



# CASCADE

ASSET MANAGEMENT

## ANNUAL REPORT



Getting back to  
business in the  
pandemic



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## Cascade gets back to business

The year 2020 profoundly impacted everyone across the globe, Cascade being no exception. While we were anticipating significant growth and expansion in 2020-2021, we needed to adjust to make sure we took care of our employees, our customers, and our local communities as we battled the pandemic together. As we started 2021, we knew we couldn't wait around for the pandemic to disappear. We needed to adapt and focus on meeting the new business realities Cascade was uniquely positioned to address.

### **2021 By the Numbers**

Number of Jobs .....	3,103
Assets inventoried .....	339,075
Pounds of equipment received .....	3,658,266
Number of successful wipe passes.....	177,445
Terabytes of data wiped.....	17,982
Assets resold.....	129,782
Unique Clients serviced .....	326

We expanded our services to help retrieve retired devices from remote workplaces. We ramped up our mobile device testing capabilities to meet the increase in tablets and smartphones circulating among schools and institutions. We leveraged our onsite inventory experience to assist companies to identify and track their assets spread out across remote work environments. We launched an industry leading portal for clients to monitor and report on our disposition of their assets from wherever they worked. We entered the Florida market to satisfy the growing needs of our clients and other organizations in the region.

As a result, Cascade grew significantly while still maintaining high levels of customer satisfaction.

- The number of assets handled by Cascade increased by 38% in 2021 over 2020
- Cascade processed 535,611 more pounds of equipment in 2021, a 17.2% increase over 2020
- Over 31,000 more assets were refurbished for reuse in 2021 compared to 2020; a 32% increase
- Cascade's overall satisfaction rate stayed above 98% despite the increase in workload

As an "essential business," Cascade continued operating throughout the pandemic. We redirected a significant portion of refurbished computer equipment from global markets to local clients requesting computers for employee work-at-home needs and to schools and non-profit organizations providing refurbished laptops to low-income families. We were called in to clear out computer equipment from healthcare clients that reallocated these storage areas to stage essential medical supplies. We also paid out over \$4.8 million in rebates to clients from the resale of their equipment to help bridge their economic hardships.

While we helped others suffering worse than us during this pandemic, we also put in place strategies to keep our company and staff strong. Cascade qualified for a second round of federal PPP funding and used the money to retain all staff, avoid any layoffs, and fund safety protocols. We also invested the money into new strategic initiatives such as our expansion to Florida.

While many in the industry were rebounding and growing again after seeing declines in 2020, Cascade is finding more success than most. By the end of 2021, Cascade had no long-term bank debt, our enterprise client base was growing, and our staff was more dedicated than ever to our cause. The pandemic will have a lasting impact on Cascade, but it also made us more resilient, adept, and eager to get back to business.

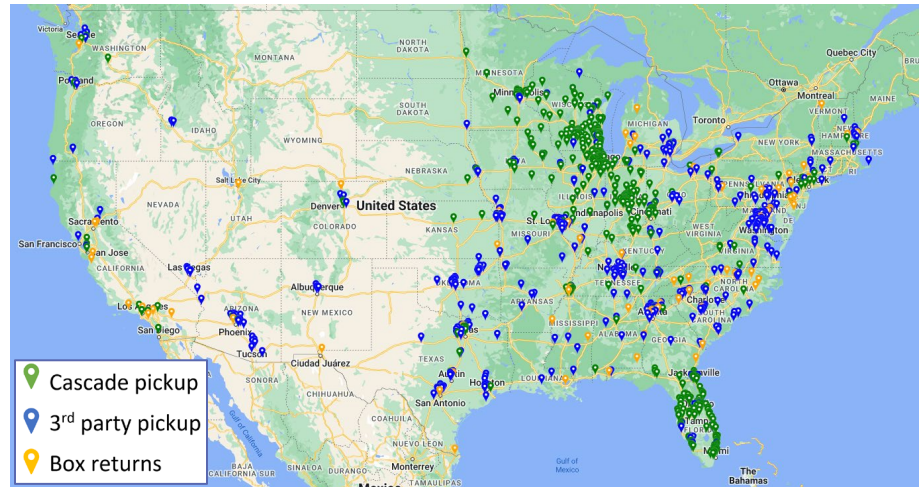
## Cascade's Service Reach

Cascade collected IT assets from 326 unique businesses and organizational clients in 45 states (plus Puerto Rico) across 1,024 different zip codes in 2021.

