disposal of assets and costs from exit and disposal activities - The loss on disposal in fiscal 2026 was due to exit and disposal activities related to plant closures and asset disposals partially offset by the sale of properties held-for-sale. See “Note 3. Restructuring and Loss (Gain) on Disposal of Assets and Costs from Exit and Disposal Activities” for additional information.

Intangible amortization - Intangible amortization increased by \$6.9 million primarily due to the increase in intangible assets due to the NDS acquisition and the accelerated method of amortization for customer relationships.

Interest expense - Interest expense increased \$2.1 million for the fiscal year ended March 31, 2026 compared to the same period in fiscal 2025. The increase was primarily due to increased debt levels.

Interest income and other, net - Interest income and other, net increased by \$10.6 million for the fiscal year ended March 31, 2026 compared to the same period in fiscal 2025. The increase was primarily due to increased cash balances in the fiscal year and unrealized gains related to derivatives.

Income tax expense - The following table presents the effective tax rates for the fiscal years presented:

	2026	2025
Effective tax rate	24.1 %	23.9 %

See “Note 16. Income Taxes” for additional information.

Equity in net income of unconsolidated affiliates - The Equity in net income of unconsolidated affiliates increased for the fiscal year ended March 31, 2026 compared to the same period in fiscal 2025 due to the current period income at our South American Joint Venture.

Net income attributable to noncontrolling interest - Net income attributable to noncontrolling interest was relatively flat for fiscal year ended March 31, 2026 compared to the same period in fiscal 2025.

Net loss from discontinued operations - The loss from discontinued operations was attributable the NDS International entities classified as held for sale as of March 31, 2026.

Results of Operations for Fiscal Year Ended March 31, 2025 Compared with Fiscal Year Ended March 31, 2024

The following table summarizes our operating results as a percentage of net sales that have been derived from our Consolidated Financial Statements for the fiscal years ended March 31, 2025 and 2024. We believe this presentation is useful to investors in comparing historical results.

(Amounts in thousands)	2025		2024	
Net sales	\$ 2,904,245	100.0 %	\$ 2,874,473	100.0 %
Cost of goods sold	1,810,004	62.3	1,728,524	60.1
Gross profit	1,094,241	37.7	1,145,949	39.9
Selling, general and administrative expenses	380,378	13.1	370,714	12.9
Loss (gain) on disposal of assets and costs from exit and disposal activities	3,858	0.1	(8,365)	(0.3)
Intangible amortization	52,569	1.8	51,469	1.8
Income from operations	657,436	22.6	732,131	25.5
Interest expense	91,803	3.2	88,862	3.1
Interest income and other, net	(23,832)	(0.8)	(23,484)	(0.8)
Income before income taxes	589,465	20.3	666,753	23.2
Income tax expense	141,063	4.9	158,998	5.5
Equity in net income of unconsolidated affiliates	(4,171)	(0.1)	(5,536)	(0.2)
Net income	452,573	15.6	513,291	17.9
Less: net income attributable to the non-controlling interest	2,401	0.1	3,376	0.1
Net income attributable to ADS	\$ 450,172	15.5 %	\$ 509,915	17.7 %

Net sales - The following table presents net sales to external customers by reportable segment for the fiscal years ended March 31, 2025 and 2024.

(Amounts in thousands)	2025		2024		\$ Variance	% Variance
Stormwater	\$ 2,326,370	\$ 2,361,520	\$ (35,150)	(1.5) %		
Wastewater	577,875	512,953	64,922	12.7		
Total Consolidated	\$ 2,904,245	\$ 2,874,473	\$ 29,772	1.0 %		

Our consolidated net sales for the fiscal year ended March 31, 2025 increased by \$29.8 million, or 1.0%, compared to fiscal 2024. The decrease in Net sales for Stormwater was primarily driven by unfavorable price/mix impact partially offset by higher demand in our Allied Products. The increase in Net sales for Wastewater was driven by improved price/mix and \$46.4 million of net sales from Orenco.

Cost of goods sold and Gross profit - The following table presents gross profit by reportable segment for the fiscal years ended March 31, 2025 and 2024.

(Amounts in thousands)	2025		2024		\$ Variance	% Variance
Stormwater	\$ 779,189	\$ 866,343	\$ (87,154)	(10.1) %		
Wastewater	315,441	282,810	32,631	11.5		
Intersegment eliminations	(389)	(3,204)	2,815	(87.9)		
Total gross profit	\$ 1,094,241	\$ 1,145,949	\$ (51,708)	(4.5) %		

Our consolidated Cost of goods sold for the fiscal year ended March 31, 2025 increased by \$81.5 million or, 4.7%, and our consolidated Gross profit decreased by \$51.7 million, or 4.5%, compared to the same period in fiscal 2024. The decrease in gross profit for Stormwater is primarily due to unfavorable material cost and the decrease in Net sales in Pipe. The increase in gross profit for Wastewater was driven by improved pricing, improved material costs and the acquisition of Orenco.

Selling, general and administrative expenses - The following table presents Selling, general and administrative expenses as a percentage of sales for the fiscal years ended March 31, 2025 and 2024.

(Amounts in thousands)	2025	2024
Selling, general and administrative	\$ 380,378	\$ 370,714
% of Net Sales	13.1 %	12.9 %

Selling, general and administrative expenses for the fiscal year ended March 31, 2025 increased \$9.7 million from the same period in fiscal 2024. The increase in Selling, general and administrative expenses is primarily the result of the operating and acquisition expenses of Orenco partially offset by favorable incentive and stock-based compensation expense.

Loss (gain) on disposal of assets and costs from exit and disposal activities - The change in Loss (gain) on disposal of assets and costs from exit and disposal activities is primarily due to the closure of a plant and other asset disposals in fiscal 2025 compared to a gain on the sale of the assets of Spartan Concrete, Inc. in fiscal 2024, partially offset by the losses on the sale of the Paper Recycling business and disposal of other assets.

Intangible amortization - Intangible amortization increased by \$1.1 million primarily due to the increase in intangible assets due to the Orenco acquisition.

Interest expense - Interest expense increased \$2.9 million for the fiscal year ended March 31, 2025 compared to the same period in fiscal 2024. The increase was primarily due to an increase in interest rates.

Interest income and other, net - Interest income and other, net increased by \$0.3 million for the fiscal year ended March 31, 2025 compared to the same period in fiscal 2024.

Income tax expense - The following table presents the effective tax rates for the fiscal years presented:

	2025	2024
Effective tax rate	23.9 %	23.8 %

The change in the effective tax rate was primarily related to the increase of the income tax benefit related to the stock-based compensation windfall and the increase of income tax expense related to the executive compensation limitation in fiscal year 2025. See "Note 16. Income Taxes" for additional information.

Equity in net income of unconsolidated affiliates - The Equity in net income of unconsolidated affiliates decreased for the fiscal year ended March 31, 2025 compared to the same period in fiscal 2024 due to a decrease in the current period income at our South American Joint Venture.

Net income attributable to noncontrolling interest - Net income attributable to noncontrolling interest decreased for the fiscal year ended March 31, 2025 due to decreased net income at our ADS Mexicana joint venture.

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin - EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, non-GAAP financial measures, have been presented in this Annual Report on Form 10-K as supplemental measures of financial performance that are not required by, or presented in accordance with generally accepted accounting principles ("GAAP") and should not be considered as alternatives to net income as measures of financial performance or any other performance measure derived in accordance with GAAP. We calculate Adjusted EBITDA as net income from continuing operations before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other gains and expenses. We calculate Adjusted EBITDA Margin as Adjusted EBITDA divided by net sales.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are included in this Annual Report on Form 10-K because they are key metrics used by management and our Board of Directors to assess our financial performance. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are frequently used by analysts, investors and other interested parties to evaluate companies in our industry. In addition to covenant compliance and executive performance evaluations, we use EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to supplement GAAP measures of performance to evaluate the effectiveness of our business strategies, to make budgeting decisions and to compare our performance against that of other peer companies using similar measures.

EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not GAAP measures of our financial performance and should not be considered as alternatives to net income as measures of financial performance or any other performance measure derived in accordance with GAAP, and it should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin contain certain other limitations, including the failure to reflect our cash expenditures, cash requirements for working capital needs and cash costs to replace assets being depreciated and amortized. In evaluating EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we will incur expenses that are the same as or similar to some of the adjustments in this presentation, such as stock-based compensation expense, derivative fair value adjustments, and foreign currency transaction losses. Management compensates for these limitations by relying on our GAAP results in addition to using EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin on a supplemental basis. Our measure of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

(Amounts in thousands)	2026	2025	2024
Net income from continuing operations	\$ 429,863	\$ 452,573	\$ 513,291
Depreciation and amortization	216,261	183,281	154,903
Interest expense	93,869	91,803	88,862
Income tax expense	134,988	141,063	158,998
EBITDA	874,981	868,720	916,054
Restructuring and realignment expense ^(a)	48,299	—	—
(Gain) loss on disposal of assets	(17,039)	3,858	(8,365)
Stock-based compensation expense	32,354	26,581	31,986
Transaction costs ^(b)	40,805	9,291	3,444
Inventory step up related to acquisition of NDS	12,277	—	—
Interest income	(25,000)	(23,485)	(22,047)
Other adjustments ^(c)	(3,771)	4,263	1,875
Adjusted EBITDA	\$ 962,906	\$ 889,228	\$ 922,947
Adjusted EBITDA Margin	31.6 %	30.6 %	32.1 %

- (a) Includes costs associated with the optimization of the Company's production, recycling and distribution network, as well as professional fees incurred in connection with supporting enterprise-wide restructuring and realignment initiatives. Excludes gain on sale of properties previously held-for-sale and equipment. See "Note 3. Restructuring and Loss (Gain) on Disposal of Assets and Costs from Exit and Disposal Activities" for additional information.
- (b) Represents expenses recorded related to legal, accounting and other professional fees incurred in connection with business or asset acquisitions and dispositions.
- (c) Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, inventory step-up costs, 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 (benefit).

Liquidity and Capital Resources

Historically we have funded our operations through internally generated cash flow supplemented by debt financings, equity issuance and finance and operating leases. These sources have been sufficient historically to fund our primary liquidity requirements, including working capital, capital expenditures, debt service and dividend payments. From time to time, we may explore additional financing methods and other means to raise capital. There can be no assurance that any additional financing will be available to us on acceptable terms or at all.

Free Cash Flow - Free cash flow is a non-GAAP financial measure that comprises cash flow from operations less capital expenditures. Free cash flow is a measure used by management and our Board of Directors to assess our ability to generate cash. Accordingly, free cash flow has been presented in this Annual Report on Form 10-K as a supplemental measure of liquidity that is not required by, or presented in accordance with GAAP, because 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. Free cash flow is not a GAAP measure of our liquidity and should not be considered as an alternative to cash flow from operating activities as a measure of liquidity or any other liquidity measure derived in

Advanced Drainage Systems, Inc

accordance with GAAP. Our measure of free cash flow is not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

(Amounts in thousands)	2026	2025	2024
Cash flow from operating activities	\$ 819,054	\$ 581,491	\$ 717,928
Capital expenditures	(249,766)	(212,944)	(183,812)
Free cash flow	\$ 569,288	\$ 368,547	\$ 534,116

The following table presents key liquidity metrics utilized by management:

(Amounts in thousands)	March 31, 2026
Total debt (debt and finance lease obligations)	\$ 1,771,894
Cash	223,012
Net debt (total debt less cash)	1,548,882
Leverage ratio (Net debt/Adjusted EBITDA)	1.6

The following table summarizes our available liquidity under our Revolving Credit Facility as of March 31, 2026:

(Amounts in thousands)	March 31, 2026
Revolver capacity	\$ 750,000
Less: outstanding borrowings	—
Less: letters of credit	10,132
Revolver available liquidity	\$ 739,868

As of March 31, 2026, we had \$25.7 million in cash that was held by our foreign subsidiaries, of which, \$13.1 million was held by our Canadian subsidiaries. We continue to evaluate our strategy regarding foreign cash, but our earnings in foreign subsidiaries still remain indefinitely reinvested, except for Canada. See “Note 16. Income Taxes” for additional discussion of our plans to repatriate earnings from Canada.

Working Capital and Cash Flows

In fiscal 2026, our cash balance decreased by \$235.3 million. Cash outflows from the acquisition of NDS, repayment of the term loan and Senior Notes due 2027, and capital expenditures of \$249.8 million were partially offset by cash generated from operations, issuance of the Senior Notes due 2034, proceeds from the new term loan facility, changes in working capital and dispositions of assets. Our decrease of cash in fiscal 2025 was \$26.6 million. Cash generated from operations, changes in working capital and dispositions of assets was offset by the acquisition of Orenco, capital expenditures of \$212.9 million, \$69.9 million in share repurchases and \$49.7 million of dividend payments.

As of March 31, 2026, we had \$962.9 million in liquidity, including \$223.0 million of cash and \$739.9 million in borrowings available under our Revolving Credit Agreement, excluding \$10.1 million of outstanding letters of credit. We believe that our cash on hand, together with the availability of borrowings under our Credit Agreement and other financing arrangements and cash generated from operations, will be sufficient to meet our working capital requirements, anticipated capital expenditures, and scheduled principal and interest payments on our indebtedness for at least the next twelve months.

Working Capital - Working capital is an indication of liquidity and potential need for short-term funding. We define working capital as current assets less current liabilities. Working capital decreased to \$721.4 million as of March 31, 2026, from \$926.4 million as of March 31, 2025, primarily due to a decrease in cash due to the acquisition of NDS and capital expenditures, partially offset by cash flow from operations and the incremental working capital of NDS.

Operating Cash Flows - During fiscal 2026, 2025 and 2024, cash provided by operating activities was \$819.1 million, \$581.5 million and \$717.9 million, respectively. Cash flow from operating activities for all periods was primarily driven by operating income and changes in working capital.

Investing Cash Flows - During fiscal 2026, cash used for investing activities was \$1,211.8 million. The cash used for investing cash flows was primarily for the acquisition of NDS and capital expenditures. Capital expenditures increased in

fiscal 2026 compared to fiscal 2025. Our capital expenditures in fiscal 2026 were used primarily to support facility expansions, equipment replacements, technology improvement initiatives and our corporate headquarters.

During fiscal 2025, cash used for investing activities was \$447.9 million. The cash used for investing cash flows was primarily from the acquisition of Orenco and capital expenditures. Capital expenditures increased in fiscal 2025 compared to fiscal 2024. Our capital expenditures in fiscal 2025 were used primarily to support new facilities, facility expansions to increase production capacity and recycling capabilities, manufacturing equipment replacements and upgrades, and technology initiatives to improve customer service.

During fiscal 2024, cash used for investing activities was \$155.7 million. The cash used for investing cash flows was primarily from capital expenditures offset with the disposition of assets or businesses. Our capital expenditures in fiscal 2024 were used primarily to support new facilities, facility expansions, equipment replacements and technology improvement initiatives.

We currently anticipate that we will make capital expenditures of approximately \$200 million in fiscal 2027 to focus on growth and productivity through increasing our manufacturing capacity and investing in automation. Such capital expenditures are expected to be financed using funds generated by operations. We had approximately \$100 million of open orders through purchase commitments as of March 31, 2026.

Financing Cash Flows - During fiscal 2026, cash provided by financing activities was \$156.3 million. During fiscal 2026, we received proceeds from the Term Loan Facility (as defined below) and issued 2034 Notes (as defined below) of \$600.0 million and \$500.0 million, respectively, we repaid the Initial Term Loan Facility (as defined below) and the 2027 Notes (as defined below) of \$413.3 million and \$350.0 million, respectively. Additionally, we repurchased shares at a cost of \$92.0 million and made dividend payments of \$56.1 million.

During fiscal 2025, cash used in financing activities was \$157.7 million. During fiscal 2025, we repurchased shares at a cost of \$69.9 million and made dividend payments of \$49.7 million.

During fiscal 2024, cash used in financing activities was \$284.3 million. During fiscal 2024, we repurchased shares at a cost of \$207.3 million and made dividend payments of \$47.7 million.

Debt and Capitalized Lease Obligations

See “Note 7. Leases” and “Note 13. Debt” to our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” for a discussion of the Company’s financing transactions, including the Secured Bank Loans, the Senior Notes and the Company’s finance lease obligations.

Financing Transactions

Senior Secured Credit Facility - On July 31, 2019, we entered into a credit agreement (the “Base Credit Agreement”) by and among, the Company, as borrower, Barclays Bank PLC, as administrative agent, and several lenders from time to time party thereto. Among other things, the Base Credit Agreement provided for a term loan facility in the initial aggregate principal amount of \$1.3 billion (the “Initial Term Loan Facility”) and a revolving credit facility in an initial aggregate amount of up to \$350 million (the “Initial Revolving Credit Facility”), which included a sub-limit for a letter of credit sub-facility in the initial aggregate amount of up to \$50 million.

On September 24, 2019, we entered into a First Amendment (the “First Amendment”) to the Company’s Base Credit Agreement subsequent to the common stock offering and Senior Notes due in 2027.

On May 26, 2022, the Company entered into a Second Amendment (the “Second Amendment”) to the Company’s Base Credit Agreement with, among others, Barclays Bank PLC, as administrative agent under the Initial Term Loan Facility, and PNC Bank, National Association, as new administrative agent under the Initial Revolving Credit Facility. Among other things, the Second Amendment (i) amended the Base Credit Agreement by increasing the Initial Revolving Credit Facility (the “Second Amended Revolving Credit Facility”) from \$350.0 million to \$600.0 million (including an increase of the sub-limit for the swing-line sub-facility from \$50.0 million to \$60.0 million) and extended the maturity date of the Revolving Credit Facility to the earlier of May 26, 2027 or the date that is six months prior to the earliest maturity date of the outstanding loans under the Initial Term Loan Facility.

On November 26, 2025, the Company entered into a Third Amendment (the “Third Amendment”) to the Company’s Base Credit Agreement. Among other things, the Third Amendment modified the termination date of the Second Amended

Revolving Credit Facility to remove reference to the earliest maturity date of the loans outstanding under the Initial Term Loan Facility.

On February 27, 2026, the Company entered into a Fourth Amendment (the “Fourth Amendment”) to the Company’s Base Credit Agreement (the Base Credit Agreement as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment, the “Credit Agreement”) with, among others, certain subsidiaries of the Company, as guarantors, Bank of America, N.A., as administrative agent under the Term Loan Facility (as defined below) and PNC Bank, National Association, as administrative agent under the Revolving Credit Facility (as defined below) and as successor administrative agent, Barclays Bank PLC, as predecessor administrative agent, and the several financial institutions from time to time party thereto as lenders. Among other things, the Fourth Amendment (i) increased the Amended Revolving Credit Facility from \$600 million to \$750 million (the “Revolving Credit Facility”), including an increase of the sub-limit for the letter of credit sub-facility from \$60 million to \$75 million, (ii) refinanced the outstanding amounts owing under the Initial Term Loan Facility by providing for a new term loan facility in the initial aggregate principal amount of \$600 million (the “Term Loan Facility”), (iii) extended the maturity date of the Revolving Credit Facility to February 27, 2031, (iv) extended the maturity date of the Term Credit Facility to February 28, 2033, (v) revised the “applicable margin” to provide for a range of 125 basis points to 225 basis points (for Term Benchmark based loans) and 25 basis points to 125 basis points (for base rate loans), as determined based on the consolidated senior secured net leverage ratio ranging from less than 1.50 to 1.00 to greater than or equal to 3.50 to 1.00, (vi) provides for incremental facilities in the aggregate maximum amount of the greater of \$350 million or 100% of consolidated EBITDA for the most recently ended four consecutive fiscal quarters, and (vii) amended certain covenant baskets under the Credit Agreement to align with the growth of the Company.

At the option of the Company, borrowings under the Term Loan Facility and under the Revolving Credit Facility (subject to certain limitations) bear interest at either a base rate (as determined pursuant to the Fourth Amendment) or at a Term Benchmark rate (as defined in the Fourth Amendment), plus the applicable margin as set forth therein from time to time. In the case of the Revolving Credit Facility, the applicable margin is based on the Company's consolidated senior secured net leverage ratio (as defined in the Fourth Amendment). All borrowings under the Term Loan Facility as described above initially bear interest at the Term Benchmark rate (as defined in the Fourth Amendment). In the case of the Term Loan Facility, the applicable margin shall be, for loans bearing interest at the Term Benchmark rate, 1.625%, and for loans bearing interest at the base rate, 0.625%.

The Company is also required to pay a commitment fee that is based upon the undrawn amounts of the Revolving Credit Facility at a rate per annum based upon a calculated ratio as prescribed within the Credit Agreement. As of March 31, 2026, the rate the Company was committed to paying on the undrawn portion was equal to 0.15%.

The Company’s obligations under the Credit Agreement have been secured by granting a first priority lien on substantially all of the Company’s assets (subject to certain exceptions and limitations), and each of StormTech, LLC, Infiltrator Water Technologies, LLC, and Orenco Systems, Inc. (collectively the “Guarantors”) has agreed to guarantee the obligations of the Company under the Credit Agreement and to secure the obligations thereunder by granting a first priority lien in substantially all of such Guarantor's assets (subject to certain exceptions and limitations).

Issuance of Senior Notes due 2027 - On September 23, 2019, we issued \$350.0 million aggregate principal amount of senior notes (“2027 Notes”), pursuant to the Indenture dated September 23, 2019 (the “2027 Indenture”), among the Company, the guarantors party thereto (the “Guarantors”) and U.S. Bank Trust Company, National Association (formerly known as U.S. Bank National Association), as Trustee (the “Trustee”). The 2027 Notes were offered and sold either to persons reasonably believed to be “qualified institutional buyers” pursuant to Rule 144A under the Securities Act or to persons outside the United States under Regulation S of the Securities Act. We may redeem the 2027 Notes, in whole or in part, at any time on or after September 30, 2022 at established redemption prices set forth in the 2027 Indenture. On February 27, 2026, we redeemed all of our outstanding 2027 Notes in the original aggregate principal amount of \$350.0 million at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, to, but excluding, the redemption date in connection with our issuance of \$500.0 million aggregate principal amount of 5.375% senior notes due 2034 (the “2034 Notes”). See “Note 13. Debt” for further information on the 2027 Notes and 2034 Notes.

Equipment Financing - In November 2021, we purchased material handling equipment, trucks and trailers previously leased under a master lease agreement and classified as finance leases. The purchase was funded with debt through the Master Lease Agreement and Interim Funding Schedule with Fifth Third. The assets acquired are titled to the Company and included in Property, plant and equipment, net on our Consolidated Balance Sheet. The equipment financing has a balance of \$3.1 million and had an initial term of between 12 and 84 months, based on the life of the equipment. The equipment financing bears a weighted average interest of 1.8% as of March 31, 2026.

Issuance of Senior Notes Due 2030 - On June 9, 2022, we issued \$500.0 million aggregate principal amount of 6.375% its senior notes (the “2030 Notes”) pursuant to an Indenture, dated June 9, 2022 (the “2030 Indenture”), among the Company,

the Guarantors and the Trustee. The 2030 Notes were offered and sold either to persons reasonably believed to be “qualified institutional buyers” pursuant to the Securities Act or to persons outside the United States under Regulation S of the Securities Act. See “Note 13. Debt” for further information on the 2030 Notes.

Issuance of Senior Notes Due 2034 - On February 27, 2026, we issued \$500.0 million aggregate principal amount of 5.375% senior notes due 2034 pursuant to an Indenture, dated February 27, 2026 (the “2034 Indenture”), among the Company, the Guarantors and the Trustee. The 2034 Notes were offered and sold either to persons reasonably believed to be “qualified institutional buyers” pursuant to the Securities Act or to persons outside the United States under Regulation S of the Securities Act. See “Note 13. Debt” for further information on the 2034 Notes.

Covenant Compliance

The Credit Agreement requires, if, on the last day of each fiscal quarter, the aggregate amount of outstanding exposure under the Revolving Credit Facility exceeds 35% of the aggregate maximum amount of commitments under the Revolving Credit Facility then in effect, the Company is to maintain a consolidated senior secured net leverage ratio not to exceed 4.25 to 1.00 for any four consecutive fiscal quarter periods.

The Credit Agreement also includes other covenants, including negative covenants that, subject to certain exceptions, limit the Company's and its restricted subsidiaries' (as defined in the Credit Agreement) ability to, among other things: (i) incur additional debt, including guarantees; (ii) create liens upon any of their property; (iii) enter into any merger, consolidation or amalgamation, liquidate, wind up or dissolve, or dispose of all or substantially all of their property or business; (iv) dispose of assets; (v) pay subordinated debt; (vi) make certain investments; (vii) enter into swap agreements; (viii) engage in transactions with affiliates; (ix) engage in new lines of business; (x) modify certain material contractual obligations, organizational documents, accounting policies or fiscal year; or (xi) create or permit restrictions on the ability of any subsidiary of any Loan Party (as defined in the Credit Agreement) to pay dividends or make distributions to the Company or any of its subsidiaries.

The Credit Agreement also contains customary provisions requiring the following mandatory prepayments (subject to certain exceptions and limitations): (i) annual prepayments (beginning with the fiscal year ending March 31, 2027) with a percentage of excess cash flow (as defined in the Credit Agreement); (ii) 100% of the net cash proceeds from any non-ordinary course sale of assets and certain casualty or condemnation events; and (iii) 100% of the net cash proceeds of indebtedness not permitted to be incurred under the Credit Agreement. For further information, see “Note 13. Debt” to the Consolidated Financial Statements. We were in compliance with our debt covenants as of March 31, 2026.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, with the exception of the guarantee of 50% of certain debt of our unconsolidated South American Joint Venture, as further discussed in “Note 12. Related Party Transactions” of our Consolidated Financial Statements included in “Item 8. Financial Statements and Supplementary Data,” of this Form 10-K. Our maximum potential obligation under this guarantee totals \$5.5 million as of March 31, 2026. The maximum borrowing permitted under the South American Joint Venture's credit agreement is \$11.0 million. As of March 31, 2026, our South American Joint Venture had no outstanding debt subject to our guarantee. We do not believe that this guarantee will have a current or future effect on our financial condition, results of operations, liquidity, or capital resources.

Critical Accounting Policies and Estimates

Our discussion and analysis of financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts in our consolidated financial statements and accompanying notes. Certain of our accounting policies involve a higher degree of judgment and complexity in their application, and therefore, represent the critical accounting policies used in the preparation of our financial statements. If different assumptions or conditions were to prevail, the results could be materially different from our reported results. We believe the following accounting policies may involve a higher degree of judgment and complexity in their application and represent the critical accounting policies used in the preparation of our financial statements. For additional discussion of our significant accounting policies, see “Note 1. Background and Summary of Significant Accounting Policies” to our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data” included in this Form 10-K.

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Revenue Recognition - We generate revenue by selling pipe and related water management products primarily to distributors, retailers, buying groups and co-operative buying groups. Products are shipped predominately by our internal fleet, and we do not provide any additional revenue generating services after product delivery. Payment terms and conditions vary by contract. Revenue is recognized at the point in-time obligations under the terms of a contract with a customer are satisfied, which generally occurs upon the transfer of control of the promised goods. In substantially all of our contracts with customers, control is transferred to the customer upon delivery. We recognize revenue in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services.</p>	<p>We estimate and allocate variable consideration, such as right of return, credits or incentives, based on numerous factors, including the customer agreements and past transaction history.</p>	<p>If our historical experience differs from future experience, our estimates of variable consideration could differ.</p>
<p>Goodwill - Goodwill is reviewed annually for impairment in the fourth quarter or whenever events or changes in circumstances indicate the carrying value may not be recoverable. The fair value of goodwill is determined by considering both the income and market approach.</p>	<p>Determining the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions. In Fiscal 2026, we revised our reportable segments and allocated the goodwill balance on the former Pipe, Infiltrator, International and Allied Products reporting units to our revised reporting units. Based on the revision as of March 31, 2026, the goodwill related to Stormwater and Wastewater reportable segments is \$442.6 million and \$600.1 million, respectively. Estimates and assumptions include: revenue growth rates and EBITDA used to calculate projected future cash flows, risk-adjusted discount rates, future economic and market conditions, and determination of appropriate market comparables. The fair value estimates are based on assumptions management believes to be reasonable but are inherently uncertain.</p>	<p>We performed our annual impairment test for goodwill for all reporting units in the fourth quarter of Fiscal 2026 using a quantitative approach. We determined for our goodwill that the fair value of the assets exceeded the carrying value for the fiscal year March 31, 2026.</p> <p>Future events and unanticipated changes to assumptions could require a provision for impairment in a future period.</p>

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Definite-lived intangible assets -Definite-lived intangible assets are tested for recoverability whenever events or changes in circumstances indicate that carrying amounts of the asset group may not be recoverable. Asset groups are established primarily by determining the lowest level of cash flows available. If the estimated undiscounted future cash flows are less than the carrying amounts of such assets, an impairment loss is recognized to the extent the fair value of the asset less any costs of disposition is less than the carrying amount of the asset.</p> <p>Indefinite-lived intangible assets -Indefinite-lived intangible assets are tested for impairment annually as of March 31 or whenever events or changes in circumstances indicate the carrying value may be greater than fair value. Determining the fair value of these assets is judgmental in nature and involves the use of significant estimates and assumptions. We base our fair value estimates on assumptions we believe to be reasonable, but that are inherently uncertain. To estimate the fair value of these indefinite-lived intangible assets, we use an income approach, which utilizes a market derived rate of return to discount anticipated performance. An impairment loss is recognized when the estimated fair value of the intangible asset is less than the carrying value.</p>	<p>Determining the fair value of the definite-lived and indefinite-lived intangible assets is judgmental in nature and involves the use of significant estimates and assumptions.</p>	<p>We did not record any impairment charges for definite-lived intangible assets in fiscal 2026, 2025, or 2024.</p> <p>We performed our annual impairment test for indefinite-lived intangible assets as of March 31, 2026. We performed a qualitative impairment analysis and determined for our indefinite-lived intangible assets that it was more likely than not that the fair value of the assets exceeded carrying value for fiscal years ended March 31, 2026. Future events and unanticipated changes to assumptions could require a provision for impairment in a future period.</p>

Policy	Judgments and Estimates	Effect if Actual Results Differ from Assumptions
<p>Business Combinations - Acquisitions, such as the acquisition of NDS, are accounted for in accordance with ASC 805, Business Combinations. We recognize separately from goodwill the assets acquired and the liabilities assumed, at their acquisition date fair values and goodwill is defined as the excess of consideration transferred over the net of the acquisition date fair values of the assets acquired and the liabilities assumed.</p> <p>During the measurement period, which may take up to one year from the acquisition date, adjustments due to changes in the estimated fair value of assets acquired and liabilities assumed may be recorded as adjustments to the consideration transferred and related allocations. Upon the conclusion of the measurement period or the final determination of the values of assets acquired and liabilities assumed, whichever comes first, any such adjustments are charged to the consolidated statements of operations.</p>	<p>Fair values allocated to assets acquired and liabilities assumed in business combinations require management to make significant judgments, estimates, and assumptions, especially with respect to intangible assets. Management makes estimates of fair values based upon assumptions it believes to be reasonable. These estimates are based upon historical experience, information obtained from the management of the acquired company, comparable transactions, and market and industry considerations and these estimates are inherently uncertain. The estimated fair values related to intangible assets primarily consist of customer relationships, patents and developed technology, and tradenames and trademarks. Estimates in the discounted cash flow models include, but are not limited to, certain assumptions that form the basis of the forecasted results (e.g. revenue growth rates, discount rate, royalty, customer attrition rates and EBITDA).</p>	<p>These significant assumptions are forward looking and could be affected by future economic and market conditions.</p> <p><i>Customer Relationships</i> - In addition to revenue growth rates, EBITDA and discount rate, a key input for customer relationships is the customer attrition rate. A higher than expected customer attrition rate could result in an impairment charge.</p> <p><i>Tradenames</i> - The most significant driver is revenue growth rates, discount rate and royalty rate. If revenue growth rates are lower than expected, it could result in an impairment charge.</p> <p><i>Developed Technology</i> - In addition to revenue growth rates, discount rate, royalty rate and an obsolescence factor, the timing of obsolescence of the acquired technology could result in a shorter useful life than originally determined and an acceleration of amortization expense.</p>

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see “Note 1. Background and Summary of Significant Accounting Policies” to our consolidated financial statements included in “Item 8. Financial Statements and Supplementary Data.”

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are subject to various market risks, primarily related to changes in interest rates, credit risk, raw material supply prices, and, to a lesser extent, foreign currency exchange rates. Our financial position, results of operations or cash flows may be negatively impacted in the event of adverse movements in the respective market rates or prices in each of these risk categories. Our exposure in each category is limited to those risks that arise in the normal course of business.

