UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

> Date of Report (date of earliest event reported): June 30, 2023

CHEMED CORPORATION

(Exact name of registrant as specified in its charter)

1-8351

31-0791746

Delaware

Securities Exchange Act of 1934. [_]

(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)
	Financial Center, 255 East 5th Street, Cincinnati, C ress of principal executive offices) (Zip Co	
R	egistrant's telephone number, including area code: (513) 762-6690	
Check the appropriate box below if the Form 8-K filir following provisions (see General Instruction A.2 below		bligation of the registrant under any of the
	` '	
Securities registered pursuant to 12(b) of the Act:		
Title of each class Capital stock \$1 par value	Trading symbol CHE	Name of each exchange on which registered NYSE
Capital Stock of par value	CIIL	11101

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Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the

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. [_]

Item 2.02 Results of Operations and Financial Condition

On July 26, 2023, Chemed Corporation issued a press release announcing its financial results for the quarter ended June 30, 2023. A copy of the release is furnished herewith as Exhibit 99.

Item 9.01 Financial Statements and Exhibits

d) Exhibit

(99) Registrant's press release dated July 26, 2023

104 The cover page from this Current Report on Form 8-K formatted in Inline XBRL

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SIGNATURES

Dated: <u>July 26, 2023</u>

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CHEMED CORPORATION

By: /s/ <u>Michael D. Witzeman</u>
Michael D. Witzeman
Vice President and Controller

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NEWS RELEASE

Chemed Corporation * 2600 First Financial Center * 255 E. 5th Street * Cincinnati OH 45202-4726

CONTACT: David P. Williams (513) 762-6901

Chemed Reports Second-Quarter 2023 Results

CINCINNATI, July 26, 2023—Chemed Corporation (Chemed) (NYSE: CHE), which operates VITAS Healthcare Corporation (VITAS), one of the nation's largest providers of end-of-life care, and Roto-Rooter, the nation's largest commercial and residential plumbing and drain cleaning services provider, reported financial results for its second quarter ended June 30, 2023, versus the comparable prior-year period, as follows:

Consolidated operating results:

- · Revenue increased 4.2% to \$554 million
- · GAAP Diluted Earnings-per-Share (EPS) of \$3.51
- · Adjusted Diluted EPS of \$4.71, a decrease of 2.7%

VITAS segment operating results:

- · Net Patient Revenue of \$321 million, an increase of 7.8%
- · Average Daily Census (ADC) of 18,392, an increase of 6.2%
- · Admissions of 15,611, an increase of 5.9%
- Net Income, excluding certain discrete items, of \$35.7 million, an increase of 1.3%
- · Adjusted EBITDA, excluding Medicare Cap, of \$50.7 million, an increase of 1.4%
- · Adjusted EBITDA margin, excluding Medicare Cap, of 15.7%, a decline of 101-basis points

Roto-Rooter segment operating results:

- · Revenue of \$233 million, a decline of 0.2%
- · Net Income, excluding certain discrete items, of \$46.1 million, a decrease of 5.6%
- · Adjusted EBITDA of \$65.9 million, a decline of 4.5%
- · Adjusted EBITDA margin of 28.3%, a decline of 128-basis points

VITAS

VITAS net revenue was \$321 million in the second quarter of 2023, which is an increase of 7.8% when compared to the prior year period. This revenue increase is comprised primarily of a 6.2% increase in days-of-care and a geographically weighted average Medicare reimbursement rate increase of approximately 2.7%, partially offset by 100-basis points as a result of CMS reimplementing sequestration that was suspended at the start of the pandemic. Acuity mix shift had minimal impact in the quarter when compared to the prior-year revenue and level-of-care mix.

The combination of Medicare Cap and other contra revenue changes negatively impacted revenue growth by 10-basis points.

In the second quarter of 2023, VITAS accrued \$2.75 million in Medicare Cap billing limitations. This compares to a \$2.0 million Medicare Cap billing limitation in the second quarter of 2022.

Of VITAS' 30 Medicare provider numbers, 24 provider numbers have a trailing nine-month Medicare Cap cushion of 10% or greater, three provider numbers have a cushion between 5% and 10%, and three provider numbers have a trailing nine-month billing limitation liability.

Average revenue per patient per day in the second quarter of 2023 was \$197.02 which is 178-basis points above the prior-year period. Reimbursement for routine home care and high acuity care averaged \$172.91 and \$1,031.58, respectively. During the quarter, high acuity days-of-care were 2.8% of total days of care, essentially equal to the prior-year quarter.

The second quarter 2023 gross margin, excluding Medicare Cap and the hiring and retention bonus program, was 22.7%. This is a 143-basis point increase when compared to the second quarter of 2022. The margin increase is net of sequestration which reduced reimbursement 100-basis points when compared to the prior year. During the quarter, VITAS increased the licensed healthcare staff by 309 professionals. This results in total licensed staff increasing by 784 professionals since the inception of the retention program on July 1, 2022. The increase of 309 net professionals hired during the second quarter of 2023, basically underutilized capacity, is estimated to have negatively impacted margins in the quarter by approximately 80-basis points.

Selling, general and administrative expenses were \$22.7 million in the second quarter of 2023 and compares to \$23.1 million incurred in the prior-year quarter. Adjusted EBITDA, excluding Medicare Cap, totaled \$50.7 million in the quarter, an increase of 1.4%. Adjusted EBITDA margin in the quarter, excluding Medicare Cap, was 15.7%, which is 101-basis points below the prior-year period. This Adjusted EBITDA margin was negatively impacted by 100-basis points for the reimplementation of sequestration and approximately 80-basis points due to the addition of 309 licensed professionals during the second quarter of 2023.

Roto-Rooter

Roto-Rooter generated quarterly revenue of \$233 million in the second quarter of 2023, a decline of 0.2%, when compared to the prior-year quarter.