Over 85% (by weight) of equipment collected in 2021 was managed exclusively by Cascade's own professional, secure, and friendly staff,

allowing us to provide a direct chain of custody of equipment from our clients' sites to one of our processing facilities. Customer deliveries and box return programs made up 30% of all individual Jobs, but only account for 13% of all weight picked up by Cascade. Third party arranged pickups by Cascade make up 3% of all pickups and 1.2% of all weight received at Cascade. Most of Cascade's competitors rely on third parties to collect and transport equipment, which can create added security, service, and cost concerns.

Customer locations serviced by Cascade in 2021



State of Origin	Total Jobs	Weight (lbs.)	% of Total lbs.
<b>Wisconsin</b>	1,133	1,750,932	47.9%
<b>Florida</b>	236	356,071	9.7%
<b>Minnesota</b>	232	187,156	5.1%
<b>Indiana</b>	188	233,804	6.8%
<b>Illinois</b>	159	271,484	7.4%
<b>All other states</b>	1,155	858,819	23.5%
<b>Total number of states serviced: 45, plus Puerto Rico</b>			

Cascade expanded our small volume pickups to client sites across the country using vetted third-party white glove pickup services or box return programs. These additional service options were increasingly utilized by clients with remote work needs during the pandemic. In 2021, we began to expand our service reach and worked with

several national enterprise clients on mobility and cleanout projects. That allowed us to collect equipment from 44% more states in 2021 than in 2019.

Cascade has traditionally concentrated on serving organizations in the Midwest from our production facilities in Madison, Wisconsin and Indianapolis, Indiana. We intended to expand to additional states in 2020, but the pandemic put those plans on hold. Because of demand from our Florida clients and the recognition of the business opportunity in that state, Cascade set up a collection site in Orlando, Florida in January 2021 and then moved into a 15,900 processing facility in June 2021.



## Cascade expands to Florida

Cascade opened its third full-scale processing facility in Orlando, Florida in June 2021. The site can perform onsite services and pickups of retired IT assets throughout Florida. Refurbishing technicians from other Cascade sites relocated to Florida to help with the facility setup and to ensure all data destruction and refurbishing activities could be performed at the site. Like Cascade's other locations, the Orlando site operates an Allegheny shredder for hard drive and SSD destruction. The site also features an Intimus Flashex shredder to destroy flash media and other small data devices.



The facility was certified to the NAID standard in July 2021 and was certified by NSF International to ISO 14001, ISO 9001, and e-Stewards in November 2021. Jeremy Penfold is the General Manager of the facility. Cascade's Orlando facility took in 253,392 lbs. of equipment and 22,362 assets in its first six months of operations.



## Selling Refurbished Products

Cascade's resale revenue grew by more than 35.7% last year, and the number of devices Cascade refurbished and resold (or donated) grew by 32.1% compared to 2020. We sold refurbished gear to every state in the country, except Alaska and Hawaii. Our overall return rate on sold products was 0.15% of total resale value.

Cascade saw its largest percentage increase in sales from retail/online channels (42% growth in revenue compared to wholesale channel growth of 34%). These retail channels include the [Cascade Marketplace](#) and Cascade's eBay store.

Cascade pays a percentage of the resale value back to our customers in the form of a rebate. In 2021, rebate payments to customers increased by 39.9%. On average, Cascade generated \$37.57 in rebate payments to customers for each refurbished device we sold, an increase of 5.9% over the average value generated in 2020.