Interest Rate Risk - We are subject to interest rate risk associated with our debt. Changes in interest rates impact the fair value of our fixed-rate debt, but there is no impact to earnings and cash flow. Alternatively, changes in interest rates do not affect the fair value of our variable-rate debt, but they do affect future earnings and cash flow. The Revolving Credit Facility and Term Note bear interest at variable rates, either SOFR or the Prime Rate, at our option, plus applicable pricing margins. A 1.0% increase in interest rates on our variable-rate debt would increase our annual forecasted interest expense by approximately \$6.0 million based on our borrowings as of March 31, 2026. Assuming the Revolving Credit Facility is fully drawn, each 1.0% increase or decrease in the applicable interest rate would change our interest expense by approximately \$13.5 million, for the year ended March 31, 2026.

Credit Risk - Financial instruments that potentially subject us to a concentration of credit risk consist principally of accounts receivable. We provide our products to customers based on an evaluation of the customers’ financial condition, generally without requiring collateral. Exposure to losses on receivables is principally dependent on each customer’s financial condition. We monitor the exposure for credit losses and maintain allowances for anticipated losses. Concentrations of credit risk with respect to our accounts receivable are limited due to the large number of customers comprising our customer base and their dispersion among many different geographies and end markets.

Raw Material and Commodity Price Risk - Our primary raw materials used in the production of our products are HDPE and PP resins. As these resins are hydrocarbon-based materials, changes in the price of feedstocks, such as crude oil

derivatives and natural gas liquids, as well as changes in the market supply and demand may cause the cost of these resins to fluctuate significantly. We have supply agreements with our major resin suppliers that provide multi-year terms and volumes that are in excess of our projected consumption. These supply agreements generally do not contain fixed prices, exposing us to pricing risk. Given the significance of these costs and the inherent volatility in supplier pricing, our ability to reflect these changes in the cost of resins in our product selling prices in an efficient manner contributes to the management of our overall risk and the potential impact on our results of operations. A 1% increase in the price of resin would increase our cost of goods sold by approximately \$4.3 million.

Inflation Risk - Our cost of goods sold is subject to inflationary pressures and price fluctuations of the raw materials we use, primarily HDPE and PP resins. Historically, we have generally been able, over time, to recover the effects of inflation and price fluctuations through sales price increases and production efficiencies related to technological enhancements and improvements. However, we cannot reasonably estimate our ability to successfully recover any price increases.

Foreign Currency Exchange Rate Risk - We have operations outside of the United States, which primarily use the respective local currency as their functional currency. Each of these operations may enter into contractual arrangements with customers or vendors that are denominated in currencies other than its respective functional currency. Consequently, our results of operations may be affected by exposure to changes in foreign currency exchange rates and economic conditions in the regions in which we sell or distribute our products. Exposure to variability in foreign currency exchange rates from these transactions is managed, to the extent possible, by natural hedges which result from purchases and sales occurring in the same foreign currency within a similar period of time, thereby potentially offsetting each other.

In addition to the foreign currency transaction-related gains and losses that are reflected within the results of operations, we are subject to foreign currency translation risk, as the financial statements for our foreign subsidiaries are measured and recorded in the respective subsidiary's functional currency and translated into U.S. dollars for financial reporting purposes.

Item 8. Financial Statements and Supplementary Data

The Report of Independent Registered Public Accounting Firm, Consolidated Financial Statements and supplementary financial data required for this Item are set forth on pages F-1 through F-36 of this Annual Report on Form 10-K and are incorporated herein by reference. Our independent registered public accounting firm is Deloitte & Touche LLP, Columbus, Ohio, Public Company Accounting Oversight Board ID Number: 34.

Item 9. Changes in and Disagreements with Accountant on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e), as of March 31, 2026. Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified under Securities Exchange Commission ("SEC") rules and forms. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on the evaluation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2026.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management, including our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of March 31, 2026. In making this assessment, management used the criteria set

forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in Internal Control — Integrated Framework (2013). A material weakness in internal controls is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Because of its inherent limitations, even appropriate internal control over financial reporting may not prevent or detect misstatements.

Based on this assessment, management has concluded that the Company’s internal control over financial reporting was effective as of March 31, 2026.

We have excluded from the scope of our assessment of internal control over financial reporting the operations and related assets of NDS which we acquired on February 2, 2026. This exclusion is in accordance with SEC guidance that an assessment of a recently acquired business's internal control over financial reporting may be omitted from management's report on internal control over financial reporting in the year of acquisition. At March 31, 2026 and for the period from acquisition through March 31, 2026, total assets, total revenues, and net income subject to NDS’ internal control over financial reporting represented 23%, 2%, and (1%) of consolidated total assets, net sales, and net income, respectively of ADS as of and for the year ended March 31, 2026.

Deloitte & Touche LLP, our independent registered public accounting firm, has issued an audit report on the effectiveness of our internal control over financial reporting as of March 31, 2026 and this report is included herein.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a15(d) or 15d-15(d) of the Exchange Act during the quarter ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as such terms are defined in Item 408(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information contained under the captions “**CERTAIN INFORMATION REGARDING OUR EXECUTIVE OFFICERS,**” “**2026 NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS,**” “**DELINQUENT SECTION 16(A) REPORTS,**” “**CODES OF BUSINESS CONDUCT AND ETHICS,**” “**OTHER EXECUTIVE COMPENSATION POLICIES AND PRACTICES - *Insider Trading Policy***” and “**COMMITTEES OF THE BOARD - AUDIT COMMITTEE**” in our definitive Proxy Statement for the 2026 Annual Meeting of Shareholders, to be filed with the SEC pursuant to Regulation 14A promulgated under the Exchange Act (the “Proxy Statement”), is incorporated herein by reference.

Item 11. Executive Compensation

The information contained under the captions “**DIRECTOR COMPENSATION,**” “**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE REPORT,**” “**COMPENSATION DISCUSSION AND ANALYSIS**” and “**COMPENSATION OUTCOMES FOR 2026**” in the Proxy Statement is incorporated herein by reference. Notwithstanding the foregoing, the information contained in the Proxy Statement under the caption “**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE REPORT**” shall be deemed furnished, and not filed, in this Report on Form 10-K and shall not be deemed incorporated by reference into any filing we make under the Securities Act of 1933, as amended, or the Exchange Act.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information contained under the caption “**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**” and “**EQUITY COMPENSATION PLAN INFORMATION**” in the Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information contained under the captions “**CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS**” and “**BOARD INDEPENDENCE**” in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

The information contained under the caption “**OTHER INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM INFORMATION - FEES**” in the Proxy Statement is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

1. *Financial Statements.* See “Table of Contents” on page 50.
2. *Financial Statement Schedules.* Schedule II - Consolidated Valuation and Qualifying Accounts.

Other schedules are omitted because they are not required or applicable, or the required information is included in our consolidated financial statements or related notes.

3. *Exhibits.* See “Index to Exhibits.”

INDEX TO EXHIBITS

Exhibit Number	Description
2.1	Master Share Purchase Agreement between NORMA Group SE and Advanced Drainage Systems, Inc. (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on September 23, 2025).
3.1	Amended and Restated Certificate of Incorporation of Advanced Drainage Systems, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on July 30, 2014).
3.1A	Certificate of Amendment to Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on July 24, 2020).
3.2	Second Amended and Restated Bylaws of Advanced Drainage Systems, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on July 30, 2014).
3.2A	First Amendment to Second Amended and Restated Bylaws of Advanced Drainage Systems, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on July 24, 2020).
4.1	Form of Common Stock Certificate (incorporated by reference to Exhibit 4.2 to Amendment No. 5 to the Registrant’s Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on July 14, 2014).
4.2	Registration Rights Agreement, dated as of July 30, 2014, by and among Advanced Drainage Systems, Inc. and the stockholders from time to time party thereto (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on July 30, 2014).
4.3	Description of Registrant’s Securities.
4.4	Indenture, dated September 23, 2019, among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on September 23, 2019).
4.5	Form of 5.000% Senior Notes due 2027 (included with Indenture, dated September 23, 2019, among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank National Association, as trustee) (incorporated by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on September 23, 2019).
4.6	First Supplemental Indenture, dated March 31, 2021 among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.7 to the Registrant’s Annual Report on Form 10-K (File No. 001-36557) filed with the Securities and Exchange Commission on May 27, 2021).
4.7	Shareholder Agreement, dated as of August 19, 2021, by and between Advanced Drainage Systems, Inc. and Canada Pension Plan Investment Board (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on August 20, 2021).
4.8	Registration Rights Agreement, dated as of August 19, 2021, by and between Advanced Drainage Systems, Inc. and Canada Pension Plan Investment Board (incorporated by reference to Exhibit 10.2 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on August 20, 2021).
4.9	Indenture, dated June 9, 2022, among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities Exchange Commission on June 9, 2022).
4.10	Form of 6.375% Senior Note due 2030 (included with Indenture, dated June 9, 2022, among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee) (incorporated by reference to Exhibit 4.2 to the Registrant’s Current Report on Form 8-K (File No. 001-36557) filed with the Securities Exchange Commission on June 9, 2022).

Advanced Drainage Systems, Inc

Exhibit Number	Description
4.11	Indenture, dated February 27, 2026, among Advanced Drainage Systems, Inc., each of the guarantors party thereto and U.S. Bank Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 27, 2026).
4.12	Form of 5.375% Senior Note Due 2034 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 27, 2026).
10.1	Credit Agreement, dated as of July 31, 2019, by and among Advanced Drainage Systems, Inc., Barclays Bank PLC, as administrative agent, the several lenders from time to time party thereto, Barclays Bank PLC and Morgan Stanley Senior Funding, Inc., as joint lead arrangers, joint bookrunners, syndication agents and documentation agents (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on August 1, 2019).
10.1A	First Amendment to Credit Agreement, by and among the Advanced Drainage Systems, Inc., the banks and other financial institutions or entities parties thereto, constituting all the Lenders under the Credit Agreement, the Issuing Lenders party thereto and Barclays Bank PLC, as administrative agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on September 30, 2019).
10.1B	Second Amendment to Credit Agreement, by and among the Advanced Drainage Systems, Inc., the banks and other financial institutions or entities parties thereto, constituting the Required Lenders under the Credit Agreement and all the Revolving Lenders under the Credit Agreement, the Issuing Lenders party thereto, Barclays Bank PLC, as administrative agent under the Term Loan Facility and PNC Bank, National Association, as administrative agent under the Revolving Facility (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-36557) filed with the Securities Exchange Commission on May 27, 2022).
10.1C	Third Amendment to Credit Agreement, by and among the Advanced Drainage Systems, Inc., the banks and other financial institutions or entities parties thereto, constituting the Required Lenders under the Credit Agreement and all the Revolving Lenders under the Credit Agreement, the Issuing Lenders party thereto, Barclays Bank PLC, as administrative agent under the Term Loan Facility and PNC Bank, National Association, as administrative agent under the Revolving Facility (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on February 3, 2026).
10.1D	Fourth Amendment to Credit Agreement, by and among the Advanced Drainage Systems, Inc., the banks and other financial institutions or entities parties thereto, constituting at least the Required Lenders under the Credit Agreement, the Issuing Lenders party thereto, Bank of America, N.A., as administrative agent under the Term Facility, Barclays Bank PLC, as Predecessor Administrative Agent and PNC Bank, National Association, as administrative agent under the Revolving Facility and as Successor Administrative Agent (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 27, 2026).
10.2	Advanced Drainage Systems, Inc. Guarantee and Collateral Agreement (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on August 1, 2019).
10.3†	Advanced Drainage Systems, Inc. 2013 Stock Option Plan (incorporated by reference to Exhibit 10.11 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 20, 2014).
10.3A†	First Amendment to 2013 Stock Option Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 001-36557) filed with the Securities and Exchange Commission on August 15, 2014).
10.3B†	Form of Amendment to Pre-2017 Stock Option Agreements (incorporated by reference to Exhibit 10.11B of Form 10-K filed May 10, 2017).
10.4†	Executive Employment Agreement, dated as of September 1, 2017, by and between Advanced Drainage Systems, Inc. and D. Scott Barbour (incorporated by reference to Exhibit 10.3 to Form 8-K filed August 17, 2017).
10.5†	Amended and Restated Executive Employment Agreement, dated as of June 20, 2014, by and between Advanced Drainage Systems, Inc. and Robert M. Klein (incorporated by reference to Exhibit 10.16 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 20, 2014).
10.6†	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.6 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 6, 2014).
10.7†	Form of Non-Qualified Stock Option Agreement (other than for Joseph A. Chlapaty) pursuant to 2013 Stock Option Plan (incorporated by reference to Exhibit 10.19 to Amendment No. 3 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 20, 2014).
10.8†	Form of Director Stock Agreement (incorporated by reference to Exhibit 10.21 to Amendment No. 4 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on July 2, 2014).
10.9	Participation Agreement, dated as of July 17, 2000, by and between ADS Worldwide, Inc., Grupo Altima S.A. de C.V., and ADS Mexicana, S.A. de C.V. (formerly known as Sistemas Ecologicos de Drenaje, S.A. de C.V.), as amended on April 19, 2010, May 19, 2011, May 24, 2011, April 26, 2013 and January 31, 2014 (incorporated by reference to Exhibit 10.22 to Amendment No. 2 to the Registrant's Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 6, 2014).

Advanced Drainage Systems, Inc

Exhibit Number	Description
10.10	<u>Interestholders Agreement, dated as of June 5, 2009, by and among Tubos y Plásticos ADS Chile Limitada, Tigre Chile S.A., and Tuberías T-A Limitada, joined by Advanced Drainage Systems, Inc. and Tigre S.A. — Tubos e Conexoes, as amended on July 31, 2009, October 2009, December 15, 2009, May 18, 2010, August 10, 2010, April 1, 2011 and January 25, 2012, with First Addendum to Interestholders Agreement, dated as of June 27, 2011 (incorporated by reference to Exhibit 10.23 to Amendment No. 3 to the Registrant’s Registration Statement on Form S-1 (File No. 333-194980) filed with the Securities and Exchange Commission on June 20, 2014).</u>
10.10A	<u>Second Addendum to Interestholders Agreement, dated as of December 1, 2013 but entered into on September 30, 2014, by and among Tubos y Plásticos ADS Chile Limitada, Tigre Chile S.A., Tuberías Tigre-ADS Limitada, Advanced Drainage Systems, Inc. and Tigre S.A. — Tubos e Conexoes (incorporated by reference to Exhibit 10.3 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-36557) filed with the Securities and Exchange Commission on November 10, 2014).</u>
10.11†	<u>Executive Employment Agreement dated November 9, 2015, by and between the Company and Scott A. Cottrill (incorporated by reference to Exhibit 10.1 to Form 8-K filed November 9, 2015).</u>
10.12	<u>Form of Non-Qualified Stock Option Agreement pursuant to 2013 Stock Option Plan (incorporated by reference to Exhibit 10.5 to Form 8-K filed February 10, 2017).</u>
10.13	<u>Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, File No. 001-36557, filed on September 8, 2017).</u>
10.13A	<u>First Amendment to Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (incorporated by reference to Annex A to the Registrant’s 2021 Proxy Statement (File No. 001-36557) filed with the Securities and Exchange Commission on June 9, 2021).</u>
10.14	<u>Form of Restricted Stock Award Notice and Award Agreement pursuant to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, File No. 001-36557, filed on September 8, 2017).</u>
10.15	<u>Form of Notice of Grant of Stock Options and Stock Option Award Agreement pursuant to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K, File No. 001-36557, filed on September 8, 2017).</u>
10.16	<u>Form of Director Restricted Stock Award Notice and Award Agreement pursuant to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q, File No. 001-36557, filed on November 6, 2017).</u>
10.17	<u>Form of Performance Unit Award Agreement pursuant to 2017 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 of Form 8-K, filed on May 30, 2018).</u>
10.18	<u>Confidentiality Agreement by and between the Company and Joseph A. Chlapaty (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, File No. 001-36557, filed on August 17, 2017).</u>
10.19†	<u>Executive Employment Agreement, dated as of November 10, 2016, by and between Advanced Drainage Systems, Inc. and Kevin C. Talley (incorporated by reference to Exhibit 10.36 of Form 10-K, filed on May 30, 2019).</u>
10.20†	<u>Advanced Drainage Systems, Inc. Employee Stock Ownership Plan, as amended May 30, 2019 (incorporated by reference to Exhibit 4.1 to the Registrant’s Quarterly Report on Form 10-Q (File No. 001-36557) filed with the Securities and Exchange Commission on August 1, 2019).</u>
10.21†	<u>Executive Employment Agreement, dated as of August 17, 2018, by and between Advanced Drainage Systems, Inc. and Darin S. Harvey (incorporated by reference to Exhibit 10.34 of Form 10-K, (File No. 001-36557) filed with the Securities and Exchange Commission on May 19, 2022).</u>
10.22†	<u>Advanced Drainage Systems, Inc. Employee Stock Purchase Plan (incorporated by reference to Annex A to the Registrant’s Definitive Proxy Statement on Schedule 14A (File No. 001-36557) filed with the Commission on June 9, 2022).</u>
10.23†	<u>Executive Employment Agreement, dated as of September 1, 2020, by and between Advanced Drainage Systems, Inc. and Michael Huebert (incorporated by reference to Exhibit 10.26 of Form 10-K, (File No. 001-36557) filed with the Securities and Exchange Commission on May 16, 2024).</u>
10.24†	<u>Executive Employment Agreement, dated as of June 1, 2023, by and between Advanced Drainage Systems, Inc. and Craig Taylor (incorporated by reference to Exhibit 10.26 of Form 10-K, (File No. 001-36557) filed with the Securities and Exchange Commission on May 15, 2025).</u>
10.25†	<u>Executive Employment Agreement, dated as of June 15, 2020, by and between Advanced Drainage Systems, Inc. and Thomas Waun #</u>
10.26	<u>Form of Restricted Stock Award Notice and Award Agreement (with retirement provisions) pursuant to 2017 Omnibus Incentive Plan.#</u>
10.27	<u>Form of Notice of Grant of Stock Options and Stock Option Award Agreement (with retirement provisions) pursuant to 2017 Omnibus Incentive Plan.#</u>
10.28	<u>Form of Performance Unit Award Agreement (with retirement provisions) pursuant to 2017 Omnibus Incentive Plan.#</u>
10.29	<u>Form of Restricted Stock Award Notice and Award Agreement (Canada) pursuant to 2017 Omnibus Incentive Plan.#</u>

Advanced Drainage Systems, Inc

Exhibit Number	Description
10.30	Form of Notice of Grant of Stock Options and Stock Option Award Agreement (Canada) pursuant to 2017 Omnibus Incentive Plan.#
10.31	Form of Performance Unit Award Agreement (Canada) pursuant to 2017 Omnibus Incentive Plan.#
19.1	Advanced Drainage Systems, Inc. Policy Regarding Insider Trading, Tipping and Other Wrongful Disclosures (incorporated by reference to Exhibit 19.1 of Form 10-K, (File No. 001-36557) filed with the Securities and Exchange Commission on May 16, 2024).
21.1	List of Subsidiaries. #
23.1	Consent of Deloitte & Touche LLP. #
24.1	Power of Attorney. #
31.1	Certification of President and Chief Executive Officer of Advanced Drainage Systems, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. #
31.2	Certification of Executive Vice President and Chief Financial Officer of Advanced Drainage Systems, Inc. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. #
32.1	Certification of Principal Executive Officer of Advanced Drainage Systems, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. #
32.2	Certification of Principal Financial Officer of Advanced Drainage Systems, Inc. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. #
97.1	Advanced Drainage Systems, Inc. Policy Regarding Recoupment of Incentive-Based Compensation Upon Restatement or Misstatement of Financial Results, or as Required by Law (incorporated by reference to Exhibit 97.1 of Form 10-K, (File No. 001-36557) filed with the Securities and Exchange Commission on May 16, 2024).
101.INS	XBRL Instance Document. #
101.SCH	XBRL Taxonomy Extension Schema. #
101.CAL	XBRL Taxonomy Extension Calculation Linkbase. #
101.DEF	XBRL Taxonomy Extension Definition Linkbase. #
101.LAB	XBRL Taxonomy Extension Label Linkbase. #
101.PRE	XBRL Taxonomy Extension Presentation Linkbase. #
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Management contract or compensatory plan.

Filed herewith.

Item 16. Form 10-K Summary

None.

Advanced Drainage Systems, Inc

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 21, 2026

ADVANCED DRAINAGE SYSTEMS, INC.

By: /s/ D. Scott Barbour
Name: D. Scott Barbour
Title: President and Chief Executive Officer (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in their indicated capacities, on May 21, 2026.

<u>Signature</u>	<u>Title</u>
<u>/s/ D. Scott Barbour</u> D. Scott Barbour	Director, President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Scott A. Cottrill</u> Scott A. Cottrill	Executive Vice President, Chief Financial Officer and Secretary (Principal Financial Officer)
<u>/s/ Tim A. Makowski</u> Tim A. Makowski	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)
<u>/s/ Robert M. Eversole**</u> Robert M. Eversole	Chairman of the Board of Directors and Director
<u>/s/ Anesa T. Chaibi **</u> Anesa T. Chaibi	Director
<u>/s/ Michael B. Coleman **</u> Michael B. Coleman	Director
<u>/s/ Alexander R. Fischer**</u> Alexander R. Fischer	Director
<u>/s/ Tanya Fratto**</u> Tanya Fratto	Director
<u>/s/ Kelly S. Gast**</u> Kelly S. Gast	Director
<u>/s/ M.A. (Mark) Haney**</u> M.A. (Mark) Haney	Director
<u>/s/ Luther C. Kissam IV**</u> Luther C. Kissam IV	Director
<u>/s/ Manuel J. Perez de la Mesa**</u> Manuel J. Perez de la Mesa	Director
<u>/s/ Anil Seetharam**</u> Anil Seetharam	Director

** The undersigned, by signing his name hereto, does hereby sign this report on behalf of each of the above-indicated directors of the registrant pursuant to powers of attorney executed by such directors.

By: /s/ Scott A. Cottrill
Scott A. Cottrill, Attorney-in-fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of Advanced Drainage Systems Inc.,

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Advanced Drainage Systems, Inc. and subsidiaries (the "Company") as of March 31, 2026 and 2025, the related consolidated statements of operations, comprehensive income (loss), stockholder's equity and mezzanine equity and cash flows, for each of the three years in the period ended March 31, 2026, and the related notes and schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 21, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Acquisition of NDS – Valuation of Customer Relationships Intangible Asset – Refer to Note 4 to the financial statements.

Critical Audit Matter Description

The Company completed the acquisition of the water management business of Norma Group SE, known as National Diversified Sales ("NDS") on February 2, 2026. The preliminary fair value of consideration transferred was approximately \$972.5 million, which represented the purchase price \$984.9 million, net of cash acquired of \$3.2 million and cash included in held for sale of \$9.2 million. The Company accounted for the acquisition under the acquisition method of accounting for business combinations. Accordingly, the purchase price was allocated to the assets acquired and liabilities assumed based on their respective fair values, including customer relationships intangible asset of approximately \$419.0 million. The fair value determination of the customer relationships intangible asset required management to make significant estimates and assumptions related to revenue growth rates and forecasts of future cash flows (together, the "forecasts") and the selection of appropriate customer attrition and discount rates.

We identified the valuation of the customer relationships intangible asset as a critical audit matter because of the significant estimates and assumptions management used to estimate and record the fair value of the asset. This required a high degree

of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists when performing audit procedures to evaluate the reasonableness of management's forecasts and the selection of the customer attrition and discount rates.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to testing the assumptions identified above included the following, among others:

- We tested the effectiveness of controls over the valuation of the customer relationships intangible asset, including management's controls over the forecasts, and the selection of the customer attrition and discount rates.
- We assessed the reasonableness of management's forecasts by comparing the forecasted information to historical results and certain peer companies.
- We involved our fair value specialists to assist in evaluating the methodology used by management, ensuring it aligns with industry practices and standards.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the following significant valuation assumptions:
 - Customer attrition rate by testing the source information underlying the determination of the rate and testing the mathematical accuracy of the calculation.
 - Discount rate by developing a range of independent estimates and comparing those to the discount rate selected by management.

/s/ Deloitte & Touche LLP
Columbus, Ohio
May 21, 2026

We have served as the Company's auditor since 2002.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Advanced Drainage Systems, Inc.,

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Advanced Drainage Systems, Inc. and subsidiaries (the “Company”) as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended March 31, 2026, of the Company and our report dated May 21, 2026, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting at National Diversified Sales, which was acquired on February 2, 2026, and whose financial statements constitute 23%, 2%, and (1%) of consolidated total assets, net sales, and of net income, respectively, of the consolidated financial statement amounts as of and for the year ended March 31, 2026. Accordingly, our audit did not include the internal control over financial reporting at National Diversified Sales.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP
Columbus, Ohio
May 21, 2026

**ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS**

(Amounts in thousands, except par value)	As of March 31,	
	2026	2025
ASSETS		
Current assets:		
Cash	\$ 223,012	\$ 463,319
Receivables (less allowance for credit losses of \$4,654 and \$7,684, respectively)	390,536	333,221
Inventories	543,381	488,269
Assets held for sale	43,451	8,194
Other current assets	30,449	31,780
Total current assets	1,230,829	1,324,783
Property, plant and equipment, net	1,217,165	1,051,040
Other assets:		
Goodwill	1,042,716	720,223
Intangible assets, net	848,527	448,060
Other assets	166,386	146,254
Total assets	\$ 4,505,623	\$ 3,690,360
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt obligations	\$ 5,865	\$ 9,934
Current maturities of finance lease obligations	38,136	33,143
Accounts payable	237,706	218,024
Liabilities held for sale	15,139	—
Other accrued liabilities	212,623	137,295
Total current liabilities	509,469	398,396
Long-term debt obligations (less unamortized debt issuance costs of \$18,428 and \$7,715, respectively)	1,605,958	1,251,589
Long-term finance lease obligations	121,935	131,000
Deferred tax liabilities	220,994	190,416
Other liabilities	91,303	83,171
Total liabilities	2,549,659	2,054,572
Commitments and contingencies (see Note 18)		
Mezzanine equity:		
Redeemable common stock: \$0.01 par value; 4,533 and 5,702 shares outstanding, respectively	73,652	92,652
Total mezzanine equity	73,652	92,652
Stockholders' equity:		
Common stock: \$0.01 par value; 1,000,000 shares authorized; 85,319 and 83,750 shares issued, respectively; 72,654 and 71,864 shares outstanding, respectively	11,710	11,694
Paid-in capital	1,342,091	1,277,694
Common stock in treasury, at cost	(1,325,713)	(1,219,408)
Accumulated other comprehensive loss	(32,290)	(37,178)
Retained earnings	1,862,936	1,492,634
Total ADS stockholders' equity	1,858,734	1,525,436
Noncontrolling interest in subsidiaries	23,578	17,700
Total stockholders' equity	1,882,312	1,543,136
Total liabilities, mezzanine equity and stockholders' equity	\$ 4,505,623	\$ 3,690,360

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data)	Fiscal Year Ended March 31,		
	2026	2025	2024
Net sales	\$ 3,050,376	\$ 2,904,245	\$ 2,874,473
Cost of goods sold	1,882,990	1,810,004	1,728,524
Gross profit	1,167,386	1,094,241	1,145,949
Operating expenses:			
Selling, general and administrative	469,549	380,378	370,714
Loss (gain) on disposal of assets and costs from exit and disposal activities	19,211	3,858	(8,365)
Intangible amortization	59,424	52,569	51,469
Income from operations	619,202	657,436	732,131
Other expense:			
Interest expense	93,869	91,803	88,862
Interest income and other, net	(34,455)	(23,832)	(23,484)
Income before income taxes	559,788	589,465	666,753
Income tax expense	134,988	141,063	158,998
Equity in net income of unconsolidated affiliates	(5,063)	(4,171)	(5,536)
Net income from continuing operations	429,863	452,573	513,291
Net loss from discontinued operations, net of taxes	(1,090)	—	—
Net income	428,773	452,573	513,291
Less: net income attributable to noncontrolling interest	2,308	2,401	3,376
Net income attributable to ADS	\$ 426,465	\$ 450,172	\$ 509,915
Weighted average common shares outstanding:			
Basic	77,756	77,549	78,252
Diluted	78,383	78,188	79,017
Net income from continuing operations per share available to common stockholders:			
Basic	\$ 5.50	\$ 5.81	\$ 6.52
Diluted	\$ 5.45	\$ 5.76	\$ 6.45
Net loss from discontinued operations per share available to common stockholders:			
Basic	\$ (0.01)	\$ —	\$ —
Diluted	\$ (0.01)	\$ —	\$ —
Net income per share available to common stockholders:			
Basic	\$ 5.48	\$ 5.81	\$ 6.52
Diluted	\$ 5.44	\$ 5.76	\$ 6.45

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Amounts in thousands)	Fiscal Year Ended March 31,		
	2026	2025	2024
Net income	\$ 428,773	\$ 452,573	\$ 513,291
Currency translation gain (loss)	7,076	(10,851)	(570)
Comprehensive income	435,849	441,722	512,721
Less: other comprehensive gain (loss) attributable to noncontrolling interest, net of tax	2,188	(3,503)	1,680
Less: net income attributable to noncontrolling interest	2,308	2,401	3,376
Total comprehensive income attributable to ADS	\$ 431,353	\$ 442,824	\$ 507,665

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands)	Fiscal Year Ended March 31,		
	2026	2025	2024
Cash Flows from Operating Activities			
Net income	\$ 428,773	\$ 452,573	\$ 513,291
Less: Net loss from discontinued operations, net of taxes	(1,090)	—	—
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	216,261	183,281	154,903
Deferred income taxes	35,385	(423)	(2,280)
Loss (gain) on disposal of assets and costs from exit and disposal activities	19,211	3,858	(8,365)
Stock-based compensation	32,354	26,581	31,986
Amortization of deferred financing charges	2,225	2,044	2,044
Inventory step up related to NDS acquisition	12,277	—	—
Fair market value adjustments to derivatives	(5,129)	220	(972)
Equity in net income of unconsolidated affiliates	(5,063)	(4,171)	(5,536)
Other operating activities	806	(298)	6,697
Changes in working capital:			
Receivables	(2,288)	1,414	(14,590)
Inventories	30,609	(15,749)	594
Prepaid expenses and other current assets	(1,110)	(3,983)	(275)
Accounts payable, accrued expenses and other liabilities	53,960	(63,856)	40,431
Operating cash flows from discontinued operations	(307)	—	—
Net cash provided by operating activities	819,054	581,491	717,928
Cash Flows from Investing Activities			
Capital expenditures	(249,766)	(212,944)	(183,812)
Proceeds from disposition of assets or businesses	32,541	—	27,498
Acquisition, net of cash acquired	(991,064)	(237,310)	—
Other investing activities	(3,531)	2,388	650
Net cash used in investing activities	(1,211,820)	(447,866)	(155,664)
Cash Flows from Financing Activities			
Proceeds from Term Loan Facility	600,000	—	—
Payments on syndicated Term Loan Facility	(413,250)	(7,000)	(7,000)
Proceeds from Revolving Credit Agreement	75,500	—	—
Payments on Revolving Credit Agreement	(75,500)	—	—
Proceeds from Senior Notes due 2034	500,000	—	—
Payments on Senior Notes due 2027	(350,000)	—	—
Proceeds from commercial loan agreement	27,200	—	—
Debt issuance costs	(17,182)	—	—
Payments on Equipment Financing	(2,937)	(4,897)	(7,738)
Payments on finance lease obligations	(40,602)	(25,487)	(12,145)
Repurchase of common stock	(91,958)	(69,922)	(207,308)
Cash dividends paid	(56,124)	(49,737)	(43,995)
Proceeds from noncontrolling interest holder	3,342	—	—
Dividends paid to noncontrolling interest holder	(1,960)	—	(3,747)
Proceeds from option exercises	6,850	9,971	6,454
Payment of withholding taxes on vesting of restricted stock units	(7,060)	(10,657)	(8,864)
Other financing activities	(2)	2	—
Net cash provided by (used in) financing activities	156,317	(157,727)	(284,343)
Effect of exchange rate changes on cash	1,145	(2,475)	799
Net change in cash	(235,304)	(26,577)	278,720
Cash at beginning of year	469,271	495,848	217,128
Cash and restricted cash at end of year	\$ 233,967	\$ 469,271	\$ 495,848
Less: cash held for sale	(9,184)	—	—
Cash and restricted cash, excluding cash held for sale, at end of year	\$ 224,783	\$ 469,271	\$ 495,848