Roto-Rooter branch commercial revenue in the quarter totaled \$55.5 million, an increase of 1.3%, over the prior year. This aggregate commercial revenue growth consisted of drain cleaning revenue declining 3.0%, plumbing increasing 5.4%, excavation increasing 2.9%, and water restoration increasing 9.7%.

Roto-Rooter branch residential revenue in the quarter totaled \$158 million, a decline of 1.1%, over the prior-year period. This aggregate residential revenue growth consisted of drain cleaning decreasing 8.6%, plumbing declining 2.8%, excavation expanding 3.8%, and water restoration

increasing 2.5%.

Roto-Rooter's gross margin in the quarter was 52.3%, an 89-basis point decline when compared to the second quarter of 2022. Adjusted EBITDA in the second quarter of 2023 totaled \$65.9 million, a decrease of 4.5%. The Adjusted EBITDA margin in the quarter was 28.3%, which is 128-basis points below the prior year period.

Chemed Consolidated

As of June 30, 2023, Chemed had total cash and cash equivalents of \$160 million and no current or long-term debt.

In June 2022, Chemed entered into a five-year \$550 million Amended and Restated Credit Agreement (Credit Agreement). This Credit Agreement consisted of a \$100 million amortizable term loan and a \$450 million revolving credit facility. The interest rate on this Credit Agreement has a floating rate that is currently SOFR plus 100-basis points. During the quarter, the Company paid off the remaining portion of the term loan. The Company has approximately \$405 million of undrawn borrowing capacity under the Credit Agreement.

During the quarter, the Company repurchased 25,000 shares of Chemed stock for \$13.4 million which equates to a cost per share of \$536.98. As of June 30, 2023, there was approximately \$74 million of remaining share repurchase authorization under its plan.

Guidance for 2023

VITAS 2023 revenue, prior to Medicare Cap, is estimated to increase 8.5% to 9.5% when compared to 2022. Forecasted revenue growth is negatively impacted by 75-basis points as a result of the sequestration relief in the first half of 2022 compared to a full year of sequestration in 2023. ADC is estimated to increase 6.5% to 7.5%. Full year adjusted EBITDA margin, prior to Medicare Cap and accrued retention bonuses related to the hiring initiatives, is estimated to be 16.5% to 17.0%. We are currently estimating \$11 million for Medicare Cap billing limitations in calendar year 2023.

Roto-Rooter is forecasted to achieve full-year 2023 revenue growth of 1.0% to 2.0%. Roto-Rooter's adjusted EBITDA margin for 2023 is expected to be 28.0% to 28.5%.

Based upon the above, full-year 2023 earnings per diluted share, excluding: non-cash expense for stock options, tax benefits from stock option exercises, costs related to litigation, retention program for licensed healthcare employees, and other discrete items, is estimated to be in the range of \$19.90 to \$20.10. Current 2023 guidance assumes an effective corporate tax rate on adjusted earnings of 24.7% and a diluted share count of 15.2 million shares. Chemed's 2022 reported adjusted earnings per diluted share was \$19.75.

Conference Call

Chemed will host a conference call and webcast at 10 a.m., ET, on Thursday July 27, 2023, to discuss the company's quarterly results and to provide an update on its business. Participants may access a live webcast of the conference call through the investor relations section of Chemed's website, Investor Relations Home | Chemed Corporation or the hosting website https://edge.media-server.com/mmc/p/ntafx2iw.

Participants may also register via teleconference at:

https://register.vevent.com/register/BI8193ef2f50f34636bd3182c2d88daff9.

Once registration is completed, participants will be provided with a dial-in number containing a personalized conference code to access the call. All participants are instructed to dial-in 15 minutes prior to the start time.

A taped replay of the conference call will be available beginning approximately two hours after the call's conclusion. You may access the replay via webcast through the investor relations section of Chemed's website.

Chemed Corporation operates in the healthcare field through its VITAS Healthcare Corporation subsidiary. VITAS provides daily hospice services to approximately 18,400 patients with severe, life-limiting illnesses. This type of care is focused on making the terminally ill patient's final days as comfortable and pain-free as possible.

Chemed operates in the residential and commercial plumbing and drain cleaning industry under the brand name Roto-Rooter. Roto-Rooter provides plumbing, drain cleaning, and water cleanup services through company-owned branches, independent contractors and franchisees in the United States and Canada. Roto-Rooter also has licensed master franchisees in the republics of Indonesia and Singapore, and the Philippines.

This press release contains information about Chemed's EBITDA, Adjusted EBITDA and Adjusted Diluted EPS, which are not measures derived in accordance with GAAP and which exclude components that are important to understanding Chemed's financial performance. In reporting its operating results, Chemed provides EBITDA, Adjusted EBITDA and Adjusted Diluted EPS measures to help investors and others evaluate the Company's operating results, compare its operating performance with that of similar companies that have different capital structures and evaluate its ability to meet its future debt service, capital expenditures and working capital requirements. Chemed's management similarly uses EBÎTDA, Adjusted EBITDA and Adjusted Diluted EPS to assist it in evaluating the performance of the Company across fiscal periods and in assessing how its performance compares to its peer companies. These measures also help Chemed's management to estimate the resources required to meet Chemed's future financial obligations and expenditures. Chemed's EBITDA, Adjusted EBITDA and Adjusted Diluted EPS should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP. We calculated Adjusted EBITDA Margin by dividing Adjusted EBITDA by service revenue and sales. A reconciliation of Chemed's net income to its EBITDA, Adjusted EBITDA and Adjusted Diluted EPS is presented in the tables following the text of this press release.

Forward-Looking Statements

Certain statements contained in this press release and the accompanying tables are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "hope," "anticipate," "plan" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Chemed does not undertake and specifically disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These statements are based on current expectations and assumptions and involve various risks and uncertainties, which could cause Chemed's actual results to differ from those expressed in such forward-looking statements.