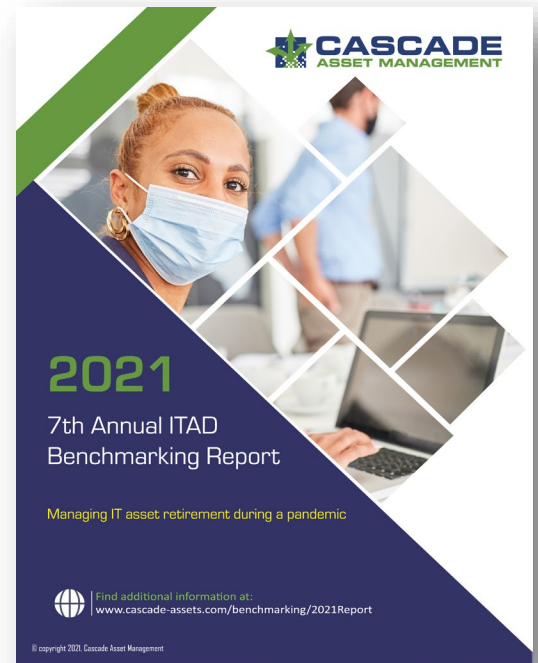


## ITAD Benchmarking Report Published

Cascade published its seventh [annual benchmarking report](#) based primarily on information gathered from clients during our exhaustive annual survey. Seventy U.S. enterprises and organizations collectively representing over 270,000 employees from 16 different industry segments shared their views on a wide variety of topics, including the pandemic's impact on their IT asset management decisions.

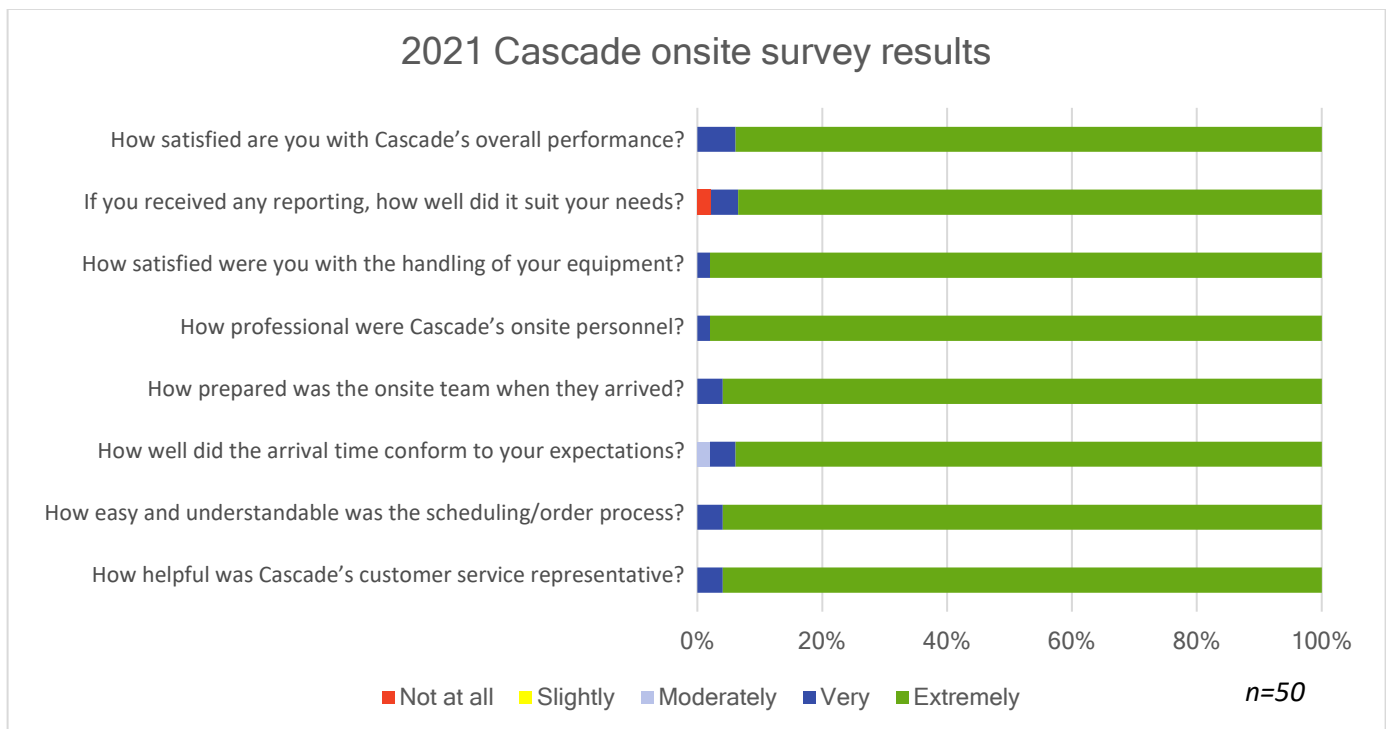
The report also included an evaluation of more than 560,000 assets processed by Cascade between 2019-20. Secondary resale market data trends indicated significant increases in the average values of refurbished assets, driven by the lack of supply of new computer equipment and the increased demand for personal computers due to remote work and schooling.

