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

(Mark One)

☒ Quarterly Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended June 30, 2026

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number: 1-8351

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

| | |
|---|---|
| Delaware | 31-0791746 |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| 255 E. Fifth Street, Suite 2600, Cincinnati, Ohio | 45202 |
| (Address of principal executive offices) | (Zip code) |

(513) 762-6690
(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 periods 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 by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended the extended transition period for complying with a new or revised financial accounting standards provided pursuant to Section 13 (a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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

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

| Title of Each Class | Trading Symbol | Name of Each Exchange on which Registered | Amount | Date |
|---|---|---|---|---|
| Capital Stock $1 Par Value | CHE | New York Stock Exchange | 13,069,961 Shares | June 30, 2026 |

**CHEMED CORPORATION AND**
**SUBSIDIARY COMPANIES**

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

| | June 30, 2026 | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| Current assets | | |
| Cash and cash equivalents | $ **40,222** | $ 74,515 |
| Accounts receivable less allowances | **188,634** | 182,575 |
| Inventories | **7,630** | 7,543 |
| Prepaid income taxes | **17,646** | 11,165 |
| Prepaid expenses | **37,103** | 26,818 |
| Total current assets | **291,235** | 302,616 |
| Investments of deferred compensation plans held in trust | **148,153** | 140,347 |
| Properties and equipment, at cost, less accumulated depreciation of $403,739 (2025- $388,104) | **208,499** | 205,662 |
| Lease right of use asset | **142,535** | 131,151 |
| Identifiable intangible assets less accumulated amortization of $74,720 (2025 - $69,432) | **78,601** | 82,764 |
| Goodwill | **699,398** | 666,999 |
| Other assets | **11,164** | 8,650 |
| Total Assets | $ **1,579,585** | $ 1,538,189 |
| **LIABILITIES** | | |
| Current liabilities | | |
| Accounts payable | $ **84,713** | $ 64,459 |
| Accrued insurance | **72,455** | 62,054 |
| Accrued compensation | **63,794** | 58,329 |
| Short-term lease liability | **41,277** | 40,892 |
| Income taxes | **-** | 2,504 |
| Other current liabilities | **57,607** | 58,892 |
| Total current liabilities | **319,846** | 287,130 |
| Deferred compensation liabilities | **146,986** | 136,139 |
| Long-term debt | **140,000** | - |
| Long-term lease liability | **113,516** | 102,867 |
| Deferred income taxes | **15,050** | 19,313 |
| Other liabilities | **13,677** | 13,335 |
| Total Liabilities | **749,075** | 558,784 |
| **Commitments and contingencies (Note 10)** | | |
| **STOCKHOLDERS' EQUITY** | | |
| Capital stock - authorized 80,000,000 shares $1 par; issued 37,612,657 shares (2025 - 37,594,676 shares) | **37,613** | 37,595 |
| Paid-in capital | **1,617,125** | 1,592,197 |
| Retained earnings | **3,073,331** | 2,955,375 |
| Treasury stock - 24,597,558 shares (2025 - 23,884,187 shares) | **(3,900,000)** | (3,608,117) |
| Deferred compensation payable in Company stock | **2,441** | 2,355 |
| Total Stockholders' Equity | **830,510** | 979,405 |
| Total Liabilities and Stockholders' Equity | $ **1,579,585** | $ 1,538,189 |

See Accompanying Notes to Unaudited Consolidated Financial Statements.

