

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended September 30, 1996

Commission File Number 1-8351

CHEMED CORPORATION
(Exact name of registrant as specified in its charter)

Delaware 31-0791746
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202

(Address of principal executive offices) (Zip code)

(513) 762-6900
(Registrant's telephone number, including area code)

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 ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date.

Class	Amount	Date
Capital Stock	9,794,813 Shares	October 31, 1996
\$1 Par Value		

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CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements
CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
(in thousands except share and per share data)
UNAUDITED

	September 30, 1996	December 31, 1995
	-----	-----
ASSETS		
Current assets		
Cash and cash equivalents	\$ 13,793	\$ 19,187
Marketable securities	100	10,094
Accounts receivable, less allowances of \$3,014 (1995 - 3,519)	80,666	87,177
Inventories		
Raw materials	7,852	7,921
Finished goods and general merchandise	44,956	50,330
Statutory deposits	19,781	18,943
Other current assets	19,181	25,785
	-----	-----
Total current assets	186,329	219,437
Other investments	83,926	90,176

Properties and equipment, at cost less accumulated depreciation of \$54,250 (1995 - \$47,074)	81,306	77,131
Identifiable intangible assets less accumulated amortization of \$3,702 (1995 - \$2,886)	17,541	18,140
Goodwill less accumulated amortization of \$23,920 (1995 - \$20,978)	188,343	119,486
Other assets	10,794	7,498
	-----	-----
Total Assets	\$ 568,239	\$ 531,868
	=====	=====
LIABILITIES		
Current liabilities		
Accounts payable	\$ 26,910	\$ 28,411
Bank notes and loans payable	90,000	25,000
Current portion of long-term debt	7,757	7,089
Income taxes	8,676	11,965
Deferred contract revenue	24,571	23,512
Other current liabilities	56,375	49,027
	-----	-----
Total current liabilities	214,289	145,004
Deferred income taxes	8,207	15,819
Long-term debt	80,563	85,368
Other liabilities and deferred income	39,980	36,030
Minority interest	10,718	40,990
	-----	-----
Total Liabilities	353,757	323,211
	-----	-----
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares \$1 par; issued 12,699,715 (1995 - 12,598,418) shares	12,700	12,598
Paid-in capital	148,420	145,290
Retained earnings	134,326	127,141
Treasury stock - 2,908,154 (1995 - 2,784,192) shares, at cost	(86,013)	(79,996)
Unearned compensation - ESOPs	(29,015)	(33,355)
Unrealized appreciation on investments	34,064	36,979
	-----	-----
Total Stockholders' Equity	214,482	208,657
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 568,239	\$ 531,868
	=====	=====

See accompanying notes to unaudited financial statements.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF INCOME
UNAUDITED
(in thousands except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
	-----	-----	-----	-----
Continuing Operations				
Sales	\$102,887	\$112,442	\$302,529	\$ 337,900
Service revenues	70,828	65,112	209,118	186,856
	-----	-----	-----	-----
Total sales and service revenues	173,715	177,554	511,647	524,756
	-----	-----	-----	-----
Cost of goods sold	70,542	78,461	207,245	233,904
Cost of services provided	42,795	39,870	126,171	115,235
Selling and marketing expenses	24,959	24,120	73,856	75,664
General and administrative expenses	23,681	22,752	71,594	67,231
Depreciation	3,042	3,132	9,044	8,956
Nonrecurring expenses	-	538	-	538
	-----	-----	-----	-----
Total costs and expenses	165,019	168,873	487,910	501,528
	-----	-----	-----	-----
Income from operations	8,696	8,681	23,737	23,228
Interest expense	(2,241)	(2,117)	(6,072)	(6,339)
Other income, net	1,633	4,775	23,112	15,151
	-----	-----	-----	-----

Income before income taxes and minority interest	8,088	11,339	40,777	32,040
Income taxes	(3,200)	(4,379)	(15,411)	(12,220)
Minority interest in earnings of subsidiaries	(1,024)	(1,252)	(3,617)	(3,422)
	-----	-----	-----	-----
Income from continuing operations	3,864	5,708	21,749	16,398
Discontinued Operations	600	1,842	600	2,743
	-----	-----	-----	-----
Net Income	\$ 4,464	\$ 7,550	\$ 22,349	\$ 19,141
	=====	=====	=====	=====
Earnings Per Common Share				
Income from continuing operations	\$.39	\$.58	\$ 2.21	\$ 1.66
	=====	=====	=====	=====
Net income	\$.46	\$.77	\$ 2.27	\$ 1.94
	=====	=====	=====	=====
Average Number of Shares Outstanding	9,790	9,866	9,831	9,866
	=====	=====	=====	=====
Cash Dividends Paid Per Share	\$.52	\$.52	\$ 1.56	\$ 1.54
	=====	=====	=====	=====

