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ANGELICA CORP /NEW/  
Form 10-K  
April 08, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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FORM 10-K

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

For the Fiscal Year Ended January 26, 2002

Commission File Number 1-5674  
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ANGELICA CORPORATION

(Exact name of registrant as specified in its charter)

Missouri	43-0905260
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
424 South Woods Mill Road	63017-3406
Chesterfield, Missouri	(Zip Code)
(Address of principal executive offices)	

(314) 854-3800  
(Registrant's telephone number, including area code)  
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Securities registered pursuant to Section 12(b) of the Act:	
Title of each class	Name of each exchange on which registered
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Common Stock, \$1.00 Par Value	New York Stock Exchange
Preferred Stock Purchase Rights issuable pursuant to Registrant's Shareholder Rights Plan	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

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 X No  
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Indicate by check mark if disclosure of delinquent filers pursuant to  
Item 405 of Regulation S-K is not contained herein, and will not be

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contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. X

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State the aggregate market value of the voting stock held by non-affiliates of the Registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing.

\$129,854,945	March 28, 2002
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Value	Date of Valuation

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of March 28, 2002.

Common Stock, \$1.00 par value, 8,621,006 shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement dated April 29, 2002 are incorporated in Part III.

PART I

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ITEM 1. BUSINESS

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GENERAL DEVELOPMENT OF BUSINESS

Angelica Corporation (the "Company") and its subsidiaries provide products and services to a wide variety of institutions and individuals, which are in primarily three markets: health services, hospitality and other service industries. The Company was founded in 1878 and was incorporated as Angelica Corporation in 1968.

The Company's businesses are reported in three industry segments: Textile Services, Manufacturing and Marketing and Retail Sales. The Company has determined to treat the Manufacturing and Marketing segment as a discontinued operation for accounting purposes as of January 26, 2002. The Company's Manufacturing and Marketing operations consisted of Angelica Image Apparel in the United States and Sally Fourmy & Associates, a smaller operation in Canada, collectively engaged in the manufacture and sale of uniforms and business career apparel for a wide variety of institutions and businesses. The Company anticipates entering into a definitive agreement for the sale of certain assets of the non-healthcare portion of the Manufacturing and Marketing segment to Cintas Corporation in mid-April of 2002. Also, the Company anticipates entering into a definitive agreement for the sale of certain assets of the healthcare portion of the Manufacturing and Marketing segment to Medline Industries, Inc. in mid-April of 2002. Information about the Company's industry segments appears in Note 11 to the Notes to Consolidated Financial Statements included in response to Item 14 of this Form 10-K and is incorporated herein by reference. This information includes, for each segment, sales and revenues, income from continuing operations before income taxes, assets, depreciation and amortization and

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capital additions for each of the three years in the period ended January 26, 2002.

### TEXTILE SERVICES

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As of January 26, 2002, the Textile Services segment had 26 laundry plants generally in or near various major metropolitan areas in the United States, principally providing textile rental and laundry services for healthcare institutions. This segment also provides a limited amount of general linen services in selected areas, principally to hotels, motels and restaurants.

The markets in which the Textile Services segment operates are very competitive, being characterized generally by a large number of independent, privately-owned competitors. Industry statistics are not available, but the Company believes that its Textile Services segment constitutes the largest supplier of textile rental and laundry services to healthcare institutions in the United States. Competition is on the basis of quality, reliability and price.

### RETAIL SALES

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The Retail Sales segment is a specialty retailer offering uniforms and shoes primarily for nurses and other healthcare professionals through a nationwide chain of retail stores under the name of Life Uniform and Shoe Shops, located primarily in malls and strip shopping centers and to a limited extent inside hospitals. In fiscal 2001, the Company began offering merchandise by means of catalogues and e-commerce to complement its retail stores.

The Company believes there are approximately 2,000 specialty retail stores and approximately ten catalogue operations in the United States, all primarily privately-owned, offering merchandise comparable to that offered by the Company's Retail Sales segment. In addition, such merchandise is also offered by others, including some large chain apparel retailers. Retail operations are conducted under highly competitive conditions in the local area where each of the Company's stores is located, with the Company competing on the basis of store location, merchandise selection and value. Industry statistics are not available, but the Company believes its Retail Sales segment is the nation's largest specialty retailer offering uniforms and shoes to nurses and other healthcare professionals.

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### ADDITIONAL INFORMATION

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The Company does not hold any material patents, licenses, franchises or concessions. It does not consider its business to be seasonal to any significant extent. The Company has no unusual working capital requirements. No segment of the Company's business is dependent on a single customer. No portion of the Company's business is subject to renegotiation of profits under a government contract.