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Service revenues and sales | **$ 673,251** | $ 618,798 | **$ 1,330,764** | $ 1,265,741 |
| Cost of services provided and goods sold (excluding depreciation) | **451,780** | 434,105 | **893,529** | 864,635 |
| Selling, general and administrative expenses | **115,203** | 100,323 | **229,524** | 205,910 |
| Depreciation | **14,267** | 13,689 | **28,570** | 27,134 |
| Amortization | **2,719** | 2,571 | **5,289** | 5,143 |
| Other operating expense | **78** | 26 | **70** | 77 |
| Total costs and expenses | **584,047** | 550,714 | **1,156,982** | 1,102,899 |
| Income from operations | **89,204** | 68,084 | **173,782** | 162,842 |
| Interest expense | **(1,789)** | (443) | **(2,301)** | (772) |
| Other income - net | **3,914** | 3,474 | **8,688** | 4,719 |
| Income before income taxes | **91,329** | 71,115 | **180,169** | 166,789 |
| Income taxes | **(23,626)** | (18,622) | **(46,164)** | (42,539) |
| Net income | **$ 67,703** | $ 52,493 | **$ 134,005** | $ 124,250 |
| Earnings Per Share: | | | | |
| Net income | **$ 5.14** | $ 3.60 | **$ 9.98** | $ 8.51 |
| Average number of shares outstanding | **13,174** | 14,591 | **13,423** | 14,606 |
| Diluted Earnings Per Share: | | | | |
| Net income | **$ 5.13** | $ 3.57 | **$ 9.97** | $ 8.43 |
| Average number of shares outstanding | **13,199** | 14,703 | **13,442** | 14,733 |
| Cash Dividends Per Share | **$ 0.60** | $ 0.50 | **$ 1.20** | $ 1.00 |

See Accompanying Notes to Unaudited Consolidated Financial Statements.

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

| | Six Months Ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| **Cash Flows from Operating Activities** | | |
| Net income | **$ 134,005** | $ 124,250 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | **33,859** | 32,277 |
| Stock option expense | **18,302** | 18,307 |
| Benefit for deferred income taxes | **(4,262)** | (13,243) |
| Noncash long-term incentive compensation | **3,633** | 3,273 |
| Noncash directors' compensation | **1,191** | 1,123 |
| Litigation settlements | **548** | - |
| Amortization of debt issuance costs | **163** | 160 |
| Changes in operating assets and liabilities: | | |
| Increase in accounts receivable | **(6,716)** | (13,466) |
| Increase in inventories | **(87)** | (955) |
| Increase in prepaid expenses | **(10,285)** | (7,232) |
| Increase/(decrease) in accounts payable and other current liabilities | **9,174** | (12,449) |
| Change in current income taxes | **(8,985)** | (10,764) |
| Net change in lease assets and liabilities | **292** | (72) |
| (Increase)/decrease in other assets | **(9,489)** | 48,426 |
| Increase in other liabilities | **11,191** | 1,521 |
| Other sources | **498** | 194 |
| Net cash provided by operating activities | **173,032** | 171,350 |
| **Cash Flows from Investing Activities** | | |
| Business combinations, net of cash acquired | **(33,540)** | (225) |
| Capital expenditures | **(32,639)** | (29,088) |
| Proceeds from sale of fixed assets | **422** | 480 |
| Other uses | **(270)** | (322) |
| Net cash used by investing activities | **(66,027)** | (29,155) |
| **Cash Flows from Financing Activities** | | |
| Proceeds from revolving line of credit | **491,480** | - |
| Payments on revolving line of credit | **(351,480)** | - |
| Purchases of treasury stock | **(287,521)** | (76,168) |
| Change in cash overdrafts payable | **23,305** | 309 |
| Dividends paid | **(16,049)** | (14,542) |
| Proceeds from exercise of stock options | **2,731** | 27,152 |
| Capital stock surrendered to pay taxes on stock-based compensation | **(1,482)** | (8,484) |
| Debt issuance costs | **(1,349)** | - |
| Other (uses)/sources | **(933)** | 1,092 |
| Net cash used by financing activities | **(141,298)** | (70,641) |
| **(Decrease)/increase in Cash and Cash Equivalents** | **(34,293)** | 71,554 |
| Cash and cash equivalents at beginning of period | **74,515** | 178,350 |
| Cash and cash equivalents at end of period | **$ 40,222** | $ 249,904 |

See Accompanying Notes to Unaudited Consolidated Financial Statements.