See accompanying notes to unaudited financial statements.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS
UNAUDITED
(in thousands)

	Nine Months Ended September 30,	
	1996	1995*
	-----	-----
Cash Flows From Operating Activities		
Net income	\$ 22,349	\$ 19,141
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains on sale of investments	(17,431)	(9,078)
Depreciation and amortization	13,424	13,411
Minority interest in earnings of subsidiaries	3,617	3,422
Provision for deferred income taxes	(1,898)	(1,063)
Provision for uncollectible accounts receivable	1,154	1,401
Discontinued operations	(600)	(2,743)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
(Increase)/decrease in accounts receivable	5,405	(4,403)
(Increase)/decrease in inventories and other current assets	6,173	(4,620)
Increase in statutory deposits	(838)	(4,479)
Increase in accounts payable, deferred contract revenue and other current liabilities	2,730	4,613
Increase in income taxes	1,232	358
Other - net	(2,818)	(1,430)
	-----	-----
Net cash provided by operating activities	32,499	14,530
	-----	-----
Cash Flows From Investing Activities		
Purchase of Roto-Rooter minority interest	(89,854)	-
Proceeds from sale of investments	30,349	17,296
Capital expenditures	(13,474)	(10,215)
Business combinations, net of cash acquired	(9,788)	(10,737)

Net proceeds from sale of divested operations	-	10,000
Net proceeds from sale of discontinued operations	(1,606)	2,890
Purchase of investments	(4)	(1,948)
Other - net	207	118
	-----	-----
Net cash provided/(used) by investing activities	(84,170)	7,404
	-----	-----
Cash Flows From Financing Activities		
Increase in bank notes and loans payable	65,000	-
Dividends paid	(15,343)	(15,202)
Purchase of treasury stock	(3,650)	(1,982)
Other - net	270	(202)
	-----	-----
Net cash provided/(used) by financing activities	46,277	(17,386)
	-----	-----
Increase/(Decrease) In Cash And Cash Equivalents	(5,394)	4,548
Cash and cash equivalents at beginning of period	19,187	4,722
	-----	-----
Cash and cash equivalents at end of period	\$ 13,793	\$ 9,270
	=====	=====

See accompanying notes to unaudited financial statements.

* Reclassified to conform to 1996 presentation.

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CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), the financial statements presented herein contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 1995.
2. Earnings per common share are computed using the weighted average number of shares of capital stock outstanding and exclude the dilutive effect of outstanding stock options as it is not material.
3. Discontinued operations represent adjustments to the accruals related to operations discontinued in 1991.
4. Nonrecurring expenses amounting to \$538,000 pretax (\$355,000 aftertax; \$208,000 after minority interest or \$.02 per share) were incurred by Roto-Rooter in the third quarter of 1995 in evaluating Chemed's proposal to acquire the 42% minority interest in Roto-Rooter common stock. The proposal was withdrawn in August 1995.
5. Effective September 1, 1996, the Company acquired all of the outstanding shares of Roto-Rooter Inc. ("Roto-Rooter") it did not own (approximately 2,261,000 shares) for \$41 per share in cash. As a result the Company's ownership interest in Roto-Rooter increased from 58% to 100%. The aggregate estimated purchase price of \$102.1 million, including acquisition related expenses, represents a premium of \$67.9 million over the fair value of the net assets acquired.

Roto-Rooter is the preeminent national supplier of sewer and drain cleaning and plumbing repair services. Management believes that its well-recognized name, base of business and

reputation have an indefinite life span. Accordingly, the purchase price premium (goodwill) is being amortized over a forty year period, the maximum life permitted by generally accepted accounting principles.