These risks and uncertainties arise from, among other things, possible changes in regulations governing the hospice care or plumbing and drain cleaning industries; periodic changes in reimbursement levels and procedures under Medicare and Medicaid programs; difficulties predicting patient length of stay and estimating potential Medicare reimbursement obligations; challenges inherent in Chemed's growth strategy; the current shortage of qualified nurses, other healthcare professionals and licensed plumbing and drain cleaning technicians; Chemed's dependence on patient referral sources; and other factors detailed under the caption "Description of Business by Segment" or "Risk Factors" in Chemed's most recent report on form 10-Q or 10-K and its other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on such forward-looking statements and there are no assurances that the matters contained in such statements will be achieved.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)(unaudited)

	7	Three Months	Ended	d June 30,		Six Months E	nded	June 30,
		2023		2022		2023		2022
Service revenues and sales	\$	553,816	\$	531,288		1,113,973	\$	1,061,837
Cost of services provided and goods sold		374,193		336,821		744,898		673,373
Selling, general and administrative expenses (aa)		94,987		87,853		195,082		177,807
Depreciation		12,634		12,714		24,920		24,852
Amortization		2,514		2,520		5,027		5,038
Other operating (income)/expense		(18)		(558)		1,721		(545)
Total costs and expenses		484,310		439,350		971,648		880,525
Income from operations		69,506		91,938		142,325		181,312
Interest expense		(771)		(902)		(2,322)		(1,712)
Other income/(expense)net (bb)		1,609		(4,930)		1,506		(8,792)
Income before income taxes		70,344		86,106		141,509		170,808
Income taxes		(16,967)		(19,650)		(34,011)		(40,183)
Net income	\$	53,377	\$	66,456	\$	107,498	\$	130,625
Earnings Per Share	-	-	-		-		-	
Net income	\$	3.54	\$	4.45	\$	7.16	\$	8.73
Average number of shares outstanding	-	15,058	-	14,932	-	15,013	-	14,959
Diluted Earnings Per Share								
Net income	\$	3.51	\$	4.40	\$	7.09	\$	8.62
Average number of shares outstanding	-	15,219		15,111		15,167	_	15,152
(aa) Selling, general and administrative ("SG&A") expenses		se (in thousand		d June 20		Six Months E	ndod	June 20
		2023	Ended	2022		2023	nueu	2022
SG&A expenses before long-term incentive compensation and the impact of market value adjustments related to	_		_		_		_	
deferred compensation plans	\$	91,733	\$	91,422	\$	189,634	\$	184,000
Long-term incentive compensation		1,750		1,517		4,264		2,827
Market value adjustments related to deferred		1 504		(F.00C)		1 104		(0.020)
compensation trusts	_	1,504	Φ.	(5,086)	_	1,184	Φ.	(9,020)
Total SG&A expenses	\$	94,987	\$	87,853	\$	195,082	\$	177,807
(bb) Other income/(expense)net comprises (in thousands):		Three Months	Endec			Six Months E	nded	
		Three Months 2023	Ended	d June 30, 2022		Six Months E	nded	June 30, 2022
Market value adjustments related to deferred		2023		2022		2023		2022
Market value adjustments related to deferred compensation trusts	<u> </u>	2023 1,504	Ended	2022 (5,086)	\$	2023 1,184	nded \$	(9,020)
Market value adjustments related to deferred		2023		2022	\$	2023		2022

1,609

(4,930)

1,506

(8,792)

Total other income/(expense)--net

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEETS

(in thousands, except per share data)(unaudited)

Asser control assets Cash and cash equivalents \$ 150,94 \$ 1,605 Cash and cash equivalents 120,314 \$ 1,605 Inventories 11,666 17,256 Prepaid income taxes 16,666 17,256 Prepaid sicknesses 337,160 203,166 Total current assets 337,160 203,166 Investments of deferred compensation plans held in trust 99,522 96,601 Properties and equipment, at cost less accumulated depreciation 94,922 100,301 Lease right of use asset 34,932 103,307 Code duffilable intangible assets less accumulated amortization 94,932 103,307 Godyla 94,932 103,307 Godyla 94,932 103,307 Cotours sesses 5,060 9,07 Accused Insurance \$ 1,050 \$ 1,000 Accument protion of long-term debt \$ 3,00 8,00 Accuved legal \$ 3,00 8,00 Accude languance \$ 3,00 8,00 Accument liabilities \$ 3,00 8,00		June 30,			
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Other assets 56,708 9,972 Total Assets 1,312,964 Labilities Current Joint Join Joing-term debt \$ 41,058 7,3975 Accounts payable \$ 41,058 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,662 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt 9,894 95,624 Long-term lease liability 102,112 103,389 Other liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 102,112 103,389 Total Liabilities 353,101 628,004 Total Liabilities 36,961 36,651 Total Liabilities 36,961 36,651	Identifiable intangible assets less accumulated amortization		94,932		103,837
Total Assets \$ 1,505,180 \$ 1,312,964 Laibilities Accounts payable \$ 41,058 \$ 73,975 Current portion of long-tern debt 57,461 54,828 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 30,662 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt 10,212 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,80 11,069 Total Liabilities 53,101 62,804 Total Liabilities 53,101 62,804 Stockholders' Equity 2,294,004 2,090,214 Peira compensation payable in Company stock 2,294,004 2,090,214 Treasury stoc	Goodwill		581,542		579,653
Liabilities Current liabilities 41,058 73,975 Accounts payable 5,000 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 36,81 21,054 Long-term debt 1 111,800 Deferred income taxes 98,941 95,624 Long-term lease liability 98,941 95,624 Long-term lease liabilities 98,941 95,624 Long-term lease liabilities 98,941 95,624 Long-term lease liabilities 98,941 95,624 Other liabilities 36,961 11,089 Total Liabilities 36,961 12,800 Total Liabilities 36,961 28,004 Stockholders' Equity 1,240,415 1,089,129 Retained eamings 2,294,004 2,09	Other assets		56,708		9,972
Current liabilities \$ 41,058 73,975 Current portion of long-term debt - 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,296 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,800 11,069 Total Liabilities 36,994 36,651 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272	Total Assets	\$	1,505,180	\$	1,312,964
Accounts payable \$ 41,058 \$ 73,975 Current portion of long-term debt - 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 302,487 285,068 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,800 11,069 Total Liabilities 36,991 36,651 Total Capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 684,900 684,900 <	Liabilities				
Current portion of long-term debt 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 684,960 684,960 <	Current liabilities				
Current portion of long-term debt - 5,000 Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity Capital stock 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockh	Accounts payable	\$	41,058	\$	73,975
Accrued insurance 57,461 54,828 Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 684,960			-		5,000
Accrued compensation 74,384 68,290 Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			57,461		54,828
Accrued legal 6,096 808 Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			74,384		68,290
Short-term lease liability 38,779 39,062 Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	-		6,096		808
Other current liabilities 84,709 43,105 Total current liabilities 302,487 285,068 Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			38,779		39,062
Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	· ·		84,709		43,105
Deferred income taxes 36,681 21,054 Long-term debt - 111,800 Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	Total current liabilities		302,487		285,068
Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			36,681		21,054
Deferred compensation liabilities 98,941 95,624 Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	Long-term debt		-		111,800
Long-term lease liability 102,112 103,389 Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			98,941		95,624
Other liabilities 12,880 11,069 Total Liabilities 553,101 628,004 Stockholders' Equity 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			102,112		103,389
Stockholders' Equity Capital stock 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			12,880		11,069
Capital stock 36,996 36,651 Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	Total Liabilities		553,101		628,004
Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	Stockholders' Equity				
Paid-in capital 1,240,415 1,089,129 Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960	• •		36,996		36,651
Retained earnings 2,294,004 2,090,214 Treasury stock, at cost (2,621,657) (2,533,306) Deferred compensation payable in Company stock 2,321 2,272 Total Stockholders' Equity 952,079 684,960			1,240,415		1,089,129
Treasury stock, at cost(2,621,657)(2,533,306)Deferred compensation payable in Company stock2,3212,272Total Stockholders' Equity952,079684,960			2,294,004		2,090,214
Deferred compensation payable in Company stock Total Stockholders' Equity 2,272 952,079 684,960	~		(2,621,657)		(2,533,306)
Total Stockholders' Equity 952,079 684,960		_	2,321		
			952,079		
	- · ·	\$	1,505,180	\$	1,312,964

