

THE POWER OF  
PURPOSE

2017  
ANNUAL REPORT

PRIDE  
INDUSTRIES

## Highlights for 2017 include:

- Maintained our prominent status as the largest provider of employment services for individuals with disabilities in the State of California.
- Employed 346 individuals in supported employment groups working in the community. Each group includes three individuals and a job coach, providing a bridge to independent employment while learning technical and employment soft skills.
- Prepared and placed 593 individuals in community employment thanks to the partnership of 235 employers who understand the value that people with disabilities contribute to the workforce.
- Expanded employment services to the Chico, Los Angeles and San Bernardino areas, providing critical services to individuals with disabilities who had no path to employment.
- Served over 150 at-risk youth through the KEYS Program partnership with the Department of Rehabilitation and Placer County Office of Education.
- Awarded contracts through the AbilityOne® Program to provide services to military bases across the country, creating jobs for more than 1,400 employees with significant disabilities.
- Provided certification training in construction and facility maintenance through PRIDE Ascend to 73 people, including job placement and ongoing training opportunities through career-oriented internships.
- Honored as "Employer of the Year" by the California Employer Advisory Council for our record of hiring veterans.
- Acknowledged as "2017 Employer of the Year" by Arkansas Rehabilitation Association.
- Extended PRIDE Ascend to Sacramento, California, offering people with disabilities the opportunity to gain technical skills and industry-based certificates and help them find meaningful employment in Texas and California.
- Awarded "2016 Business of the Year" for Pride Ascend by Texas Workforce Solutions Borderplex and the University of Texas.

## PRIDE Industries Foundation

PRIDE Industries Foundation is dedicated to expanding opportunities for people with disabilities, or other obstacles, for employment. Support from generous donors allows us to expand 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 2017 include:

- Granted 30 individuals paid internships funded by the foundation (13 youth, 17 adults) resulting in 75 percent employment and retention at 90 days.
- Provided more than 319,000 hours of job coaching to people with disabilities.
- Extended our reach to more than 575 individuals with disabilities and other obstacles, to employment.
- Funded transportation to and from work for 58 people with disabilities where the lack of transportation prevented employment opportunities.
- Underwrote equipment purchases and assistive technology that helped 78 people with disabilities find, retain or advance in employment.
- Funded emergency employee supports which allowed 172 people with disabilities to keep their jobs.

## Business Services

PRIDE Industries meets the integrated facilities management, custodial and health care services, manufacturing, global supply chain, and logistics needs of commercial businesses and government agencies nationwide. PRIDE fully embraces its customers' missions by offering services that are flexible and scalable while fulfilling our corporate mission to create jobs for people with disabilities. Certified quality systems, project-dedicated teams, superior customer service and sustainable solutions provide our customers with an end-to-end business partnership designed to exceed expectations.

## Highlights for 2017 include:

- Kicked-off a co-packing contract with Lotus Foods' rice and ramen products.
- Launched partnership with The Midtown Association to expand the successful Clean & Safe program throughout Sacramento's Midtown district.
- Commenced Fort Gillem contract, a new public works contract to help maintain the base, which includes the Criminal Investigation Laboratory (USACIL).

- Increased HP, Inc. business services to include spare part fulfillment for HP, Inc.'s Managed Print Services Division, becoming the sole North America regional distribution center for HP, Inc., requiring PRIDE to expand warehouse operations in Lincoln, CA.
- Expanded partnership with Purple Communications to include manufacturing services for "POP" - a lightbulb that visually notifies deaf and hard-of-hearing individuals of incoming calls. PRIDE's partnership also includes running a series of programming, testing, labeling and packing the POP lightbulbs for shipment and distribution nationwide.
- Awarded a contract with Amazon's Alternate Workforce Supplier Program to recruit, assess, interview, train and provide on-site support for people with disabilities.
- Secured 2017 PRIDE Industries Safer Choice Partner of the Year, United States Environmental Protection Agency (EPA) accreditation for PRIDEClean®.
- Launched PRIDE's First-Class Customer Service Recognition program at Sacramento International Airport, receiving 50+ kudos in 5 months from satisfied travelers.
- Extended our partnership with VSP® to manufacture Printed Circuit Board Assemblies (PCBA's) for a revolutionary project called Level™, the first wearable product to seamlessly integrate health-tracking technology into an optical frame. Along with the manufacturing of PCBA's, PRIDE's Electronics division will also provide product testing and shipping to VSP's Italian manufacturing facility.
- Expanded our janitorial contract with the LA County Internal Services Department.
- Renewed our Stanislaus County janitorial services MSA.
- Awarded San Joaquin Superior Courts janitorial contract.



**2017 Total Revenue: \$310.2M**  
2016 Total Revenue: \$290.6M



**2017 Net Assets: \$20.5M**  
2016 Net Assets: \$19.2M



# H I G H L I G H T S

# 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 FY2016-17 was a resounding success by any measure. Record revenues of \$310.2+ million, a \$1.2 million net profit, along with 5,600+ employees including 3,300+ 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.

“ We are committed to engaging, soliciting and implementing new ideas, solutions, and innovation from our team members nationwide to ensure continued expansion and profitable growth across our business lines. ”

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 a new Public Works contract at Ft. Gillem, Georgia, our partnership with Amazon to help Amazon employ 2,000 people with disabilities at their sites throughout California, an increased presence with Los Angeles County adding 130 new jobs to PRIDE's workforce, along with increased opportunities with our many supply chain and manufacturing customers.

The future is bright at PRIDE. 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.



**Bob Olsen**  
Chairman

**Michael Ziegler**  
President / CEO

# 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, President/CEO

**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*

## EXECUTIVE TEAM

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

*President/Chief Executive Officer*

**PETER BERGHUIS**

*Chief Operating Officer*

**JEFF DERN**

*Chief Financial Officer*

**ALAN MCMILLAN**

*Chief Information Officer*

**TINA OLIVEIRA**

*Senior Vice President, Human Resources*

**STEVE TWITCHELL**

*Senior Vice President, Sales & Marketing*

**VIC WURSTEN**

*Senior Vice President, Rehabilitation Services*

## COMMITTEES:

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