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY

(Amounts in thousands)	Common Stock		Paid-in Capital	Common Stock in Treasury		Accumulated Other Comprehensive Loss	Retained Earnings	Total ADS Stockholders' Equity	Non-controlling Interest in Subsidiaries	Total Stockholders' Equity	Redeemable Common Stock		Total Mezzanine Equity
	Shares	Amount		Shares	Amount						Shares	Amount	
Balance April 1, 2023	79,057	\$ 11,647	\$ 1,134,864	9,539	\$ (920,999)	\$ (27,580)	\$ 626,215	\$ 824,147	\$ 17,493	\$ 841,640	9,429	\$ 153,220	\$ 153,220
Net income	—	—	—	—	—	—	509,915	509,915	3,376	513,291	—	—	—
Other comprehensive (loss) gain	—	—	—	—	—	(2,250)	—	(2,250)	1,680	(570)	—	—	—
Common stock dividend (\$0.56 per share)	—	—	—	—	—	—	(43,922)	(43,922)	—	(43,922)	—	—	—
Dividend paid to noncontrolling interest holder	—	—	—	—	—	—	—	—	(3,747)	(3,747)	—	—	—
Share repurchases	—	—	—	1,779	(210,715)	—	—	(210,715)	—	(210,715)	—	—	—
KSOP Redeemable Common Stock Conversion	2,747	27	44,609	—	—	—	—	44,636	—	44,636	(2,747)	(44,636)	(44,636)
Exercise of common stock options	159	2	6,452	—	—	—	—	6,454	—	6,454	—	—	—
Restricted stock awards	100	1	—	25	(2,468)	—	—	(2,467)	—	(2,467)	—	—	—
Performance-based restricted stock units	200	2	—	72	(6,396)	—	—	(6,394)	—	(6,394)	—	—	—
Stock-based compensation	—	—	31,986	—	—	—	—	31,986	—	31,986	—	—	—
ESPP Issuance	20	—	1,927	—	—	—	—	1,927	—	1,927	—	—	—
Other	—	—	(4)	—	—	—	—	(4)	—	(4)	—	—	—
Balance March 31, 2024	82,283	\$ 11,679	\$ 1,219,834	11,415	\$ (1,140,578)	\$ (29,830)	\$ 1,092,208	\$ 1,153,313	\$ 18,802	\$ 1,172,115	6,682	\$ 108,584	\$ 108,584

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND MEZZANINE EQUITY

(Amounts in thousands)	Common Stock		Paid-in Capital	Common Stock in Treasury		Accumulated Other Comprehensive Loss	Retained Earnings	Total ADS Stockholders' Equity	Non-controlling Interest in Subsidiaries	Total Stockholders' Equity	Redeemable Common Stock		Total Mezzanine Equity
	Shares	Amount		Shares	Amount						Shares	Amount	
Balance April 1, 2024	82,283	\$ 11,679	\$ 1,219,834	11,415	\$ (1,140,578)	\$ (29,830)	\$ 1,092,208	\$ 1,153,313	\$ 18,802	\$ 1,172,115	6,682	\$ 108,584	\$ 108,584
Net income	—	—	—	—	—	—	450,172	450,172	2,401	452,573	—	—	—
Other comprehensive loss	—	—	—	—	—	(7,348)	—	(7,348)	(3,503)	(10,851)	—	—	—
Common stock dividend (\$0.64 per share)	—	—	—	—	—	—	(49,746)	(49,746)	—	(49,746)	—	—	—
Share repurchases	—	—	—	410	(68,172)	—	—	(68,172)	—	(68,172)	—	—	—
KSOP Redeemable Common Stock Conversion	980	10	15,922	—	—	—	—	15,932	—	15,932	(980)	(15,932)	(15,932)
Exercise of common stock options	244	2	9,969	—	—	—	—	9,971	—	9,971	—	—	—
Restricted stock awards	100	1	—	27	(4,720)	—	—	(4,719)	—	(4,719)	—	—	—
Performance-based restricted stock units	93	1	—	34	(5,938)	—	—	(5,937)	—	(5,937)	—	—	—
Stock-based compensation	—	—	26,581	—	—	—	—	26,581	—	26,581	—	—	—
ESPP Issuance	50	1	5,391	—	—	—	—	5,392	—	5,392	—	—	—
Other	—	—	(3)	—	—	—	—	(3)	—	(3)	—	—	—
Balance March 31, 2025	83,750	\$ 11,694	\$ 1,277,694	11,886	\$ (1,219,408)	\$ (37,178)	\$ 1,492,634	\$ 1,525,436	\$ 17,700	\$ 1,543,136	5,702	\$ 92,652	\$ 92,652
Net income	—	—	—	—	—	—	426,465	426,465	2,308	428,773	—	—	—
Other comprehensive gain	—	—	—	—	—	4,888	—	4,888	2,188	7,076	—	—	—
Common stock dividend (\$0.72 per share)	—	—	—	—	—	—	(56,163)	(56,163)	—	(56,163)	—	—	—
Contribution from noncontrolling interest holder	—	—	—	—	—	—	—	—	3,342	3,342	—	—	—
Dividend declared to noncontrolling interest holder	—	—	—	—	—	—	—	—	(1,960)	(1,960)	—	—	—
Share repurchases	—	—	—	720	(99,245)	—	—	(99,245)	—	(99,245)	—	—	—
KSOP Redeemable Common Stock Conversion	1,169	12	18,988	—	—	—	—	19,000	—	19,000	(1,169)	(19,000)	(19,000)
Exercise of common stock options	152	1	6,849	—	—	—	—	6,850	—	6,850	—	—	—
Restricted stock awards	100	1	—	30	(3,484)	—	—	(3,483)	—	(3,483)	—	—	—
Performance-based restricted stock units	85	1	—	29	(3,576)	—	—	(3,575)	—	(3,575)	—	—	—
Stock-based compensation	—	—	32,354	—	—	—	—	32,354	—	32,354	—	—	—
ESPP Issuance	63	1	6,207	—	—	—	—	6,208	—	6,208	—	—	—
Other	—	—	(1)	—	—	—	—	(1)	—	(1)	—	—	—
Balance March 31, 2026	85,319	\$ 11,710	\$ 1,342,091	12,665	\$ (1,325,713)	\$ (32,290)	\$ 1,862,936	\$ 1,858,734	\$ 23,578	\$ 1,882,312	4,533	\$ 73,652	\$ 73,652

See accompanying notes to consolidated financial statements.

ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business - Advanced Drainage Systems, Inc. and subsidiaries (collectively referred to as “ADS” or the “Company”), incorporated in Delaware, designs, manufactures and markets innovative water management solutions in the stormwater and onsite wastewater industries, providing superior drainage solutions for use in the construction and agriculture markets. ADS’s products are used across a broad range of end markets and applications, including non-residential, residential, infrastructure and agriculture applications.

On February 2, 2026, the Company completed the acquisition of National Diversified Sales (“NDS”). NDS expands the Company’s water management offering into complementary products through the addition of NDS’ residential water management, access box and irrigation solutions. See “Note 4. Acquisitions” for additional information.

Following the acquisition of NDS, the Company is managed and reports results of operations in two reportable segments: Stormwater and Wastewater (formerly Infiltrator).

The Company’s fiscal year begins on April 1 and ends on March 31. Unless otherwise noted, references to “year” pertain to the fiscal year. For example, 2026 refers to fiscal 2026, which is the period from April 1, 2025 to March 31, 2026.

Principles of Consolidation - The consolidated financial statements include the Company, its wholly-owned subsidiaries, its majority owned subsidiaries, and variable interest entities (“VIEs”) of which the Company is the primary beneficiary. The Company uses the equity method of accounting for equity investments where it exercises significant influence but does not hold a controlling financial interest. Such investments are recorded in Other assets in the Consolidated Balance Sheets and the related equity in earnings from these investments are included in Equity in net income of unconsolidated affiliates in the Consolidated Statements of Operations. All intercompany balances and transactions have been eliminated in consolidation.

Presentation - Certain prior period balance sheet captions have been recast to conform with current period presentation.

Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Significant estimates include, but are not limited to, the allowance for credit losses, valuation of inventory, useful lives of property, plant and equipment and amortizing intangible assets, determination of the proper accounting for leases, valuation of equity method investments, goodwill, intangible assets and other long-lived assets for impairment, accounting for stock-based compensation, determination of allowances for sales returns, rebates and discounts, determination of the valuation allowance, if any, on deferred tax assets, and reserves for uncertain tax positions. Management’s estimates and assumptions are evaluated on an ongoing basis and are based on historical experience, current conditions and available information. Management believes the accounting estimates are appropriate and reasonably determined; however, due to the inherent uncertainties in making these estimates, actual results could differ from those estimates.

Receivables and Allowance for Credit Losses - Receivables include trade receivables, net of an allowance for credit losses, income tax receivable, insurance recoverable and other miscellaneous receivables. Receivables at March 31, 2026 and 2025 are as follows:

(Amounts in thousands)	2026	2025
Trade receivables, net	\$ 354,382	\$ 314,011
Income tax receivable	27,390	10,728
Insurance recoverable	3,871	8,340
Other miscellaneous receivables	4,893	142
Receivables, net	\$ 390,536	\$ 333,221

The Company extends credit to customers based on an evaluation of their financial condition and collateral is generally not required. The Company records an allowance for credit losses at the time accounts receivable are

recorded based on the Company's historical write-off activity, an evaluation of the current economic environment and the Company's expectations of future economic conditions.

Inventories - Inventories are stated at the lower of cost or net realizable value. The Company's inventories are maintained on the first-in, first-out ("FIFO") method. Costs include the cost of acquiring materials, including in-bound freight from vendors and freight incurred for the transportation of raw materials, tooling or finished goods between the Company's manufacturing plants and its distribution centers, direct and indirect labor, factory overhead and certain corporate overhead costs related to the production of inventory.

Property, Plant and Equipment and Depreciation Method - Property, plant and equipment are recorded at cost less accumulated depreciation, with the exception of assets acquired through acquisitions, which are initially recorded at fair value. Equipment acquired under finance lease is recorded at the present value of the future minimum lease payments. Depreciation is computed for financial reporting purposes using the straight-line method over the estimated useful lives of the related assets or the lease term, if shorter, as follows:

	Years
Buildings and leasehold improvements	20 to 45 or the lease term if shorter
Machinery and production equipment	3 to 18
Transportation equipment	3 to 12

Costs of additions and major improvements are capitalized, whereas maintenance and repairs that do not improve or extend the life of the asset are charged to expense as incurred. When assets are retired or disposed, the cost and related accumulated depreciation are removed from the asset accounts and any resulting gain or loss is reflected in Loss (gain) on disposal of assets and costs from exit and disposal activities in the Consolidated Statements of Operations. Construction in progress is also recorded at cost and includes capitalized interest, capitalized payroll costs and related costs such as taxes and other fringe benefits.

Goodwill & Intangible Assets - The Company records acquisitions resulting in the consolidation of an enterprise using the acquisition method of accounting. Under this method, the Company records the assets acquired, including intangible assets that can be identified, and liabilities assumed based on their estimated fair values at the date of acquisition. The purchase price in excess of the fair value of the identifiable assets acquired and liabilities assumed is recorded as goodwill.

Goodwill - Goodwill is reviewed annually for impairment during the fourth quarter or whenever events or changes in circumstances indicate the carrying value may be greater than fair value. GAAP allows entities testing goodwill for impairment the option of performing a qualitative assessment before calculating the fair value of a reporting unit for the goodwill impairment test, a quantitative assessment. In fiscal 2026, the Company revised its reportable segments and allocated the goodwill balance to its revised reporting units. For the fiscal year ended March 31, 2026, the Company completed a quantitative fair value assessment for all reporting units. For the fiscal years ended March 31, 2025 and March 31, 2024, the Company completed a qualitative fair value assessment for all reporting units, except for Cultec, for which the Company completed a quantitative analysis. The Company did not incur any impairment charges for goodwill for the periods presented.

Intangible Assets — Definite-Lived - Definite-lived intangible assets are amortized using the straight-line method or an accelerated method over their estimated useful lives and are tested for recoverability whenever events or changes in circumstances indicate that carrying amounts of the asset group may not be recoverable. If the estimated undiscounted future cash flows are less than the carrying amounts of such assets, an impairment loss is recognized to the extent the fair value of the asset less any costs of disposition is less than the carrying amount of the asset. The Company did not incur any impairment charges for Definite-Lived Intangible assets for the periods presented.

Intangible Assets — Indefinite-Lived - Indefinite-lived intangible assets are tested for impairment annually in the fourth quarter or whenever events or changes in circumstances indicate the carrying value may be greater than fair value. GAAP allows entities testing indefinite-lived intangible assets for impairment the option of performing a qualitative assessment before calculating the fair value of the indefinite-lived intangible assets for the impairment test. ADS completed a qualitative fair value assessment of indefinite-lived trademarks as of March 31, 2026, March 31, 2025 and March 31, 2024. The Company did not incur any impairment charges for Indefinite-Lived Intangible assets for the periods presented.

Held for Sale and Discontinued Operations Classification - Under the accounting guidance contained in Accounting Standards Codification Topic 205, *Presentation of Financial Statements* ("ASC 205"), businesses that, upon

acquisition, meet the held for sale criteria are not analyzed under the strategic shift test. Instead, they are reported in discontinued operations automatically based on their held for sale classification. The strategic shift test does not apply because the acquired businesses were not previously part of the acquirer.

The Company determined Teco S.r.l., Kimplas Piping Systems Private Limited, Kimplas Limited, Teco Irrigation USA, Inc. and Fish Water Products Sdn. Bhd. (collectively, the “NDS International Entities”) met the held for sale criteria upon acquisition. As a result, the assets and liabilities of the NDS International Entities have been classified held for sale and are reported as assets held for sale and liabilities held for sale on the Consolidated Balance Sheet. The results of the NDS International Entities have been accounted for as discontinued operations and are reported as income or loss from discontinued operations, net of tax, on the Consolidated Statements of Operations.

Other Assets - Other assets include operating lease right of use assets, capitalized software development costs, including cloud computing costs, investments in unconsolidated affiliates accounted for under the equity method, deposits, central parts, and other miscellaneous assets.

- See “Note 7. Leases” for further information on the operating lease right of use assets.
- The Company capitalizes development costs for internal-use software and defers implementation costs for hosting arrangements. Capitalization of software development costs and deferral of implementation costs for hosting arrangements begin in the application development stage and end when the asset is placed into service. The Company amortizes such costs using the straight-line method over estimated useful lives of 2 to 10 years, which is included in Selling, general and administrative expenses or Cost of goods sold within the Consolidated Statements of Operations depending on the nature of the asset and its intended use.
- The Company evaluates its investments in unconsolidated affiliates for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable and recognizes an impairment loss when a decline in value below carrying value is determined to be other-than-temporary. Under these circumstances, the Company would adjust the investment down to its estimated fair value, which then becomes its new carrying value.
- Central parts represent spare production equipment items which are used to replace worn or broken production equipment parts and help reduce the risk of prolonged equipment outages.

Leases - The Company determines whether an arrangement contains an operating or finance lease at inception by determining if the contract conveys the right to control the use of identified plant, property, and equipment for a period of time in exchange for consideration and other facts and circumstances as defined by ASC 842, *Leases*. For each lease which has an accounting lease term of greater than 12 months, the Company records the right-of-use asset and lease liability on the balance sheet. The accounting lease term includes cancellable and renewal periods which are reasonably assured. The lease liability is measured utilizing the incremental borrowing rate unless the Company can specifically determine the rate implicit in the lease. For leases classified as finance leases at lease inception, the Company records a finance lease asset in Property, plant and equipment, net and lease financing obligation equal to the present value of the minimum lease payments. The finance lease right of use asset is amortized to its expected residual value at the end of the lease term using the straight-line method, and the lease financing obligation is amortized using the effective interest method over the lease term with the rental payments being allocated to principal and interest. For leases classified as operating leases, the Company records the operating lease right of use asset in Other assets and the operating lease obligation in Other accrued liabilities and Other liabilities. Operating lease rent expense is recognized over the useful life using the straight-line method.

Foreign Currency Translation - Assets and liabilities of foreign subsidiaries with a functional currency other than the U.S. dollar are translated into U.S. dollars at the current rate of exchange on the last day of the reporting period. Revenues and expenses are translated at a monthly average exchange rate and equity transactions are translated using either the actual exchange rate on the day of the transaction or a monthly average historical exchange rate. For the fiscal years ended March 31, 2026 and 2025, the Company’s Accumulated other comprehensive loss (“AOCL”) primarily consisted of foreign currency translation gains and losses.

Net Sales - The Company generates revenue by selling pipe and related water management products primarily to distributors, retailers, buying groups and co-operative buying groups. Products are shipped predominately by the Company’s internal fleet, and the Company does not provide any additional revenue generating services after product delivery. Payment terms and conditions vary by contract. Revenue is recognized at the point in-time obligations under the terms of a contract with a customer are satisfied, which generally occurs upon the transfer of control of the promised goods. In substantially all of the Company’s contracts with customers, control is transferred to the customer upon delivery. The Company recognizes revenue in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Shipping Costs - The Company incurs shipping costs to deliver products to customers using an in-house fleet or common carrier. Typically shipping costs are prepaid and included in the product price; however, in some instances, the Company bills shipping costs to customers. Shipping costs are also incurred to physically move raw materials, tooling and products between manufacturing and distribution facilities. Shipping costs to deliver products to customers for the fiscal years ended March 31, 2026, 2025, and 2024 were \$369.2 million, \$340.8 million, and \$284.6 million, respectively, and are included in Cost of goods sold.

Stock-Based Compensation - See "Note 15. Stock-Based Compensation" for information about the stock-based compensation award programs and related accounting policies.

Advertising - The Company expenses advertising costs as incurred. Advertising costs are recorded in Selling, general and administrative expenses in the Consolidated Statements of Operations. The total advertising costs were \$14.3 million, \$10.6 million, and \$10.2 million for the fiscal years ended March 31, 2026, 2025, and 2024, respectively.

Self-Insurance - The Company is self-insured for short-term disability and medical coverage it provides for substantially all eligible employees. The Company is self-insured for medical claims up to the individual and aggregate stop-loss coverage limits. The Company accrues for claims incurred but not reported based on an estimate of future claims related to events that occurred prior to the fiscal year end if it has not met the aggregate stop-loss coverage limit. Amounts expensed totaled \$63.3 million, \$60.0 million, and \$53.3 million for the fiscal years ended March 31, 2026, 2025, and 2024, respectively, of which employees contributed \$13.5 million, \$13.8 million, and \$13.0 million, respectively.

ADS is also self-insured for various other general insurance programs to the extent of the applicable deductible limits on the Company's insurance coverage. These programs include primarily automobile, general liability, cybersecurity and employment practices coverage with a deductible of \$0.5 million per occurrence for general liability and \$1 million per occurrence for automobile claim incurred. Amounts expensed during the period, including an estimate for claims incurred but not reported at year end, were \$2.9 million, \$3.7 million, and \$3.1 million, for the years ended March 31, 2026, 2025, and 2024, respectively.

ADS is also self-insured for workers' compensation insurance with stop-loss coverage for claims that exceed \$0.5 million per incident up to the respective state statutory limits. Amounts expensed, including an estimate for claims incurred but not reported, were \$5.9 million, \$4.7 million, and \$4.9 million for the fiscal years ended March 31, 2026, 2025, and 2024, respectively.

Income Taxes - Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized and represent the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. They are measured using the enacted tax rates expected to apply to taxable income in the years in which the related temporary differences are expected to be recovered or settled. Valuation allowances are established against deferred tax assets when it is more likely than not that the realization of those deferred tax assets will not occur. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred income tax provision represents the change during the reporting period in the deferred tax assets and deferred tax liabilities. Penalties and interest recorded on income taxes payable are recorded as part of Income tax expense.

The Company determines whether an uncertain tax position is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation process, based upon the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant taxing authority.

Fair Values - The fair value framework requires the categorization of assets and liabilities into three levels based upon assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. ADS's policy for determining when transfers between levels have occurred is to use the actual date of the event or change in circumstances that caused the transfer.

Concentrations of Risk - The Company has a large, active customer base of approximately 16,000 customers with two customers, Ferguson and Core & Main, each representing more than 10% of annual net sales. These customers in aggregate accounted for 25.8%, 27.0%, and 25.8% of fiscal 2026, 2025 and 2024 net sales, respectively. The Company's customer base is diversified across the range of end markets that it serves.

Financial instruments that potentially subject the Company to a concentration of credit risk consist principally of Receivables. The Company provides its products to customers based on an evaluation of the customers' financial condition, generally without requiring collateral. Exposure to losses on Receivables is principally dependent on each customer's financial condition. The Company performs ongoing credit evaluations of its customers. The Company monitors the exposure for credit losses and maintains allowances for anticipated losses. Concentrations of credit risk with respect to Receivables are limited due to the large number of customers comprising the Company's customer base and their dispersion across many different geographies. One customer, Ferguson Enterprises, accounted for approximately 10.4% and 19.1% of Receivables at March 31, 2026 and 2025, respectively, and Core & Main accounted for approximately 10.4% of Receivables at March 31, 2025.

Derivatives - The Company recognizes derivative instruments as either assets or liabilities and measures those instruments at fair value. These instruments do not qualify for hedge accounting treatment. ADS uses commodity options in the form of collars and swaps, and foreign currency forward contracts to manage various exposures to commodity price and exchange rate fluctuations. Changes in fair value of the derivative instruments are recognized in Interest income and other, net in the Consolidated Statements of Operations. The Company's policy is to present all derivative balances on a gross basis.

Interest income and other, net - Included in Interest income and other, net on the Company's Consolidated Statement of Operations is interest income on invested cash and derivative gains and losses for commodity and foreign currency instruments described below for the fiscal years ended March 31, 2026, 2025, and 2024 were:

(Amounts in thousands)	2026	2025	2024
Interest income	\$ (25,000)	\$ (23,485)	\$ (22,047)
Fair market value adjustments to derivatives	(5,129)	—	(972)
Net realized losses (gains) on derivatives	(1,098)	649	58
Foreign currency (gains) losses	278	(122)	436
Other	(3,506)	(874)	(959)
Interest income and other, net	\$ (34,455)	\$ (23,832)	\$ (23,484)

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

Improvements to Income Tax Disclosures - In December 2023, the FASB issued an accounting Pronouncement ("ASU") to amend ASC 740, *Income Taxes* to enhance the transparency and usefulness of income tax disclosures, primarily related to the rate reconciliation and income taxes paid information. The Company adopted this pronouncement retrospectively for the fiscal year ended March 31, 2026 and included the enhanced disclosures. See "Note 16. Income Taxes" for further discussion.

Accounting Pronouncements Not Yet Adopted

Income Statement Expense Disaggregation Disclosures - In November 2024, the FASB issued an ASU requiring disaggregated disclosure of income statement expenses for public business entities. The ASU requires disclosure in tabular format of disaggregation of relevant expense captions presented on the income statement by certain natural expense categories with certain related qualitative disclosures within the notes to the financial statements. The ASU does not change the expense captions an entity presents on the income statement. The ASU is effective for fiscal years beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impacts this standard will have on its required disclosures.

Measurement of Credit Losses for Accounts Receivable and Contract Assets - In July 2025, the FASB issued an ASU which amends ASC 326-20 to provide a practical expedient and an accounting policy election related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. An entity is required to disclose whether it has elected to use the practical expedient and, if so, whether it has also applied the accounting policy election. The ASU is effective for fiscal years beginning after December 15, 2025, and interim reporting periods within those annual reporting periods, with early adoption permitted. The new guidance is to be applied prospectively. The Company does not expect the adoption of this standard to have a material impact on the Consolidated Financial Statements.

Accounting for and Disclosure of Software Costs - In September 2025, the FASB issued an ASU which amends certain aspects of ASC 350-40. The amended guidance eliminates project stages and requires capitalizing software

costs to begin when (1) management has authorized and committed to funding the software project and (2) it is probable that the project will be completed and the software will be used to perform the function intended. When evaluating if a project is probable to be completed, significant development uncertainty must be assessed. Additionally, disclosures for property, plant and equipment will be required for all capitalized software costs. The ASU is effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact this standard will have on the Consolidated Financial Statements.

2. REVENUE RECOGNITION

Revenue is recognized at the point in-time the obligations under the terms of a contract with a customer are satisfied, which generally occurs upon the transfer of control of the promised goods. In substantially all of the Company's contracts with customers, control is transferred to the customer upon delivery. The Company recognizes revenue in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenue is presented in the Consolidated Statements of Operations net of allowances for returns, rebates, discounts, and taxes collected concurrently with revenue-producing activities.

The Company disaggregates Stormwater net sales by Domestic and International and further disaggregates Domestic by product type. This disaggregation level best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The following table presents net sales (including intersegment net sales) disaggregated by product type for the Company's Stormwater and Wastewater segments.

(Amounts in thousands)	2026	2025	2024
Stormwater			
Domestic - Pipe	\$ 1,495,555	\$ 1,521,939	\$ 1,556,575
Domestic - Allied Products	750,498	645,448	627,825
International	187,827	194,630	207,769
Total Stormwater	2,433,880	2,362,017	2,392,169
Wastewater	714,542	629,906	566,550
Intersegment Eliminations	(98,046)	(87,678)	(84,246)
Consolidated Net sales	\$ 3,050,376	\$ 2,904,245	\$ 2,874,473

Significant Judgments - The Company's performance obligation under contracts with customers is to sell and deliver pipe and related water management products. The Company's contracts with customers may contain multiple performance obligations by promising to deliver multiple products to the customer. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis.

The Company's products are generally sold with a right of return, and the Company may provide credits or incentives, which are accounted for as variable consideration when estimating the amount of revenue to recognize. Variable consideration is estimated at contract inception and updated at the end of each reporting period as additional information becomes available and only to the extent that it is probable that a significant reversal of any incremental revenue will not occur.

Contract Balances - The Company recognizes a contract asset representing the Company's right to recover products upon the receipt of returned products and a contract liability for the customer refund. The following table presents the balance of the Company's contract asset and liability as of March 31, 2026 and 2025:

(Amounts in thousands)	March 31, 2026	March 31, 2025
Contract asset - product returns	\$ 1,383	\$ 1,381
Refund liability	4,112	4,032

Practical Expedients and Exemptions - The Company applies several practical expedients and exemptions:

- The Company expenses incremental costs to obtain a contract (e.g. sales commissions) when incurred as the amortization period would have been one year or less. These costs are recorded within Selling, general and administrative expenses on the Consolidated Statements of Operations.

- The Company accounts for shipping and handling costs as activities to fulfill the promise to transfer the goods when these activities are performed after a customer obtains control of the goods.
- The Company excludes from the transaction price all sales taxes that are assessed by a governmental authority and that are imposed on and concurrent with a specific revenue-producing transaction and collected by the Company from a customer, for example, sales, use, value added, and some excise taxes.
- Further, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

3. RESTRUCTURING AND LOSS (GAIN) ON DISPOSAL OF ASSETS AND COSTS FROM EXIT AND DISPOSAL ACTIVITIES

In fiscal 2026, the Company undertook certain restructuring and realignment activities (the “2026 Restructuring Plan”) to optimize the Company’s production, recycling and distribution network and to plan and implement go-to-market and operating model enhancements to scale for future growth, including the integration of NDS. Under the 2026 Restructuring Plan, for the fiscal year ended March 31, 2026, the Company recorded expense of \$48.3 million related to the optimization of the Company’s production, recycling and distribution networks, including the closure of four facilities and changes to the Company’s production footprint. The Company does not currently have an estimate of additional costs or an expected end date for the restructuring actions. The following table summarizes the activities included in Restructuring and realignment expense for the fiscal year ended March 31, 2026:

(Amounts in thousands)	2026
<i>Loss (gain) on disposal of assets and costs from exit and disposal activities:</i>	
Accelerated depreciation and impairment of property, plant and equipment	\$ 28,786
Severance	2,743
Impairment of right-of-use assets	2,448
Other exit and disposal costs	2,273
<i>Selling, general and administrative expenses:</i>	
Realignment expenses	12,049
Total 2026 Restructuring Plan activities	\$ 48,299

The costs incurred under the 2026 Restructuring Plan to date are classified as operating expenses and allocated to the Stormwater segment. During the fiscal year ended March 31, 2026, the Company recorded accelerated depreciation, severance costs, impairment of right-of-use lease assets and other exit and disposal costs. Other exit and disposal activities include legal and professional fees, inventory and equipment transfer costs and other costs.

The following table summarizes the restructuring liability for the periods presented:

(Amounts in thousands)	2026
Accrual balance at April 1	\$ —
Costs incurred	48,299
Non-cash charges	(31,234)
Expenses paid	(15,864)
Accrual balance at end of period	\$ 1,201

The restructuring liability is recorded in Other accrued liabilities in the Company’s Consolidated Balance Sheet.

Loss (Gain) on Disposal of Assets - The Company recorded \$17.0 million gain on disposal of assets in the fiscal year ended March 31, 2026. The sale of properties previously held-for-sale resulted in the gain of \$18.1 million. The remaining balance is due to the sale or disposal of other property, plant and equipment.

For the year ended March 31, 2025, the Company recorded a \$3.9 million loss primarily due to the closure of a plant and other asset disposals.

On March 25, 2024, the Company completed its divestiture of substantially all of its Paper Recycling business to a third party purchaser for cash consideration of \$7.5 million. The Company recognized a loss on the sale of

\$2.0 million in the Consolidated Statements of Operations. Prior to the divestiture, the Company recorded the results of operations in the Stormwater reportable segment.

On April 14, 2023, the Company completed its divestiture of substantially all of the assets of Spartan Concrete, Inc. to a third party purchaser for consideration of \$20.0 million. The Company recognized a gain on the sale of \$14.9 million in the Consolidated Statements of Operations. Prior to the divestiture, the Company recorded the results of operations in the Stormwater reportable segment.

4. ACQUISITIONS

Acquisition of NDS - On February 2, 2026, the Company completed the acquisition of the water management business of Norma Group SE, known as NDS. NDS expands the Company's water management offering into complementary products through the addition of NDS' residential water management, access box and irrigation solutions. The preliminary fair value of consideration transferred was approximately \$972.5 million, which represented the purchase price of \$984.9 million, net of cash acquired of \$3.2 million and cash included in held for sale of \$9.2 million. The preliminary purchase price excludes transaction costs. The acquisition was primarily funded from cash on hand. NDS will be included in the Stormwater reportable segment.

Summary of Consideration Transferred - The Company has applied the acquisition method of accounting in accordance with *ASC 805, Business Combinations* ("ASC 805") and recognized assets acquired and liabilities assumed at their fair value as of the date of acquisition, with the excess purchase consideration recorded to goodwill. As the Company finalizes the estimation of the fair value of the assets acquired and liabilities assumed, additional adjustments may be recorded during the measurement period (up to one year from the closing date).

The following table summarizes consideration transferred and the preliminary purchase price allocation of identified assets acquired and liabilities assumed:

(Amounts in thousands)	Preliminary Amount
Cash and cash equivalents	\$ 3,189
Accounts receivable	44,944
Inventory	93,092
Other current assets	1,359
Assets held for sale ^(a)	42,554
Property, plant and equipment	67,699
Goodwill	317,677
Intangible assets	456,920
Deferred tax assets	5,751
Other assets	17,212
Total assets acquired	1,050,397
Accounts payable	(10,664)
Accrued expenses	(29,285)
Liabilities held for sale ^(a)	(13,779)
Other liabilities	(11,788)
Total liabilities acquired	(65,516)
Total preliminary fair value of consideration transferred	\$ 984,881

(a) Upon acquisition, certain NDS entities met the held-for-sale criteria. The Company accordingly classified the associated assets acquired and liabilities assumed as held for sale.

During the period from the Closing Date through March 31, 2026, the Company's consolidated results of operations included \$48.8 million of net sales, \$4.7 million of Net loss from continuing operations and \$1.1 million of Net loss from discontinued operations associated with the results of operations of NDS. See "Note 5. Discontinued Operations and Assets and Liabilities Held for Sale" for additional information.

The preliminary goodwill of \$317.7 million represents the excess of consideration transferred over the preliminary fair value of assets acquired and liabilities assumed and is attributable to expected cross-selling and operating efficiencies. The goodwill is assigned to the Stormwater reportable segment and \$271.6 million of the preliminary goodwill is deductible for income tax purposes.

Identifiable Intangible Assets Acquired - The identifiable intangible assets recorded in connection with the acquisition of NDS are based on preliminary valuations including customer relationships, tradename and developed technology totaling \$456.9 million. Customer relationships will be amortized using an accelerated method over the useful life. Tradenames and developed technology will be amortized on a straight-line basis over their estimated useful lives. The preliminary fair values and useful lives of acquired intangible assets is presented in the table below.