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)(unaudited)

	F	or the Six Mont	hs Ende	ed June 30.
		2023		2022
Cash Flows from Operating Activities				
Net income	\$	107,498	\$	130,625
Adjustments to reconcile net income to net cash provided				
by operating activities:				
Depreciation and amortization		29,947		29,890
Stock option expense		16,882		14,667
Noncash long-term incentive compensation		3,493		2,497
Benefit for deferred income taxes		(1,932)		(2,129)
Noncash directors' compensation		1,444		1,170
Amortization of debt issuance costs		420		153
Changes in operating assets and liabilities, excluding				
amounts acquired in business combinations:				
Decrease in accounts receivable		20,100		887
Increase in inventories		(1,412)		(587)
Decrease in prepaid expenses		1,719		3,689
Increase/(decrease) in accounts payable and				
other current liabilities		8,561		(24,001)
Change in current income taxes		1,865		27
Net change in lease assets and liabilities		(1,046)		705
(Increase)/decrease in other assets		(3,810)		2,071
Increase/(decrease) in other liabilities		7,344		(1,491)
Other sources/(uses)		1,736		(503)
Net cash provided by operating activities		192,809		157,670
Cash Flows from Investing Activities				
Capital expenditures		(33,420)		(25,610)
Proceeds from sale of fixed assets		360		1,757
Business combinations, net of cash acquired		(305)		(1,650)
Other uses		(169)		(132)
Net cash used by investing activities		(33,534)		(25,635)
Cash Flows from Financing Activities				
Payments on other long-term debt		(97,500)		-
Proceeds from other long-term debt				100,000
Proceeds from exercise of stock options		53,675		12,869
Purchases of treasury stock		(13,425)		(77,214)
Dividends paid		(11,412)		(10,722)
Capital stock surrendered to pay taxes on stock-based compensation		(5,313)		(12,115)
Debt issuance costs		-		(1,510)
Payments on revolving line of credit		-		(263,300)
Proceeds from revolving line of credit		-		95,100
Change in cash overdrafts payable		-		1,716
Other sources/(uses)	-	498		(114)
Net cash used by financing activities		(73,477)		(155,290)
Increase/(decrease) in Cash and Cash Equivalents		85,798		(23,255)
Cash and cash equivalents at beginning of year		74,126	Φ.	32,895
Cash and cash equivalents at end of year	<u>\$</u>	159,924	\$	9,640

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATING STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022

(in thousands)(unaudited)