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The following data present the unaudited pro forma consolidated results of the Company assuming the 42% minority interest in Roto-Rooter been acquired on January 1 of each period presented (in thousands, except per share data):

	Nine Months Ended September 30,	
	1996	1995
Income from continuing operations	\$ 21,845	\$ 15,456
Net income	\$ 22,445	\$ 18,199
Primary earnings per share:		
Income from continuing operations	\$ 2.22	\$ 1.57
Net income	\$ 2.28	\$ 1.85

6. In November 1996, Apria Healthcare Group, Inc. ("Apria") disclosed that its previously-announced plan to merge with Vitas Healthcare Corporation ("Vitas") is being reconsidered and could be terminated in favor of alternative business relationships between Apria and Vitas. Chemed has maintained an investment in Vitas, a hospice provider, since 1991.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Financial Condition -----

The changes in the following balance sheet accounts from December 31, 1995 to September 30, 1996 were primarily a result of the Company's acquisition of the 42% minority interest

in Roto-Rooter Inc. ("Roto-Rooter") effective September 1, 1996
(in millions):

	Increase/ (Decrease) -----
Cash, cash equivalents and marketable securities	\$ (15.4)
Goodwill	68.9
Other assets	3.4
Bank notes and loans payable	65.0
Other current liabilities	7.3
Other liabilities and deferred income	4.0
Minority interest	(30.3)

In addition, approximately half of the \$7.6 million decline in deferred income taxes since December 31, 1995 is attributable to the purchase of Roto-Rooter's minority interest.

The decline in other current assets from \$25.8 million at December 31, 1995 to \$19.2 million at September 30, 1996 is attributable to the receipt in April 1996 of the final deferred payment from the sale of operations discontinued in 1991.

At September 30, 1996 the Company had approximately \$17.3 million of unused lines of credit with various banks. Additionally, the Company has noncurrent investments of approximately \$83.9 million, most of which is invested in readily marketable securities. It is anticipated that during the next several quarters the amount of bank notes and loans payable (\$90.0 million at September 30, 1996) will be substantially reduced through the issuance of additional long-term debt and/or sales of a portion of the Company's investment portfolio. Such actions would serve to return the Company's current ratio to its recent historical levels. Based on the foregoing, management believes its sources of capital and liquidity are satisfactory for the Company's needs in the foreseeable future.

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Results of Operations

- - - - -

Sales and service revenues and operating profit from continuing operations by business segment follow (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
Sales and Service Revenues				
- - - - -				
National Sanitary Supply	\$ 80,652	\$ 89,396	\$235,139	\$255,760
Roto-Rooter	50,652	45,280	148,473	132,278
Omnia Group	17,893	19,501	54,674	70,202
Patient Care	24,518	23,377	73,361	66,516
	-----	-----	-----	-----
Total	\$173,715	\$177,554	\$511,647	\$524,756
	=====	=====	=====	=====
Operating Profit				
- - - - -				
National Sanitary Supply	\$ 3,414	\$ 3,800	\$ 7,876	\$ 8,659

Roto-Rooter	4,899	3,602	13,687	11,196
Omnia Group	470	1,557	2,852	4,462
Patient Care	1,435	1,301	4,001	3,359
	-----	-----	-----	-----
Total	\$ 10,218	\$ 10,260	\$ 28,416	\$ 27,676
	=====	=====	=====	=====

Data relating to (a) the increase or decrease in sales and service revenues and (b) operating profit as a percent of sales and service revenues for each segment are set forth below:

	Sales and Service Revenues % Increase/(Decrease)	Operating Profit as a % of Sales (Operating Margin)	
	1996 vs. 1995	1996	1995
	-----	-----	-----
Three Months Ended September 30, -----			
National Sanitary Supply	(10)%	4.2%	4.3%
Roto-Rooter	12	9.7	8.0
Omnia Group	(8)	2.6	8.0
Patient Care	5	5.9	5.6
Total	(2)	5.9	5.8

Nine Months Ended September 30, -----			
National Sanitary Supply	(8)%	3.3%	3.4%
Roto-Rooter	12	9.2	8.5
Omnia Group	(22)	5.2	6.4
Patient Care	10	5.5	5.0
Total	(2)	5.6	5.3

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Third Quarter 1996 Versus Third Quarter 1995

Net sales of the National Sanitary Supply segment for the third quarter of 1996 totaled \$80,652,000, a decline of 10% versus sales recorded during the third quarter of 1995. This decline was primarily due to the loss of a large fast-food customer during the first quarter of 1996. During the third quarter of 1996 National Sanitary continued to achieve broad-based sales growth in its core sanitary-maintenance product lines, helping to partially offset the expected decline in its food-service disposables business. The operating margin of this segment was 4.2% during the third quarter of 1996 as compared with 4.3% during the third quarter of 1995.