(Amounts in thousands)	Preliminary fair value		Preliminary Useful Lives	
Customer relationships	\$	419,000		20 years
Tradename		37,000		20 years
Developed technology		920		12 years
Total identifiable intangible assets	\$	456,920		

The preliminary estimate of the fair value of the identifiable intangible assets was determined using the methods described below. The fair value measurements were primarily based on significant inputs that are not observable in the market and thus represent a Level 3 measurement of the fair value hierarchy as defined in *ASC 820, Fair Value Measurements* (“ASC 820”). Intangible assets consist of acquired customer relationships, patents and developed technology, and tradename and trademarks.

- Customer relationships were valued using the income approach, specifically, the multi-period excess earnings method, which calculates the present value of the estimated revenues and net cash flows derived from the customer relationships.
- Tradename and trademarks were valued using the income approach, specifically, the relief from royalty method, which calculates the present value of hypothetical royalty payments that would be avoided by owning the asset rather than licensing it from a third party.
- Developed technology intangible assets were valued using the income approach, specifically, the relief from royalty method, which calculates the present value of hypothetical royalty payments that would be avoided by owning the technology rather than licensing it from a third party.

Pro Forma Financial Information - The unaudited pro forma information for the fiscal year ended March 31, 2026 presented below includes the effects of the NDS acquisition as if it had been consummated as of April 1, 2024, with adjustments to give effect to pro forma events that are directly attributable to the acquisition of NDS. Adjustments include those related to the depreciation and amortization of acquired fixed and intangible assets, transaction costs, inventory step-up and the estimated tax impacts thereof. The unaudited pro forma information does not reflect any operating efficiency or potential cost savings that could result from the consolidation of NDS. Accordingly, the unaudited pro forma information is presented for informational purposes only and is not necessarily indicative of the actual results of the combined company if the acquisition had occurred at the beginning of the period presented, nor is it indicative of the future results of operations.

(Amounts in thousands)	2026		2025	
Net sales	\$	3,289,692	\$	3,185,159
Net income attributable to ADS		456,002		411,684

During the fiscal year ended March 31, 2026, the Company incurred \$40.3 million of transaction costs related to the acquisition such as legal, accounting, valuation and other professional services. These costs are included in selling, general and administrative expenses in the Consolidated Statements of Operations and are reflected in pro forma earnings for the fiscal year ended March 31, 2025 in the table above. These costs are deductible for income tax purposes.

Acquisition of River Valley Pipe - On May 8, 2025, the Company completed its acquisition of the assets of River Valley Pipe LLC (“River Valley Pipe”), a privately-owned pipe manufacturing company located in the Midwest region of the United States. The preliminary fair value of consideration transferred was approximately \$18.8 million. The acquisition was funded from cash on hand. River Valley Pipe is included in the Stormwater reportable segment.

The following table summarizes the consideration transferred and the preliminary purchase price allocation of assets acquired and liabilities assumed. The purchase price allocation for assets acquired and liabilities assumed is preliminary and will be finalized when valuations are complete and final assessments of the fair value of acquired assets and assumed liabilities are completed. Such finalization may result in material changes from the preliminary purchase price allocation. The Company's estimates and assumptions are subject to change during the measurement period (up to one year from the closing date), as the Company continues to finalize the valuations of assets acquired and liabilities assumed.

(Amounts in thousands)	Initial Amount	Valuation Adjustments	Updated Amount
Accounts receivable	\$ 3,101	\$ —	\$ 3,101
Inventory	3,027	—	3,027
Property, plant and equipment	6,986	—	6,986
Goodwill	4,964	(1,029)	3,935
Intangible assets	2,970	—	2,970
Other assets	75	—	75
Total assets acquired	21,123	(1,029)	20,094
Accounts payable	(1,227)	—	(1,227)
Accrued expenses	(285)	236	(49)
Other liabilities	(35)	—	(35)
Total liabilities acquired	(1,547)	236	(1,311)
Total preliminary fair value of consideration transferred	\$ 19,576	\$ (793)	\$ 18,783

The preliminary goodwill of \$3.9 million represents the excess of consideration transferred over the preliminary fair value of assets acquired and liabilities assumed and is attributable to expected operating efficiencies. The goodwill is deductible for income tax purposes and is assigned to Stormwater.

The preliminary purchase price excludes transaction costs. During the fiscal year ended March 31, 2026, the Company incurred \$0.5 million of transaction costs related to the acquisition such as legal, accounting, valuation and other professional services. These costs are included in selling, general and administrative expenses in the Consolidated Statements of Operations.

The identifiable intangible assets recorded in connection with the acquisition of River Valley Pipe are based on preliminary valuations including customer relationships and tradename totaling \$3.0 million. The intangible assets will be amortized on a straight-line basis over their estimated useful lives.

(Amounts in thousands)	Preliminary fair value	Preliminary Useful Lives
Customer relationships	\$ 2,600	10 years
Tradename	370	5 years
Total identifiable intangible assets	\$ 2,970	

The Company has excluded certain disclosures required under ASC 805, *Business Combinations* as they are not material to the financial statements.

Acquisition of Orenco - On October 1, 2024, the Company's wholly-owned subsidiary, Infiltrator, completed the acquisition of Orenco Systems, Inc. ("Orenco"), a leading manufacturer of decentralized wastewater management products serving residential and non-residential end markets. The fair value of consideration transferred was approximately \$236.3 million, which represented the purchase price of \$255.0 million, net of cash acquired of \$18.7 million. The acquisition was funded from cash on hand. Orenco is included in the Wastewater reportable segment.

The following table summarizes the consideration transferred and the purchase price allocation of assets acquired and liabilities assumed:

(Amounts in thousands)	Initial Amount	Valuation Adjustments	Final Amount
Accounts receivable	\$ 12,277	\$ (160)	\$ 12,117
Inventory	15,651	—	15,651
Other current assets	219	—	219
Property, plant and equipment	8,533	(1,228)	7,305
Goodwill	104,007	224	104,231
Intangible assets	148,000	—	148,000
Other assets	9,041	—	9,041
Total assets acquired	297,728	(1,164)	296,564
Accounts payable	(3,618)	—	(3,618)
Accrued expenses	(15,823)	—	(15,823)
Deferred tax liabilities	(36,250)	147	(36,103)
Other liabilities	(4,727)	—	(4,727)
Total liabilities acquired	(60,418)	147	(60,271)
Total fair value of consideration transferred	\$ 237,310	\$ (1,017)	\$ 236,293

The goodwill of \$104.2 million represents the excess of consideration transferred over the fair value of assets acquired and liabilities assumed and is attributable to expected operating efficiencies. The goodwill is not deductible for income tax purposes and is assigned to Wastewater.

The purchase price excludes transaction costs. During the fiscal year ended March 31, 2025, the Company incurred \$7.5 million of transaction costs related to the acquisition such as legal, accounting, valuation and other professional services. These costs are included in selling, general and administrative expenses in the Consolidated Statements of Operations.

The identifiable intangible assets recorded in connection with the acquisition of Orenco include customer relationships, developed technology and tradename totaling \$148.0 million. The intangible assets will be amortized on a straight-line basis over their estimated useful lives.

(Amounts in thousands)	Fair value	Useful Lives
Customer relationships	\$ 99,000	15 years
Developed technology	42,000	12 years
Tradename	7,000	20 years
Total identifiable intangible assets	\$ 148,000	

The Company has excluded certain disclosures required under ASC 805, *Business Combinations* as they are not material to the financial statements.

5. DISCONTINUED OPERATIONS AND ASSETS AND LIABILITIES HELD FOR SALE

As discussed in "Note 1. Background and Summary of Significant Accounting Policies," the NDS International Entities met the held for sale criteria upon acquisition. As a result, the assets and liabilities of the NDS International Entities have been classified held for sale and are reported as assets held for sale and liabilities held for sale on the Consolidated Balance Sheet. The results of the NDS International Entities have been accounted for as discontinued operations and are reported as income or loss from discontinued operations, net of tax, for the period from the date of acquisition to March 31, 2026 on the Consolidated Statements of Operations.

The Company measured the net assets of the disposal group at fair value less costs to sell. Costs to sell represent incremental direct costs expected to be incurred in connection with the disposal. Fair value was determined based on

the valuation techniques noted in “Note 4. Acquisitions.” The assets and liabilities classified as held for sale on the Company’s Consolidated Balance Sheet as of March 31, 2026, include the following:

(Amounts in thousands)	
Cash	\$ 9,184
Accounts receivable	6,957
Inventory	6,848
Other current assets	1,284
Property, plant and equipment	18,645
Other assets	533
Total assets held for sale	\$ 43,451
Current maturities of debt obligations	\$ 562
Accounts payable	2,776
Accrued expenses	8,669
Other liabilities	3,132
Total liabilities held for sale	\$ 15,139

The following table summarizes the major classes of items constituting the results from discontinued operations for presented in the Consolidated Statement of Operations for fiscal year 2026:

(Amounts in thousands)	
Net sales	\$ 4,701
Cost of goods sold	3,427
Gross profit	1,274
Selling, general and administrative	2,364
Net loss from discontinued operations	\$ (1,090)

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, net as of the fiscal years ended March 31 consisted of the following:

(Amounts in thousands)	2026	2025
Land, buildings and improvements	\$ 513,175	\$ 405,417
Machinery and production equipment	1,175,002	1,033,820
Transportation equipment	224,845	246,431
Construction in progress	201,371	190,515
Total cost	2,114,393	1,876,183
Less: accumulated depreciation	(897,228)	(825,143)
Property, plant and equipment, net	\$ 1,217,165	\$ 1,051,040

Depreciation expense related to Property, plant and equipment in each of the fiscal years ended March 31 was:

(Amounts in thousands)	2026	2025	2024
Depreciation expense (inclusive of leased assets depreciation)	\$ 154,407	\$ 128,756	\$ 100,306

7. LEASES

Nature of the Company’s Leases - The Company has operating and finance leases for plants, yards, corporate offices, tractors, trailers and other equipment. The Company’s leases have remaining terms of less than one year to 12 years. A portion of the Company’s real estate leases include an option to extend the leases for up to 5 years. The

Company has included renewal options which are reasonably certain to be exercised in its right-of-use assets and lease liabilities. The Company's lease payments are generally fixed.

Supplemental balance sheet information related to leases as of the periods presented was as follows:

(Amounts in thousands)	Balance Sheet Classification	2026	2025
Operating leases			
Right-of-use assets	Other assets	\$ 73,757	\$ 68,826
Current lease liabilities	Other accrued liabilities	21,303	19,456
Non-current lease liabilities	Other liabilities	52,896	48,781
Total operating lease liabilities		\$ 74,199	\$ 68,237
Finance leases			
Right-of-use assets	Property, plant and equipment	151,536	159,553
Current lease liabilities	Current maturities of finance lease obligations	38,136	33,143
Non-current lease liabilities	Long-term finance lease obligations	121,935	131,000
Total finance lease liabilities		\$ 160,071	\$ 164,143
Weighted average lease term (in years):			
Operating leases		4.48	4.74
Finance leases		4.60	5.04
Weighted average discount rate:			
Operating leases		5.74 %	5.71 %
Finance leases		6.45 %	6.38 %

Lease Cost - The components of lease cost for the years ended March 31, 2026, 2025, and 2024 were:

(Amounts in thousands)	Income Statement Classification	2026	2025	2024
Operating lease cost				
Operating lease cost	Cost of goods sold	\$ 21,055	\$ 20,470	\$ 17,325
Operating lease cost	Selling, general and administrative	1,763	1,691	1,562
Short-term lease cost	Cost of goods sold	3,425	6,237	8,856
Total operating lease cost		\$ 26,243	\$ 28,398	\$ 27,743
Finance lease cost				
Amortization of right-of-use assets	Cost of goods sold	38,519	27,974	13,707
Amortization of right-of-use assets	Selling, general and administrative	415	820	820
Interest on lease liabilities	Interest expense	11,277	7,666	2,833
Total finance lease cost		\$ 50,211	\$ 36,460	\$ 17,360

Supplemental cash flow information related to leases for the periods presented were as follows:

(Amounts in thousands)	2026	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows used for operating leases	\$ 22,818	\$ 22,161	\$ 18,887
Operating cash flows used for finance leases	10,840	7,013	2,726
Financing cash flows used for finance leases	40,602	25,487	12,145
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	11,298	26,286	20,511
Finance leases	42,687	110,198	53,241

The following is a schedule by year of future minimum lease payments on a rolling twelve-month basis under operating and finance leases and the present value of the net minimum lease payments as of March 31, 2026:

(Amounts in thousands)	Operating Leases	Finance Leases
Year 1	\$ 23,773	\$ 47,252
Year 2	18,733	42,976
Year 3	13,096	34,108
Year 4	11,289	27,342
Year 5	7,657	21,194
Thereafter	8,754	12,909
Total minimum lease payments	\$ 83,302	\$ 185,781
Less: amount representing interest	9,103	25,710
Present value of net minimum lease payments	\$ 74,199	\$ 160,071

8. INVENTORIES

Inventories as of the fiscal years ended March 31 consisted of the following:

(Amounts in thousands)	2026	2025
Raw materials	\$ 108,856	\$ 105,146
Finished goods	434,525	383,123
Total Inventories	\$ 543,381	\$ 488,269

During fiscal years ended March 31, 2026 and 2025, the Company incurred production-related general and administrative costs included in the cost of finished goods inventory of \$65.8 million and \$62.6 million, respectively, of which \$18.5 million and \$18.1 million remained in inventory at March 31, 2026 and 2025, respectively.

9. GOODWILL AND INTANGIBLE ASSETS

Goodwill - The carrying amount of goodwill by reportable segment is as follows:

(Amounts in thousands)	As Previously Reported						
	Pipe	Infiltrator	International	Allied Products & Other	Stormwater	Wastewater	Total
Balance at March 31, 2024	\$ 65,766	\$ 495,841	\$ 10,441	\$ 45,135	\$ —	\$ —	\$ 617,183
Acquisition	—	103,676	—	—	—	—	103,676
Currency translation	—	—	(636)	—	—	—	(636)
Balance at March 31, 2025	65,766	599,517	9,805	45,135	—	—	720,223
Reallocation due to change in segments	(65,766)	(599,517)	(9,805)	(45,135)	120,706	599,517	—
Acquisitions	—	—	—	—	321,612	555	322,167
Currency translation	—	—	—	—	326	—	326
Balance at March 31, 2026	\$ —	\$ —	\$ —	\$ —	\$ 442,644	\$ 600,072	\$ 1,042,716

Intangible Assets - Intangible assets as of March 31, 2026 and 2025 consisted of the following:

(Amounts in thousands)	2026			2025		
	Gross Intangible	Accumulated Amortization	Net Intangible	Gross Intangible	Accumulated Amortization	Net Intangible
Definite-lived intangible assets						
Developed technology	\$ 213,120	\$ (113,493)	\$ 99,627	\$ 212,200	\$ (93,783)	\$ 118,417
Supplier and customer relationships	902,700	(255,237)	647,463	481,100	(220,047)	261,053
Patents and non-compete agreements	3,738	(3,035)	703	3,738	(2,687)	1,051
Trademarks and tradenames	112,330	(23,439)	88,891	74,960	(19,260)	55,700
Total definite lived intangible assets	1,231,888	(395,204)	836,684	771,998	(335,777)	436,221
Indefinite-lived intangible assets ^(a)						
Trademarks	11,843	—	11,843	11,839	—	11,839
Total Intangible assets	\$ 1,243,731	\$ (395,204)	\$ 848,527	\$ 783,837	\$ (335,777)	\$ 448,060

(a) Indefinite-lived intangible assets may fluctuate as a result of foreign currency translation.

The following table presents the amortization expense and weighted average amortization period for definite-lived intangible assets at March 31, 2026:

	Amortization expense (in thousands)			Weighted Average Amortization Period (in years)
	2026	2025	2024	
Developed technology	\$ 19,710	\$ 18,230	\$ 16,480	7.0
Supplier and customer relationships	35,187	30,207	30,460	15.9
Patents and non-compete agreements	348	487	560	6.3
Trademarks and tradenames	4,179	3,645	3,969	16.3
Total	\$ 59,424	\$ 52,569	\$ 51,469	

Future intangible asset amortization expense based on existing intangible assets at March 31, 2026 is:

(Amounts in thousands)	Fiscal Year					Thereafter	Total
	2027	2028	2029	2030	2031		
Amortization expense	\$ 80,233	\$ 84,640	\$ 87,849	\$ 73,341	\$ 64,366	\$ 446,255	\$ 836,684

10. FAIR VALUE MEASUREMENT AND DERIVATIVE TRANSACTIONS

When applying fair value principles in the valuation of assets and liabilities, the Company is required to maximize the use of quoted market prices and minimize the use of unobservable inputs. The Company has not changed its valuation techniques used in measuring the fair value of any financial assets or liabilities during the fiscal periods presented. The fair value estimates take into consideration the credit risk of both the Company and its counterparties.

When active market quotes are not available for financial assets and liabilities, the Company uses industry standard valuation models. Where applicable, these models project future cash flows and discount the future amounts to present value using market-based observable inputs including credit risk, interest rate curves, foreign currency rates and forward and spot prices for currencies. In circumstances where market-based observable inputs are not available, management judgment is used to develop assumptions to estimate fair value.

Derivatives - A summary of the fair values for the various derivatives, which are all measured using Level 2 inputs, at March 31, 2026 and 2025 is presented below:

(Amounts in thousands)	Diesel fuel option collars and swaps					
	Assets				Liabilities	
	Receivables	Other assets		Other accrued liabilities		Other liabilities
March 31, 2026	\$ 4,973	\$ 229	\$ (61)	\$ (59)		
March 31, 2025	223	2	(248)	(25)		

There were no transfers in or out of Level 3 for the fiscal years ended March 31, 2026 and 2025.

Valuation of Debt - The carrying amounts of current financial assets and liabilities approximate fair value because of the immediate or short-term maturity of these items, or in the case of derivative instruments, because they are recorded at fair value. The following table presents the carrying and fair value of the Company's 2027 Notes, 2030 Notes, 2034 Notes and Equipment Financing (as further discussed in "Note 13. Debt") for the periods presented:

(Amounts in thousands)	March 31, 2026		March 31, 2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Senior Notes due 2027	\$ —	\$ —	\$ 344,036	\$ 350,000
Senior Notes due 2030	505,940	500,000	500,845	500,000
Senior Notes due 2034	489,230	500,000	—	—
Equipment Financing	2,961	3,056	6,714	5,988
Total	\$ 998,131	\$ 1,003,056	\$ 851,595	\$ 855,988

The fair values of the 2027 Notes, 2030 Notes and 2034 Notes were determined based on quoted market data for the Company's 2027 Notes, 2030 Notes and 2034 Notes, respectively. The fair value of the Equipment Financing was determined based on a comparison of the interest rate and terms of such borrowings to the rates and terms of similar debt available for the period. The categorization of the framework used to evaluate the 2027 Notes, 2030 Notes, 2034 Notes and Equipment Financing are considered Level 2. The Company believes the carrying amount on the remaining long-term debt, including the Term Loan Facility, Revolving Credit Facility and Commercial loan agreement, is not materially different from its fair value as the interest rates and terms of the borrowings are similar to currently available borrowings.

11. INVESTMENT IN AFFILIATES

ADS Mexicana - ADS has one consolidated joint venture, ADS Mexicana, which is 51% owned by the Company's wholly-owned subsidiary ADS Worldwide, Inc. The equity owned by the Company's joint venture partner is shown as Noncontrolling interest in subsidiaries in the Consolidated Balance Sheets and the joint venture partner's portion of net income is shown as Net income attributable to noncontrolling interest in the Consolidated Statements of Operations.

ADS participates in joint ventures for the purpose of expanding upon the growth of manufacturing and selling HDPE corrugated pipe in emerging markets. ADS invested in ADS Mexicana for the purpose of expanding upon growth of manufacturing and selling ADS licensed HDPE corrugated pipe and related products in the Mexican and Central American markets via the joint venture partner's local presence and expertise throughout the region. The Company executed a Technology, Patents and Trademarks Sub-License Agreement and a Distribution Agreement with ADS Mexicana that provides ADS Mexicana with the rights to manufacture and sell ADS licensed products in Mexico and Central America. The Company has concluded that it holds a variable interest in and is the primary beneficiary of ADS Mexicana based on the power to direct the most significant activities of ADS Mexicana and the obligation to absorb losses and the right to receive benefits that could be significant to ADS Mexicana. As the primary beneficiary, the Company is required to consolidate the assets and liabilities of ADS Mexicana.

The table below includes the assets and liabilities of ADS Mexicana that are consolidated as of March 31, 2026 and 2025. The balances exclude intercompany transactions that are eliminated upon consolidation.

(Amounts in thousands)	2026	2025
Assets		
Cash	\$ 9,608	\$ 7,675
Other current assets	18,314	22,267
Property, plant and equipment, net	25,642	15,251
Other noncurrent assets	1,687	2,112
Total assets	\$ 55,251	\$ 47,305
Liabilities		
Current liabilities	\$ 10,829	\$ 8,608
Noncurrent liabilities	1,991	1,591
Total liabilities	\$ 12,820	\$ 10,199

EQ TruePointe One - The Company has 63% ownership of a consolidated joint venture, which owns and operates the Company's corporate headquarters building. The equity owned by the Company's joint venture partners is shown as Noncontrolling interest in subsidiaries in the Consolidated Balance Sheets and the joint venture partners' portion of net income is shown as Net income attributable to noncontrolling interest in the Consolidated Statements of Operations. The Company has concluded that it holds a variable interest in and is the primary beneficiary of EQ TruePointe One based on the power to direct the most significant activities of the entity and the obligation to absorb losses and the right to receive benefits that could be significant. As the primary beneficiary, the Company is required to consolidate the assets and liabilities of EQ TruePointe One.

The table below includes the assets and liabilities of EQ TruePointe One that are consolidated as of March 31, 2026. The balances exclude intercompany transactions that are eliminated upon consolidation.

(Amounts in thousands)	2026
Assets	
Cash	\$ 396
Other current assets	2,028
Property, plant and equipment, net	34,176
Other noncurrent assets	141
Total assets	\$ 36,741
Liabilities	
Current liabilities	\$ 1,664
Noncurrent liabilities	27,014
Total liabilities	\$ 28,678

South American Joint Venture - The Company participates in an unconsolidated joint venture, the South American Joint Venture, which is 50% owned by the Company's wholly-owned subsidiary ADS Chile. The Company's investment in this unconsolidated joint venture was formed for the purpose of expanding upon the growth of manufacturing and selling HDPE corrugated pipe in the South American market via the joint venture partner's local presence and expertise throughout the region. The Company has concluded that it is appropriate to account for this investment using the equity method, whereby the Company's share of the income or loss of the joint venture is reported in the Consolidated Statements of Operations under Equity in net income of unconsolidated affiliates and the Company's investment in the joint venture is included in Other assets in the Consolidated Balance Sheets. The Company is not required to consolidate the South American Joint Venture as it is not the primary beneficiary, although the Company does hold significant variable interests in the South American Joint Venture through the equity investment and debt guarantee.

12. RELATED PARTY TRANSACTIONS

ADS Mexicana - On June 6, 2022, the Company and ADS Mexicana amended the Intercompany Revolving Credit Promissory Note (the “Intercompany Note”) with a borrowing capacity of \$9.5 million. The Intercompany Note matures on June 8, 2027. The Intercompany Note indemnifies the ADS Mexicana joint venture partner for 49% of any unpaid borrowing. The interest rates under the Intercompany Note are determined by certain base rates or Secured Overnight Financing Rate (“SOFR”) plus an applicable margin based on the Leverage Ratio. As of March 31, 2026 and 2025, there were no borrowings under the Intercompany Note.

South American Joint Venture - ADS is the guarantor for 50% of the South American Joint Venture’s credit facility, and the debt guarantee is shared equally with the joint venture partner. The maximum potential obligation under this guarantee totals \$5.5 million as of March 31, 2026. The maximum borrowing permitted under the South American Joint Venture’s credit facility is \$11.0 million. This credit facility allows borrowings in either Chilean pesos or U.S. dollars at a fixed interest rate determined at inception of each draw on the facility. The guarantee of the South American Joint Venture’s debt expires on December 31, 2026. ADS does not anticipate any required contributions related to the balance of this credit facility. As of March 31, 2026 and 2025, there was no outstanding principal balance or U.S. dollar denominated loans.

13. DEBT

Long-term debt as of the fiscal years ended March 31 consisted of the following:

(Amounts in thousands)	2026	2025
Term Loan Facility	\$ 600,000	\$ 413,250
Senior Notes due 2027	—	350,000
Senior Notes due 2030	500,000	500,000
Senior Notes due 2034	500,000	—
Revolving Credit Facility	—	—
Other debt	30,251	5,988
Total	1,630,251	1,269,238
Unamortized debt issuance costs	(18,428)	(7,715)
Current maturities	(5,865)	(9,934)
Long-term debt obligations	\$ 1,605,958	\$ 1,251,589

Senior Secured Credit Facility - On July 31, 2019, the Company entered into a credit agreement (the “Base Credit Agreement”) by and among, the Company, as borrower, Barclays Bank PLC, as administrative agent, and the several lenders from time to time party thereto. Among other things, the Base Credit Agreement provided for a term loan facility in the initial aggregate principal amount of \$1.3 billion (the “Initial Term Loan Facility”) and a revolving credit facility in an initial aggregate amount of up to \$350 million (the “Initial Revolving Credit Facility”), which included a sub-limit for a letter of credit sub-facility in the initial aggregate amount of up to \$50 million. On September 24, 2019, the Company entered into a First Amendment (the “First Amendment”) to the Company’s Base Credit Agreement subsequent to the common stock offering and Senior Notes due in 2027.

On May 26, 2022, the Company entered into a Second Amendment (the “Second Amendment”) to the Company’s Base Credit Agreement with, among others, Barclays Bank PLC, as administrative agent under the Initial Term Loan Facility, and PNC Bank, National Association, as new administrative agent under the Initial Revolving Credit Facility. Among other things, the Second Amendment (i) amended the Base Credit Agreement by increasing the Initial Revolving Credit Facility (the “Second Amended Revolving Credit Facility”) from \$350 million to \$600 million (including an increase of the sub-limit for the swing-line sub-facility (“the L/C facility”) from \$50 million to \$60 million) and extended the maturity date of the Revolving Credit Facility to the earlier of May 26, 2027 or the date that is six months prior to the earliest maturity date of the outstanding loans under the Initial Term Loan Facility.

On February 27, 2026, the Company entered into a Fourth Amendment (the “Fourth Amendment”) to the Company’s Base Credit Agreement (the Base Credit Agreement as amended by the First Amendment, the Second Amendment, the Third Amendment and the Fourth Amendment, the “Credit Agreement”) with, among others, certain subsidiaries of the Company, as guarantors, Bank of America, N.A., as administrative agent under the Term Loan Facility (as defined below) and PNC Bank, National Association, as administrative agent under the Revolving Credit Facility (as

defined below) and as successor administrative agent, Barclays Bank PLC, as predecessor administrative agent, and the several financial institutions from time to time party thereto as lenders. Among other things, the Fourth Amendment (i) increased the Amended Revolving Credit Facility from \$600 million to \$750 million (the “Revolving Credit Facility”), including an increase of the sub-limit for the letter of credit sub-facility from \$60 million to \$75 million, (ii) refinanced the outstanding amounts owing under the Initial Term Loan Facility by providing for a new term loan facility in the initial aggregate principal amount of \$600 million (the “Term Loan Facility”), (iii) extended the maturity date of the Revolving Credit Facility to February 27, 2031, (iv) extended the maturity date of the Term Credit Facility to February 28, 2033, (v) revised the “applicable margin” to provide for a range of 125 basis points to 225 basis points (for Term Benchmark based loans) and 25 basis points to 125 basis points (for base rate loans), as determined based on the consolidated senior secured net leverage ratio ranging from less than 1.50 to 1.00 to greater than or equal to 3.50 to 1.00, (vi) provides for incremental facilities in the aggregate maximum amount of the greater of \$350 million or 100% of consolidated EBITDA for the most recently ended four consecutive fiscal quarters, and (vii) amended certain covenant baskets under the Credit Agreement to align with the growth of the Company.

Letters of credit outstanding at March 31, 2026 and 2025 amounted to \$10.1 million and \$9.5 million, respectively, and reduced the availability of the Revolving Credit Facility.

At the option of the Company, borrowings under the Term Loan Facility and under the Revolving Credit Facility (subject to certain limitations) bear interest at either a base rate (as determined pursuant to the Fourth Amendment) or at a Term Benchmark rate (as defined in the Fourth Amendment), plus the applicable margin as set forth therein from time to time. In the case of the Revolving Credit Facility, the applicable margin is based on the Company's consolidated senior secured net leverage ratio (as defined in the Fourth Amendment). All borrowings under the Term Loan Facility as described above initially bear interest at the Term Benchmark rate (as defined in the Fourth Amendment). In the case of the Term Loan Facility, the applicable margin shall be, for loans bearing interest at the Term Benchmark rate, 1.625%, and for loans bearing interest at the base rate, 0.625%. The deferred financing costs associated with the amendment to the Revolving Credit Facility totaled \$3.6 million and are recorded as Other assets on the Company's Consolidated Balance Sheet.

The Company is also required to pay a commitment fee that is based upon the undrawn amounts of the Revolving Credit Facility at a rate per annum based upon a calculated ratio as prescribed within the Credit Agreement. As of March 31, 2026, the rate the Company was committed to paying on the undrawn portion was equal to 0.15%.

The Company's obligations under the Credit Agreement have been secured by granting a first priority lien on substantially all of the Company's assets (subject to certain exceptions and limitations), and each of StormTech, LLC, Infiltrator Water Technologies, LLC, and Orenco Systems, Inc. (collectively the “Guarantors”) has agreed to guarantee the obligations of the Company under the Credit Agreement and to secure the obligations thereunder by granting a first priority lien in substantially all of such Guarantor's assets (subject to certain exceptions and limitations).

Senior Notes due 2027 - On September 23, 2019, the Company issued \$350.0 million aggregate principal amount of 5.0% 2027 Notes pursuant to the 2027 Indenture among the Company, the Guarantors and the Trustee. The 2027 Indenture contained customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2027 Indenture or the 2027 Notes and certain provisions related to bankruptcy events. The 2027 Indenture also contained customary negative covenants. The 2027 Notes were guaranteed by each of the Company's present and future direct and indirect wholly-owned domestic subsidiaries that was a guarantor under the Company's Senior Secured Credit Agreement. Interest on the 2027 Notes was payable semi-annually in cash in arrears on March 31 and September 30 of each year, commencing on March 31, 2020, at a rate of 5.0% per annum. The 2027 Notes were scheduled to mature on September 30, 2027. The Company used the majority of the net proceeds from the offering of the 2027 Notes for the repayment of \$300.0 million of its outstanding borrowings. The deferred financing costs associated with the 2027 Notes totaled \$2.1 million and were recorded as a direct reduction from the carrying amount of the related debt. The Company was able to redeem the 2027 Notes, in whole or in part, at any time on or after September 30, 2022 at established redemption prices. On February 27, 2026, the Company redeemed all of its outstanding 2027 Notes in the original aggregate principal amount of \$350.0 million at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, to, but excluding, the redemption date in connection with its issuance of \$500.0 million aggregate principal amount of the 2034 Notes.

Senior Notes due 2030 - On June 9, 2022, the Company issued \$500.0 million aggregate principal amount of 6.375% 2030 Notes pursuant to the 2030 Indenture, among the Company, the Guarantors and the Trustee. The 2030 Indenture contains customary events of default, including, among other things, payment default, failure to comply with

covenants or agreements contained in the 2030 Indenture or the 2030 Notes and certain provisions related to bankruptcy events. The 2030 Indenture also contains customary negative covenants. Interest on the 2030 Notes will be payable semi-annually in cash in arrears on January 15 and July 15 of each year, commencing on January 15, 2023, at a rate of 6.375% per annum. The 2030 Notes will mature on July 15, 2030. The Company used a portion of the net proceeds from the offering of the 2030 Notes to repay in full the outstanding borrowings under its Revolving Credit Facility and will use the remainder for general corporate purposes. The deferred financing costs associated with the 2030 Notes totaled \$9.0 million and are recorded as a direct reduction from the carrying amount of the related debt.