(iii tiiotto	unus)(un	addited)					(Chemed
	V	ITAS	R	oto-Rooter	Corpoi	rate		
2023 (a)			_					
Service revenues and sales	\$	320,861	\$	232,955	\$	-	\$	553,816
Cost of services provided and goods sold		263,085		111,108		_		374,193
Selling, general and administrative expenses		22,656		56,012	16,	319		94,987
Depreciation		4,940		7,681		13		12,634
Amortization		26		2,488		-		2,514
Other operating expense/(income)		26		(44)				(18)
Total costs and expenses		290,733	. <u></u>	177,245	16,	332		484,310
Income/(loss) from operations		30,128		55,710	(16,3	332)		69,506
Interest expense		(51)		(124)	(!	596)		(771)
Intercompany interest income/(expense)		4,810		2,869	(7,0	679)		-
Other income—net		70		35	1,	504		1,609
Income/(loss) before income taxes		34,957		58,490	(23,	103)		70,344
Income taxes		(8,829)	. <u></u>	(14,116)	5,	978		(16,967)
Net income/(loss)	\$	26,128	\$	44,374	\$ (17,	125)	\$	53,377
2022 (b)								
Service revenues and sales	\$	297,781	\$	233,507	\$	_	\$	531,288
Cost of services provided and goods sold	Ψ	227,533	4	109,288	4		4	336,821
Selling, general and administrative expenses		23,148		54,982	9,	723		87,853
Depreciation Depreciation		6,062		6,634		18		12,714
Amortization		26		2,494		_		2,520
Other operating expense/(income)		(807)		249		-		(558)
Total costs and expenses		255,962		173,647	9,	741		439,350
Income/(loss) from operations		41,819		59,860	(9,7	741)		91,938
Interest expense		(44)		(115)	(743)		(902)
Intercompany interest income/(expense)		4,683		2,205	(6,8	388)		_
Other income/(expense)—net		119		37	(5,0	086)		(4,930)
Income/(loss) before income taxes		46,577		61,987	(22,4	458)		86,106
Income taxes		(11,365)		(14,915)	6,	630		(19,650)
Net income/(loss)	\$	35,212	\$	47,072	\$ (15,8	328)	\$	66,456

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATING STATEMENTS OF INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(in thousands)(unaudited)

		VITAS		Roto-Rooter	(Corporate		Chemed onsolidated
2023 (a)	_							
Service revenues and sales	\$	631,339	\$	482,634	\$		\$	1,113,973
Cost of services	Φ	051,555	Φ	402,034	Ф		Ф	1,115,575
provided and goods								
sold		516,739		228,159		-		744,898
Selling, general and administrative								
expenses		45,992		116,825		32,265		195,082
Depreciation		9,898		14,994		28		24,920
Amortization		52		4,975		-		5,027
Other operating		38		1,683				1,721
expense Total costs and		30		1,005		<u> </u>		1,/21
expenses Income/(loss) from		572,719		366,636		32,293		971,648
operations		58,620		115,998		(32,293)		142,325
Interest expense		(102)		(257)		(1,963)		(2,322)
Intercompany interest		` ′		, ,		, ,		, ,
income/(expense)		9,458		5,612		(15,070)		-
Other income—net Income/(loss) before		259		64		1,183		1,506
income taxes		68,235		121,417		(48,143)		141,509
Income taxes		(17,343)		(29,390)		12,722		(34,011)
Net income/(loss)	\$	50,892	\$	92,027	\$	(35,421)	\$	107,498
,								
2022 (b)								
Service revenues and	_	-06.0-0	_	464.00=				
sales Cost of services	\$	596,970	\$	464,867	\$		\$	1,061,837
provided and goods								
sold		454,773		218,600		-		673,373
Selling, general and administrative								
expenses		45,600		111,937		20,270		177,807
Depreciation		11,613		13,203		36		24,852
Amortization		49		4,989		-		5,038
Other operating		(955)		410				(545)
expense Total costs and		(333)		410	-	<u>-</u>		
expenses		511,080		349,139		20,306		880,525
Income/(loss) from operations		85,890		115,728		(20,306)		181,312
Interest expense		(96)		(229)		(1,387)		(1,712)
Intercompany interest		` ,		, ,		, ,		(1,7 12)
income/(expense)		9,339		4,381		(13,720)		-
Other income—net		156		72		(9,020)		(8,792)
Income/(loss) before income taxes		95,289		119,952		(44,433)		170,808
Income taxes		(23,595)		(28,943)		12,355		(40,183)
Net income/(loss)	\$	71,694	\$	91,009	\$	(32,078)	\$	130,625
1 vet income/(1033)	*	, 1,001	Ψ	2 2,000	4	(==,0.0)	Ψ	

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATING SUMMARIES OF EBITDA FOR THE THREE MONTHS ENDED JUNE 30, 2023 AND 2022

(in thousands)(unaudited)

								Chemed
		VITAS	_]	Roto-Rooter	(Corporate	_	Consolidated
2023	_							
Net income/(loss)	\$	26,128	\$	44,374	\$	(17,125)	\$	53,377
Add/(deduct):								
Interest expense		51		124		596		771
Income taxes		8,829		14,116		(5,978)		16,967
Depreciation		4,940		7,681		13		12,634
Amortization	_	26	_	2,488		<u>-</u>	_	2,514
EBITDA		39,974		68,783		(22,494)		86,263
Add/(deduct):								
Intercompany interest expense/(income)		(4,810)		(2,869)		7,679		=
Interest income		(79)		(34)		-		(113)
Licensed healthcare retention bonus		12,833		-		-		12,833
Stock option expense		-		-		8,400		8,400
Long-term incentive compensation						1,750	_	1,750
Adjusted EBITDA	\$	47,918	\$	65,880	\$	(4,665)	\$	109,133
2022								
Net income/(loss)	\$	35,212	\$	47,072	\$	(15,828)	\$	66,456
Add/(deduct):								
Interest expense		44		115		743		902
Income taxes		11,365		14,915		(6,630)		19,650
Depreciation		6,062		6,634		18		12,714
Amortization		26		2,494			_	2,520
EBITDA		52,709		71,230		(21,697)		102,242
Add/(deduct):								
Intercompany interest expense/(income)		(4,683)		(2,205)		6,888		-
Interest income		(118)		(37)		1		(154)
Stock option expense		-		-		7,216		7,216
Long-term incentive compensation		-		-		1,517		1,517
Medicare cap sequestration adjustment		138		-		-		138
Direct costs related to COVID-19		(80)		-		-		(80)
Other				28		<u>-</u>	_	28
Adjusted EBITDA	\$	47,966	\$	69,016	\$	(6,075)	\$	110,907

CHEMED CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATING SUMMARIES OF EBITDA FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(in thousands)(unaudited)

