



# 2018 ANNUAL REPORT

*Creating Jobs for People with Disabilities*

## A Shared Vision of Success

**PRIDE** exists to help people with disabilities get a job and earn a paycheck. We are a purpose driven company.

Our FY2017-18 was a resounding success by any measure. Record revenues of \$326.6+ million, a \$1.1+ million net profit, along with 5,500+ employees including 3,200+ employees with disabilities working part-time and full-time throughout America.

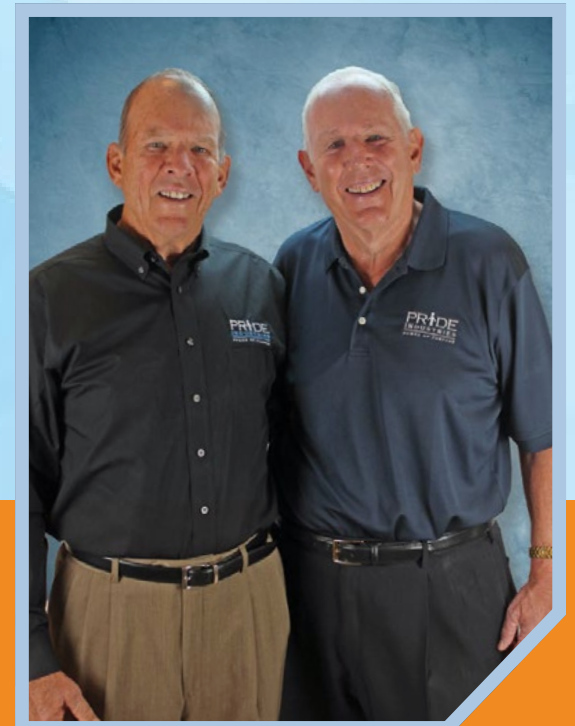
In a world undergoing incredible disruption, driven by global competition, technology innovation, automation, uberization, artificial intelligence, public policy change, climate change, all leading to increased margin pressure, we at PRIDE continue to live out the dreams of our founding parents.

“ At PRIDE, we embrace a world undergoing incredible change and innovation. Our success is a team effort driven by a shared purpose to create jobs for people with disabilities. We remain diligently committed and adaptive in our pursuit of operational and service excellence. ”

By focusing on our customers' needs and providing business solutions to keep our customers competitive in their respective markets, we will continue to expand and create job opportunities for people who need meaningful employment.

Business highlights include; continued growth in the Aviation industry with a new contract at Seattle-Tacoma International Airport, the 9th largest airport in the nation, and we expanded our services at Sacramento International Airport. We added more contracts with the federal government through the AbilityOne® program and experienced record growth across our manufacturing and logistics operations.

Our mission to create jobs for people with disabilities is alive and well. We thank our customers, our team members, our Board of Directors, along with the many community supporters who help PRIDE succeed. The future is bright... so put on your shades and get ready to Rock and Roll.



Bob Olsen  
Chairman

Michael Ziegler  
President / CEO

# People Services

PRIDE Industries creates paths to employment for people with disabilities. Through person-centered job coaching, training and placement, we help individuals find the job that best matches their abilities, and we support their ongoing success. PRIDE's mission extends nationwide, assisting individuals to become self-sufficient, have a sense of purpose, contribute to their communities and achieve their goals.



## Highlights for 2018 include:

- Maintained our prominent status as the largest provider of employment services for individuals with disabilities in the State of California.
- Employed 442 individuals in employment groups working in the community, providing a bridge to independent employment while learning technical and employment soft skills.
- Prepared and placed 326 individuals in community employment thanks to the partnership of 270 employers who understand the value that people with disabilities contribute to the workforce.
- Expanded employment services to Hawaii, providing critical services to individuals with disabilities who had no path to employment.
- Awarded contracts through the AbilityOne® Program to provide services to military bases across the country, creating jobs for more than 1,343 employees with significant disabilities.
- Provided certification training in construction and facility maintenance through PRIDE Ascend to 98 people, providing job placement and ongoing training opportunities through career-oriented apprenticeships.
- Developed an alternative workforce supplier contract with Amazon to place individuals with disabilities into their Prime Now and Sort locations in Culver City, San Bernardino, South Sacramento, and Vacaville facilities.
- Launched HCBS (Home and Community-Based Services) Pilot Program providing 325 PRIDE employees with disabilities part-time work opportunities with partnering nonprofits in the community.
- Added 24 new Supported Employment Work Groups totaling 149 groups at 41 customer locations.
- Awarded to PRIDE's VP of Rehabilitation, Sharon Mendy, the NCSE's (National Council of SourceAmerica Employers) 2018 Management Excellence Award for the PacWest region.
- Recognized as one of two employers by the Texas Workforce Commission and Texas Veterans Commission for hiring and expanding employment opportunities for veterans at our Fort Bliss, TX site.
- Acknowledged as one of the "Best Nonprofits to Work For, 2017" by Indeed.com and TIME Magazine.
- PRIDE Industries CEO, Mike Ziegler received the Nell and John Wooden Ethics in Leadership Award from the Ukleja Center for Ethical Leadership, California State University, Long Beach.

## Business Services

As a social enterprise and one of the largest employers of people with disabilities, PRIDE Industries is much more than just a service contractor. We provide contracting solutions that help make a difference in our customers' organizations and their communities. Our portfolio of services is customized to meet the needs of all our customers nationwide, whether, in the commercial or federal sector, our single focus is to ensure our services are aligned with keeping our customers competitive in their respective markets.