The Company may redeem the 2030 Notes, in whole or in part, at any time on or after July 15, 2025 at certain specified redemption prices set forth in the 2030 Indenture. In addition, at any time prior to July 15, 2025, the Company may redeem the 2030 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2030 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable “make-whole” premium. At any time prior to July 15, 2025, the Company may also redeem up to 40% of the aggregate principal amount of 2030 Notes issued under the Indenture with net cash proceeds of certain equity offerings at a redemption price equal to 106.375% of the principal amount of the 2030 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Senior Notes due 2034 - On February 27, 2026, the Company issued \$500.0 million aggregate principal amount of 5.375% 2034 Notes pursuant to the 2034 Indenture, among the Company, the Guarantors and the Trustee. The 2034 Indenture contains customary events of default, including, among other things, payment default, failure to comply with covenants or agreements contained in the 2034 Indenture or the 2034 Notes and certain provisions related to bankruptcy events. The 2034 Indenture also contains customary negative covenants. Interest on the 2034 Notes will be payable semi-annually in cash in arrears on March 1 and September 1 of each year, commencing on September 1, 2026, at a rate of 5.375% per annum. The 2034 Notes will mature on March 1, 2034. The Company used the net proceeds from the offering of the 2034 Notes, together with the proceeds of the term loan “B” portion of its existing senior secured credit facility, to refinance the outstanding balance of the Company’s senior secured credit facility and redeem the 2027 Notes in full, with the remainder for general corporate purposes. The deferred financing costs associated with the 2034 Notes totaled \$7.5 million and are recorded as a direct reduction from the carrying amount of the related debt.

The Company may redeem the 2034 Notes, in whole or in part, at any time on or after March 1, 2029 at certain specified redemption prices set forth in the 2034 Indenture. In addition, at any time prior to March 1, 2029, the Company may redeem the 2034 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2034 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date plus an applicable “make-whole” premium. At any time prior to March 1, 2029, the Company may also redeem up to 40% of the aggregate principal amount of 2034 Notes issued under the 2034 Indenture with net cash proceeds of certain equity offerings at a redemption price equal to 105.375% of the principal amount of the 2034 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date

Other debt - Other debt includes equipment financing and the commercial loan related to the Company’s headquarters. In November 2021, the Company purchased material handling equipment, trucks and trailers previously leased under a master lease agreement and classified as finance leases. The purchase was funded with debt through the Master Lease Agreement and Interim Funding Schedule with Fifth Third. The assets acquired are titled to the Company and included in Property, plant and equipment, net on the Company's Consolidated Balance Sheet. The equipment financings have a term of between 12 and 84 months, based on the life of the equipment, and bear a weighted average interest of 1.8%. The current portion of the equipment financing is \$1.1 million, and the long-term portion is \$1.9 million at March 31, 2026.

The Company entered into a commercial loan agreement of \$27.2 million which matures on December 5, 2028. The agreement bears interest based on SOFR plus a margin of 285 basis points, requires interest only payments through December 5, 2026, and beginning January 5, 2027 through maturity, includes principal and interest payments.

Principal Maturities - Maturities of long-term debt (excluding interest and deferred financing costs) as of March 31, 2026 are summarized below:

(Amounts in thousands)	Fiscal Years Ending March 31,						
	2027	2028	2029	2030	2031	Thereafter	Total
Principal maturities	\$ 5,865	\$ 8,211	\$ 32,675	\$ 6,000	\$ 506,000	\$ 1,071,500	\$ 1,630,251

14. EMPLOYEE BENEFIT PLANS

KSOP Retirement Plan (“KSOP”) - The Company’s KSOP holds shares of redeemable common stock. The common stock held by the KSOP is classified as mezzanine equity as the shares are subject to the put option requirements of the Internal Revenue Code. When participants sell or forfeit these shares, the shares would no longer be subject to the put option of the Internal Revenue Code and would no longer required to be classified in mezzanine equity.

Profit-Sharing Retirement Plan - On April 11, 2022, the ESOP was merged into the existing 401(k) retirement plan effective April 1, 2022 creating the KSOP. The tax-qualified profit-sharing retirement plan has a 401(k) feature covering substantially all U.S. eligible employees. Except for employer matching contributions made on behalf of Infiltrator employee-participants, the Company made employer contributions of \$15.1 million, \$14.2 million and \$9.2 million in the fiscal years ended March 31, 2026, 2025, and 2024 respectively.

Redeemable Common Stock - The put option requirements of the Internal Revenue Code apply in the event that the Company’s common stock is not a registration type class of security, or its trading has been restricted. Therefore, the holders of common stock within the KSOP have a put right to require the Company to repurchase such shares in the event that the common stock is not listed for trading or otherwise quoted on the NYSE, AMEX, NASDAQ, or any other market more senior than the OTC Bulletin Board.

Defined Contribution Postretirement Plan - The Company has defined contribution postretirement benefit plans covering Canadian employees. The Company recognized costs of \$2.1 million, \$2.2 million and \$2.0 million in the fiscal years ended March 31, 2026, 2025, and 2024, respectively.

15. STOCK-BASED COMPENSATION

The Company has several programs for stock-based payments to employees and directors, including stock options, performance-based restricted units and restricted stock. Compensation expense is recognized on a straight-line basis over the employee’s requisite service period, which is generally the vesting period of the grant. The Company recognized stock-based compensation expense in the following line items on the Consolidated Statements of Operations for the fiscal years ended March 31, 2026, 2025, and 2024:

(Amounts in thousands)	2026	2025	2024
Cost of goods sold	\$ 6,926	\$ 5,232	\$ 4,708
Selling, general and administrative expenses	25,428	21,349	27,278
Total stock-based compensation expense	\$ 32,354	\$ 26,581	\$ 31,986

The following table summarizes stock-based compensation expense by award type for the fiscal years ended March 31, 2026, 2025, and 2024:

(Amounts in thousands)	2026	2025	2024
Stock options	\$ 6,831	\$ 5,944	\$ 5,287
Restricted stock	12,275	10,403	7,991
Performance-based restricted stock units	9,440	6,586	15,459
Employee Stock Purchase Plan	2,079	1,736	1,056
Non-employee director restricted stock	1,729	1,912	2,193
Total stock-based compensation expense	\$ 32,354	\$ 26,581	\$ 31,986

2017 Omnibus Plan

The 2017 Omnibus Plan Incentive Plan, as amended in July 2021, (the “2017 Omnibus Plan”) provides for the issuance of a maximum of 5.0 million shares of the Company’s common stock for awards made thereunder, which awards may consist of stock options, restricted stock, restricted stock units, stock appreciation rights, phantom stock, cash-based awards, performance awards (which may take the form of performance cash, performance units or performance shares) or other stock-based awards. The Company had approximately 1.5 million shares available for awards as of March 31, 2026.

Stock Options - Stock option awards are measured based on the grant date estimated fair value of each award. The Company estimates the fair value of stock options using a Black-Scholes option-pricing model. The following table summarizes the assumptions used in estimating the fair value of stock options:

	2026	2025	2024
Common stock price	\$119.30	\$177.38	\$96.51
Expected stock price volatility	46.7%	45.5%	45.6%
Risk-free interest rate	4.2%	4.5%	3.8%
Weighted-average expected life (years)	6.0	6.0	6.0
Dividend yield	0.60%	0.36%	0.58%

The stock option activity for the fiscal year ended March 31, 2026 is summarized as follows:

(Share amounts in thousands)	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at beginning of year	871	\$ 67.95	5.4
Granted	132	119.37	—
Exercised	(139)	46.91	—
Forfeited	(12)	133.54	—
Outstanding at end of year	852	78.45	5.3
Vested at end of year	621	59.72	4.1
Unvested at end of year	231	128.77	1.7
Fair value of options granted during the year		\$ 56.74	

As of March 31, 2026, there was a total of \$8.2 million of unrecognized compensation expense related to unvested stock option awards under the 2017 Omnibus Plan, as amended, that will be recognized as an expense as the awards vest over the remaining weighted average service period of 1.7 years. All outstanding options are expected to vest. The aggregate intrinsic value for options outstanding and exercisable as of March 31, 2026 was \$53.4 million and \$49.2 million, respectively. The total intrinsic value of options exercised during the fiscal years ended March 31, 2026, 2025, and 2024 were \$14.0 million, \$20.0 million and \$12.1 million, respectively.

Restricted Stock - The information about the unvested restricted stock grants as of March 31, 2026 is as follows:

(Share amounts in thousands)	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at beginning of year	199	\$ 135.82
Granted	135	124.02
Vested	(100)	124.54
Forfeited	(12)	134.56
Unvested at end of year	222	\$ 133.76

At March 31, 2026, there was approximately \$17.5 million of unrecognized compensation expense related to the restricted stock that will be recognized over the weighted average remaining service period of 1.8 years. The total fair value of restricted stock that vested during fiscal year ended March 31, 2026, 2025 and 2024 was \$12.5 million, \$15.0 million and \$8.4 million, respectively. The fair value of restricted stock is based on the fair value of the Company's common stock at the date of grant.

Performance-based Restricted Units (“Performance units”) - The information about the performance units granted under the 2017 Omnibus Plan is as follows:

(Share amounts in thousands)	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at beginning of year	209	\$ 122.33
Granted	97	147.39
Added by Performance Factor	26	99.29
Vested	(85)	100.61
Forfeited	(9)	131.21
Unvested at end of year	238	\$ 137.35

At March 31, 2026, there was approximately \$13.7 million of unrecognized compensation expense related to the performance units that will be recognized over the weighted average remaining service period of 1.9 years. For the performance units granted in fiscal 2026, 2025 and 2024, 50% of the award is based upon the achievement of certain levels of Return on Invested Capital for the performance period and 50% is based upon the achievement of certain levels of cash flows from operations for the performance period or other specific project targets. The performance units each have a 3-year performance period. The performance units, and any accrued dividend equivalents, will be settled in shares of the Company’s common stock, if the applicable performance and service conditions are satisfied. The fair value of performance-based restricted stock units is based on the fair value of the Company’s common stock at the date of grant.

2013 Stock Option Plan

The Company’s 2013 stock option plan (“2013 Plan”) generally provided for grants of stock options with the exercise price equal to fair value on the date of grant. The grants generally vest in three to five equal annual amounts beginning in year one and expire after approximately 10 years from issuance. The Company had no shares available for grant under the 2013 Plan as of March 31, 2026. The stock option activity for the fiscal year ended March 31, 2026 is summarized as follows:

(Share amounts in thousands)	2013 Plan		
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)
Outstanding at beginning of year	13	\$ 24.20	1.0
Granted	—	—	—
Exercised	(13)	24.20	—
Forfeited	—	—	—
Outstanding at end of year	—	—	—
Vested at end of year	—	—	—
Unvested at end of year	—	\$ —	—

The total intrinsic value of options exercised during the fiscal year ended March 31, 2026, 2025, and 2024 were \$1.7 million, \$10.9 million and \$1.8 million, respectively.

Employee Stock Purchase Plan (“ESPP”) - The Advanced Drainage Systems, Inc. Employee Stock Purchase Plan, which provides for a maximum of 0.4 million shares of the Company’s common stock. Eligible employees may purchase the Company’s common stock at 85% of the lower of the fair market value of the Company’s common stock on the first day or the last day of the offering period.

16. INCOME TAXES

Provision for Taxes - The components of Income before income taxes for the fiscal years ended March 31 are as follows:

(Amounts in thousands)	2026	2025	2024
United States	\$ 548,018	\$ 571,649	\$ 641,370
Foreign	11,770	17,816	25,383
Total	\$ 559,788	\$ 589,465	\$ 666,753

The components of Income tax expense for the fiscal years ended March 31 consisted of the following:

(Amounts in thousands)	2026	2025	2024
Current:			
Federal	\$ 75,432	\$ 112,451	\$ 127,109
State and local	22,081	25,337	27,028
Foreign	2,247	3,628	7,121
Total current tax expense	99,760	141,416	161,258
Deferred:			
Federal	35,391	(591)	(201)
State and local	(699)	(788)	(2,127)
Foreign	536	1,026	68
Total deferred tax expense (benefit)	35,228	(353)	(2,260)
Total Income tax expense	\$ 134,988	\$ 141,063	\$ 158,998

For the fiscal years ended March 31, the effective tax rate varied from the statutory Federal income tax rate as a result of the following factors:

(Amounts in thousands)	2026		2025		2024	
Federal statutory rate	\$ 117,555	21.0 %	\$ 123,788	21.0 %	\$ 140,018	21.0 %
State and local taxes—net of federal income tax benefit ^(a)	16,686	3.0 %	17,820	3.0 %	19,245	2.9 %
Nontaxable or nondeductible items						
Executive compensation	4,688	0.8 %	7,719	1.3 %	5,507	0.8 %
Stock-based compensation	(2,671)	(0.5) %	(8,273)	(1.4) %	(4,250)	(0.6) %
Other	(1,270)	(0.2) %	9	— %	(1,522)	(0.3) %
Effective rate	\$ 134,988	24.1 %	\$ 141,063	23.9 %	\$ 158,998	23.8 %

(a) In 2026, state and local taxes in Florida, California, Georgia, North Carolina, Pennsylvania, and Alabama comprised the majority (greater than 50%) of the tax effect in this category. In 2025, state and local taxes in Florida, California, Georgia, North Carolina, Massachusetts, Oregon, and Pennsylvania comprised the majority (greater than 50%) of the tax effect in this category. In 2024, state and local taxes in Florida, California, Georgia, Pennsylvania, New Jersey, North Carolina, and Alabama comprised the majority (greater than 50%) of the tax effect in this category.

Cash Taxes Paid - The income taxes paid (net of refunds received) for the fiscal years ended March 31 are as follows:

(Amounts in thousands)	2026	2025	2024
Federal	\$ 91,795	\$ 116,003	\$ 128,139
State and local	19,051	20,680	26,410
Foreign	2,508	5,468	6,600
Total cash paid for income taxes	\$ 113,354	\$ 142,151	\$ 161,149

Deferred Income Taxes - Net deferred tax assets and liabilities are included in Other assets and Deferred tax liabilities, respectively, on the Consolidated Balance Sheets. The related balances at March 31 were as follows:

(Amounts in thousands)	2026	2025
Net non-current deferred tax assets	\$ 708	\$ 1,249
Net non-current deferred tax liabilities	220,994	190,416

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31 were comprised of:

(Amounts in thousands)	2026	2025
Deferred tax assets:		
Acquisition costs	\$ 6,079	\$ 433
Operating lease liabilities	24,482	16,666
Research and development expenses	1,016	15,727
Stock-based compensation	7,621	6,452
Net loss on assets and liabilities held for sale	12,709	—
Other	17,982	15,602
Total deferred tax assets	69,889	54,880
Less: valuation allowance	(7,572)	(289)
Total net deferred tax assets	62,317	54,591
Deferred tax liabilities:		
Intangible assets	84,055	96,076
Property, plant and equipment	159,122	119,703
Operating lease assets	24,333	16,795
Goodwill	11,945	10,326
Other	3,148	858
Total deferred tax liabilities	282,603	243,758
Net deferred tax liabilities	\$ 220,286	\$ 189,167

As a result of the NDS International Entities being classified as held for sale, the Company has recorded deferred tax assets of \$12.7 million as of March 31, 2026 related to net losses on outside basis differences. A valuation allowance has been recorded against \$7.3 million of these deferred tax assets as of March 31, 2026. See "Note 5. Discontinued Operations and Held for Sale" for additional information.

The Company intends to repatriate earnings from Canada and believes that there will be no additional tax costs associated with the repatriation of such earnings other than any potential non-U.S. withholding taxes, for which no deferred tax liability has been recognized. All other undistributed earnings from other foreign entities are intended to be reinvested indefinitely with the exception of cash dividends paid by the Company's ADS Mexicana joint venture. It is not practicable to estimate the amount of deferred tax liability, which would primarily relate to withholding tax, that might be payable on the eventual remittance of such undistributed earnings.

Uncertain Tax Positions - A reconciliation of the balance of unrecognized tax benefits for the years ended March 31 is as follows:

(Amounts in thousands)	2026	2025	2024
Balance at beginning of year	\$ 9,475	\$ 4,600	\$ 2,451
Tax positions taken in current year	4,193	2,882	1,609
Increases in tax positions for prior years	1,762	2,083	540
Lapse of statute of limitations	(439)	(90)	—
Balance at end of year	\$ 14,991	\$ 9,475	\$ 4,600

Included in the balance of unrecognized tax benefits at March 31, 2026, 2025, and 2024 were \$12.2 million, \$7.5 million and \$3.6 million, respectively, of tax benefits that if recognized would favorably affect the Company's effective tax rate.

The unrecognized tax benefit is recorded in Other accrued liabilities, Liabilities held for sale, and Other liabilities in the Company's Consolidated Balance Sheet. These amounts include potential accrued interest and penalties of \$0.7 million and \$0.4 million at March 31, 2026 and 2025, respectively.

The Company is currently open to audit under the statute of limitations by the IRS for the fiscal years ended March 31, 2023 through March 31, 2026. The majority of the Company's state income tax returns are open to audit under the statute of limitations for the years ended March 31, 2022 through March 31, 2026. The foreign income tax returns are open to audit under the statute of limitations for the years ended March 31, 2022 through March 31, 2026.

17. NET INCOME PER SHARE AND STOCKHOLDERS' EQUITY

Basic net income per share is calculated by dividing the Net income available to common stockholders by the weighted-average number of common shares outstanding during the period, without consideration for common stock equivalents. Diluted net income per share is computed by dividing the Net income available to common stockholders by the weighted-average number of common stock equivalents outstanding for the period.

The following table presents information necessary to calculate net income per share for the fiscal years ended March 31, 2026, 2025, and 2024, as well as potentially dilutive securities excluded from the weighted average number of diluted common shares outstanding because their inclusion would have been anti-dilutive:

(Amounts in thousands, except per share data)	2026	2025	2024
NET INCOME PER SHARE — BASIC:			
Net income from continuing operations available to common stockholders	\$ 427,555	\$ 450,172	\$ 509,915
Net loss from discontinued operations, net of tax	(1,090)	—	—
Net income attributable to common stockholders	426,465	450,172	509,915
Weighted average number of common shares outstanding - Basic	77,756	77,549	78,252
Net income from continuing operations available to common stockholders per share - Basic	\$ 5.50	\$ 5.81	\$ 6.52
Net loss from discontinued operations per common share - Basic	\$ (0.01)	\$ —	\$ —
Net income per common share — Basic	\$ 5.48	\$ 5.81	\$ 6.52
NET INCOME PER SHARE — DILUTED:			
Net income from continuing operations available to common stockholders	\$ 427,555	\$ 450,172	\$ 509,915
Net loss from discontinued operations, net of tax	(1,090)	—	—
Net income available to common stockholders	426,465	450,172	509,915
Weighted average number of common shares outstanding - Basic	77,756	77,549	78,252
Assumed restricted stock - nonparticipating	59	64	77
Assumed exercise of stock options	423	499	602
Assumed performance units	145	76	86
Weighted average number of common shares outstanding - Diluted	78,383	78,188	79,017
Net income from continuing operations available to common stockholders per share - Diluted	\$ 5.45	\$ 5.76	\$ 6.45
Net loss from discontinued operations per common share - Diluted	\$ (0.01)	\$ —	\$ —
Net income per common share —Diluted	\$ 5.44	\$ 5.76	\$ 6.45
Potentially dilutive securities excluded as anti-dilutive	29	27	18

Stockholders' Equity - In February 2026, the Board of Directors approved a new \$1.0 billion stock repurchase authorization (the "Repurchase Program") of ADS common stock in accordance with applicable securities laws. The repurchase program does not obligate the Company to acquire any particular amount of common stock and may be suspended or terminated at any time at the Company's discretion. The Company repurchased 0.7 million and 0.4 million shares of common stock at a cost of \$99.2 million and \$68.2 million during the fiscal year March 31, 2026 and 2025, respectively.

18. COMMITMENTS AND CONTINGENCIES

Purchase Commitments - The Company has historically secured supplies of resin raw material by agreeing to purchase quantities during a future given period at a fixed price. These purchase contracts typically range from 1 to 12 months and occur in the ordinary course of business. The Company does not have any outstanding purchase commitments with fixed price and quantity as of March 31, 2026. The Company also enters into equipment purchase contracts with manufacturers.

Litigation and Other Proceedings - The Company is involved from time to time in various legal proceedings that arise in the ordinary course of business, including but not limited to commercial disputes, environmental matters, employee related claims, intellectual property disputes and litigation in connection with transactions including acquisitions and divestitures. The Company does not believe that such litigation, claims, and administrative proceedings will have a material adverse impact on the Company's financial position or results of operations. The Company records a liability when a loss is considered probable, and the amount can be reasonably estimated.

19. OTHER ACCRUED LIABILITIES

Other accrued liabilities as of fiscal years ended March 31 consisted of the following:

(Amounts in thousands)	2026	2025
Accrued payroll, bonus and commissions	\$ 76,894	\$ 45,270
Accrued customer rebate liability	36,089	22,382
Operating lease liabilities	21,303	19,456
Professional fees	18,537	5,498
Accrued interest expense	12,479	9,169
Self-insurance liabilities	8,085	8,348
Other	39,236	27,172
Total accrued liabilities	\$ 212,623	\$ 137,295

20. BUSINESS SEGMENT INFORMATION

Following the acquisition of NDS the Company realigned its reportable segments to align with the manner in which the CODM assesses performance and makes resource allocation decisions. ADS operates its business in two distinct reportable segments: “Stormwater” and “Wastewater”, which are primarily organized based on products. The CODM for ADS is the Chief Executive Officer (“CEO”). The CEO reviews financial information and makes operational decisions based on Net sales and a measure of operating profit, Segment Adjusted EBITDA, a non-GAAP financial measure.

Certain selling and general and administrative expenses are not allocated to the segments, including non-operating functions such as legal, facilities management, and investor relations. A measure of assets is not applicable, as segment assets are not regularly reviewed by the CODM for evaluating performance or allocating resources. The Company does not aggregate operating segments to form reportable segments.

Stormwater - The Stormwater segment manufactures and markets high performance thermoplastic corrugated pipe and complementary products, including single wall pipe, N-12 HDPE pipe, high performance polypropylene pipe, StormTech, Nyloplast, Inserta Tee, Cultec, water quality filters and structures, Fittings, FlexStorm and NDS channel drains, catch basins and access boxes. Stormwater products are sold throughout the United States and certain international regions, including Company owned facilities in Canada, subsidiaries that distribute to Europe and the Middle East, and exports through the Company’s joint ventures with local partners in Mexico and South America. The Company maintains and serves these markets through product distribution relationships with many of the largest waterworks distributors, buying groups and co-ops, major retailers as well as an extensive network of hundreds of small to medium-sized distributors. Products are designed primarily for stormwater management in the construction and infrastructure marketplace across a broad range of end markets and applications, including non-residential, residential, agriculture and infrastructure.

Wastewater - Wastewater (formerly Infiltrator) is a leading national provider of plastic leachfield chambers and systems, onsite wastewater tanks and accessories, primarily for use in residential applications. Infiltrator products are used in onsite wastewater treatment systems in the United States and Canada.

The following tables set forth Net sales, significant segment expenses, and Adjusted EBITDA for each of the Company's reportable segments for the fiscal years ended March 31:

(Amounts in thousands)	Fiscal Year Ended March 31, 2026			
	Stormwater	Wastewater	Intersegment Eliminations	Total
Net sales:				
Net sales from external customers	\$ 2,397,414	\$ 652,962	\$ —	\$ 3,050,376
Intersegment net sales	36,466	61,580	(98,046)	—
Net sales	2,433,880	714,542	(98,046)	3,050,376
Significant segment expenses:				
Costs of goods sold	1,613,170	367,963	(98,143)	1,882,990
Selling, general and administrative expenses	348,829	69,002	—	417,831
Other segment items ^(a)	(231,194)	(33,875)	—	(265,069)
Segment Adjusted EBITDA^(b)	\$ 703,075	\$ 311,452	\$ 97	
Corporate and other costs ^(c)				51,718
Total consolidated Adjusted EBITDA				\$ 962,906
Reconciliation of total consolidated Adjusted EBITDA to income from continuing operations before income taxes:				
Interest expense				93,869
Interest income				(25,000)
Depreciation and amortization				216,261
Stock-based compensation expense				32,354
Loss (gain) on disposal of assets and costs from exit and disposal activities				19,211
Transaction costs ^(d)				40,805
Other adjustments ^(e)				25,618
Income before income taxes				559,788
Income tax expense				134,988
Equity in net income of unconsolidated affiliates				(5,063)
Net income from continuing operations				\$ 429,863

- (a) Other segment items include depreciation, amortization recorded within cost of goods sold, stock-based compensation expense, inventory step-up costs, restructuring and realignment expense, and transaction costs.
- (b) The Company calculates Segment Adjusted EBITDA as net income from continuing operations before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other gains and expenses.
- (c) Represents certain unallocated selling, general and administrative expenses required to reconcile segment Adjusted EBITDA to consolidated Adjusted EBITDA.
- (d) Represents expenses recorded related to legal, accounting and other professional fees incurred in connection with business or asset acquisitions and dispositions.
- (e) Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, inventory step-up costs, restructuring and realignment expense, and executive retirement expense (benefit).

Fiscal Year Ended March 31, 2025

(Amounts in thousands)	Stormwater	Wastewater	Intersegment Eliminations	Total
Net sales:				
Net sales from external customers	\$ 2,326,370	\$ 577,875	\$ —	\$ 2,904,245
Intersegment net sales	35,647	52,031	(87,678)	—
Net sales	2,362,017	629,906	(87,678)	2,904,245
Significant segment expenses:				
Costs of goods sold	1,582,828	314,465	(87,289)	1,810,004
Selling, general and administrative expenses	282,877	55,186	—	338,063
Other segment items ^(a)	(143,608)	(31,757)	—	(175,365)
Segment Adjusted EBITDA^(b)	\$ 639,920	\$ 292,012	\$ (389)	
Corporate and other costs ^(c)				42,315
Total consolidated Adjusted EBITDA				\$ 889,228
Reconciliation of total consolidated Adjusted EBITDA to income from continuing operations before income taxes:				
Interest expense				91,803
Interest income				(23,485)
Depreciation and amortization				183,281
Stock-based compensation expense				26,581
Loss (gain) on disposal of assets and costs from exit and disposal activities				3,858
Transaction costs ^(d)				9,291
Other adjustments ^(e)				8,434
Income before income taxes				589,465
Income tax expense				141,063
Equity in net income of unconsolidated affiliates				(4,171)
Net income from continuing operations				\$ 452,573

- (a) Other segment items include depreciation, amortization recorded within cost of goods sold, stock-based compensation expense, inventory step-up cost, restructuring and realignment expense, and transaction costs.
- (b) The Company calculates Segment Adjusted EBITDA as net income from continuing operations before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other gains and expenses.
- (c) Represents certain unallocated selling, general and administrative expenses required to reconcile segment Adjusted EBITDA to consolidated Adjusted EBITDA.
- (d) Represents expenses recorded related to legal, accounting and other professional fees incurred in connection with business or asset acquisitions and dispositions.
- (e) Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, inventory step-up costs, restructuring and realignment expense, and executive retirement expense (benefit).

Fiscal Year Ended March 31, 2024

(Amounts in thousands)	Fiscal Year Ended March 31, 2024			
	Stormwater	Wastewater	Intersegment Eliminations	Total
Net sales:				
Net sales from external customers	\$ 2,361,520	\$ 512,953	\$ —	\$ 2,874,473
Intersegment net sales	30,649	53,597	(84,246)	—
Net sales	2,392,169	566,550	(84,246)	2,874,473
Significant segment expenses:				
Costs of goods sold	1,525,826	283,740	(81,042)	1,728,524
Selling, general and administrative expenses	275,342	40,639	—	315,981
Other segment items ^(a)	(122,966)	(24,746)	—	(147,712)
Segment Adjusted EBITDA^(b)	\$ 713,967	\$ 266,917	\$ (3,204)	
Corporate and other costs ^(c)				54,733
Total consolidated Adjusted EBITDA				\$ 922,947
Reconciliation of total consolidated Adjusted EBITDA to income from continuing operations before income taxes:				
Interest expense				88,862
Interest income				(22,047)
Depreciation and amortization				154,903
Stock-based compensation expense				31,986
Loss (gain) on disposal of assets and costs from exit and disposal activities				(8,365)
Transaction costs ^(d)				3,444
Other adjustments ^(e)				7,411
Income before income taxes				666,753
Income tax expense				158,998
Equity in net income of unconsolidated affiliates				(5,536)
Net income from continuing operations				\$ 513,291

- (a) Other segment items include depreciation, amortization recorded within cost of goods sold, stock-based compensation expense, inventory step-up costs, restructuring and realignment expense, and transaction costs.
- (b) The Company calculates Segment Adjusted EBITDA as net income from continuing operations before interest, income taxes, depreciation and amortization, stock-based compensation expense, non-cash charges and certain other gains and expenses.
- (c) Represents certain unallocated selling, general and administrative expenses required to reconcile segment Adjusted EBITDA to consolidated Adjusted EBITDA.
- (d) Represents expenses recorded related to legal, accounting and other professional fees incurred in connection with business or asset acquisitions and dispositions.
- (e) Includes derivative fair value adjustments, foreign currency transaction (gains) losses, legal settlements, inventory step-up costs, restructuring and realignment expense, and executive retirement expense (benefit).

Other Segment Information - The following sets forth certain financial information for the fiscal years ended March 31:

(Amounts in thousands)	2026	2025	2024
Depreciation and amortization			
Stormwater	\$ 126,387	\$ 102,574	\$ 81,602
Wastewater	80,423	74,068	69,121
Other	9,451	6,639	4,180
Total	\$ 216,261	\$ 183,281	\$ 154,903
Capital expenditures			
Stormwater	\$ 157,381	\$ 175,918	\$ 128,313
Wastewater	30,509	13,733	17,882
Other	61,876	23,293	37,617
Total	\$ 249,766	\$ 212,944	\$ 183,812

Geographic Sales and Assets Information - Net sales are attributed to the geographic location based on the location of the customer. The table below represents the Net sales and long-lived asset information by geographic location for each of the fiscal years ended March 31:

(Amounts in thousands)	2026	2025	2024
Net Sales			
United States	\$ 2,857,553	\$ 2,709,615	\$ 2,666,704
Canada	119,270	119,492	126,050
Other	73,553	75,138	81,719
Total	\$ 3,050,376	\$ 2,904,245	\$ 2,874,473

(Amounts in thousands)	2026	2025
Long-Lived Assets ^(a)		
United States	\$ 1,169,184	\$ 1,016,681
Canada	32,367	30,655
Other	55,610	39,529
Total	\$ 1,257,161	\$ 1,086,865

(a) For segment reporting purposes, long-lived assets include Investments in unconsolidated affiliates, Central parts and Property, plant and equipment.

21. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental disclosures of cash flow information for the fiscal years ended March 31 were as follows:

(Amounts in thousands)	2026	2025	2024
Supplemental disclosures of cash flow information — cash paid:			
Interest	\$ 87,031	\$ 89,478	\$ 86,263
Income taxes	113,354	142,151	161,149

(Amounts in thousands)	2026	2025	2024
Supplemental disclosures of noncash investing and financing activities:			
Purchases of plant, property, and equipment included in accounts payable	\$ 25,668	\$ 32,377	\$ 35,355
Repurchase of common stock pending settlement	6,741	—	1,720
Share repurchase excise tax accrual	546	—	1,687
ESPP share issuance	6,208	5,392	1,927
Lease obligations retired upon disposition of leased assets	10,828	84	2,361

(Amounts in thousands)	2026	2025	2024
Reconciliation to Balance Sheet			
Cash	\$ 223,012	\$ 463,319	\$ 490,163
Restricted cash (included in Other current assets and Other assets, respectively, in the Consolidated Balance Sheets)	1,771	5,952	5,685
Cash and restricted cash, excluding cash held for sale, at end of year	<u>\$ 224,783</u>	<u>\$ 469,271</u>	<u>\$ 495,848</u>

22. SUBSEQUENT EVENTS

Dividends on Common Stock - Subsequent to the end of the quarter, the Company declared a quarterly cash dividend of \$0.20 per share of common stock. The dividend is payable on June 15, 2026 to stockholders of record at the close of business on June 1, 2026.

Share Repurchase Program - Subsequent to the end of the fiscal year, 0.6 million shares of common stock at a cost of \$86.7 million were repurchased under the Board of Directors' authorization.