2023 Net income/(loss) \$ 50,892 \$ 92,027 \$ (35,421) \$ 107, Add/(deduct): Interest expense 102 257 1,963 2, 1,000 2, 34, 34, 34, 34, 34, 34, 34, 34, 34, 34									Chemed
Net income/(loss) \$ 50,892 \$ 92,027 \$ (35,421) \$ 107,			VITAS		Roto-Rooter	_	Corporate		Consolidated
Add/(deduct): Interest expense		_	= 0.000	_	00.00=		(0= 404)	_	40= 400
Interest expense 102 257 1,963 2, Income taxes 17,343 29,390 (12,722) 34, Depreciation 9,898 14,994 28 24, Amortization 52 4,975 - 5, EBITDA 78,287 141,643 (46,152) 173, Add/(deduct):	' '	\$	50,892	\$	92,027	\$	(35,421)	\$	107,498
Income taxes	, ,		100		0==		1.000		2.222
Depreciation							•		2,322
Amortization 52 4,975 - 5, EBITDA 78,287 141,643 (46,152) 173, Add/(deduct): Intercompany interest expense/(income) (9,458) (5,612) 15,070 Interest income (199) (64) - (64) Licensed healthcare retention bonus 23,750 - 16,882 16, Long-term incentive compensation - 1,756 - 1,756 - 1, Litigation settlements 9 2,380 137,723 (9,936) 220, Add/(deduct): Intercest expense 9 9 13,009 (32,078) 130, Add/(deduct): Interest expense 9 9 2,380 137,723 (9,936) 220, Add/(deduct): Interest expense 9 9 2,380 24,381 (12,355) 40, Depreciation 11,613 13,203 36 24, Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct): Intercompany interest expense (9,339) (4,381) 13,720 Interest income (155) (71) - (6,339) Interest income (155) (71) - (6,339) Direct costs related to COVID-19 Medicare cap sequestration adjustment 138 - 2, 28,27 2, Direct costs related to COVID-19 Medicare cap sequestration adjustment 138 - 2, 3,44 2,44 3,44 3,44 3,44 3,44 3,44 3							, ,		34,011
BITDA 78,287	=						28		24,920
Add/(deduct):				_					5,027
Intercompany interest expense/(income) (9,458) (5,612) 15,070 Interest income (199) (64) - (100 (190 (190 (190 (190 (190 (190 (190	EBITDA		78,287		141,643		(46,152)		173,778
Interest income (199) (64) - (64) - (64)	Intercompany interest		(9 458)		(5 612)		15 070		
Licensed healthcare retention bonus 23,750 - - 23, 23, 23, 23, 24,	= : :		, ,		, ,		15,070		(263)
Stock option expense - - 16,882 16,			(133)		(04)		-		(203)
Long-term incentive compensation	retention bonus		23,750		-		-		23,750
Litigation settlements	Long-term incentive		-		-				16,882
Adjusted EBITDA			-		-		4,264		4,264
Net income/(loss)	Litigation settlements						<u>-</u>		1,756
Net income/(loss) \$ 71,694 \$ 91,009 (32,078) \$ 130, Add/(deduct): Interest expense 96 229 1,387 1, Income taxes 23,595 28,943 (12,355) 40, Depreciation 11,613 13,203 36 24, Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct): Intercompany interest expense/(income) (9,339) (4,381) 13,720 13,720 Interest income (155) (71) - (5 Stock option expense Long-term incentive compensation - - 14,667 14, Long-term incentive costs related to COVID-19 310 960 - - 1, Medicare cap sequestration adjustment 138 - - - - Other - 28 - - - -	Adjusted EBITDA	\$	92,380	\$	137,723	\$	(9,936)	\$	220,167
Add/(deduct): Interest expense 96 229 1,387 1, Income taxes 23,595 28,943 (12,355) 40, Depreciation 11,613 13,203 36 24, Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct): Intercompany interest expense/(income) (9,339) (4,381) 13,720 Interest income (155) (71) - (0,000) Stock option expense compensation - - 14,667 14,000 Long-term incentive compensation - - 2,827 2,000 Direct costs related to COVID-19 310 960 - 1,000 Medicare cap sequestration adjustment 138 - - - Other - 28 - - -	2022								
Interest expense 96 229 1,387 1, Income taxes 23,595 28,943 (12,355) 40, Depreciation 11,613 13,203 36 24, Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct):	' '	\$	71,694	\$	91,009	\$	(32,078)	\$	130,625
Income taxes 23,595 28,943 (12,355) 40, Depreciation 11,613 13,203 36 24, Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct):	Add/(deduct):								
Depreciation 11,613 13,203 36 24,	Interest expense		96		229		1,387		1,712
Amortization 49 4,989 - 5, EBITDA 107,047 138,373 (43,010) 202, Add/(deduct): Intercompany interest expense/(income) (9,339) (4,381) 13,720 Interest income (155) (71) - (0,000) Stock option expense - 14,667 14, Long-term incentive compensation - 2,827 2, Direct costs related to COVID-19 310 960 - 1, Medicare cap sequestration adjustment 138 Other - 28 -	Income taxes		23,595		28,943		(12,355)		40,183
EBITDA 107,047 138,373 (43,010) 202, Add/(deduct):	Depreciation		11,613		13,203		36		24,852
Add/(deduct): Intercompany interest expense/(income) (9,339) (4,381) 13,720 Interest income (155) (71) - (6 Stock option expense Long-term incentive compensation Covidence of Covidence Co	Amortization		49		4,989				5,038
Intercompany interest expense/(income) (9,339) (4,381) 13,720 Interest income (155) (71) - (6 Stock option expense - - 14,667 14, Long-term incentive compensation - - 2,827 2, Direct costs related to COVID-19 310 960 - 1, Medicare cap sequestration adjustment 138 - - - Other - 28 - -	EBITDA		107,047		138,373		(43,010)		202,410
Stock option expense - - 14,667 14, Long-term incentive - - 2,827 2, compensation - - 2,827 2, Direct costs related to COVID-19 310 960 - 1, Medicare cap sequestration - - - - sequestration adjustment 138 - - - - Other - 28 - - - -	Intercompany interest		(9,339)		(4,381)		13,720		-
Long-term incentive compensation 2,827 2, Direct costs related to COVID-19 310 960 - 1, Medicare cap sequestration adjustment 138 Other - 28 -	Interest income		(155)		(71)		-		(226)
compensation - - 2,827 2, Direct costs related to COVID-19 310 960 - 1, Medicare cap sequestration adjustment 138 - - - Other - 28 - -			-		-		14,667		14,667
COVID-19 310 960 - 1, Medicare cap sequestration adjustment 138 -	compensation		-		-		2,827		2,827
adjustment 138 - - Other - 28 -	COVID-19 Medicare cap		310		960		-		1,270
Other			138		-		-		138
Adjusted EBITDA \$ 98,001 \$ 134,909 \$ (11.796) \$ 221.	•	_		_	28	_			28
ψ = ψ (-), ψ ψ =, ψ	Adjusted EBITDA	\$	98,001	\$	134,909	\$	(11,796)	\$	221,114