Sales and service revenues of the Roto-Rooter segment for the third quarter of 1996 totaled \$50,652,000, an increase of 12% over the \$45,280,000 of revenues recorded for the third quarter of 1995. For the third quarter of 1996, plumbing revenues, which account for approximately one-fourth of total revenues, and sewer and drain cleaning revenues, which account for approximately one-third, increased 17% and 11%, respectively, over amounts recorded in the comparable quarter of 1995. Revenues of Roto-Rooter's service contract business (Service America) for the third quarter of 1996, which account for approximately one-third of this segment's total revenue, increased 10% versus such revenues recorded in the third quarter of 1995. The operating margin of the Roto-Rooter segment increased from 8.0% during the third quarter of 1995 to 9.7% during the third quarter of 1996 largely as a result of nonrecurring costs (\$538,000) incurred by Roto-Rooter in evaluating Chemed's proposal to acquire the 42% minority interest in Roto-Rooter (the proposal was withdrawn in August 1995). Excluding these nonrecurring costs, the operating margin for the third quarter of 1995 would have been 9.1%. Additionally, Roto-

Rooter's operating margin was favorably impacted by improving margins of Service America during 1996.

Sales of the Omnia Group during the third quarter of 1996 totalled \$17,893,000, a decline of 8% as compared with sales recorded by this segment during the third quarter of 1995. Similarly, the operating margin of this segment declined from 8.0% during the third quarter of 1995 to 2.6% during the third quarter of 1996. These declines were due largely to the reduction of paper prices in 1996. The outlook for the Omnia Group is dependent upon its achieving various improvements in its manufacturing and distributions systems, as well as making strategic additions to its line of manufactured products.

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Total revenues of the Patient Care segment increased from \$23,377,000 in the third quarter of 1995 to \$24,518,000 in the third quarter of 1996. As a result of effective expense management, Patient Care was able to leverage its fixed costs and increase its operating margin from 5.6% during the third quarter of 1995 to 5.9% during the third quarter of 1996.

Income from operations increased from \$8,681,000 in third quarter of 1995 to \$8,696,000 during the third quarter of 1996, primarily as a result of increases in operating profit reported by Roto-Rooter and Patient Care, offset by declines in operating profit in the Omnia Group and National Sanitary segments.

Other income for the third quarter of 1996 totalled \$1,633,000 as compared with \$4,475,000 for the third quarter of 1995. This decline was attributable to the lack of gains on sales of investment in the 1996 quarter as compared with pretax gains aggregating \$2,448,000 in the 1995 quarter. Additionally, lower interest income during the 1996 quarter, as a result of lower interest rates, coupled with the use of cash for the September 1, 1996 purchase of the 42% minority interest in Roto-Rooter, contributed to the decline in other income.

During the third quarter of 1996 the Company's effective income tax rate was 39.6% as compared with 38.6% during the comparable period of 1995. The higher rate in 1996 was attributable primarily to higher effective state and local rates during the 1996 period.

Chemed's income from continuing operations declined from \$5,708,000 (\$.58 per share) during the third quarter of 1995 to \$3,864,000 (\$.39 per share) during the third quarter of 1996. Earnings for the third quarter of 1995 included aftertax gains aggregating \$1,561,000, (\$.16 per share) from the sale of various investments and Chemed's share of Roto-Rooter's nonrecurring expenses (\$208,000 after income taxes and minority interest -- \$.02 per share). Lower earnings from the Omnia Group during the 1996 quarter also contributed to this decline.

Net income for 1996's third quarter totalled \$4,464,000 (\$.46 per share) as compared with \$7,550,000 (\$.77 per share) for the third quarter of 1995. Discontinued operations for the third quarter included gains of \$600,000 (\$.07 per share) and \$1,842,000 (\$.19 per share) in 1996 and 1995, respectively, representing adjustments to the gain on the sale of operations discontinued in 1991.

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Nine Months Ended September 30, 1996 Versus September 30, 1995

The National Sanitary Supply segment recorded sales of \$235,139,000 during the first nine months of 1996, a decline of 8% versus amounts recorded in the comparable period of 1995. This sales decline was primarily the result of the loss of a large fast-food customer during the first quarter of 1996. National Sanitary's operating margin was 3.3% during the first nine months of 1996 as compared with 3.4% during the comparable period of 1995.