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
(in thousands, except per share data)

***For the three months ended June 30, 2026 and 2025:***

| | Capital Stock | Paid-in Capital | Retained Earnings | Treasury Stock- at Cost | Deferred Compensation Payable in Company Stock | Total |
|---|---|---|---|---|---|---|
| **Balance at March 31, 2026** | **$ 37,607** | **$ 1,603,730** | **$ 3,013,504** | **$ (3,809,245)** | **$ 2,398** | **$ 847,994** |
| **Net income** | **-** | **-** | **67,703** | **-** | **-** | **67,703** |
| **Dividends paid ($0.60 per share)** | **-** | **-** | **(7,876)** | **-** | **-** | **(7,876)** |
| **Stock awards and exercise of stock options** | **6** | **13,904** | **-** | **-** | **-** | **13,910** |
| **Purchases of treasury stock** | **-** | **-** | **-** | **(89,839)** | **-** | **(89,839)** |
| **Excise tax on share repurchase** | **-** | **-** | **-** | **(872)** | **-** | **(872)** |
| **Other** | **-** | **(509)** | **-** | **(44)** | **43** | **(510)** |
| **Balance at June 30, 2026** | **$ 37,613** | **$ 1,617,125** | **$ 3,073,331** | **$ (3,900,000)** | **$ 2,441** | **$ 830,510** |

| | Capital Stock | Paid-in Capital | Retained Earnings | Treasury Stock- at Cost | Deferred Compensation Payable in Company Stock | Total |
|---|---|---|---|---|---|---|
| Balance at March 31, 2025 | $ 37,535 | $ 1,538,419 | $ 2,786,264 | $ (3,182,718) | $ 2,262 | $ 1,181,762 |
| Net income | - | - | 52,493 | - | - | 52,493 |
| Dividends paid ($0.50 per share) | - | - | (7,217) | - | - | (7,217) |
| Stock awards and exercise of stock options | 58 | 36,803 | - | (23,413) | - | 13,448 |
| Purchases of treasury stock | - | - | - | (42,945) | - | (42,945) |
| Other | - | 943 | - | (39) | 40 | 944 |
| Balance at June 30, 2025 | $ 37,593 | $ 1,576,165 | $ 2,831,540 | $ (3,249,115) | $ 2,302 | $ 1,198,485 |

See Accompanying Notes to Unaudited Consolidated Financial Statements.

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**
(in thousands, except per share data)

***For the six months ended June 30, 2026 and 2025:***

| | Capital Stock | Paid-in Capital | Retained Earnings | Treasury Stock- at Cost | Deferred Compensation Payable in Company Stock | Total |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2025** | **$ 37,595** | **$ 1,592,197** | **$ 2,955,375** | **$ (3,608,117)** | **$ 2,355** | **$ 979,405** |
| **Net income** | **-** | **-** | **134,005** | **-** | **-** | **134,005** |
| **Dividends paid ($1.20 per share)** | **-** | **-** | **(16,049)** | **-** | **-** | **(16,049)** |
| **Stock awards and exercise of stock options** | **18** | **25,839** | **-** | **(1,482)** | **-** | **24,375** |
| **Purchases of treasury stock** | **-** | **-** | **-** | **(287,521)** | **-** | **(287,521)** |
| **Excise tax on share repurchase** | **-** | **-** | **-** | **(2,792)** | **-** | **(2,792)** |
| **Other** | **-** | **(911)** | **-** | **(88)** | **86** | **(913)** |
| **Balance at June 30, 2026** | **$ 37,613** | **$ 1,617,125** | **$ 3,073,331** | **$ (3,900,000)** | **$ 2,441** | **$ 830,510** |

| | Capital Stock | Paid-in Capital | Retained Earnings | Treasury Stock- at Cost | Deferred Compensation Payable in Company Stock | Total |
|---|---|---|---|---|---|---|
| Balance at December 31, 2024 | $ 37,422 | $ 1,484,176 | $ 2,721,832 | $ (3,126,660) | $ 2,223 | $ 1,118,993 |
| Net income | - | - | 124,250 | - | - | 124,250 |
| Dividends paid ($1.00 per share) | - | - | (14,542) | - | - | (14,542) |
| Stock awards and exercise of stock options | 171 | 90,875 | - | (49,675) | - | 41,371 |
| Purchases of treasury stock | - | - | - | (72,701) | - | (72,701) |
| Other | - | 1,114 | - | (79) | 79 | 1,114 |
| Balance at June 30, 2025 | $ 37,593 | $ 1,576,165 | $ 2,831,540 | $ (3,249,115) | $ 2,302 | $ 1,198,485 |

See Accompanying Notes to Unaudited Consolidated Financial Statements.