CHEMED CORPORATION AND SUBSIDIARY COMPANIES RECONCILIATION OF ADJUSTED NET INCOME

(in thousands, except per share data)(unaudited)

	Thr	ee Months	ed June 30,	Six Months Ended June 30,				
		2023		2022		2023		2022
Net income as reported	\$	53,377	\$	66,456	\$	107,498	\$	130,625
Add/(deduct) pre-tax cost of:								
Licensed healthcare worker retention bonus		12,833		-		23,750		-
Stock option expense Amortization of reacquired franchise		8,400		7,216		16,882		14,667
agreements		2,352		2,352		4,704		4,704
Long-term incentive compensation		1,750		1,517		4,264		2,827
Litigation settlements		-		-		1,756		-
Medicare cap sequestration adjustment		-		138		-		138
Other		-		28		-		28
Direct costs related to COVID-19		-		(80)		-		1,270
Add/(deduct) tax impacts: Tax impact of the above pre-tax adjustments (1)		(5,525)		(2,038)		(11,151)		(4,449)
Excess tax benefits on stock compensation		(1,501)		(2,499)		(3,150)		(3,940)
Adjusted net income	\$	71,686	\$	73,090	\$	144,553	\$	145,870
Diluted Earnings Per Share As Reported								
Net income	\$	3.51	\$	4.40	\$	7.09	\$	8.62
Average number of shares outstanding		15,219		15,111		15,167		15,152
Adjusted Diluted Earnings Per Share								
Adjusted net income	\$	4.71	\$	4.84	\$	9.53	\$	9.63
Average number of shares outstanding		15,219		15,111		15,167		15,152
<u> </u>								

⁽¹⁾ The tax impact of pre-tax adjustments was calculated using the effective tax rate of the operating unit for which each adjustment is associated.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES OPERATING STATISTICS FOR VITAS SEGMENT (unaudited)

	Three Months	Ended	June 30,	 Six Months E	nded Ju	ine 30,
OPERATING STATISTICS	2023		2022	 2023		2022
Net revenue (\$000) (c)						
Homecare	\$ 278,116	\$	257,631	\$ 545,166	\$	515,267
Inpatient	27,401		24,619	56,494		51,189
Continuous care	21,081		19,538	41,022		39,116
Other	3,154		3,213	 6,175		6,220
Subtotal	\$ 329,752	\$	305,001	\$ 648,857	\$	611,792
Room and board, net	(2,904)		(2,166)	(5,672)		(4,283)
Contractual allowances	(3,237)		(3,054)	(6,346)		(6,039)
Medicare cap allowance	(2,750)		(2,000)	 (5,500)		(4,500)
Net Revenue Net revenue as a percent of total before Medicare cap allowance	\$ 320,861	\$	297,781	\$ 631,339	\$	596,970
Homecare	84.3 %	6	84.5 %	84.0 %	6	84.2 %
Inpatient	8.3		8.1	8.7		8.4
Continuous care	6.4		6.4	6.3		6.4
Other	1.0		1.0	1.0		1.0
Subtotal	100.0		100.0	100.0		100.0
Room and board, net	(0.8)		(0.7)	(0.9)		(0.7)
Contractual allowances	(1.0)		(1.0)	(1.0)		(1.0)
Medicare cap allowance	(0.8)		(0.7)	(0.8)		(0.7)
Net Revenue	97.4 %	<u> </u>	97.6 %	 97.3 %	<u> </u>	97.6 %
Days of care		°			·	
Homecare	1,340,655		1,266,604	2,627,092		2,525,276
Nursing home	279,898		259,046	545,327		507,514
Respite	6,159		6,095	 11,919		11,463
Subtotal routine homecare and respite	1,626,712		1,531,745	3,184,338		3,044,253
Inpatient	25,125		23,155	51,494		47,742
Continuous care	21,873		20,802	 42,559		41,884
Total	1,673,710		1,575,702	 3,278,391		3,133,879
Number of days in relevant time period Average daily census ("ADC") (days)	91		91	181		181
Homecare	14,732		13,918	14,514		13,952
Nursing home	3,076		2,847	3,013		2,804
Respite	68		67	 66		63
Subtotal routine homecare and respite	17,876		16,832	17,593		16,819
Inpatient	276		254	286		264
Continuous care	240		229	235		231
Total	18,392		17,315	 18,114		17,314
Total Admissions	15,611		14,735	31,790		31,265
Total Discharges	15,104		14,603	30,509		31,465
Average length of stay (days)	99.5		103.7	99.7		104.3
Median length of stay (days)	16.0		17.0	15.0		16.0
ADC by major diagnosis		,	o= c 0/	42.0.0	,	2==0/
Cerebro	41.9 %	o	37.6 %	42.0 %	o	37.5 %
Neurological	18.8		22.7	19.0		22.8
Cancer	10.8		11.2	10.6		11.2
Cardio	16.1		15.8	16.0		15.8
Respiratory	7.1		7.2	7.2		7.3
Other	5.3		5.5	 5.2		5.4
Total	100.0 %	6 <u> </u>	100.0 %	 100.0 %	6 <u> </u>	100.0 %
Admissions by major diagnosis						
Cerebro	25.9 %	6	23.8 %	26.2 %	6	23.4 %
Neurological	10.1		13.0	10.4		12.9
Cancer	27.1		27.3	25.9		26.0
Cardio	16.3		15.4	16.3		14.7
Respiratory	9.8		9.9	10.4		10.6
Other	10.8		10.6	 10.8		12.4
Total	100.0 %	6 <u> </u>	100.0 %	 100.0 %	6	100.0 %
Estimated uncollectible accounts as a percent of revenues	1.0 %	6	1.0 %	1.0 %	6	1.0 %
Accounts receivable Days of revenue outstanding-excluding unapplied Medicar						
payments Days of revenue outstanding-including unapplied Medicar	35.2		33.7	n.a.		n.a.
payments	22.6		28.2	n.a.		n.a.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES FOOTNOTES TO FINANCIAL STATEMENTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022