SCHEDULE II**ADVANCED DRAINAGE SYSTEMS, INC. AND SUBSIDIARIES****Consolidated Valuation and Qualifying Accounts for the Fiscal Years Ended March 31, 2026, 2025 and 2024 (in thousands):**

Allowance for Credit Losses:

Fiscal Year ended March 31,	Balance at beginning of period	Charged to costs and expenses⁽¹⁾	Charged to other accounts⁽²⁾	Deductions	Balance at end of period
2026	\$ 7,684	\$ (141)	\$ 1	\$ (2,890)	\$ 4,654
2025	4,849	3,654	(3)	(816)	7,684
2024	8,227	(1,816)	(4)	(1,558)	4,849

(1) Amount for the year ended March 31, 2026 and 2025 includes \$0.1 million and \$0.8 million due to the acquisition of NDS and Orenco, respectively.

(2) Amounts represent the impact of foreign currency translation.

Executive Employment Agreement

This Executive Employment Agreement (this "Agreement") is entered into effective as of June 15, 2020 (the "Effective Date") by and between ADVANCED DRAINAGE SYSTEMS, INC., a Delaware corporation (the "Company"), and THOMAS WAUN (the "Executive"). The Company and the Executive desire to enter into this Agreement to govern the terms and conditions of the Executive's employment with, and service as an officer of, the Company. Capitalized terms used but not defined herein shall have the meanings set forth in Exhibit A.

In consideration of the promises and mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as set forth below.

Section 1. Employment. The Company hereby agrees to employ the Executive, and the Executive hereby accepts such employment with the Company, for the purposes and upon the terms and conditions contained in this Agreement. The term of this Agreement is effective for a period commencing on the Effective Date and continuing until terminated as provided in Section 8 (the "Employment Period").

Section 2. Capacities and Duties. During the Employment Period, the Executive shall be employed as a Senior Vice President of the Company and/or in such other capacities as are mutually agreed to by the Company and the Executive. The Executive shall have the duties and responsibilities incumbent with the offices and positions with the Company held by the Executive, including such specific duties and responsibilities consistent with such offices and positions as the Board or Chief Executive Officer of the Company may reasonably establish from time to time. The Executive shall report and be accountable to the Chief Executive Officer of the Company. The Executive further agrees to serve without additional compensation as an officer and/or director (or in other equivalent positions) of any of the Company's affiliates, if elected or appointed, during the Employment Period.

Section 3. Performance Covenants. The Executive accepts such employment and agrees to devote his full working time and efforts (except for absences due to illness and vacations) to the business and affairs of the Company and its affiliates and the performance of the duties and responsibilities above. However, nothing in this Agreement shall preclude the Executive from devoting a reasonable amount of his time and efforts to civic, community, charitable, professional and trade association affairs and matters, provided the nature and extent of such affairs and/or matters do not unduly detract from the performance of the Executive's duties for the Company.

Section 4. Compensation. For the Executive's services under this Agreement, the Company shall provide the following:

- (a) **Base Salary.** The Executive shall be paid a base salary at an annual rate of not less than Three Hundred Sixty Five Thousand Dollars (\$365,000). The Executive's performance and base salary shall be reviewed at least annually by the Company and shall not be decreased unless such decrease is commensurate with a reduction in base salary of the Executive Staff after consultation with the Executive. The base salary shall be paid in periodic installments in accordance with the normal payroll practices of the Company.
- (b) **Incentive Compensation.** In addition to his base salary, the Executive shall be entitled to receive incentive compensation each fiscal year of the Company in accordance with the then-current incentive compensation plans and programs of the Company or any modified and/or new incentive compensation plans and programs of the Company approved by the Board and implemented by the Company which are available to or for members of management of the Company. Any such incentive compensation amounts shall be paid at the times and in the manner provided for in such incentive compensation plans and programs of the Company; provided, however, that all such amounts shall be paid on or before the 15th day of the third month following the end of the fiscal year for which such incentive compensation was earned.

Section 5. Benefit Plans; Equity Incentive Plans; and Vacation Benefits.

- (a) **Benefit Plans.** The Executive shall be entitled to participate in such benefit plans as may, from time to time during the Employment Period, be provided to members of the Executive Staff (collectively, the "Benefit Plans") and on terms generally consistent with those provided to other members of the Executive Staff.
 - (b) **Equity Incentive Plans.** The Executive shall be entitled to participate in such equity incentive plans as may, from time to time during the Employment Period, be provided to members of management of the Company (the "Equity Incentive Plans"), subject to the terms of any such Equity Incentive Plans and any agreements entered into by the Company and the Executive in connection with awards or grants thereunder.
-

- (c) **Vacation Benefits.** The Executive shall be entitled to paid vacation during each fiscal year of the Company in accordance with the vacation policies of the Company in effect for the Executive Staff from time to time.

Section 6. Payment or Reimbursement of Expenses.

- (a) **Expenses Generally.** The Company shall pay or reimburse the Executive for reasonable expenses paid or incurred by the Executive on behalf of the Company in connection with and reasonably necessary for the rendering of his services to the Company hereunder, including expenses for travel, convention and seminar attendance, business entertainment and similar items. Additionally, the Company shall pay or reimburse the Executive for club dues, professional association membership fees and other similar items approved in accordance with the Company's policies with respect thereto.
- (b) **Reimbursement Procedures.** All such reimbursements shall be made as promptly as practicable after the Executive has submitted to the Company vouchers or reports for such expenditures in such reasonable detail and with such supporting receipts and other evidence of expenditures as the Company typically requires for such purposes.
- (c) **Reimbursement Compliance with Section 409A.** Notwithstanding the provisions of Section 6(a) and Section 6(b) and of any policy of the Company to the contrary: (i) the amount of expenses eligible for reimbursement during any calendar year shall not affect the amount of expenses eligible for reimbursement in any other calendar year, provided that this clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect; (ii) the reimbursement of an eligible expense shall be made on or before December 31 of the calendar year following the calendar year in which the expense was incurred; and (iii) the right to reimbursement shall not be subject to liquidation or exchange for another benefit.

Section 7. Protective Provisions. The provisions set forth in Exhibit B are hereby incorporated by reference.

Section 8. Termination. The Executive's employment with the Company and this Agreement shall terminate effective upon the first to occur of the following: (a) a date specified by the Company by notice to the Executive for Cause; (b) the death of the Executive; (c) the occurrence of any Disability of the Executive; (d) a date specified by the Executive by notice to the Company for Good Reason; (e) a date specified by the Executive by notice to the Company for either no reason or for any reason other than a reason specified above, provided the Executive gives the Company at least ninety (90) days' notice of such termination (in which case the Employment Termination Date shall be the date specified in such notice or, in the absence thereof, such date as is ninety (90) days after the Executive gives such notice), provided that the Company in its sole discretion may waive all or any portion of such notice period (in which case the Employment Termination Date shall be the earlier date determined by the Company); or (f) a date specified by the Company by notice to the Executive for either no reason or for any reason other than a reason specified above.

Any notice of termination by either party given under this Section 8 shall clearly state that the terminating party elects to terminate the Executive's employment with the Company and upon which subsection of this Section 8 such party is relying as the basis for such termination.

If the Executive's employment with the Company is terminated under this Section 8, then the Executive shall have no obligation or duty to be employed with the Company or any of its affiliates in any capacity; and neither the Company nor any of its affiliates shall have any obligation to employ the Executive in any capacity. On or before the Employment Termination Date, the Executive shall return to the Company all property of the Company and any of its affiliates in the Executive's possession.

Section 9. Termination/Severance Matters.

- (a) **Termination/Severance Payments.** Upon termination of the Executive's employment with the Company:
 - (i) In all events, the Company shall (A) pay to the Executive the Executive's unpaid base salary in cash through the Employment Termination Date at the Executive's then effective base salary rate

and (B) reimburse the Executive for all expenses paid or incurred by the Executive for which the Executive is entitled to reimbursement by the Company pursuant to Section 6 that remain outstanding as of the Employment Termination Date.

- (ii) If the Executive's employment with the Company has terminated pursuant to Section 8(d) or Section 8(f), then (A) for the Severance Payment Period, the Company shall continue to pay to the Executive his base salary in cash at the Executive's then effective base salary rate and (B) after the conclusion of the Fiscal Year of Termination, the Company shall pay to the Executive a lump sum cash payment in an amount equal to the Prorated Bonus.

Payment of any base salary pursuant to the above provisions shall be made at the same time as it would have been made had the Employment Period continued in effect. Payment of any Prorated Bonus pursuant to the above provisions shall be made at the same time that members of the Executive Staff are paid annual incentive compensation amounts from the Executive Staff Bonus Plan upon which such Prorated Bonus is based but in no event later than the 15th day of the third month following the end of the fiscal year to which the applicable Executive Staff Bonus Plan relates. It is intended that each installment of the payments provided under this Section 9(a) shall be treated as a separate payment for purposes of Section 409A, and that neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments except to the extent specifically permitted or required by Section 409A. The Executive shall be under no obligation to seek other employment and there shall be no offset against any amounts due the Executive under this Agreement on account of any remuneration attributable to any subsequent employment that the Executive may obtain (any amounts due under this Section 9 are in the nature of severance payments, liquidated damages and/or consideration for the covenants set forth in Section 7 and Exhibit B, and are not in the nature of a penalty).

- (b) Benefit Plans; Equity Incentive Plans. All rights and benefits which the Executive or his estate or other beneficiaries may have under the Benefit Plans and/or Equity Incentive Plans of the Company in which the Executive shall be participating at the Employment Termination Date shall be determined in accordance with such plans and any agreements entered into by the Company and the Executive in connection therewith or with awards thereunder.
- (c) Section 409A Compliance. The provisions set forth in Exhibit Care hereby incorporated by reference.
- (d) Certain Termination/Severance Payments Conditioned Upon Executive's Release of Claims. The Executive's right to receive any of the termination/severance payments provided for in Section 9(a)(ii)(A) is expressly conditioned upon, and the Company will be obligated to provide the Executive with such termination/severance payments only upon, the execution and delivery to the Company, and non-revocation, by the Executive of a release of all claims against (i) the Company, (ii) each of the affiliates of the Company, (iii) each of the current and former officers and directors (and individuals in other equivalent positions) of the Company and/or any affiliate of the Company and (iv) each of the employees, attorneys, agents and insurers of the Company and/or any affiliate of the Company, in form and substance satisfactory to the Company and the Executive. Such release must be executed by the Executive no less than thirty (30) days after the Employment Termination Date and payments to the Executive of the compensation or benefits hereunder shall commence within forty-five (45) days after the Employment Termination Date; provided that if such forty-five (45) day period begins in one calendar year and ends in another calendar year, payment shall always be made (or commence) in the second calendar year.
- (e) Resignation of All Other Positions. To the extent applicable, the Executive's termination of employment with the Company, for whatever reason, shall also result in the Executive's resignation or termination, effective as of the Employment Termination Date, from any and all officer and/or director positions (or other equivalent positions) with the Company and any and all of its affiliates. The Executive agrees to cooperate in taking any steps that may be necessary or advisable to effectuate the purpose of this Section 9(e).
- (f) General Unsecured Creditor Status. All amounts payable in accordance with this Agreement shall constitute general unsecured obligations of the Company, and the Executive shall have only the rights of a general unsecured creditor of the Company with respect to any such payments.

Section 10. Indemnification. The Executive and the Company are entering into that certain Indemnification Agreement between the Company and the Executive dated as of the date of this Agreement (the

"Indemnification Agreement"), which Indemnification Agreement shall remain in full force and effect following the execution and delivery of this Agreement.

Section 11. Applicable Law. This Agreement shall be governed and construed in accordance with the laws of the State of Ohio, without regard to conflict of law provisions. Any action for breach of, or to enforce, the terms of this Agreement or otherwise related to Executive's employment shall be tried in, and only in, the Court of Common Pleas of Franklin County, Ohio or such federal district court in Ohio having jurisdiction thereof, and the parties hereby consent to jurisdiction and venue in such courts.

Section 12. Successors and Assigns. This Agreement is personal in nature and neither of the parties hereto shall, without the consent of the other party, assign or transfer this Agreement or any rights or obligations hereunder, except as and to the extent set forth below.

- (a) The Company may unilaterally assign its rights and obligations under this Agreement to any successor to the Company's rights and obligations hereunder as a result of any change in control, merger, consolidation, restructuring or reorganization or to any other successor to all or substantially all of the Company's business and/or assets and the Executive shall continue to be bound by the terms and conditions of this Agreement; provided, however, that, if any such successor fails, prior to or concurrently with the effectiveness of any such succession, to agree in writing in form and substance reasonably satisfactory to the Executive expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place, then the Executive shall have the right, effected by notice to such successor not later than ninety (90) days after such succession occurs, to terminate the Executive's employment with the Company for Good Reason as though such failure was a breach by the Company of a material covenant or agreement of the Company contained in this Agreement.
- (b) If the Executive should die while any amounts are payable to him under this Agreement, or if by reason of his death payments are to be made to him hereunder, then this Agreement shall inure to the benefit of and be enforceable by the Beneficiary and all amounts payable hereunder shall then be paid in accordance with the terms of this Agreement to the Beneficiary.

Without limiting the foregoing, (i) the Executive's right to receive payments hereunder shall not be assignable or transferable, whether by pledge, creation of a security interest or otherwise, other than (A) a transfer by the Executive's designation of any Beneficiary in accordance with the provisions of this Agreement or (B) a transfer by his will or by the laws of descent or distribution, and in the event of any attempted assignment or transfer contrary to this Section 12 the Company shall have no liability to pay to the purported assignee or transferee any amount so attempted to be assigned or transferred, and (ii) to the extent assignment of a party's rights or obligations under this Agreement is permitted under this Agreement or otherwise given effect by applicable law, the agreements, covenants, terms and provisions of this Agreement shall bind the respective heirs, executors, administrators, successors and assigns of the parties.

As used in this Agreement, "Company" means the Company as defined above and any successor to its business and/or assets as described above which executes and delivers the agreement provided for in Section 12(a) or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

Section 13. Notices. Any notice or other communication required or desired to be given hereunder shall be in writing and shall be deemed given when personally delivered or when mailed by first class certified mail, return receipt requested and postage prepaid, addressed to the parties at their respective addresses set forth under their respective signatures below or to such other person or addresses as shall be given by notice of any party.

Section 14. Waiver; Remedies Cumulative. No waiver of any right or option hereunder by any party shall operate as a waiver of any other right or option, or the same right or option as respects any subsequent occasion for its exercise, or of any legal remedy. No waiver by any party of any breach of this Agreement or of any agreement or covenant contained herein shall be held to constitute a waiver of any other breach or a continuation of the same breach. All remedies provided by this Agreement are in addition to all other remedies by it or the law provided.

Section 15. Severability. The Company and the Executive intend to comply fully with all laws and matters of public policy relating to employment agreements and restrictive covenants, and this Agreement shall be construed consistently with such laws and public policy to the extent possible. Without limiting Section 7 and

Exhibit B, if and to the extent any one or more terms, provisions, covenants and agreements hereof or any portion or portions thereof shall be held invalid or unenforceable by a court of competent jurisdiction, then such terms, provisions, covenants and agreements (or portions thereof) shall be deemed separable from the remaining terms, provisions, covenants and agreements hereof and such holding shall in no way affect the validity or enforceability of any of the other terms, provisions, covenants and agreements hereof.

Section 16. Miscellaneous. This Agreement, and the "Sign-On Bonus" and "Moving Expenses" provisions of the offer letter by and between the Executive and the Company dated as of June 5, 2020, constitutes the entire understanding of the parties hereto with respect to the subject matter hereof. In this regard, the following shall not be considered to be pertaining to the same subject matter as this Agreement and accordingly shall be unaffected by this Section 16 and continue in full force and effect: (a) the Indemnification Agreement; and (b) agreements between the Company and the Executive relating to any Equity Plan and/or Benefit Plan. This Agreement may not be modified, changed or amended except in a writing signed by each of the parties. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original hereof. The captions of the several sections and subsections of this Agreement are not a part of the context hereof, are inserted only for convenience in locating such sections and subsections and shall be ignored in construing this Agreement.

IN WITNESS WHEREOF, the Company and the Executive have executed multiple counterparts of this Agreement effective as of the effective date.

Advanced Drainage Systems, Inc.

By: /s/ Kevin C. Talley
Name: Kevin C. Talley, EVP & CAO
Address: 4640 Trueman Boulevard
Hilliard, OH 43026

/s/ Michael Huebert
Name: Michael Huebert
Address:

By: /s/ Kevin C. Talley
Name: Kevin C. Talley, EVP & CAO
Address: 4640 Trueman Boulevard
Hilliard, OH 43026

By: /s/ Thomas Waun
Name: Thomas Waun
Address:

PART II***General Terms and Conditions******Section 1. General Terms.***

(a) ***Size and Type of Award.*** The Shares covered by this Award (the “Awarded Shares”) are listed in Part I of this Award Agreement (“Award Notice”), and are subject to all of the terms and conditions of the Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (the “Plan”).

(b) ***Restrictions and Tax Election.*** A certificate or book-entry registration evidencing the Awarded Shares will be issued to you and will include a restrictive legend incorporating the terms and conditions of this Award Agreement. You may elect (pursuant to Section 83(b) of the Internal Revenue Code) to be taxed on the Awarded Shares immediately upon their Award Date instead of later when they vest. If you make this Section 83(b) election, you will be required to include in ordinary income, for the taxable year in which the Award Date occurs, an amount equal to the fair market value of the Awarded Shares on the Award Date. The Company may be allowed to claim a tax deduction, for compensation expense, in a like amount. You make this Section 83(b) election by filing a statement of election containing specified items of information with the Internal Revenue Service within thirty (30) days after the Award Date. You must give a copy of the statement of election you file with the Internal Revenue Service to the Company. If you make this Section 83(b) election, the vesting of your Awarded Shares will not subject you to further income tax upon their vesting.

(c) ***Employment.*** Your employment with the Company and/or its Subsidiaries constitutes adequate consideration for the issuance of the Awarded Shares to you having a value at least equal to the par value of the Awarded Shares, but the vesting conditions described below will nevertheless determine your right to acquire unrestricted ownership of the Awarded Shares.

Section 2. Vesting.

(a) ***Vesting Dates.*** The vesting date(s) (each a “Vesting Date” and collectively the “Vesting Dates”) for your Awarded Shares are specified in the Award Notice. On each Vesting Date, your Awarded Shares that vest on that Vesting Date will, subject to the provisions of this Award Agreement, no longer be subject to a substantial risk of forfeiture.

(b) ***Vesting Conditions.*** There are service conditions you must satisfy before your Restricted Stock Award will vest. You must, except as otherwise provided herein, remain in continuous service with the Company and/or its Subsidiaries from the Award Date through the relevant Vesting Date(s). [In addition, you must comply with the Non-Compete Covenants from the Award Date through all of the Vesting Dates.]

(c) ***Forfeitures.*** Except as otherwise provided herein, if you terminate service with the Company and/or its Subsidiaries prior to a Vesting Date, [and/or violate any of the Non-Compete Covenants,] you will forfeit any Awarded Shares that are scheduled to vest on or after such termination of service date [or date of violation of any of the Non-Compete Covenants]. When you forfeit Awarded Shares, all of your interest in the unvested Awarded Shares will be canceled and any stock certificate or other evidence of ownership must be returned to the Committee or to the Company. You agree to take any action and execute and deliver any document that the Company requests to effect the return of your unvested Awarded Shares. In the event you do not cooperate with the Company in this regard, you hereby appoint and designate the Company as your attorney-in-fact for the purpose of taking any action and signing any document, in your name, which the Company determines is necessary to enforce the forfeiture.

(d) ***Death or Disability; Qualified Retirement; Termination without Cause.*** If your service with the Company and/or its Subsidiaries ends due to death or disability (within the meaning of Section 22(e)(3) of the Code), all of the Awarded Shares not previously vested or forfeited will vest on such date of termination of service. If your service with the Company and/or its Subsidiaries ends due to your Qualified Retirement, you will continue to vest in the Awarded Shares in the same manner as if your service with the Company and/or its Subsidiaries had not ended. In addition, if your service with the Company and/or its Subsidiaries ends as a result of a termination by the Company other than for “Cause” (defined as illegal or disreputable or malfeasant conduct which, as determined by the Committee, in any significant respect impairs the reputation, goodwill or business position of the Company or involves the Company’s funds or other assets), then the Committee may, in its discretion, vest, on such date of termination of service, Awarded Shares not previously vested or forfeited. Solely for purposes used herein, “Qualified Retirement” means compliance with all of the following requirements: (i) you completed a minimum of twelve (12) months of continuous service with the Company [and/or its Subsidiaries] after the Award

Date, (ii) you terminate employment with the Company and its Subsidiaries, other than for Cause (A) after you have attained age [sixty (60)] and completed a minimum of [ten (10)] years of continuous service with the Company [and/or its Subsidiaries], (B) after you provide reasonable advance written notice, based on facts and circumstances acceptable to the Board, of your employment termination retirement date; (iii) the Board approves and accepts, and does not reject, your specified employment termination retirement date; [and] (iv) you have delivered to the Company an executed release of claims in a form provided by the Company the revocation period of which has expired [; and (v) you have complied, and continue to comply (including after your employment termination retirement date), with the applicable non-competition and non-solicitation covenants in your Executive Responsibility Agreement with the Company, which non-competition and non-solicitation covenants are incorporated by reference as if fully restated herein (the "Non-Compete Covenants")].

(e) **Definition of Service.** For purposes of determining the vesting of your Awarded Shares, you will be deemed to be in the service of the Company and/or its Subsidiaries for so long as you serve in any capacity as an employee, officer, non-employee director or consultant of the Company and/or its Subsidiaries.

(f) **Application of Clawback Policy [Violation of Non-Compete Covenants].** Notwithstanding anything in this Award Agreement to the contrary, the Awarded Shares and any related dividends shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they become vested and payable if and to the extent (i) required by any applicable law, rule or regulation, or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Awarded Shares or dividends, as applicable, become vested and payable [, or (iii) you violate the Non-Compete Covenants].

Section 3. Dividends. Any dividends declared by the Company with a record date that is after the Award Date specified in this Award Agreement will be accumulated, held by the Company and paid to you if, as, and when the related Awarded Shares become vested.

Section 4. Voting Rights. You will have the right to vote, or direct the voting of, Awarded Shares.

Section 5. No Right to Continued Service. Nothing in this Award Agreement, or any action of the Board or Committee with respect to this Award Agreement, shall be held or construed to confer upon you any right to a continuation of service by the Company and/or its Subsidiaries. You may be dismissed or otherwise dealt with as though this Award Agreement had not been entered into.

Section 6. Taxes. Where you or any other person is entitled to receive Awarded Shares pursuant to this Award Agreement, the Company shall have the right to require you or such other person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Awarded Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient number of vested Awarded Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein. For the avoidance of doubt, the foregoing shall apply in the event you have constructive receipt of income pursuant to Section 83 of the Internal Revenue Code as a result of being or becoming eligible for a Qualified Retirement prior to the Vesting Dates.

Section 7. Notices. Any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

If to the Participant, to the Participant's address as shown in the Company's records.

If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, OH 43026
Attention: Compensation Committee and Corporate Secretary

Section 8. Restrictions on Transfer. The Awarded Shares granted hereunder shall not be subject in any manner to anticipation, alienation or assignment, nor shall such Award be liable for, or subject to, debts, contracts, liabilities, engagements or torts, nor shall it be transferable by the Participant other than by will or by the laws of descent and distribution or as otherwise permitted by the Plan.

Section 9. Successors and Assigns. This Award Agreement shall inure to the benefit of and shall be binding upon the Company and you and their respective heirs, successors and assigns.

Section 10. Construction of Language. Whenever appropriate in this Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 11. Governing Law. This Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of law principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting the Award granted under this Award Agreement, you, and any other person claiming any rights under this Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 12. Amendment. This Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and you.

Section 13. Plan Provisions Control. This Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control. By signing this Award Agreement, you acknowledge receipt of a copy of the Plan. You acknowledge that you may not and will not rely on any statement of account or other communication or document issued in connection with the Award other than the Plan, this Award Agreement, or any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Award Agreement.

Section 14. Execution of Executive Responsibility Agreement. The grant of the Awarded Shares pursuant to this Award Agreement is contingent upon the execution by you, the Participant, of an Executive Responsibility Agreement with the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

PART II***General Terms and Conditions***

Section 1. Stock Option. Part I designates the Option as either a nonqualified stock Option (“NQSO”) or an Incentive Stock Option (“ISO”). If the Option has been granted to an Option Holder who is a non-employee Director or Consultant, it is a NQSO. If the Option has been granted to an individual who is an Employee and is designated as an ISO instead of a NQSO, ADVANCED DRAINAGE SYSTEMS, INC. (the “Company”) intends the Option evidenced hereby to be an “incentive stock option” within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”). If the Option, or any part of the Option, does not qualify as an “incentive stock option” under the Code, the Option, or the part not qualifying, shall be treated as an NQSO.

Section 2. Exercise Period.

(a) Subject to Section 2(b) and (d), the Option Holder shall have the right to purchase all or any portion of the optioned Shares at any time during the period (“Exercise Period”) commencing on the applicable vesting date specified in Part I that the vested portion of the Option may be exercised (the “Earliest Exercise Date”) and ending on the earliest to occur of the following dates:

- (i) the date and time of the Option Holder’s termination of service with the Company and/or any of its Subsidiaries that is a termination for Cause (as used in this Stock Option Award Agreement, “Cause” means illegal or disreputable or malfeasant conduct which, as determined by the Committee, in any significant respect impairs the reputation, goodwill or business position of the Company or involves the Company’s funds or other assets);
- (ii) (A) if the Option is an ISO, the last day of the 3-month period commencing on the date and time of the termination of all service with the Company and/or its Subsidiaries that is not a termination for Cause (as defined in Section 2(a)(i) above); and (B) if the Option is a NQSO, the last day of the 3-month period commencing on the date and time of the termination of all service with the Company and/or its Subsidiaries that is not a termination for Cause (as defined in Section 2(a)(i) above) or a Qualified Retirement (as defined below);
- (iii) the earlier of (A) the expiration date(s) specified in Part I of this Stock Option Award Agreement, or (B) the last day of the 1-year period commencing on the date and time of the termination of all service with the Company and/or its Subsidiaries due to death or disability (within the meaning of Section 22(e)(3) of the Code) or a Qualified Retirement; and
- (iv) the last day of the ten (10) year period following the Grant Date (or the last day of the five (5) year period following the Grant Date if the Option is an ISO granted to an Employee who, at the Grant Date, owns stock representing more than 10% of the voting power of all classes of stock of the Company or of any of its Subsidiaries).

(b) If the Option is designated as an ISO, in order to preserve the favorable tax treatment applicable to incentive stock options, the Option may not be exercised more than three (3) months after termination of employment for reasons other than total and permanent disability (within the meaning of Section 22(e)(3) of the Code) or a Qualified Retirement or more than one (1) year after termination of employment due to total and permanent disability or a Qualified Retirement. Solely for purposes of this Stock Option Award Agreement, “Qualified Retirement” means compliance with all of the following requirements: (i) you terminate employment with the Company and its Subsidiaries, other than for Cause (A) after you have attained age [sixty (60)] and completed a minimum of [ten (10)] years of continuous service with the Company [and/or its Subsidiaries], (B) after you provide reasonable advance written notice, based on facts and circumstances acceptable to the Board, of your employment termination retirement date; (ii) the Board approves and accepts, and does not reject, your specified employment termination retirement date; and (iii) you have delivered to the Company an executed release of claims in a form provided by the Company the revocation period of which has expired.

(c) To become vested in an Option, the Option Holder must be in continuous service with the Company and/or its Subsidiaries during the period beginning on the Grant Date and ending on the applicable vesting date

specified in Part I. If the Option Holder terminates service with the Company and/or its Subsidiaries prior to a vesting date, except for terminations due to a Qualified Retirement, any unvested Options granted hereunder that are scheduled to vest after such termination of service date are deemed forfeited by the Option Holder. Options that are forfeited will be immediately canceled and will cease to be exercisable.

(d) Notwithstanding the foregoing, (i) in the event of the Option Holder's termination of service with the Company and/or its Subsidiaries due to death or disability (within the meaning of Section 22(e)(3) of the Code), unvested Options will be deemed vested as of the Option Holder's termination of service date and (ii) in the event of the Option Holder's termination of service with the Company and/or its Subsidiaries due to a Qualified Retirement, unvested Options will continue to vest in accordance with the terms of this Stock Option Award Agreement, notwithstanding any continuous service requirement in Section 2(c) above, and the Option shall, upon vesting, be exercisable until the last day of the ten (10) year period following the Grant Date. In addition, if the Option Holder's termination of service with the Company and/or its Subsidiaries is by the Company other than for "Cause" (as defined in Section 2(a)(i) above), the Committee may, in its discretion, vest, as of the Option Holder's termination of service date, unvested Options.

Section 3. Exercise Price. During the Exercise Period, and after the applicable Earliest Exercise Date, the Option Holder shall have the right to purchase all or any portion of the optioned Shares at the Exercise Price.

Section 4. Method of Exercise. The Option Holder may, at any time during the Exercise Period provided by Section 2, exercise his or her right to purchase all or any part of the optioned Shares then available for purchase; *provided, however*, that the minimum number of optioned Shares which may be purchased shall be fifty (50) or, if less, the total number of optioned Shares then available for purchase. The Option Holder shall exercise such right by:

- (a) giving notice to the Committee in form and substance acceptable to the Company; and
- (b) delivering to the Committee full payment of the Exercise Price for the optioned Shares to be purchased.

The date of exercise shall be the earliest date practicable following the date the requirements of this Section 4 have been satisfied. Payment shall be made (i) in United States dollars by certified check, money order, official bank check, or wire transfer of immediately available funds, made payable to the order of Advanced Drainage Systems, Inc., (ii) with the Committee's approval, in Shares duly endorsed for transfer (or using a "constructive delivery" method approved by the Committee), already owned by the Option Holder for more than six (6) months as of the exercise date and having an aggregate Fair Market Value on the date the Option is exercised equal to the aggregate Exercise Price to be paid, such Fair Market Value to be determined in such manner as may be provided by the Committee or as may be required in order to comply with or conform to the requirements of any applicable laws or regulations, (iii) if and to the extent permitted by the Committee, by directing the Company to withhold from the Shares to be issued upon exercise of the Option (or a portion thereof) being exercised a number of Shares having a Fair Market Value equal to the aggregate Exercise Price to be paid (a "cashless exercise"), or (iv) in a combination of (i), (ii) and (iii). Payment for any Shares to be purchased upon exercise of an Option may also be made by delivering an exercise notice to the Company as set forth in Section 4(a) above, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the Exercise Price and applicable tax withholding amounts (if any).

Section 5. Delivery of Optioned Shares. As soon as is practicable following the date on which the Option Holder has satisfied the requirements of Section 4, the Committee shall take such action as is necessary to cause such Shares to be issued in the name of the Option Holder (either by book-entry registration or issuance of a stock certificate) evidencing the Option Holder's ownership of the optioned Shares that have been purchased. The Option Holder shall have no right to vote or to receive dividends, nor have any other rights with respect to the optioned Shares, prior to the date as of which such optioned Shares are transferred to the Option Holder on the stock transfer records of the Company, and no adjustments shall be made for any dividends or other rights for which the record date is prior to the date as of which such transfer is effected. The obligation of the Company to deliver Shares under this Stock Option Award Agreement shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the person to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of applicable federal, state or local law.

Section 6. No Right to Continued Service. Nothing in this Stock Option Award Agreement nor any action of the Board or Committee with respect to this Stock Option Award Agreement shall be held or construed to confer upon the Option Holder any right to a continuation of service by the Company or any of its Subsidiaries. The Option Holder may be dismissed or otherwise dealt with as though this Stock Option Award Agreement had not been entered into.

Section 7. Application of Clawback Policy. Notwithstanding anything in this Stock Option Award Agreement to the contrary, the Option shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they

become vested and payable if and to the extent (i) required by any applicable law, rule or regulation or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Option becomes vested and payable.

Section 8. Taxes. Where any person is entitled to receive Shares pursuant to the exercise of the Option granted hereunder, the Company shall have the right to require such person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient number of Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein.

Section 9. Notices. Except as set forth in Section 4(a) above, any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

(a) If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, Ohio 43026
Attention: Compensation Committee and Corporate Secretary

(b) If to the Option Holder, to the Option Holder's address as shown in the Company's records.

Section 10. Restrictions on Transfer. The Option granted hereunder is not transferable by any Option Holder, except that an Option Holder may transfer an NQSO under terms and conditions determined by the Committee pursuant to Section 13.3 of the Plan. The Committee shall have full and exclusive authority to interpret and apply the provisions of this Plan to transferees to the extent not specifically described herein.