Sales and service revenues of the Roto-Rooter segment for the first nine months of 1996 increased 12% as compared with amounts recorded during the first nine months of 1995. This sales growth was attributable primarily to revenue increases of 21% and 12%, respectively, in Roto-Rooter's plumbing and sewer, drain cleaning and repair business for the 1996 period. Roto-Rooter's operating margin increase from 8.5% during the first nine months of 1995 to 9.2% during the first nine months of 1996. Excluding \$538,000 of nonrecurring expenses, the operating margin for the first nine months of 1995 would have been 8.9%.

Sales of the Omnia Group declined 22% from \$70,202,000 in the first nine months of 1995 to \$54,674,000 in the first nine months of 1996. Excluding the sales of the retail division (sold in July of 1995), this segment's sales for the first nine months for 1996 declined 6% as compared with sales recorded during the comparable period of 1995. The operating margin of this segment declined from 6.4% in the first nine months of 1995 to 5.2% during the first nine months of 1996. The sales and margin declines during the 1996 periods were primarily due to increases in paper prices.

The Patient Care segment recorded sales of \$73,361,000 during the first nine months of 1996, an increase of 10% over the \$66,516,000 recorded in the first nine months of 1995. This sales growth resulted from continued geographic expansion. As a result, the operating margin of this segment increased from 5.0% during the first nine months of 1995 to 5.5% during the first nine months of 1996.

Income from operations increased from \$23,228,000 in the first nine months of 1995 to \$23,737,000 during the comparable period of 1996. This increase was primarily attributable to increases in the operating profit margin reported by Roto-Rooter and Patient Care during the 1996 nine-month period, partially offset by declines in operating profit reported by The Omnia Group and National Sanitary Supply.

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Other income for the first nine months of 1996 totalled \$23,112,000 as compared with \$15,151,000 for the first nine months of 1995. The increase during the 1996 period was primarily attributable to larger gains on the sales of investments during the 1996 period.

The Company's effective income tax rate declined slightly from 38.1% during the first nine months of 1995 to 37.8% during the comparable period of 1996.

Chemed's income from continuing operations increased from \$16,398,000 (\$1.66 per share) during the first nine months of 1995 to \$21,749,000 (\$2.21 per share) during the first nine months of 1996. Earnings for the periods included aftertax gains from sales of investments of \$10,919,000 (\$1.11 per share) and \$5,882,000 (\$.59 per share) in 1996 and 1995, respectively.

Net income for the first nine months of 1996 totalled \$22,349,000 (\$2.27 per share) as compared with \$19,141,000 (\$1.94 per share) for the first nine months of 1995. Net income for the first nine months of 1996 and 1995 include favorable adjustments

relative to discontinued operations amounting to \$600,000 and \$2,743,000, respectively.

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PART II -- OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description	Page No.
1	(11)	Statement re: Computation of Per Share Earnings	E-1 -- E-2
2	(27)	Financial Data Schedule	E-3 -- E-4

(b) Reports on Form 8-K

A report on Form-8K was filed dated September 24, 1996 reporting the Company had acquired all of the outstanding shares of Roto-Rooter Inc. ("Roto-Rooter") common stock at an aggregate estimated price of \$100,000,000 (\$41 per share plus transaction-related expenses). Such shares were acquired pursuant to a Tender Offer commenced on August 14, 1996 to purchase any and all outstanding shares of Roto-Rooter common stock (approximately 42% of the total).

The report on Form-8K included a description of the transactions involved along with pro forma consolidated income statements of the Company for the six month periods ended June 30, 1996 and 1995 and for the year ended December 31, 1995. A pro forma balance sheet as of June 30, 1996 was also included. The pro forma income statement presented the consolidated results of operations of the Company, assuming the acquisition of the 42% minority interest in Roto-Rooter occurred on January 1 of each period presented. The pro forma balance sheet presented the financial position of the Company assuming said acquisition

occurred on June 30, 1996.

SIGNATURES

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

Chemed Corporation

(Registrant)

Dated: November 13, 1996

By Naomi C. Dallob

Naomi C. Dallob
Vice President and Secretary

Dated: November 13, 1996

By Arthur V. Tucker, Jr.