(unaudited)

(a) Included in the results of operations for 2023 are the following significant credits/(charges) which may not be indicative of ongoing operations (in thousands):

	<u></u>		Thre	e Months En	ded June 30, 2023		
		VITAS	Ro	to-Rooter	Corporate	Co	onsolidated
Licensed healthcare worker retention bonus	\$	(12,833)	\$	-	\$ -	\$	(12,833)
Stock option expense		-		-	(8,400)		(8,400)
Amortization of reacquired franchise agreements		-		(2,352)	-		(2,352)
Long-term incentive compensation				<u> </u>	(1,750)		(1,750)
Pretax impact on earnings		(12,833)		(2,352)	(10,150)		(25,335)
Excess tax benefits on stock compensation		_		-	1,501		1,501
Income tax benefit on the above		3,259		623	1,643		5,525
After-tax impact on earnings	\$	(9,574)	\$	(1,729)	\$ (7,006)	\$	(18,309)
			Six	Months End	ed June 30, 2023		
			ULA	THORITIS LIIG	ca banc bo, zozo		
		VITAS		to-Rooter	Corporate	Co	onsolidated
Licensed healthcare worker retention bonus	\$	VITAS (23,750)	Ro			<u>C</u>	onsolidated (23,750)
Licensed healthcare worker retention bonus Stock option expense	\$		Ro		Corporate		
	\$		Ro		Corporate \$ -		(23,750)
Stock option expense	\$		Ro	to-Rooter - -	Corporate \$ -		(23,750) (16,882)
Stock option expense Amortization of reacquired franchise agreements	\$		Ro	to-Rooter - -	* Corporate \$ - (16,882)		(23,750) (16,882) (4,704)
Stock option expense Amortization of reacquired franchise agreements Long-term incentive compensation	\$		Ro	to-Rooter - (4,704) -	* Corporate \$ - (16,882)		(23,750) (16,882) (4,704) (4,264)
Stock option expense Amortization of reacquired franchise agreements Long-term incentive compensation Litigation settlements	\$	(23,750) - - -	Ro	to-Rooter - (4,704) - (1,756)	\$ (16,882) - (4,264)		(23,750) (16,882) (4,704) (4,264) (1,756)
Stock option expense Amortization of reacquired franchise agreements Long-term incentive compensation Litigation settlements Pretax impact on earnings	\$	(23,750) - - -	Ro	to-Rooter - (4,704) - (1,756)	\$ (16,882) (4,264) (21,146)		(23,750) (16,882) (4,704) (4,264) (1,756) (51,356)

(b) Included in the results of operations for 2022 are the following significant credits/(charges) which may not be indicative of ongoing operations (in thousands):

	Three Months Ended June 30, 2022								
		VITAS	Roto-Rooter	Corporate	Consolidated				
Stock option expense	\$	-	\$ -	\$ (7,216)	\$ (7,216)				
Amortization of reacquired franchise agreements		-	(2,352)	-	(2,352)				
Long-term incentive compensation		-	-	(1,517)	(1,517)				
Medicare cap sequestration adjustment		(138)	-	-	(138)				
Direct costs related to COVID-19		80	-	-	80				
Other			(28)		(28)				
Pretax impact on earnings		(58)	(2,380)	(8,733)	(11,171)				
Excess tax benefits on stock compensation		-	-	2,499	2,499				
Income tax benefit on the above		15	631	1,392	2,038				
After-tax impact on earnings	\$	(43)	\$ (1,749)	\$ (4,842)	\$ (6,634)				

	Six Months Ended June 30, 2022								
	VITAS		Roto-Rooter		Corporate		Consolidated		
Stock option expense	\$	-	\$ -	\$	(14,667)	\$	(14,667)		
Amortization of reacquired franchise agreements		-	(4,704)		-		(4,704)		
Long-term incentive compensation		-	-		(2,827)		(2,827)		
Direct costs related to COVID-19		(310)	(960)		-		(1,270)		
Medicare cap sequestration adjustment		(138)	-		-		(138)		
Other	_		(28)	_	<u>-</u>	_	(28)		
Pretax impact on earnings		(448)	(5,692)		(17,494)		(23,634)		
Excess tax benefits on stock compensation		-	-		3,940		3,940		
Income tax benefit on the above	_	114	1,508	_	2,827	_	4,449		
After-tax impact on earnings	\$_	(334)	\$ (4,184)	\$	(10,727)	\$	(15,245)		

VITAS has 10 large (greater than 450 ADC), 18 medium (greater than 200 but less than 450 ADC) and 22 small (less than 200 ADC) hospice programs. Of Vitas' 30 Medicare provider numbers, for the current cap year, 24 provider numbers have a Medicare cap cushion of greater than 10%, three provider numbers have a Medicare cap cushion between 5% and 10% and three provider numbers have a Medicare cap liability.