The report is one of Cascade's primary educational and outreach tools. Cascade shared. Industry trade groups, journals, and colleagues have come to rely on it for assessing trends by enterprises. Cascade also uses the findings to benchmark our clients' ITAD programs to help them improve.



## Satisfied Customers

We ask our ITAD customers to evaluate the performance of our services on several criteria. Whenever we go onsite to perform asset disposition and data security services, we invite our customers to rate us on several factors and give us feedback to help us improve. Fifty of these surveys were completed in 2021. The respondents gave Cascade a Net Promoter Score of 97 out of 100. In comparison, the average Net Promoter Score in SurveyMonkey from 4,697 organizations in this same professional services category is only 47.



In our annual survey of all clients, 86.3% of respondents indicated they were "very satisfied" with Cascade's overall performance throughout the year. Another 11.8% said they were "satisfied" with Cascade, earning Cascade a 98% satisfaction rating.

Cascade's resale program also achieved the impressive milestone of a **98.7% positive feedback** rating for eBay transactions over a 12-month period in 2021.

## Recognized for excellence in quality

Cascade was recognized as one of the nation's top IT Asset Disposition (ITAD) companies, among 40 reviewed, in a [2021 published report](#) by ITAD analyst David Daoud of Compliance Standards.

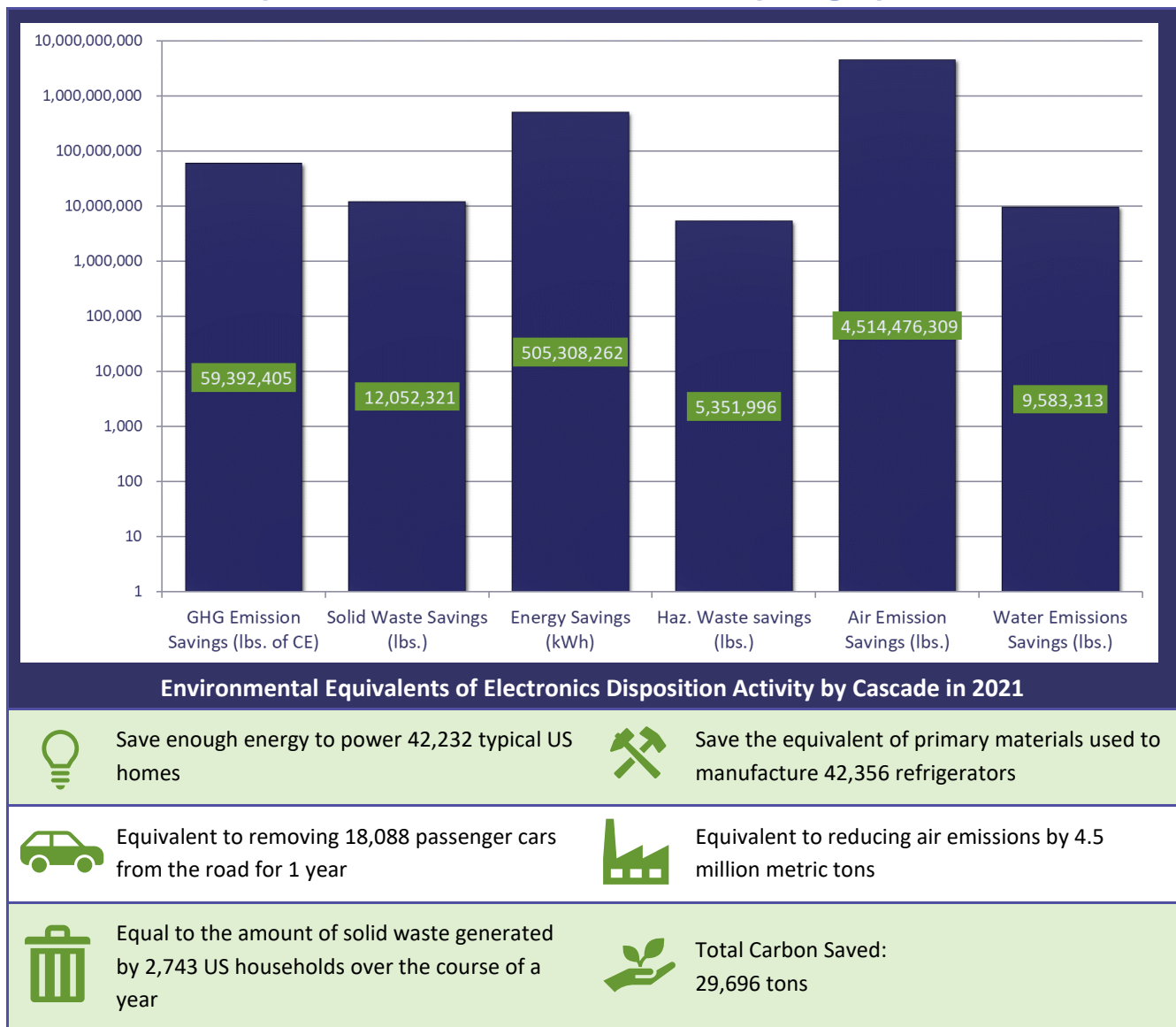
"Cascade Asset Management is among the best performing ITAD providers both in terms of competitiveness and customer feedback and perception," writes Daoud in his analysis of the survey findings. "The company excels in maintaining strong relations with its existing customer base. We note that while the average company was rated 'strong' in the 'relationship' factor for 69.4% of the companies surveyed, Cascade surpassed that figure by nearly 20 percent-points to almost 87% of its customers."