### ENVIRONMENTAL CONSIDERATIONS

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The operations of the Company are subject to various laws and regulations

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relating to public health, worker safety and the environment. The Company is not presently engaged in any material issues or controversies related to such matters. Compliance with laws regulating the discharge of materials into the environment or otherwise relating to the protection of the environment has not had a material effect on the Company's capital expenditures, earnings or competitive position. The Company does not expect any material expenditures will be required in order to comply with any federal, state or local environmental regulations.

EMPLOYEES

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As of January 26, 2002, the Company employed approximately 7,000 persons (including approximately 800 part-time employees).

FINANCIAL INFORMATION ABOUT GEOGRAPHIC AREAS

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Sales of foreign operations and export sales are not significant.

ITEM 2. PROPERTIES

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A list of the Company's principal facilities as of January 26, 2002 follows. Unless otherwise indicated, each of the facilities is owned by the Company. There is no individual parcel of real estate owned or leased which is of material significance to the Company's total assets. No difficulty in renewing leases which expire in the near future is anticipated by the Company. In the opinion of the Company, all such facilities are maintained in good condition and are adequate and suitable for the purposes for which they are used.

Textile Services Segment Laundries

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Antioch, CA  
Ballston Spa, NY  
Batavia, NY  
Chicago, IL  
Columbia, IL  
Colton, CA  
Dallas, TX (leased)  
Denver, CO  
Daytona Beach, FL  
Edison, NJ  
Fresno, CA  
Holly Hill, FL  
Houston, TX  
Long Beach, CA  
Lorain, OH  
Los Angeles, CA  
Ooltewah, TN  
Orange, CA

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Pawtucket, RI  
Philadelphia, PA (leased)  
Pomona, CA  
Rio Vista, CA

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Rockmart, GA  
San Diego, CA  
San Fernando, CA  
Stockton, CA

As of January 26, 2002, 26 laundries, both owned and leased, plus warehouse facilities located in 12 states were used in the Textile Services segment. Laundry facilities generally are not fully utilized, although some of them operate on a multi-shift basis. The Company estimates that, assuming the availability of labor, output of these facilities could be increased by 20 percent with existing equipment by working longer hours, and by an additional 25 percent (for a total of 45 percent) with the installation of additional equipment.

Life Retail Stores  
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As of January 26, 2002 there were 287 retail specialty stores, located in 36 states, used in the Retail Sales segment. All retail store premises are leased.

Miscellaneous  
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Corporate Headquarters  
St. Louis County, MO (leased)

Manufacturing and Marketing Segment Plants (Discontinued Operations as of January 26, 2002)

Alamo, TN (distribution center)  
Collinwood, TN (leased)  
Mountain View, MO (leased)  
San Jose, Costa Rica (leased)  
Savannah, TN (leased)  
Tishomingo, MS (leased - closed 01/29/02)

The Company also has various warehouses and sales facilities in the United States and Canada.

ITEM 3. LEGAL PROCEEDINGS  
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The Company is not a party, and none of its property is subject, to any material pending legal proceeding other than ordinary routine litigation incidental to the business. Management believes that liabilities, if any, resulting from pending routine litigation in the ordinary course of the Company's business should not materially affect the financial condition or results of operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS  
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No matters were submitted to a vote of shareholders during the fourth quarter of the Company's year ended January 26, 2002.

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ITEM 4A. EXECUTIVE OFFICERS OF THE REGISTRANT

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Name	Present Position (1) (2)	Year First Elected as an Officer	Age
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Paul R. Anderegg(3)	Vice President; President, Textile Services Business Segment of Angelica	2001	51
Theodore M. Armstrong	Senior Vice President-Finance and Administration and Chief Financial Officer	1986	62
Steven L. Frey(4)	Vice President, General Counsel and Secretary	1999	52
Don W. Hubble(5)	Chairman, President and Chief Executive Officer	1998	62
Charles D. Molloy, Jr.(6)	Vice President; President, Manufacturing and Marketing Business Segment of Angelica	1998	57
Denis R. Raab(7)	Vice President; President, Life Retail Stores Business Segment of Angelica	1999	52
Edward P. Ryan(8)	Vice President, Sales and Marketing; Executive Vice President Sales & Marketing of Textile Services Business Segment of Angelica	2000	58
James W. Shaffer(9)	Vice President and Treasurer	1999	49
Daniel J. Westrich(10)	Vice President and Chief Information Officer	1999	58