

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):  
August 5, 2019

**CHEMED CORPORATION**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

1-8351  
(Commission File Number)

31-0791746  
(I.R.S. Employer  
Identification  
Number)

2600 First Financial Center, 255 East 5th Street, Cincinnati, OH 45202  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code:  
(513) 762-6690

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240-14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under Exchange Act (17 CFR 240-14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4 (c) under Exchange Act (17 CFR 240-13e-4(c))

Securities registered pursuant to 12(b) of the Act:

Title of each class	Trading symbol	Name of each exchange on which registered
Capital stock \$1 par value	CHE	New York Stock Exchange

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 Securities Exchange Act of 1934.

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.

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**Item 7.01 Regulation FD Disclosure**

On August 5, 2019, Chemed Corporation ("Chemed") issued a press release updating full year December 31, 2019 guidance. A copy of the release is furnished herewith as Exhibit 99.1.

The information in the press release is being furnished, not filed, pursuant to this Item 7.01. Accordingly, the information in the press release will not be incorporated by reference into any registration statement filed by Chemed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this Report with respect to the press release is not intended to, and does not, constitute a determination or admission by Chemed that the information in this Report with respect to the press release is material or complete, or that investors should consider this information before making an investment decision with respect to any security of Chemed.

**Item 8.01 Other Events**

On August 5, 2019, Chemed issued a press release announcing that Roto-Rooter Services Company ("RRSC"), a wholly-owned indirect subsidiary of Chemed, entered into an Asset Purchase Agreement (the "Agreement") to purchase substantially all of the assets of HSW RR, Inc., a Delaware corporation ("HSW") and certain related assets of its affiliates, for \$120 million, subject to a working capital adjustment. HSW owns and operates fourteen Roto-Rooter franchises mainly in the southwestern section of the United States, including Los Angeles, Dallas and Phoenix. Included in the assets purchased are the assets of Western Drain Supply, Inc., a plumbing supply company. The purchase will be made using a combination of cash on-hand and borrowings under Chemed's existing \$450 million revolving credit facility. The parties anticipate closing the transaction in the third quarter following receipt of governmental approval.

A copy of the release is furnished herewith as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits**

d) Exhibits

[\(99.1\) Registrant's press release dated August 5, 2019](#)

[\(99.2\) Registrant's press release dated August 5, 2019](#)

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SIGNATURES

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.

Dated: August 5, 2019

CHEMED CORPORATION

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



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

## Chemed Corporation Releases Updated Guidance

CINCINNATI, August 5, 2019---The VITAS and Chemed (NYSE:CHE) updated guidance includes the increase and rebasing of hospice reimbursement rates announced by CMS on July 31, 2019, and effective October 1, 2019. This updated guidance also includes certain increased costs related to revenue pass-through under certain inpatient unit agreements. The guidance issued in February 2019 assumed a 1.5% effective rate increase effective October 1, 2019.

Revenue growth for VITAS in 2019, prior to Medicare Cap, is estimated to be in the range of 7.5% to 8.0%. Admissions are estimated to expand approximately 2.5% to 3.0% and Average Daily Census in 2019 is estimated to expand approximately 5.0% to 5.5%. Full-year Adjusted EBITDA margin, prior to Medicare Cap, is estimated to be 18.1%. We are currently estimating \$7.8 million for Medicare Cap billing limitations in the second half of calendar 2019.

The Roto-Rooter updated guidance includes the Oakland acquisition announced in July 2019 as well as the HSW RR, Inc. acquisition announced on August 5, 2019. These acquisitions are immediately accretive to earnings. However, given the size and complexity of these acquired territories, it will take several quarters before the operating performance of these acquisitions begin to approximate the overall Roto-Rooter branch performance.

Roto-Rooter is forecasted to achieve full-year 2019 revenue growth of 12% to 13%. This revenue estimate is based upon the marginal impact from our previously announced 2018 and 2019 acquisitions, increased job pricing of approximately 2%, continued growth in core plumbing and drain cleaning services as well as continued but slowing revenue growth from water restoration services. Roto-Rooter's Adjusted EBITDA margin for 2019 is estimated at 23.5%.

Based upon the above, full-year 2019 adjusted earnings per diluted share, excluding non-cash expense for stock options, tax benefits from stock options, costs related to litigation, and other discrete items, is estimated to be in the range of \$13.65 to \$13.85. This 2019 guidance assumes an effective consolidated corporate tax rate of 25.2%. Chemed's 2018 reported adjusted earnings per diluted share was \$11.93.

Listed on the New York Stock Exchange and headquartered in Cincinnati, Ohio, Chemed Corporation ([www.chemed.com](http://www.chemed.com)) operates two wholly owned subsidiaries: VITAS Healthcare and Roto-Rooter. VITAS is the nation's largest provider of end-of-life hospice care and Roto-Rooter is the nation's leading provider of plumbing and drain cleaning services.

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Statements in this press release or in other Chemed communications may relate to future events or Chemed's future performance. Such statements are forward-looking statements and are based on present information Chemed has related to its existing business circumstances. Investors are cautioned that such forward-looking statements are subject to inherent risk that actual results may differ materially from such forward-looking statements. Further, investors are cautioned that Chemed does not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations.

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

Roto-Rooter To Buy Assets of Its Largest Independent Franchise Operator

CINCINNATI, August 5, 2019 – Roto-Rooter Services Company, a wholly-owned subsidiary of Chemed Corporation ("Chemed") (NYSE: CHE) announced it has entered into an agreement to acquire all of HSW RR, Inc.'s ("HSW") franchise operations and Western Drain Supply for an aggregate purchase price of \$120 million. HSW is Roto-Rooter's largest independent franchise operator.

Upon closing, which is subject to governmental approval, this will be Roto-Rooter's largest franchise acquisition and will add fourteen Roto-Rooter franchises in the western U.S. The franchised territories include: Metro Los Angeles (including Inland Empire, San Fernando Valley, San Gabriel County, Orange County) and San Diego, California; Dallas and El Paso, Texas; Phoenix, Tucson, and Florence, Arizona; Salt Lake City, Ogden, Park City and Provo, Utah; and Portland and Salem, Oregon. Collectively, these Roto-Rooter locations serve a population of approximately 32 million people.

This purchase is part of Roto-Rooter's ongoing strategy of acquiring franchises to boost productivity, market share and profitability.

Listed on the New York Stock Exchange and headquartered in Cincinnati, Ohio, Chemed Corporation ([www.chemed.com](http://www.chemed.com)) operates two wholly owned subsidiaries: VITAS Healthcare and Roto-Rooter. VITAS is the nation's largest provider of end-of-life hospice care and Roto-Rooter is the nation's leading provider of plumbing and drain cleaning services.

Statements in this press release or in other Chemed communications may relate to future events or Chemed's future performance. Such statements are forward-looking statements and are based on present information Chemed has related to its existing business circumstances. Investors are cautioned that such forward-looking statements are subject to inherent risk that actual results may differ materially from such forward-looking statements. Further, investors are cautioned that Chemed does not assume any obligation to update forward-looking statements based on unanticipated events or changed expectations.

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