Arthur V. Tucker, Jr.
Vice President and Controller
(Principal Accounting Officer)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per share data)

	Income from Continuing Operations			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	1996	1995	1996	1995
Computation of Earnings Per Common and Common <F1> Equivalent Share (a): - -----				
Reported Income	\$ 3,864	\$ 5,708	\$21,749	\$16,398
	=====	=====	=====	=====
Average number of shares used to compute earnings per common share	9,790	9,866	9,831	9,866
Effect of unexercised stock options	58	55	62	44
	-----	-----	-----	-----
Average number of shares used to compute earnings per common and common equivalent share	9,848	9,921	9,893	9,910
	=====	=====	=====	=====
Earnings per common and common equivalent share	\$ 0.39	\$ 0.58	\$ 2.20	\$ 1.65
	=====	=====	=====	=====
Computation of Earnings Per Common Share Assuming <F1> Full Dilution (a): - -----				
Reported Income	\$ 3,864	\$ 5,708	\$21,749	\$16,398
	=====	=====	=====	=====
Average number of shares used to compute earnings per common share	9,790	9,866	9,831	9,866
Effect of unexercised stock options	63	62	63	62
	-----	-----	-----	-----
Average number of shares used to compute earnings per common share assuming full dilution	9,853	9,928	9,894	9,928
	=====	=====	=====	=====
Earnings per common share assuming full dilution	\$ 0.39	\$ 0.57	\$ 2.20	\$ 1.65
	=====	=====	=====	=====

<F1>

(a) This calculation is submitted in accordance with Regulation S-K Item 601
(11) although it is not required

by APB Opinion No. 15 because it results
in dilution of less than 3%.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per share data)

	Net Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
Computation of Earnings Per Common and Common <F2> Equivalent Share (a):				
Reported Income	\$ 4,464	\$ 7,550	\$22,349	\$19,141
Average number of shares used to compute earnings per common share	9,790	9,866	9,831	9,866
Effect of unexercised stock options	58	55	62	44
Average number of shares used to compute earnings per common and common equivalent share	9,848	9,921	9,893	9,910
Earnings per common and common equivalent share	\$ 0.45	\$ 0.76	\$ 2.26	\$ 1.93
Computation of Earnings Per Common Share Assuming <F2> Full Dilution (a):				
Reported Income	\$ 4,464	\$ 7,550	\$22,349	\$19,141
Average number of shares used to compute earnings per common share	9,790	9,866	9,831	9,866
Effect of unexercised stock options	63	62	63	62
Average number of shares used to compute earnings per common share assuming full dilution	9,853	9,928	9,894	9,928
Earnings per common share assuming full dilution	\$ 0.45	\$ 0.76	\$ 2.26	\$ 1.93

<F2>

(a) This calculation is submitted in accordance with Regulation S-K Item 601 (11) although it is not required by APB Opinion No. 15 because it results in dilution of less than 3%.

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION FROM FORM 10-Q FOR THE
QUARTER ENDED SEPTEMBER 30, 1996 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<CIK> 0000019584

<NAME> CHEMED CORPORATION

<MULTIPLIER> 1,000

<PERIOD-TYPE>	9-MOS	
<FISCAL-YEAR-END>		DEC-31-1996
<PERIOD-START>		JAN-01-1996
<PERIOD-END>		SEP-30-1996
<CASH>		13,793
<SECURITIES>		100
<RECEIVABLES>		83,680
<ALLOWANCES>		(3,014)
<INVENTORY>		52,808
<CURRENT-ASSETS>		183,329
<PP&E>		135,556
<DEPRECIATION>		(54,250)
<TOTAL-ASSETS>		568,239
<CURRENT-LIABILITIES>		214,289
<BONDS>		80,563
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		12,700
<OTHER-SE>		201,782
<TOTAL-LIABILITY-AND-EQUITY>		568,239
<SALES>		302,529
<TOTAL-REVENUES>		511,647
<CGS>		207,245
<TOTAL-COSTS>		333,416
<OTHER-EXPENSES>		0
<LOSS-PROVISION>		1,154
<INTEREST-EXPENSE>		6,072
<INCOME-PRETAX>		40,777
<INCOME-TAX>		15,411
<INCOME-CONTINUING>		21,749
<DISCONTINUED>		600
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		22,349
<EPS-PRIMARY>		2.27
<EPS-DILUTED>		2.27