Section 11. Successors and Assigns. This Stock Option Award Agreement shall inure to the benefit of and shall be binding upon the Company and the Option Holder and their respective heirs, successors and assigns.

Section 12. Construction of Language. Whenever appropriate in this Stock Option Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Stock Option Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 13. Governing Law. This Stock Option Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of laws principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting any Option granted under this Stock Option Award Agreement, the Option Holder, and any other person claiming any rights under the Stock Option Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 14. Amendment. This Stock Option Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and the Option Holder.

Section 15. Plan Provisions Control. This Stock Option Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Stock Option Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control. By signing this Stock Option Award Agreement, the Option Holder acknowledges receipt of a copy of the Plan. The Option Holder acknowledges that he or she may not and will not rely on any statement of account or other communication or document issued in connection with the Plan other than the Plan, this Stock Option Award Agreement, and any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Stock Option Award Agreement.

Section 16. Execution of Executive Responsibility Agreement. The grant of the Option pursuant to this Stock Option Award Agreement is contingent upon the execution by the Option Holder of an Executive Responsibility Agreement with

the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

PART II

General Terms and Conditions

Section 1. General Terms.

(a) ***Size and Type of Award.*** The Restricted Stock Units for Shares covered by this Award (the “Awarded Performance RSUs”) are listed in Part I of this Award Agreement (“Award Notice”), and are subject to all of the terms and conditions of the Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (the “Plan”).

(b) ***409A Compliance.*** It is intended that the Awarded Performance RSUs granted pursuant to this Award Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder (“Section 409A”), and all provisions of this Award Agreement shall be construed, interpreted, and administered in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. It is further intended that all payments related to, or settlements of, the Awarded Performance RSUs hereunder qualify for the “short-term deferral” exception under Section 409A.

(c) ***Employment.*** Your employment with the Company and/or its Subsidiaries constitutes adequate consideration for the issuance of the Shares to you having a value at least equal to the par value of the Shares, but the vesting conditions described below will nevertheless determine your right to acquire unrestricted ownership of the Shares to be issued upon settlement of vested Awarded Performance RSUs.

Section 2. Vesting.

(a) ***Vesting Date.*** The vesting date (the “Vesting Date”) for your Awarded Performance RSUs is specified in the Award Notice. On the Vesting Date, subject to the provisions of this Award Agreement (including Section 2(b) below), you will obtain the Shares to be issued upon settlement of your Awarded Performance RSUs.

(b) ***Vesting Conditions.*** Except as otherwise provided herein, there are two conditions you must satisfy before your Awarded Performance RSUs will vest:

- (i) You must remain in continuous service with the Company and/or its Subsidiaries from the Award Date through the Vesting Date (the “Service Condition”); and
- (ii) Any Performance Goal(s) specified in Appendix A of this Award Agreement must be met as of the end of the Performance Period as determined by the Committee in accordance with the terms of the Plan (the “Performance Condition”).

(c) ***Forfeitures.*** Except as otherwise provided herein, if you terminate service with the Company and/or its Subsidiaries prior to the Vesting Date, you will forfeit any Awarded Performance RSUs that are scheduled to vest on or after such termination of service date. When you forfeit Awarded Performance RSUs, all of your interest in the unvested Awarded Performance RSUs will be automatically canceled.

(d) ***Death or Disability; Termination without Cause; Qualified Retirement.***

- (i) ***Death or Disability.*** If your service with the Company and/or its Subsidiaries ends due to death or disability (within the meaning of Section 22(e) (3) of the Code), all of the Awarded Performance RSUs not previously vested or forfeited will vest on such date of termination of service at an Appendix A performance level determined by the Committee in its discretion.
- (ii) ***Termination without Cause.*** If your service with the Company and/or its Subsidiaries ends as a result of a termination by the Company other than for “Cause” (defined as illegal or disreputable or malfeasant conduct which, as determined by the Committee, in any significant respect impairs the reputation, goodwill or business position of the Company or involves the Company’s funds or other assets), then the Committee may, in

its discretion, [vest, on such date of termination of service, Awarded Performance RSUs not previously vested or forfeited at an **Appendix A** performance level determined by the Committee in its discretion][continue to vest as if you had continued your service with the Company and/or its Subsidiaries through the end of the Performance Period].

- (iii) **Qualified Retirement.** If your service with the Company and/or its Subsidiaries ends as a result of your Qualified Retirement, Awarded Performance RSUs not previously vested or forfeited [will vest at an **Appendix A** performance level determined by the Committee in its discretion][continue to vest as if you had continued your service with the Company and/or its Subsidiaries through the end of the Performance Period]. Solely for purposes used herein, "Qualified Retirement" means compliance with all of the following requirements: (i) you terminate employment with the Company and its Subsidiaries, other than for Cause (A) after you have attained age [sixty (60)] and completed a minimum of [ten (10)] years of continuous service with the Company [and/or its subsidiaries], (B) completed a minimum of twelve (12) months of continuous service within the Performance Period defined in **Appendix A** with the Company and/or its Subsidiaries immediately following the Award Date, (C) after you provide reasonable advance written notice, based on facts and circumstances acceptable to the Board, of your employment termination retirement date; (ii) the Board approves and accepts, and does not reject, your specified employment termination retirement date; and (iii) you have delivered to the Company an executed release of claims in a form provided by the Company the revocation period of which has expired.

(e) **Definition of Service.** For purposes of determining the vesting of your Awarded Performance RSUs, you will be deemed to be in the service of the Company and/or its Subsidiaries for so long as you serve in any capacity as an employee, officer, non-employee director or consultant of the Company and/or its Subsidiaries.

(f) **Application of Clawback Policy.** Notwithstanding anything in this Award Agreement to the contrary, the Awarded Performance RSUs and any related Shares and/or Dividend Equivalents shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they become vested and payable if and to the extent (i) required by any applicable law, rule or regulation or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Awarded Performance RSUs or Shares or Dividend Equivalents, as applicable, become vested and payable.

Section 3. Settlement. As soon as reasonably practicable after any of the Awarded Performance RSUs vest and no later than March 15th of the calendar year following the calendar year in which the Awarded Performance RSUs vest pursuant to Section 2 of Part II of this Award Agreement, the Company shall, subject to the provisions of this Award Agreement, issue and deliver to you the Shares to be issued upon settlement of such vested Awarded Performance RSUs.

Section 4. Voting and Other Rights. Except with respect to the Shares issued and delivered to you upon settlement of vested Awarded Performance RSUs, (a) you will not have the right to vote, or direct the voting of, Awarded Performance RSUs, (b) you will not have any other rights of a stockholder (other than the right to Dividend Equivalents as described below) and (c) you will not obtain ownership of the Shares for tax or other purposes. Notwithstanding the foregoing, upon the issuance and delivery to you of the Shares to be issued upon settlement of vested Awarded Performance RSUs, you shall be entitled to receive Dividend Equivalents (within the meaning of, and in accordance with, Section 13.6 of the Plan), which shall be settled in Shares.

Section 5. No Right to Continued Service. Nothing in this Award Agreement, or any action of the Board or Committee with respect to this Award Agreement, shall be held or construed to confer upon you any right to a continuation of service by the Company and/or its Subsidiaries. You may be dismissed or otherwise dealt with as though this Award Agreement had not been entered into.

Section 6. Taxes. Where you or any other person is entitled to receive the Shares to be issued upon settlement of vested Awarded Performance RSUs pursuant to this Award Agreement, the Company shall have the right to require you or such other person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient

number of Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein.

Section 7. Notices. Any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

If to the Participant, to the Participant's address as shown in the Company's records.

If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, Ohio 43026
Attention: Compensation Committee and Corporate Secretary

Section 8. Restrictions on Transfer. The Awarded Performance RSUs granted hereunder shall not be subject in any manner to anticipation, alienation or assignment, nor shall such Award be liable for, or subject to, debts, contracts, liabilities, engagements or torts, nor shall it be transferable by the Participant other than by will or by the laws of descent and distribution or as otherwise permitted by the Plan.

Section 9. Successors and Assigns. This Award Agreement shall inure to the benefit of and shall be binding upon the Company and you and their respective heirs, successors and assigns.

Section 10. Construction of Language. Whenever appropriate in this Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 11. Governing Law. This Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of law principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting the Award granted under this Award Agreement, you, and any other person claiming any rights under this Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 12. Amendment. This Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and you.

Section 13. Plan Provisions Control. This Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control. By signing this Award Agreement, you acknowledge receipt of a copy of the Plan. You acknowledge that you may not and will not rely on any statement of account or other communication or document issued in connection with the Award other than the Plan, this Award Agreement, or any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Award Agreement.

Section 14. Execution of Executive Responsibility Agreement. The grant of the Awarded Performance RSUs pursuant to this Award Agreement is contingent upon the execution by you, the Participant, of an Executive Responsibility Agreement with the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

Appendix A to Performance Unit Award Notice and Award Agreement

[Insert Performance Condition(s) as determined by the Committee, including Performance Period and Performance Goal(s) to be achieved during Performance Period]

ADVANCED DRAINAGE SYSTEMS, INC.
 4024 Green Stripe Lane
 Hilliard, OH 43026

Restricted Stock Unit Award (Time-Based) Notice and Award Agreement (“Award Agreement”)

PART I

____ Award Number: 20[24]-1
 Name of Participant Plan: 2017 Omnibus Incentive Plan

Address	City	Province	Postal Code
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Effective _____ (“Award Date”), you have been granted a Time-Vesting Unit Award of «Time _Units» target units for «Time_Units» target shares (“Awarded Time-Vesting RSUs”) of ADVANCED DRAINAGE SYSTEMS, INC. (the “Company”) common stock, par value \$0.01 per share (“Shares”) (including upward and downward adjustments to the amount of Awarded Time-Vesting RSUs). These Awarded Time-Vesting RSUs are restricted, and not settled in Shares, until both the Service Condition and the time vesting conditions (shown below) are satisfied.

The Service Condition will be determined as of each of the dates below with respect to the Awarded Time-Vesting RSUs:

<u>Number of Awarded Time-Vesting RSUs</u>	<u>Vesting Dates</u>
_____	_____
_____	_____
_____	_____

For absolute certainty, by accepting and executing this Award Agreement, you specifically represent, warrant and acknowledge that you have read and understood the terms and conditions set out in Section 2(e) of the attached Part II (“**General Terms and Conditions**”) which (i) states “you will have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Awarded Time-Vesting RSUs, Shares, or any Dividend Equivalents which would have vested, been granted, been issued, or become payable after your Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and you waive your rights to any such entitlements”; and (ii) has the effect that no period of contractual or civil or common law reasonable notice of termination [**For all provinces except Québec:** that exceeds your minimum statutory notice of termination period under applicable employment standards legislation (if any).] shall be used for the purposes of calculating your entitlement under this Award Agreement and/or the Plan. By accepting and executing this Award Agreement, you further waive any eligibility to receive damages or payment in lieu of any forfeited Awarded Time-Vesting RSUs, Shares, or Dividend Equivalents under this Award Agreement and/or the Plan that would have vested, accrued, or become exercisable, issued, or payable during any contractual or civil or common law reasonable notice of termination period [**For all provinces except Québec:** that exceeds your minimum statutory notice of termination period under the applicable employment standards legislation (if any)].

—
By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and the Award Agreement (including PART I and PART II), all of which are made a part of this document. By your signature, you further agree that your execution of this Award Agreement is done freely and voluntarily, without inducement or duress, having had an opportunity to review, make inquiries, and seek independent legal advice as to the terms and conditions of the Plan and this Award Agreement.

[For Québec only: OPTION 1: After having read the French version of this Award Agreement, I confirm my express wish to be bound only by the present English version of this Award Agreement and documents referred to herein. *Après avoir pris connaissance de la version française de cette Convention d'octroi, je confirme ma volonté expresse d'être lié(e) seulement par la présente version anglaise de cette Convention d'octroi et des documents auxquels elle fait référence.* **OPTION 2:** By entering into this Award Agreement, I acknowledge and agree that the terms and conditions of this Award Agreement were negotiated or negotiable, and that I expressly requested and am satisfied that this Award Agreement and documents referred to herein be drawn up only in English. *En signant la présente Convention d'octroi, je reconnais et conviens que les termes et conditions de la présente Convention d'octroi ont été négociés ou étaient négociables, et que j'ai expressément requis et je suis satisfait(e) que la présente Convention d'octroi actions et les documents auxquels elle fait référence soient rédigés uniquement en anglais.]*

ADVANCED DRAINAGE SYSTEMS, INC.

Signature: _____ Date: _____

Print Name:

Title:

PARTICIPANT

Signature: _____ Date: _____

Print Name:

PART II

General Terms and Conditions

Section 1. General Terms.

(a) ***Size and Type of Award.*** The Restricted Stock Units for Shares covered by this Award (the "Awarded Time-Vesting RSUs") are listed in Part I of this Award Agreement ("Award Notice"), and are subject to all of the terms and conditions of the Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (the "Plan").

(b) ***409A Compliance.*** It is intended that the Awarded Time-Vesting RSUs granted pursuant to this Award Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder ("Section 409A"), and all provisions of this Award Agreement shall be construed, interpreted, and administered in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. It is further intended that all payments related to, or settlements of, the Awarded Time-Vesting RSUs hereunder qualify for the "short-term deferral" exception under Section 409A.

(c) ***Employment.*** Your employment with the Company and/or its subsidiaries constitutes adequate consideration for the issuance of the Shares to you having a value at least equal to the par value of the Shares, but the vesting conditions described below will nevertheless determine your right to acquire unrestricted ownership of the Shares to be issued upon settlement of vested Awarded Time-Vesting RSUs.

Section 2. Vesting.

(a) ***Vesting Dates.*** The vesting date(s) (each a "Vesting Date" and collectively the "Vesting Dates") for your Awarded Time-Vesting RSUs are specified in the Award Notice. On each Vesting Date, subject to the provisions of this Award Agreement (including Section 2(b) below), you will obtain the Shares to be issued upon settlement of your vested Awarded Time-Vesting RSUs. Notwithstanding anything to the contrary herein or in the Plan, no Vesting Date shall be later than the day that is three (3) years after the last day of the calendar year in which the performance of your employment services for which your Awarded Time-Vesting RSUs are granted first occurred.

(b) ***Vesting Conditions.*** Before your Awarded Time-Vesting RSUs will vest on a Vesting Date, you must, except as otherwise provided herein, remain Actively Employed from the Award Date through such Vesting Date (the "Service Condition").

(c) ***Forfeitures.*** Except as otherwise provided herein, if you cease to be Actively Employed with the Company and/or its subsidiaries prior to a Vesting Date, you will forfeit any Awarded Time-Vesting RSUs that are scheduled to vest on or after the Termination of Service Date. When you forfeit Awarded Time-Vesting RSUs, all of your interest in the unvested Awarded Time-Vesting RSUs will be automatically canceled without consideration.

(d) ***Death or Disability; Termination without Cause.*** If your Active Employment with the Company and/or its subsidiaries ends due to death or Disability, all of the Awarded Time-Vesting RSUs not previously vested or forfeited will vest on the Termination of Service Date. In addition, if your Active Employment with the Company and/or its subsidiaries ends as a result of a termination by the Company other than for "Cause", then the Committee may, in its discretion, vest, on the Termination of Service Date, Awarded Time-Vesting RSUs not previously vested or forfeited.

(e) ***Waiver of Civil Law and Common Law Damages.*** For certainty, you will have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Awarded Time-Vesting RSUs, Shares, or any Dividend Equivalents which would have vested, been granted, been issued, or become payable after your Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and you waive your rights to any such entitlements.

Section 3. Definitions. For the purposes of this Award Agreement, the following terms shall have the respective meanings specified below and, where applicable, shall amend and replace such terms in the Plan.

(a) **“Active Employment” or “Actively Employed” [For Québec only:** (i) means the period during which you perform work for the Company and/or any of its subsidiaries, which shall be deemed to include any period of vacation, disability, or other leave permitted by legislation, (ii) but shall be deemed to exclude any period that follows or ought to have followed, your last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation), whether that period is one of deemed employment, of notice of termination of employment, of notice of resignation, or corresponding to payment in lieu of notice of termination or resignation, that is given or ought to have been given pursuant to any applicable law, employment agreement or contract or further to a judgment rendered by a tribunal of competent jurisdiction.] **[For all provinces except Québec:** means the period during which you perform work for the Company and/or any of its subsidiaries, and shall be deemed to include, as applicable, (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, **“Active Employment” or “Actively Employed”** shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) your last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right.]

(b) **“Cause”** (i) has the meaning attributed to such term in your employment agreement with the Company and/or any of its subsidiaries, to the extent you are party to a written employment agreement with the Company and/or any of its subsidiaries which includes an enforceable contractual termination provision and in which **“Cause”** is defined, or (ii) in all other circumstances means: (A) if you are employed in the Province of Ontario, any wilful misconduct, disobedience or wilful neglect of duty by you that is not trivial and has not been condoned by the Company and/or any of its subsidiaries; or (B) if you are employed in any other Province, any of the following: (1) a material breach by you of any of your contractual obligations concerning your employment or any written policies and procedures of the Company and/or any of its subsidiaries; (2) gross negligence, serious misconduct, or a material failure in connection with the discharge of duties or otherwise relating to your employment (including insubordinate, harassing or insulting behaviour); (iii) your conviction on any charge involving moral turpitude; or (iv) any act or omission which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

(c) **“Disability”** has the meaning attributed thereto in your written employment agreement with the Company and/or any of its subsidiaries and if there is no such defined term, means your inability to substantially fulfil your duties or services on behalf of the Company or any of its subsidiaries as a result of illness or injury for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, despite the provision of reasonable accommodations by the Company and/or any of its subsidiaries, as applicable.

(d) **“Termination of Service Date”** means the last day of your Active Employment, whether such day is selected by agreement with you, or unilaterally by you or the Company and/or any of its subsidiaries, and whether with or without advance notice to you.

(e) **Application of Clawback Policy.** Notwithstanding anything in this Award Agreement to the contrary, the Awarded Time-Vesting RSUs and any related Shares and/or Dividend Equivalents shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they become vested and payable if and to the extent (i) required by any applicable law, rule or regulation or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Awarded Time-Vesting RSUs or Shares or Dividend Equivalents, as applicable, become vested and payable.

Section 4. Settlement. As soon as reasonably practicable after any of the Awarded Time-Vesting RSUs vest and no later than the earlier of either (i) March 15th of the calendar year following the calendar year in which such Awarded Time-Vesting RSUs vest pursuant to Section 2 of Part II of this Award Agreement or (ii) the day that is three (3) years after the last day of the calendar year in which the performance of your employment services for your Awarded Time-Vesting RSUs are granted first

occurred, the Company shall, subject to the provisions of this Award Agreement, issue and deliver to you the Shares to be issued upon settlement of such vested Awarded Time-Vesting RSUs.

Section 5. Voting and Other Rights. Except with respect to the Shares issued and delivered to you upon settlement of vested Awarded Time-Vesting RSUs, (a) you will not have the right to vote, or direct the voting of, Awarded Time-Vesting RSUs, (b) you will not have any other rights of a stockholder (other than the right to Dividend Equivalents as described below) and (c) you will not obtain ownership of the Shares for tax or other purposes. Notwithstanding the foregoing, upon the issuance and delivery to you of the Shares to be issued upon settlement of vested Awarded Time-Vesting RSUs, you shall be entitled to receive Dividend Equivalents (within the meaning of, and in accordance with, Section 13.6 of the Plan), which shall be settled in Shares.

Section 6. No Right to Continued Service. Nothing in this Award Agreement, or any action of the Board or Committee with respect to this Award Agreement, shall be held or construed to confer upon you any right to a continuation of service by the Company and/or its subsidiaries. You may be dismissed or otherwise dealt with as though this Award Agreement had not been entered into.

Section 7. Representations and Warranties. You represent and warrant that:

(a) You understand that your participation in the Plan and acceptance of the Awarded Time-Vesting RSUs is voluntary and you are under no obligation to participate in the Plan or to accept any Awarded Time-Vesting RSUs under the Plan;

(b) You have not been induced to participate in the Plan by expectation of service, engagement, appointment, employment, continued service, continued engagement, continued appointment, or continued employment, as applicable, with the Company or any of its subsidiaries;

(c) You understand that the grant of the Awarded Time-Vesting RSUs does not create any contractual or other right or expectation to receive any additional grant(s) of Awarded Time-Vesting RSUs or similar awards or benefits in lieu of similar awards including without limitation during any civil or common law period of reasonable notice of termination to which you may be entitled, even if you have been repeatedly awarded grants of Awarded Time-Vesting RSUs;

(d) You understand that Awarded Time-Vesting RSUs, Shares, or any Dividend Equivalents, do not form a normal, integral, or expected part of your compensation from employment and will not be counted for any purpose including relating to the calculation of any overtime, severance, resignation, redundancy or end of service payments, or any long-service awards, bonuses, pension or retirement income or similar payments, and you waive any claim on such basis;

(e) You understand that there is no promise of a particular monetary value associated with the vesting or payment of any Awarded Time-Vesting RSUs, Shares, or any Dividend Equivalents; and

(f) You understand that the Awarded Time-Vesting RSUs, Shares or any Dividend Equivalents, are not compensation for services rendered and are an extraordinary item of compensation, for the sole purpose of employee retention, that are outside the scope of your employment or service agreement, as applicable, whether written or oral, and nothing can or must automatically be inferred from the granting of such Awarded Time-Vesting RSUs pursuant to this Award Agreement (or any future grants).

Section 8. Taxes. Where you or any other person is entitled to receive the Shares to be issued upon settlement of vested Awarded Time-Vesting RSUs pursuant to this Award Agreement, the Company shall have the right to require you or such other person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient number of Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein.

Section 9. Notices. Any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party

at the address listed below, or at such other address as one such party may by written notice specify to the other party:

If to the Participant, to the Participant's address as shown in the Company's records.

If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, OH 43026
Attention: Compensation Committee and Corporate Secretary

Section 10. Restrictions on Transfer. The Awarded Time-Vesting RSUs granted hereunder shall not be subject in any manner to anticipation, alienation or assignment, nor shall such Award be liable for, or subject to, debts, contracts, liabilities, engagements or torts, nor shall it be transferable by the Participant other than by will or by the laws of descent and distribution or as otherwise permitted by the Plan.

Section 11. Successors and Assigns. This Award Agreement shall enure to the benefit of and shall be binding upon the Company and you and their respective heirs, successors and assigns.

Section 12. Construction of Language. Whenever appropriate in this Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 13. Governing Law. This Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of law principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting the Award granted under this Award Agreement, you, and any other person claiming any rights under this Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 14. Amendment. This Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and you.

Section 15. Plan Provisions Control. This Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control except as expressly amended or overridden in this Award Agreement. By signing this Award Agreement, you acknowledge receipt of a copy of the Plan. You acknowledge that you may not and will not rely on any statement of account or other communication or document issued in connection with the Award other than the Plan, this Award Agreement, or any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Award Agreement.

Section 16. Execution of Executive Responsibility Agreement. The grant of the Awarded Time-Vesting RSUs pursuant to this Award Agreement is contingent upon the execution by you, the Participant, of an Executive Responsibility Agreement with the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

ADVANCED DRAINAGE SYSTEMS, INC.
 4024 Green Stripe Lane
 Hilliard, OH 43026

Notice of Grant of Stock Options and Stock Option Award Agreement (“Stock Option Award Agreement”)

PART I

Award Number: 20[25]-1
 Name of Option Holder _____ Plan: 2017 Omnibus Incentive Plan

Address _____ City _____ Province _____ Postal Code _____

Effective _____ (“Grant Date”), you (“Option Holder”) have been granted Options to buy «StkOpt» shares of ADVANCED DRAINAGE SYSTEMS, INC. (the “Company”) common stock, par value \$0.01 per share (“Shares”) at an exercise price of \$ _____ per Share (“Exercise Price”), which Exercise Price is at least equal to the fair market value of such Share on the Grant Date.

Options for the following Shares will become vested and expire on the date(s) shown:

<u>Number of Shares</u>	<u>Vesting Date(s)</u>	<u>Expiration Date(s)</u>
_____	_____	[_____]
_____	_____	[_____]
_____	_____	[_____]

[If options in excess of the \$200k annual cap are granted: “Non-qualified securities” under the *Income Tax Act* (Canada) (the “ITA”):

A portion of the Shares subject to your Options constitute “non-qualified securities” for Canadian income tax purposes. The Shares subject to your Options that are “non-qualified securities” are as follows:

<u>“vesting year” of Options</u>	<u>Exercise Price</u>	<u>Shares that are “non-qualified securities”</u>
[]	[]	[]
[]	[]	[]
[]	[]	[]

In the table above, “vesting year” and “non-qualified securities” have the meanings ascribed to them under section 110 of the ITA. In general, “non-qualified securities” are not eligible for the 50% stock option deduction for Canadian federal income tax purposes. Note that where upon the exercise of an Option you could receive Shares that are “non-qualified securities” or Shares that are not “non-qualified securities”, the ITA deems that you will first receive Shares that are not “non-qualified securities”. All Shares that are designated as non-qualified securities are required to be reported by your employer to the Canada Revenue Agency. **You are encouraged to consult with your independent professional advisors regarding the specific tax consequences to you.**

For absolute certainty, by accepting and executing this Stock Option Award Agreement, you specifically represent, warrant and acknowledge that you have read and understood the terms and conditions set out in Section 3(e) of the attached Part II (“**General Terms and Conditions**”) which (i) states “the Option Holder shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Options which would have vested, been granted, or become payable after their Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and the Option Holder waives their rights to any such entitlements” ; and (ii) has the effect that no period of contractual or civil or common law reasonable notice of termination [**For all provinces except Québec**: that exceeds your minimum statutory notice of termination period under applicable employment standards legislation (if any),] shall be used for the purposes of calculating your entitlement under this Stock Option Award Agreement and/or the Plan]. By accepting and executing this Stock Option Award Agreement, you further waive any eligibility to receive damages or payment in lieu of any forfeited Options under this Stock Option Award Agreement and/or the Plan that would have vested, accrued, or become exercisable during any contractual or civil or common law reasonable notice of termination period [**For all provinces except Québec**: that exceeds your minimum statutory notice of termination period under the applicable employment standards legislation (if any)].

By your signature, the signature of the Company and the signature of Hancor of Canada, Inc. (“Hancor”) below, you, the Company and Hancor agree that these options are granted under and governed by the terms and conditions of the Plan and the Stock Option Award Agreement, all of which are made a part of this document. By your signature, you further agree that your acceptance of this Stock Option Award Agreement is done freely and voluntarily, without inducement or duress, having had an opportunity to review, make inquiries, and seek independent legal advice as to the terms and conditions of the Plan and this Stock Option Award Agreement.

[For Québec only: OPTION 1: After having read the French version of this Stock Option Award Agreement, I confirm my express wish to be bound only by the present English version of this Stock Option Award Agreement and documents referred to herein. *Après avoir pris connaissance de la version française de cette Convention d’octroi d’options sur actions, je confirme ma volonté expresse d’être lié(e) seulement par la présente version anglaise de cette Convention d’octroi d’options sur actions et des documents auxquels elle fait référence.* **OPTION 2:** By entering into this Stock Option Award Agreement, I acknowledge and agree that the terms and conditions of this Stock Option Award Agreement were negotiated or negotiable, and that I expressly requested and am satisfied that this Stock Option Award Agreement and documents referred to herein be drawn up only in English. *En signant la présente Convention d’octroi d’options sur actions, je reconnais et conviens que les termes et conditions de la présente Convention d’octroi d’options sur actions ont été négociés ou étaient négociables, et que j’ai expressément requis et je suis satisfait(e) que la présente Convention d’octroi d’options sur actions et les documents auxquels elle fait référence soient rédigés uniquement en anglais.]*

ADVANCED DRAINAGE SYSTEMS, INC.

Signature: _____ Date: _____
 Print Name:
 Title:

HANCOR OF CANADA, INC.

Signature: _____ Date: _____
 Print Name:
 Title:

OPTION HOLDER

Signature: _____ Date: _____

Print Name:

PART II

General Terms and Conditions

Section 1. **Hancor of Canada, Inc.** Hancor of Canada, Inc. is a party to this Stock Option Award Agreement and any other agreement entered into pursuant to the Plan in respect of the Option Holder.

Section 2. **Exercise Price.** In the event that any portion of the Shares underlying an Option are "non-qualified securities" (within the meaning of section 110 of the ITA) and become vested, the Option Holder acknowledges that any subsequent exercise of such Option will be deemed to first be made for such Shares that are not "non-qualified securities", prior to any exercise for Shares that are "non-qualified securities" (within the meaning of section 110 of the ITA).

Section 3. **Exercise Period.**

(a) Subject to Section 3(b), the Option Holder shall have the right to purchase all or any portion of the optioned Shares at any time during the period ("Exercise Period") commencing on the applicable vesting date specified in Part I that the vested portion of the Option may be exercised (the "Earliest Exercise Date") and ending on the earliest to occur of the following dates:

- (i) the Option Holder's Termination of Service Date, in respect of a termination of the Option Holder's employment for Cause;
- (ii) (A) if the Option is an ISO, the last day of the 3-month period commencing on the Termination of Service Date, in respect of a termination of the Option Holder's employment without Cause; and (B) if the Option is a NQSO, the last day of the 3-month period commencing on the Termination of Service Date, in respect of the Option Holder's termination of employment without Cause;
- (iii) the earlier of (A) the expiration date(s) specified in Part I of this Stock Option Award Agreement, or (B) the last day of the 1-year period commencing on the Termination of Service Date, in respect of the Option Holder's termination of employment due to death or Disability; and
- (iv) the last day of the ten (10) year period following the Grant Date (or the last day of the five (5) year period following the Grant Date, if the Option is an ISO granted to an Employee who, at the Grant Date, owns stock representing more than 10% of the voting power of all classes of stock of the Company or of any of its subsidiaries) provided the Option Holder is Actively Employed at such time,

(b) If the Option is designated as an ISO, in order to preserve the favorable tax treatment applicable to incentive stock options, the Option may not be exercised more than three (3) months after the Termination of Service Date due to termination of employment for reasons other than Disability, or more than one (1) year after the Termination of Service Date due to termination of employment as a result Disability.

(c) To become vested in an Option, the Option Holder must be Actively Employed during the period beginning on the Grant Date and ending on the applicable vesting date specified in Part I. If the Option Holder ceases to be Actively Employed with the Company and/or its subsidiaries prior to a vesting date, any unvested Options granted hereunder that are scheduled to vest after such Termination of Service Date are deemed forfeited by the Option Holder as of the Termination of Service Date. Options that are forfeited will be immediately canceled without consideration and will cease to be exercisable.

(d) Notwithstanding the foregoing, in the event of the Option Holder ceases to be Actively Employed due to death or Disability, unvested Options will be deemed vested as of the Termination of Service Date. In addition, if the Option Holder ceases to be Actively Employed due to the termination of employment by the Company other than for Cause, the Committee may, in its discretion, vest, as of the Option Holder's Termination of Service Date, unvested Options.

(e) For certainty, the Option Holder shall have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Options which would have vested, been granted, or become payable after their Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and the Option Holder waives their rights to any such entitlements.

Section 4. Method of Exercise. The Option Holder may, at any time during the Exercise Period provided by Section 2, exercise his or her right to purchase all or any part of the optioned Shares then available for purchase; *provided, however*, that the minimum number of optioned Shares which may be purchased shall be fifty (50) or, if less, the total number of optioned Shares then available for purchase. The Option Holder shall exercise such right by:

- (a) giving notice to the Committee in form and substance acceptable to the Company; and
- (b) delivering to the Committee full payment of the Exercise Price for the optioned Shares to be purchased.

The date of exercise shall be the earliest date practicable following the date the requirements of this Section 4 have been satisfied. Payment shall be made:

(1) in United States dollars by certified check, money order, official bank check, or wire transfer of immediately available funds, made payable to the order of Advanced Drainage Systems, Inc.;

(2) with the Committee's approval, in Shares duly endorsed for transfer (or using a "constructive delivery" method approved by the Committee), already owned by the Option Holder for more than six (6) months as of the exercise date and having an aggregate Fair Market Value on the date the Option is exercised equal to the aggregate Exercise Price to be paid, such Fair Market Value to be determined in such manner as may be provided by the Committee or as may be required in order to comply with or conform to the requirements of any applicable laws or regulations;

(3) with the Committee's approval, through a "net settle" arrangement pursuant to which the Option Holder will surrender all or part of the Option to the Company in consideration for a payment to be satisfied by the Company issuing to the Option Holder the number of Shares underlying the Option or portion thereof so surrendered, less the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board as of the settlement date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price, as applicable; provided that: (i) to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net settlement will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Option Holder as a result of the exercise or settlement, and (ii) notwithstanding anything in this Stock Option Award Agreement or the Plan to the contrary, no payment or other adjustment will be made with respect to fractional Shares; or

(4) in a combination of (1), (2) and (3).