## Highlights for 2018 include:

- Awarded a multi-year custodial and environmental services contract with the Seattle-Tacoma International Airport.
- Expanded our custodial and environmental services contract with the Sacramento International Airport to include Terminal A.

## PRIDE Industries Development & Donor Services

PRIDE Industries Development & Donor Services expands opportunities and services for people with disabilities and other obstacles to employment. Support from generous donors allows us to increase access to community employment, provide training and employment preparation, and supply resources and tools to ensure long-term employment success for people with disabilities.

## Highlights for 2018 include:

- Served 86 at-risk and low-income youth and those exiting foster care (ages 16-21) through PRIDE's Youth Employment Services Program. Participants work one-on-one with PRIDE job developers and job coaches while gaining employment soft skills training, educational connections, paid internships, work-related items such as interview clothes, and extensive coaching and mentoring support.
- 45 individuals completed paid internships funded by the foundation (15 youth, 30 adults) resulting in 75 percent employment and retention at 90 days.
- Provided more than 308,000 hours of job coaching to people with disabilities.
- Extended our reach to 600 individuals with disabilities and other obstacles to employment.
- Funded transportation to and from work for 49 people with disabilities where the lack of transportation excluded employment opportunities.
- Underwrote equipment purchases and assistive technology that helped 7 people with disabilities find, retain or advance in employment.
- Helped 38 people with disabilities keep their jobs by funding emergency employee supports.

- Increased our contract with CoolSystems to include electronics manufacturing and supply chain management for their new product, The Med 4 Elite.
- Recognized as Hewlett Packard Inc.'s sole North American regional Distribution Center for their printing and copier new spare parts needs, increasing PRIDE's supply chain management services and expanding its Lincoln, CA warehouse from 133,000 square feet of space to 266,000 square feet.
- Kicked-off a contract with Buzz Oates Management Services providing custodial and environmental services for 31 properties throughout the Sacramento region.
- Began custodial and environmental services for LA County Internal Services Department, Regions 20-24.
- Added additional business to our current integrated facilities management contract with the Bureau of Engraving and Printing's Western Currency Facility in Fort Worth, TX.
- Partnered with NWN Corporation to provide work groups from PRIDE to manage computer-related product configuration, asset management, and hardware deployment services for over 125 DCSS locations across California.
- Started partnership with Almond Fit to provide primary and secondary kitting, fulfillment and distribution service support.
- Expanded our Mighty Leaf Tea kitting and fulfillment services to include additional Peet's Coffee products.



# HIGHLIGHTS



2017 Total Revenue: \$310.2M  
2018 Total Revenue: \$326.6M



2017 Net Assets: \$20.5M  
2018 Net Assets: \$21.6M

## Our Leadership

### BOARD OF DIRECTORS

**BOB OLSEN** <sup>1,4</sup>  
Chair  
J.R. Roberts Corp.  
Retired Chairman/CEO

**JUDSON RIGGS** <sup>1,2,5</sup>  
Vice Chair  
Teichert, Inc., Chairman/President/CEO

**MIKE SNEGG** <sup>1,2,4,5</sup>  
Treasurer  
Berkeley Capital Trust, CEO

**SANDY SMOLEY** <sup>1,6</sup>  
Secretary  
The Smoley Group, Chairman/CEO

**LARRY WELCH** <sup>1,3</sup>  
Member-at-Large  
Hewlett-Packard, Retired Vice President  
of Indirect Procurement

**BOB SELVESTER** <sup>6</sup>  
State Farm Insurance, Retired Broker

**WALT PAYNE** <sup>3,4</sup>  
Blue Diamond Growers,  
President/CEO, Retired

**ED BONNER** <sup>6</sup>  
Placer County Sheriff, Retired

**ROB LYNCH** <sup>4</sup>  
VSP Global, Board of Directors

**RONALD J. MITTELSTAEDT** <sup>3</sup>  
Waste Connections, Inc., Chairman/CEO

**RICK MAYA** <sup>2</sup>  
U.S. Bank, Mortgage Sales Manager

**DORENE DOMINGUEZ** <sup>3,5</sup>  
Vanir Group of Companies, Chairman

**JIM BARONE** <sup>2</sup>  
Senior Executive Service,  
U.S. Air Force, Retired  
Past Chair, SourceAmerica Board of Directors

**RAO UNNAVA**  
Dean, UC Davis Graduate School of Management

**MICHAEL ZIEGLER** <sup>1,2,5,6</sup>  
Chief Executive Officer  
PRIDE Industries

### EXECUTIVE TEAM

**MICHAEL ZIEGLER** <sup>1,2,5,6</sup>  
Chief Executive Officer

**JEFF DERN** <sup>2,5</sup>  
President

**PETER BERGHUIS**  
Chief Operating Officer

**ALAN MCMILLAN**  
Chief Information Officer

**TINA OLIVEIRA**  
Senior Vice President, Human Resources

**STEVE TWITCHELL**  
Senior Vice President, Marketing,  
Business Development & Strategy

**VIC WURSTEN**  
Senior Vice President, Rehabilitation

### COMMITTEES:

- |              |                 |
|--------------|-----------------|
| 1. Executive | 4. Compensation |
| 2. Finance   | 5. Real Estate  |
| 3. Audit     | 6. Personnel    |

**PRIDE**  
INDUSTRIES

(800) 550-6005

prideindustries.com • prideindustries.org