## 1. Basis of Presentation

As used herein, the terms "We," "Company" and "Chemed" refer to Chemed Corporation or Chemed Corporation and its consolidated subsidiaries.

We have prepared the accompanying unaudited consolidated financial statements of Chemed in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, we have omitted certain disclosures required under generally accepted accounting principles in the United States ("GAAP") for complete financial statements. The December 31, 2025 balance sheet data were derived from audited financial statements but do not include all disclosures required by GAAP. However, in our opinion, the financial statements presented herein contain all adjustments, consisting only of normal recurring adjustments, necessary to state fairly our financial position, results of operations and cash flows. The results of operations for the six months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026 or any other future period, and we make no representations related thereto. These financial statements are prepared on the same basis as and should be read in conjunction with the audited Consolidated Financial Statements and related Notes included in our Annual Report on Form 10-K for the year ended December 31, 2025.

*INCOME TAXES*

Our effective income tax rate was 25.9% in the second quarter of 2026 compared to 26.2% during the second quarter of 2025. Excess tax expense/benefit on stock options exercised were immaterial for the quarters ended June 30, 2026 and 2025, respectively.

Our effective tax rate reconciliation is as follows (in thousands):

| | **Three months ended June 30,** | |
|---|---|---|
| | **2026** | 2025 |
| Income tax provision calculated at the statutory federal rate | **$ 19,179** | $ 14,934 |
| State and local income taxes, less federal income tax effect | **2,811** | 2,261 |
| Nondeductible expenses: | | |
| Stock compensation tax expense/(benefit) | **445** | (50) |
| Other--net | **1,191** | 1,477 |
| Income tax provision | **$ 23,626** | $ 18,622 |
| Effective tax rate | **25.9** % | 26.2 % |

Our effective income tax rate was 25.6% in the first six months of 2026 compared to 25.5% during the first six months of 2025. Excess tax expense/benefit on stock options exercised were immaterial for the first six months ended June 30, 2026 and 2025, respectively.

Our effective tax rate reconciliation is as follows (in thousands):

| | **Six months ended June 30,** | |
|---|---|---|
| | **2026** | 2025 |
| Income tax provision calculated at the statutory federal rate | **$ 37,835** | $ 35,026 |
| State and local income taxes, less federal income tax effect | **5,529** | 6,448 |
| Nondeductible expenses: | | |
| Stock compensation tax expense/(benefit) | **501** | (513) |
| Other--net | **2,299** | 1,578 |
| Income tax provision | **$ 46,164** | $ 42,539 |
| Effective tax rate | **25.6** % | 25.5 % |

*NON-CASH TRANSACTIONS*

Included in the accompanying Consolidated Balance Sheets are $1.2 million and $2.1 million of capitalized property and equipment which were not paid for as of June 30, 2026 and December 31, 2025, respectively. Accrued property and equipment purchases have been excluded from capital expenditures in the accompanying Consolidated Statements of Cash Flows. There are no material non-cash amounts included in interest expense for any period presented.

*BUSINESS COMBINATIONS*

We account for acquired businesses using the acquisition method of accounting. All assets acquired and liabilities assumed are recorded at their respective fair values at the date of acquisition. The determination of fair value involves estimates and the use of valuation techniques when market value is not readily available. We use various techniques to determine fair value in accordance with accepted valuation models, primarily the income approach. The significant assumptions used in developing fair values include, but are not limited to, revenue growth rates, the amount and timing of future cash flows, discount rates, useful lives, royalty rates and future tax rates. The excess of purchase price over the fair value of assets and liabilities acquired is recorded as goodwill. See Note 15 for discussion of recent acquisitions.

*ESTIMATES*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying Notes. Actual results could differ from those estimates. Disclosures of after-tax expenses and adjustments are based on estimates of the effective income tax rates for the applicable segments.