Payment for any Shares to be purchased upon exercise of an Option may also be made by delivering an exercise notice to the Company as set forth in Section 4(a) above, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds to pay the Exercise Price and applicable tax withholding amounts (if any).

Section 5. Surrender. In lieu of exercising any vested Option in the manner described in Section 4, and pursuant to the terms of this Section 5, an Option Holder may at his or her discretion, including in the course of a Change in Control, by surrendering an Option with a notice addressed to the Company, elect to receive a cash payment equal to difference between the Fair Market Value of the Shares with respect to which the Option is being surrendered and the Fair Market Value of such Shares as at the date of grant of the Option being surrendered, if any, provided that if such amount is negative, then the Option Holder shall not be owed any sum of money. In the event of such a surrender, Hancor will duly and timely file an election in respect thereof under subsection 110(1.1) of the ITA, where applicable.

Section 6. Delivery of Optioned Shares. As soon as is practicable following the date on which the Option Holder has satisfied the requirements of Section 4, the Committee shall take such action as is necessary to cause such Shares to be issued in the name of the Option Holder (either by book-entry registration or issuance of a stock certificate) evidencing the Option Holder's ownership of the optioned Shares that have been purchased. The Option Holder shall have no right to vote or to receive dividends, nor have any other rights with respect to the optioned Shares, prior to the date as of which such optioned Shares are transferred to the Option Holder on the stock transfer records of the Company, and no adjustments shall be made for any dividends or other rights for which the record date is prior to the date as of which such transfer is effected. The obligation of the Company to deliver Shares under this Stock Option Award Agreement shall, if the Committee so

requests, be conditioned upon the receipt of a representation as to the investment intention of the person to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of applicable federal, state or local law.

Section 7. Definitions. For the purposes of this Stock Option Award Agreement, the following terms shall have the respective meanings specified below and, where applicable, shall amend and replace such terms in the Plan.

(a) “**Active Employment**” or “**Actively Employed**” [For Québec only: (i) means the period the Option Holder performs work for the Company and/or any of its subsidiaries, which shall be deemed to include any period of vacation, disability, or other leave permitted by legislation, (ii) but shall be deemed to exclude any period that follows or ought to have followed, the Option Holder's last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation), whether that period is one of deemed employment, of notice of termination of employment, of notice of resignation, or corresponding to payment in lieu of notice of termination or resignation, that is given or ought to have been given pursuant to any applicable law, employment agreement or contract or further to a judgment rendered by a tribunal of competent jurisdiction.] [For all provinces except Québec: means the period during which the Option Holder performs work for the Company and/or any of its subsidiaries, and shall be deemed to include, as applicable, (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, “**Active Employment**” or “**Actively Employed**” shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) the Option Holder's last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right.]

(b) “**Cause**” (i) has the meaning attributed to such term in an Option Holder's employment agreement with the Company and/or any of its subsidiaries, with respect to an Option Holder who is a party to a written employment agreement with the Company and/or any of its subsidiaries which includes an enforceable contractual termination provision and in which “**Cause**” is defined, or (ii) in all other circumstances means: (A) if the Option Holder is employed in the Province of Ontario, any wilful misconduct, disobedience or wilful neglect of duty by the Option Holder that is not trivial and has not been condoned by the Company and/or any of its subsidiaries; or (B) if the Option Holder is employed in any other Province, any of the following: (1) a material breach by the Option Holder of any of their contractual obligations concerning their employment or any written policies and procedures of the Company and/or any of its subsidiaries; (2) gross negligence, serious misconduct, or a material failure in connection with the discharge of duties or otherwise relating to the Option Holder's employment (including insubordinate, harassing or insulting behaviour); (iii) the Option Holder's conviction on any charge involving moral turpitude; or (iv) any act or omission of the Option Holder which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

(c) “**Disability**” has the meaning attributed thereto in the Option Holder's written employment with the Company and/or any of its subsidiaries or, if there is no such defined term, means the Option Holder's inability to substantially fulfil their duties or services on behalf of the Company and/or any of its subsidiaries as a result of illness or injury for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, despite the provision of reasonable accommodations by the Company and/or any of its subsidiaries, as applicable.

(d) “**Termination of Service Date**” means the last day of the Option Holder's Active Employment, whether such day is selected by agreement with the Option Holder, or unilaterally by the Option Holder or the Company and/or any of its subsidiaries, and whether with or without advance notice to the Option Holder.

Section 8. No Right to Continued Service. Nothing in this Stock Option Award Agreement nor any action of the Board or Committee with respect to this Stock Option Award Agreement shall be held or construed to confer upon the Option Holder any right to a continuation of service by the Company or any of its subsidiaries. The Option Holder may be dismissed or otherwise dealt with as though this Stock Option Award Agreement had not been entered into.

Section 9. Application of Clawback Policy. Notwithstanding anything in this Stock Option Award Agreement to the contrary, the Option shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they become vested and payable if and to the extent (i) required by any applicable law, rule or regulation or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Option becomes vested and payable.

Section 10. Representations and Warranties of the Option Holder. The Option Holder represents and warrants that:

(a) The Option Holder understands that their participation in the Plan and acceptance of the Options is voluntary and the Option Holder is under no obligation to participate in the Plan or to accept any Options under the Plan;

(b) The Option Holder has not been induced to participate in the Plan by expectation of service, engagement, appointment, employment, continued service, continued engagement, continued appointment, or continued employment, as applicable, with the Company or any of its subsidiaries;

(c) The Option Holder understands that the grant of the Options does not create any contractual or other right or expectation to receive any additional grant(s) of Options or similar awards, or benefits in lieu of similar awards including without limitation during any civil or common law period of reasonable notice of termination to which the Option Holder may be entitled, even if the Option Holder has been repeatedly awarded grants of Options;

(d) The Option Holder understands that Options do not form a normal, integral, or expected part of the Option Holder's compensation from employment or service, as applicable, and will not be counted for any purpose including relating to the calculation of any overtime, severance, resignation, redundancy or end of service payments, or any long-service awards, bonuses, pension or retirement income or similar payments, and the Participant waives any claim on such basis;

(e) The Option Holder understands that there is no promise of a particular monetary value associated with the vesting or payment of any Options; and

(f) The Option Holder understands that the Options are not compensation for services rendered and are an extraordinary item of compensation, for the sole purpose of employee retention, that is outside the scope of the Option Holder's employment or service agreement, as applicable, with the Company or any of its subsidiaries, whether written or oral, and nothing can or must automatically be inferred from the granting of such Options.

Section 11. Taxes. Where any person is entitled to receive Shares pursuant to the exercise of the Option granted hereunder or to receive a payment pursuant to the surrender of such Option, the Company or Hancor shall have the right to require such person to pay to the Company or Hancor the amount of any tax which the Company or Hancor is required to withhold with respect to such Shares or such payment, or, if applicable, in lieu thereof, to retain, or to sell without notice, a sufficient number of Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein; provided that the Company shall only retain Shares upon the exercise of the Option with the prior consent of the Option Holder.

Section 12. Notices. Except as set forth in Section 4(a) above, any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

(a) If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, OH 43026
Attention: Compensation Committee and Corporate Secretary

(b) If to the Option Holder, to the Option Holder's address as shown in the Company's records.

Section 13. Restrictions on Transfer. The Option granted hereunder is not transferable by any Option Holder, except that an Option Holder may transfer an NQSO under terms and conditions determined by the Committee pursuant to Section 13.3 of the Plan. The Committee shall have full and exclusive authority to interpret and apply the provisions of this Plan to transferees to the extent not specifically described herein.

Section 14. Successors and Assigns. This Stock Option Award Agreement shall enure to the benefit of and shall be binding upon the Company and the Option Holder and their respective heirs, successors and assigns.

Section 15. Construction of Language. Whenever appropriate in this Stock Option Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Stock Option Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 16. Governing Law. This Stock Option Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of laws principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting any Option granted under this Stock Option Award Agreement, the Option Holder, and any other person claiming any rights under the Stock Option Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 17. Amendment. This Stock Option Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and the Option Holder.

Section 18. Plan Provisions Control. This Stock Option Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Stock Option Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control except as expressly amended or overridden in this Stock Option Award Agreement. By signing this Stock Option Award Agreement, the Option Holder acknowledges receipt of a copy of the Plan. The Option Holder acknowledges that he or she may not and will not rely on any statement of account or other communication or document issued in connection with the Plan other than the Plan, this Stock Option Award Agreement, and any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Stock Option Award Agreement.

Section 19. Execution of Executive Responsibility Agreement. The grant of the Option pursuant to this Stock Option Award Agreement is contingent upon the execution by the Option Holder of an Executive Responsibility Agreement with the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

ADVANCED DRAINAGE SYSTEMS, INC.
 4024 Green Stripe Lane
 Hilliard, OH 43026

Performance Unit Award Notice and Award Agreement (“Award Agreement”)

PART I

— Award Number: 202[]-1
 Name of Participant Plan: 2017 Omnibus Incentive Plan

Address	City	Province	Postal Code
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Effective _____ (“Award Date”), you have been granted a Performance Unit Award of «Perf_Units» target units for «Perf_Units» target shares (“Awarded Performance RSUs”) of ADVANCED DRAINAGE SYSTEMS, INC. (the “Company”) common stock, par value \$0.01 per share (“Shares”), as further specified in **Appendix A** of this Award Agreement (including upward and downward adjustments to the amount of Awarded Performance RSUs). These Awarded Performance RSUs are restricted, and not settled in Shares, until both the Service Condition and the Performance Condition are satisfied.

The Service Condition and the Performance Condition will be determined as of the date below with respect to the Awarded Performance RSUs:

<u>Number of Awarded Performance RSUs</u>	<u>Vesting Date</u>
_____	_____

For absolute certainty, by accepting and executing this Award Agreement, you specifically represent, warrant and acknowledge that you have read and understood the terms and conditions set out in Section 2(e) of the attached Part II (“**General Terms and Conditions**”) which (i) states “you will have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Awarded Performance RSUs, Shares, or any Dividend Equivalents which would have vested, been granted, been issued, or become payable after your Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and you waive your rights to any such entitlements”; and (ii) has the effect that no period of contractual or civil or common law reasonable notice of termination **[For all provinces except Québec:** that exceeds your minimum statutory notice of termination period under applicable employment standards legislation (if any),] shall be used for the purposes of calculating your entitlement under this Award Agreement and/or the Plan. By accepting and executing this Award Agreement, you further waive any eligibility to receive damages or payment in lieu of any forfeited Awarded Performance RSUs, Shares, or Dividend Equivalents under this Award Agreement and/or the Plan that would have vested, accrued, or become exercisable, issued, or payable during any contractual or civil or common law reasonable notice of termination period **[For all provinces except Québec:** that exceeds your minimum statutory notice of termination period under the applicable employment standards legislation (if any)].

—
By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms and conditions of the Plan and the Award Agreement (including PART I and PART II), all of which are made a part of this document. By your signature, you further agree that your execution of this Award Agreement is done freely and voluntarily, without inducement or duress, having had an opportunity to review, make inquiries, and seek independent legal advice as to the terms and conditions of the Plan and this Award Agreement.

[For Québec only: OPTION 1: After having read the French version of this Award Agreement, I confirm my express wish to be bound only by the present English version of this Award Agreement and documents referred to herein. *Après avoir pris connaissance de la version française de cette Convention d'octroi, je confirme ma volonté expresse d'être lié(e) seulement par la présente version anglaise de cette Convention d'octroi et des documents auxquels elle fait référence.* **OPTION 2:** By entering into this Award Agreement, I acknowledge and agree that the terms and conditions of this Award Agreement were negotiated or negotiable, and that I expressly requested and am satisfied that this Award Agreement and documents referred to herein be drawn up only in English. *En signant la présente Convention d'octroi, je reconnais et conviens que les termes et conditions de la présente Convention d'octroi ont été négociés ou étaient négociables, et que j'ai expressément requis et je suis satisfait(e) que la présente Convention d'octroi actions et les documents auxquels elle fait référence soient rédigés uniquement en anglais.]*

ADVANCED DRAINAGE SYSTEMS, INC.

Signature: _____ Date: _____

Print Name:

Title:

PARTICIPANT

Signature: _____ Date: _____

Print Name:

PART II***General Terms and Conditions******Section 1. General Terms.***

(a) ***Size and Type of Award.*** The Restricted Stock Units for Shares covered by this Award (the “Awarded Performance RSUs”) are listed in Part I of this Award Agreement (“Award Notice”), and are subject to all of the terms and conditions of the Advanced Drainage Systems, Inc. 2017 Omnibus Incentive Plan (the “Plan”).

(b) ***409A Compliance.*** It is intended that the Awarded Performance RSUs granted pursuant to this Award Agreement comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other guidance promulgated thereunder (“Section 409A”), and all provisions of this Award Agreement shall be construed, interpreted, and administered in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. It is further intended that all payments related to, or settlements of, the Awarded Performance RSUs hereunder qualify for the “short-term deferral” exception under Section 409A.

(c) ***Employment.*** Your employment with the Company and/or its subsidiaries constitutes adequate consideration for the issuance of the Shares to you having a value at least equal to the par value of the Shares, but the vesting conditions described below will nevertheless determine your right to acquire unrestricted ownership of the Shares to be issued upon settlement of vested Awarded Performance RSUs.

Section 2. Vesting.

(a) ***Vesting Date.*** The vesting date (the “Vesting Date”) for your Awarded Performance RSUs is specified in the Award Notice. On the Vesting Date, subject to the provisions of this Award Agreement (including Section 2(b) below), you will obtain the Shares to be issued upon settlement of your Awarded Performance RSUs. Notwithstanding anything to the contrary herein or in the Plan, the Vesting Date shall be no later than the day that is three (3) years after the last day of the calendar year in which the performance of your employment services for which your Awarded Performance RSUs are granted first occurred.

(b) ***Vesting Conditions.*** There are two conditions you must satisfy before your Awarded Performance RSUs will vest:

(i) You must, except as otherwise provided herein, remain Actively Employed from the Award Date through the Vesting Date (the “Service Condition”); and

(ii) Any Performance Goal(s) specified in Appendix A of this Award Agreement must be met as of the end of the Performance Period as determined by the Committee in accordance with the terms of the Plan (the “Performance Condition”).

(c) ***Forfeitures.*** Except as otherwise provided herein, if you cease to be Actively Employed with the Company and/or its subsidiaries prior to a Vesting Date, you will forfeit any Awarded Performance RSUs that are scheduled to vest on or after the Termination of Service Date. When you forfeit Awarded Performance RSUs, all of your interest in the unvested Awarded Performance RSUs will be automatically canceled without consideration.

(d) ***Death or Disability; Termination without Cause.*** If your Active Employment with the Company and/or its subsidiaries ends due to death or Disability, all of the Awarded Performance RSUs not previously vested or forfeited will vest on the Termination of Service Date. In addition, if your Active Employment with the Company and/or its subsidiaries ends as a result of a termination by the Company other than for “Cause”, then the Committee may, in its discretion, vest, on the Termination of Service Date, Awarded Performance RSUs not previously vested or forfeited.

(e) ***Waiver of Civil Law and Common Law Damages.*** For certainty, you will have no entitlement to damages or other compensation whatsoever arising from, in lieu of, or related to not receiving, any Awarded Performance RSUs, Shares, or any Dividend Equivalents which would have vested, been granted, been issued, or become payable after your Termination of Service Date, including but not limited to damages in lieu of notice of termination at civil or common law and you waive your rights to any such entitlements.

Section 3. Definitions. For the purposes of this Award Agreement, the following terms shall have the respective meanings specified below and, where applicable, shall amend and replace such terms in the Plan.

(a) **“Active Employment” or “Actively Employed”** [For Québec only: (i) means the period during which you perform work for the Company and/or any of its subsidiaries, which shall be deemed to include any period of vacation, disability, or other leave permitted by legislation, (ii) but shall be deemed to exclude any period that follows or ought to have followed, your last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation), whether that period is one of deemed employment, of notice of termination of employment, of notice of resignation, or corresponding to payment in lieu of notice of termination or resignation, that is given or ought to have been given pursuant to any applicable law, employment agreement or contract or further to a judgment rendered by a tribunal of competent jurisdiction.] [For all provinces except Québec: means the period during which you perform work for the Company and/or any of its subsidiaries, and shall be deemed to include, as applicable, (i) any period of vacation, disability, or other leave permitted by legislation, and (ii) any period constituting the minimum notice of termination that is required to be provided to an employee pursuant to applicable employment standards legislation (if any). For certainty, “Active Employment” or “Actively Employed” shall be deemed to exclude any other period that follows or ought to have followed, as applicable, the later of (i) the end of the minimum notice of termination period that is required to be provided to an employee pursuant to applicable employment standards legislation (if any), or (ii) your last day of performing work for the Company and/or any of its subsidiaries (including any period of vacation, disability, or other leave permitted by legislation) whether that period arises from a contractual or common law right.]

(b) **“Cause”** (i) has the meaning attributed to such term in your employment agreement with the Company and/or any of its subsidiaries, to the extent you are party to a written employment agreement with the Company and/or any of its subsidiaries which includes an enforceable contractual termination provision and in which “Cause” is defined, or (ii) in all other circumstances means: (A) if you are employed in the Province of Ontario, any wilful misconduct, disobedience or wilful neglect of duty by you that is not trivial and has not been condoned by the Company and/or any of its subsidiaries; or (B) if you are employed in any other Province, any of the following: (1) a material breach by you of any of your contractual obligations concerning your employment or any written policies and procedures of the Company and/or any of its subsidiaries; (2) gross negligence, serious misconduct, or a material failure in connection with the discharge of duties or otherwise relating to your employment (including insubordinate, harassing or insulting behaviour); (iii) your conviction on any charge involving moral turpitude; or (iv) any act or omission which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

(c) **“Disability”** has the meaning attributed thereto in your written employment agreement with the Company and/or any of its subsidiaries and if there is no such defined term, means your inability to substantially fulfil your duties or services on behalf of the Company or any of its subsidiaries as a result of illness or injury for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, despite the provision of reasonable accommodations by the Company and/or any of its subsidiaries, as applicable.

(d) **“Termination of Service Date”** means the last day of your Active Employment, whether such day is selected by agreement with you, or unilaterally by you or the Company and/or any of its subsidiaries, and whether with or without advance notice to you.

(e) **Application of Clawback Policy.** Notwithstanding anything in this Award Agreement to the contrary, the Awarded Performance RSUs and any related Shares and/or Dividend Equivalents shall be subject to adjustment and/or recovery, in whole or in part, following the date on which they become vested and payable if and to the extent (i) required by any applicable law, rule or regulation or (ii) provided under the terms of any clawback policy or other policy of similar import adopted by the Company and in effect on the date the Awarded Performance RSUs or Shares or Dividend Equivalents, as applicable, become vested and payable.

Section 4. Settlement. As soon as reasonably practicable after any of the Awarded Performance RSUs vest and no later than the earlier of either (i) March 15th of the calendar year following the calendar year in which the Awarded Performance RSUs vest pursuant to Section 2 of Part II of this Award Agreement or (ii) the day that is three (3) years after the last day of the calendar year in which the performance of your employment services for your Awarded Performance RSUs are granted first occurred, the Company shall, subject to the provisions of this Award Agreement, issue and deliver to you the Shares to be issued upon settlement of such vested Awarded Performance RSUs.

Section 5. Voting and Other Rights. Except with respect to the Shares issued and delivered to you upon settlement of vested Awarded Performance RSUs, (a) you will not have the right to vote, or direct the voting of,

Awarded Performance RSUs, (b) you will not have any other rights of a stockholder (other than the right to Dividend Equivalents as described below) and (c) you will not obtain ownership of the Shares for tax or other purposes. Notwithstanding the foregoing, upon the issuance and delivery to you of the Shares to be issued upon settlement of vested Awarded Performance RSUs, you shall be entitled to receive Dividend Equivalents (within the meaning of, and in accordance with, Section 13.6 of the Plan), which shall be settled in Shares.

Section 6. **No Right to Continued Service.** Nothing in this Award Agreement, or any action of the Board or Committee with respect to this Award Agreement, shall be held or construed to confer upon you any right to a continuation of service by the Company and/or its subsidiaries. You may be dismissed or otherwise dealt with as though this Award Agreement had not been entered into.

Section 7. **Representations and Warranties.** You represent and warrant that:

(a) You understand that your participation in the Plan and acceptance of the Awarded Performance RSUs is voluntary and you are under no obligation to participate in the Plan or to accept any Awarded Performance RSUs under the Plan;

(b) You have not been induced to participate in the Plan by expectation of service, engagement, appointment, employment, continued service, continued engagement, continued appointment, or continued employment, as applicable, with the Company or any of its subsidiaries;

(c) You understand that the grant of the Awarded Performance RSUs does not create any contractual or other right or expectation to receive any additional grant(s) of Awarded Performance RSUs or similar awards or benefits in lieu of similar awards including without limitation during any civil or common law period of reasonable notice of termination to which you may be entitled, even if you have been repeatedly awarded grants of Awarded Performance RSUs;

(d) You understand that Awarded Performance RSUs, Shares, or any Dividend Equivalents, do not form a normal, integral, or expected part of your compensation from employment and will not be counted for any purpose including relating to the calculation of any overtime, severance, resignation, redundancy or end of service payments, or any long-service awards, bonuses, pension or retirement income or similar payments, and you waive any claim on such basis;

(e) You understand that there is no promise of a particular monetary value associated with the vesting or payment of any Awarded Performance RSUs, Shares, or any Dividend Equivalents; and

(f) You understand that the Awarded Performance RSUs, Shares or any Dividend Equivalents, are not compensation for services rendered and are an extraordinary item of compensation, for the sole purpose of employee retention, that are outside the scope of your employment or service agreement, as applicable, whether written or oral, and nothing can or must automatically be inferred from the granting of such Awarded Performance RSUs pursuant to this Award Agreement (or any future grants).

Section 8. **Taxes.** Where you or any other person is entitled to receive the Shares to be issued upon settlement of vested Awarded Performance RSUs pursuant to this Award Agreement, the Company shall have the right to require you or such other person to pay to the Company the amount of any tax which the Company is required to withhold with respect to such Shares, or, in lieu thereof, to retain, or to sell without notice, a sufficient number of Shares to cover the amount required to be withheld. Section 14.2 of the Plan is incorporated by reference herein.

Section 9. **Notices.** Any communication required or permitted to be given under the Plan, including any notice, direction, designation, comment, instruction, objection or waiver, shall be in writing and shall be deemed to have been given at such time as it is delivered personally or five (5) days after mailing if mailed, postage prepaid, by registered or certified mail, return receipt requested, addressed to such party at the address listed below, or at such other address as one such party may by written notice specify to the other party:

If to the Participant, to the Participant's address as shown in the Company's records.

If to the Committee:

Advanced Drainage Systems, Inc.
4024 Green Stripe Lane
Hilliard, OH 43026
Attention: Compensation Committee and Corporate Secretary

Section 10. Restrictions on Transfer. The Awarded Performance RSUs granted hereunder shall not be subject in any manner to anticipation, alienation or assignment, nor shall such Award be liable for, or subject to, debts, contracts, liabilities, engagements or torts, nor shall it be transferable by the Participant other than by will or by the laws of descent and distribution or as otherwise permitted by the Plan.

Section 11. Successors and Assigns. This Award Agreement shall enure to the benefit of and shall be binding upon the Company and you and their respective heirs, successors and assigns.

Section 12. Construction of Language. Whenever appropriate in this Award Agreement, words used in the singular may be read in the plural, words used in the plural may be read in the singular, and words importing the masculine gender may be read as referring equally to the feminine or the neuter. Any reference to a section shall be a reference to a section of this Award Agreement, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings assigned to them under the Plan.

Section 13. Governing Law. This Award Agreement shall be construed, administered and enforced according to the laws of the State of Ohio without giving effect to the conflict of law principles thereof, except to the extent that such laws are preempted by federal law. The federal and state courts having jurisdiction in Franklin County, Ohio shall have exclusive jurisdiction over any claim, action, complaint or lawsuit brought under the terms of the Plan. By accepting the Award granted under this Award Agreement, you, and any other person claiming any rights under this Award Agreement, agrees to submit himself or herself, and any such legal action as he or she shall bring under the Plan, to the sole jurisdiction of such courts for the adjudication and resolution of any such disputes.

Section 14. Amendment. This Award Agreement may be amended, in whole or in part and in any manner not inconsistent with the provisions of the Plan, at any time and from time to time, by written agreement between the Company and you.

Section 15. Plan Provisions Control. This Award Agreement and the rights and obligations created hereunder shall be subject to all of the terms and conditions of the Plan. In the event of any conflict between the provisions of the Plan and the provisions of this Award Agreement, the terms of the Plan, which are incorporated herein by reference, shall control except as expressly amended or overridden in this Award Agreement. By signing this Award Agreement, you acknowledge receipt of a copy of the Plan. You acknowledge that you may not and will not rely on any statement of account or other communication or document issued in connection with the Award other than the Plan, this Award Agreement, or any document signed by an authorized representative of the Company that is designated as an amendment of the Plan or this Award Agreement.

Section 16. Execution of Executive Responsibility Agreement. The grant of the Awarded Performance RSUs pursuant to this Award Agreement is contingent upon the execution by you, the Participant, of an Executive Responsibility Agreement with the Company in form and substance satisfactory to the President of the Company, if such an Executive Responsibility Agreement has not already been executed and delivered to the Company.

Appendix A to Performance Unit Award Notice and Award Agreement

[Insert Performance Condition(s) as determined by the Committee, including Performance Period and Performance Goal(s) to be achieved during Performance Period]

LIST OF SUBSIDIARIES

The following entities were subsidiaries of the Registrant as of May 14, 2026. Pursuant to Item 601(b)(21)(ii) of Regulation S-K, certain subsidiaries of the Registrant which, considered in the aggregate as a single subsidiary, would not have constituted a significant subsidiary (as defined in Rule 1-02(w) of Regulation S-X) have been omitted.

Name	Jurisdiction of Incorporation or Organization
ADS Ventures, Inc.	Delaware
StormTech LLC	Delaware
ADS Worldwide, Inc.	Delaware
ADS Europe Holding B.V.	Netherlands
ADS Europe B.V.	Netherlands
ADS Middle East FZE	United Arab Emirates
ADS International, Inc.	Delaware
ADS Mexicana, S.A. de C.V. ⁽¹⁾	Mexico
ADSM Centro América, S.A.	Costa Rica
CEDEIM Centro de Desarrollo, Educación e Investigación de México, S.A. de C.V.	Mexico
ADSI-1, LLC	Delaware
Teco S.r.l	Italy
Fish Water Products Sdn. Bhd.	Malaysia
ADSI-2, LLC	Delaware
Teco Irrigation USA, Inc.	California
Kimplas Piping Systems Private Limited ⁽²⁾	India
Kimplas Limited	England and Wales
Hancor of Canada, Inc.	Canada
Tubos y Plásticos ADS Chile Limitada ⁽³⁾	Chile
Tuberias Tigre-ADS Limitada ⁽⁴⁾	Chile
Tigre-ADS Argentina S.R.L. ⁽⁵⁾	Argentina
Tigre-ADS Colombia Limitada ⁽⁵⁾	Colombia
Tigre-ADS Peru S.A.C. ⁽⁵⁾	Peru
Tubos Tigre-ADS do Brasil Limitada ⁽⁵⁾	Brazil
Tubos y Plásticos Tigre-ADS de Chile Limitada ⁽⁵⁾	Chile
ADS Strategic Services LLC	Delaware
EQ Truepointe One, LLC ⁽⁶⁾	Ohio
Green Line Polymers, LLC	Delaware
The Traylor Group, Inc.	Alabama
JET Polymer Recycling, LLC	Alabama
Infiltrator Water Technologies, LLC	Delaware
Delta Treatment Systems, LLC	Delaware
Ezflow GP, LLC	Delaware
Ezflow, L.P. ⁽⁷⁾	Tennessee
Orenco Systems, Inc.	Oregon
Presby Environmental Holdings, LLC	Delaware
Presby Environmental, Inc.	New Hampshire
Presby Plastics, Inc.	New Hampshire
National Diversified Sales, Inc.	California

(1) Owned 51% by ADS Worldwide, Inc. and 49% by our joint venture partner.

(2) Owned 99.9999% by ADSI-1, LLC and nominal interests are held by ADSI-2, LLC.

(3) Owned 86.6354% by ADS Worldwide, Inc. and 13.3646% by ADS International, Inc.

(4) Owned 50% by Tubos y Plásticos ADS Chile Limitada and the remaining 50% by our joint venture partner.

(5) Nominal interests are held by Tuberias Tigre-ADS Limitada and our joint venture partner.

(6) Owned 62.69% by Advanced Drainage Systems, Inc.

(7) Owned 99.99% by Infiltrator Water Technologies, LLC and 0.01% by Ezflow GP, LLC.

* * * * *

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-219664, 333-258492, 333-197732, and 333-266525 on Form S-8 and Registration Statement No. 333-232958 on Form S-3 of our reports dated May 21, 2026, relating to the consolidated financial statements of Advanced Drainage Systems, Inc. and subsidiaries and the effectiveness of Advanced Drainage Systems, Inc.'s and subsidiaries internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended March 31, 2026.

/s/ Deloitte & Touche LLP

Columbus, Ohio
May 21, 2026

**POWER OF ATTORNEY
OFFICERS AND DIRECTORS OF
ADVANCED DRAINAGE SYSTEMS, INC.**

Each of the undersigned officers and/or directors of Advanced Drainage Systems, Inc., a Delaware corporation, hereby constitutes and appoints Scott A. Cottrill, and each of them, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead in any and all capacities, to sign for the undersigned in any and all capacities the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 under the Securities Exchange Act of 1934, as amended, any amendments thereto, and all additional amendments thereto, each in such form as they or any one of them may approve, and to file the same with all exhibits thereto and other documents in connection therewith with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done so that such Annual Report on Form 10-K shall comply with the Securities Exchange Act of 1934, as amended, and the applicable rules and regulations adopted or issued pursuant thereto, as fully and to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them or their substitute or resubstitute, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this instrument has been duly executed as of the 20th day of May, 2026.

Signature	Title
/s/ D. Scott Barbour D. Scott Barbour	Director, President and Chief Executive Officer (Principal Executive Officer)
/s/ Robert M. Eversole Robert M. Eversole	Chairman of the Board of Directors and Director
/s/ Anesa T. Chaibi Anesa T. Chaibi	Director
/s/ Michael B. Coleman Michael B. Coleman	Director
/s/ Alexander R. Fischer Alexander R. Fischer	Director
/s/ Tanya Fratto Tanya Fratto	Director
/s/ Kelly S. Gast Kelly S. Gast	Director
/s/ M.A. (Mark) Haney M.A. (Mark) Haney	Director
/s/ Luther C. Kissam IV Luther C. Kissam IV	Director
/s/ Manuel J. Perez de la Mesa Manuel J. Perez de la Mesa	Director
/s/ Anil Seetharam Anil Seetharam	Director
By: /s/ Scott A. Cottrill Scott A. Cottrill, Attorney-in-fact	

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, D. Scott Barbour, certify that:

1. I have reviewed this Annual Report on Form 10-K (this “Report”) of the registrant, Advanced Drainage Systems, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements and other financial information included in this Report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 21, 2026

By: /s/ D. Scott Barbour
D. Scott Barbour
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Scott A. Cottrill, certify that:

1. I have reviewed this Annual Report on Form 10-K (this "Report") of the registrant, Advanced Drainage Systems, Inc.;
2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;
3. Based on my knowledge, the financial statements and other financial information included in this Report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this Report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and
 - d. Disclosed in this Report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 21, 2026

By: /s/ Scott A. Cottrill
Scott A. Cottrill
Executive Vice President,
Chief Financial Officer,
and Secretary
(Principal Financial Officer)

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as the principal executive officer of Advanced Drainage Systems, Inc. (the "Company"), that, to the best of his knowledge, the Annual Report on Form 10-K of the Company for the fiscal year ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the financial statements included in such report.

May 21, 2026

By: /s/ D. Scott Barbour
D. Scott Barbour
President and Chief Executive Officer
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned hereby certifies, pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as the principal executive officer of Advanced Drainage Systems, Inc. (the "Company"), that, to the best of his knowledge, the Annual Report on Form 10-K of the Company for the fiscal year ended March 31, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented in the financial statements included in such report.

May 21, 2026

By: /s/ Scott A. Cottrill
Scott A. Cottrill
Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate document. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.