## Environmental Stewardship

The collective environmental benefit of the electronic equipment reuse and recycling efforts by Cascade and our customers continues to have a positive impact. By reducing the need to manufacture new devices (due to reuse) or mine materials for production (due to recycling), we reduce waste and save resources. This has an impact on carbon emissions that contribute to climate change.

The charts below show the environmental impact of reusing and recycling more than 3.6 million pounds of electronics for our clients in 2021. Compared to landfilling these electronics, Cascade's processing of these electronics is equivalent to saving over 29,600 tons of carbon from being released into the atmosphere.


### Environmental impact of electronics reuse and recycling by Cascade - 2021



## Other Significant 2021 Activities and Achievements

Cascade worked on several initiatives throughout 2021 to support our continual improvement goals.

- **Cascade Tracker:** Cascade launched a completely new version of its online tracking portal for clients in 2021. The tool was developed exclusively by and for Cascade to provide clients on-demand access to their Jobs and Asset processing activity. By the end of 2021, over 1 million records were available to over 300 different clients. The Tracker tool provides best in class access to activity reports and features and API for direct integration with asset management database solutions.


- **Ergonomic Safety:** Cascade addressed the various ergonomic challenges from different work activities at Cascade by investing in new equipment and workstations to help both production staff and office workers reduce the risk of injury. Better inventory workstations, improved work stools, sit/stand desks, new office task chairs, platforms for disassembling lighter devices, and a server lift were part of a \$150,000 initiative to provide better engineering design for ergonomics at Cascade. As a result, the incident rate of ergonomics injury dropped from 5.32 injury-days per 200,000 hours worked in 2020 to just 2.29 injury-days per 200,000 hours worked.
- **Battery Safety:** As batteries become more prevalent in electronic devices, we encounter them more and more in our refurbishment and recycling activities. Damaged batteries pose a distinct risk of a thermal event or fire. Cascade introduced a solution to allow us to safely and legally transport damaged batteries from client sites using fire retardant packaging with compliant DOT labels and permits. Thousands of damaged batteries were managed by Cascade in 2021.
- **Information Systems upgrades:** Cascade transferred its business productivity platforms to Microsoft Office 365, allowing staff to collaborate better with each other and with clients on a Teams platform. Departments and other Cascade programs also migrated all intranet resources to a new integrated SharePoint site.
- **Retirement savings investments:** Cascade invested in its employees by reintroducing a 401k match to employees' retirement contributions. Cascade contributed over \$47,000 to employee retirement savings accounts in 2021. The collective retirement savings in the Cascade 401k program grew by 36.9% in 2021 over the previous year.
- **Re-branding:** Cascade launched a new website and published client case studies highlighting the value we offer into the marketplace. Video testimonials helped explain how Heartland Dental was able to better meet its business needs by utilizing Cascade's services.