**2. Revenue Recognition**

In May 2014, the FASB issued Accounting Standards Update "ASU No. 2014-09 – Revenue from Contracts with Customers." The standard and subsequent amendments are intended to develop a common revenue standard for removing inconsistencies and weaknesses, improve comparability, provide for more useful information to users through improved disclosure requirements and simplify the preparation of financial statements. The standard is also referred to as Accounting Standards Codification No. 606 ("ASC 606").

VITAS

Service revenue for VITAS is reported at the amount that reflects the ultimate consideration we expect to receive in exchange for providing patient care. These amounts are due from third-party payors, primarily commercial health insurers and government programs (Medicare and Medicaid), and include variable consideration for revenue adjustments due to settlements of audits and reviews, as well as certain hospice-specific revenue capitations. Amounts are generally billed monthly or subsequent to patient discharge. Subsequent changes in the transaction price initially recognized are not significant.

Hospice services are provided on a daily basis and the type of service provided is determined based on a physician's determination of each patient's specific needs on that given day. Reimbursement rates for hospice services are on a *per diem* basis regardless of the type of service provided or the payor. Reimbursement rates from government programs are established by the appropriate governmental agency and are standard across all hospice providers. Reimbursement rates from health insurers are negotiated with each payor and generally structured to closely mirror the Medicare reimbursement model. The types of hospice services provided and associated reimbursement model for each are as follows:

> *Routine Home Care* occurs when a patient receives hospice care in their home, including a nursing home setting. The routine home care rate is paid for each day that a patient is in a hospice program and is not receiving one of the other categories of hospice care. For Medicare patients, the routine home care rate reflects a two-tiered rate, with a higher rate for the first 60 days of a hospice patient's care and a lower rate for days 61 and after. In addition, there is a Service Intensity Add-on payment which covers direct home care visits conducted by a registered nurse or social worker in the last seven days of a hospice patient's life, reimbursed up to 4 hours per day in 15 minute increments at the continuous home care rate.
>
> *General Inpatient Care* occurs when a patient requires services in a controlled setting for a short period of time for pain control or symptom management which cannot be managed in other settings. General inpatient care services must be provided in a Medicare or Medicaid certified hospital or long-term care facility or at a freestanding inpatient hospice facility with the required registered nurse staffing.
>
> *Continuous Home Care* is provided to patients while at home, including a nursing home setting, during periods of crisis when intensive monitoring and care, primarily nursing care, is required in order to achieve palliation or management of acute medical symptoms. Continuous home care requires a minimum of 8 hours of care within a 24-hour day, which begins at midnight. The care must be predominantly nursing care provided by either a registered nurse or licensed nurse practitioner. While the published Medicare continuous home care rates are daily rates, Medicare pays for continuous home care in 15 minute increments. This 15 minute rate is calculated by dividing the daily rate by 96.

*Respite Care* permits a hospice patient to receive services on an inpatient basis for a short period of time in order to provide relief for the patient's family or other caregivers from the demands of caring for the patient. A hospice can receive payment for respite care for a given patient for up to five consecutive days at a time, after which respite care is reimbursed at the routine home care rate.

Each level of care represents a separate promise under the contract of care and is provided independently for each patient contingent upon the patient's specific medical needs as determined by a physician. However, the clinical criteria used to determine a patient's level of care is consistent across all patients, given that, each patient is subject to the same payor rules and regulations. As a result, we have concluded that each level of care is capable of being distinct and is distinct in the context of the contract. Furthermore, we have determined that each level of care represents a stand ready service provided as a series of either days or hours of patient care. We believe that the performance obligations for each level of care meet criteria to be satisfied over time. VITAS recognizes revenue based on the service output. VITAS believes this to be the most faithful depiction of the transfer of control of services as the patient simultaneously receives and consumes the benefits provided by our performance. Revenue is recognized on a daily or hourly basis for each patient in accordance with the reimbursement model for each type of service. VITAS' performance obligations relate to contracts with an expected duration of less than one year. Therefore, VITAS has elected to apply the optional exception provided in ASC 606 and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially satisfied performance obligations referred to above relate to bereavement services provided to patients' families for at least 12 months after discharge.

Care is provided to patients regardless of their ability to pay. Patients who meet our criteria for charity care are provided care without charge. There is no revenue or associated accounts receivable in the accompanying Consolidated Financial Statements related to charity care. The cost of providing charity care for the quarters ended June 30, 2026 and 2025 was $2.2 million and $2.3 million, respectively. The cost of providing charity care for the first six months ended June 30, 2026 and 2025 was $4.4 million and $4.3 million, respectively. The cost of charity care is included in cost of services provided and goods sold and is calculated by taking the ratio of charity care days to total days of care and multiplying by the total cost of care.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance which vary in amount. VITAS also provides service to patients without a reimbursement source and may offer those patients discounts from standard charges. VITAS estimates the transaction price for patients with deductibles and coinsurance, along with those uninsured patients, based on historical experience and current conditions. The estimate of any contractual adjustments, discounts or implicit price concessions reduces the amount of revenue initially recognized. Subsequent changes to the estimate of the transaction price are recorded as adjustments to patient service revenue in the period of change. Subsequent changes that are determined to be the result of an adverse change in the patients' ability to pay (i.e. change in credit risk) are recorded as bad debt expense. VITAS has no material adjustments related to subsequent changes in the estimate of the transaction price or subsequent changes as the result of an adverse change in the patient's ability to pay for any period reported.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation and change over time. Medicare and Medicaid programs have broad authority to audit and review compliance with such laws and regulations and impose payment suspensions or modifications when merited. Additionally, the contracts we have with commercial health insurance payors provide for retroactive audit and review of claims. Settlement with third party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. The variable consideration is estimated based on the terms of the payment agreement, existing correspondence from the payor and our historical settlement activity. These estimates are adjusted in future periods, as new information becomes available.

We are subject to certain limitations on Medicare payments for services which are considered variable consideration, as follows:

*Inpatient Cap.* If the number of inpatient care days any hospice program provides to Medicare beneficiaries exceeds 20% of the total days of hospice care such program provided to all Medicare patients for an annual period beginning September 28, the days in excess of the 20% figure may be reimbursed only at the routine homecare rate. None of VITAS' hospice programs exceeded the payment limits on inpatient services during the six months ended June 30, 2026 and 2025.

*Medicare Cap.* We are also subject to a Medicare annual per-beneficiary cap ("Medicare Cap"). Compliance with the Medicare Cap is measured in one of two ways based on a provider election. The "streamlined" method compares total Medicare payments received under a Medicare provider number with respect to services provided to all Medicare hospice care beneficiaries in the program or programs covered by that Medicare provider number with the product of the per-beneficiary cap amount and the number of Medicare beneficiaries electing hospice care for the first time from that hospice program or programs from September 28 through September 27 of the following year. At June 30, 2026, all our programs except three are using the "streamlined" method.

The "proportional" method compares the total Medicare payments received under a Medicare provider number with respect to services provided to all Medicare hospice care beneficiaries in the program or programs covered by the Medicare provider number between September 28 and September 27 of the following year with the product of the per beneficiary cap amount and a pro-rated number of Medicare beneficiaries receiving hospice services from that program during the same period. The pro-rated number of Medicare beneficiaries is calculated based on the ratio of days the beneficiary received hospice services during the measurement period to the total number of days the beneficiary received hospice services.

We actively monitor each of our hospice programs, by provider number, as to their specific admission, discharge rate and median length of stay data in an attempt to determine whether revenues are likely to exceed the annual per-beneficiary Medicare Cap. Should we determine that revenues for a program are likely to exceed the Medicare Cap based on projected trends, we attempt to institute corrective actions, which include changes to the patient mix and increased patient admissions. However, should we project our corrective action will not prevent that program from exceeding its Medicare Cap, we estimate revenue recognized during the government fiscal year that will require repayment to the Federal government under the Medicare Cap and record an adjustment to revenue of an amount equal to a ratable portion of our best estimate for the year.

For VITAS' patients in the nursing home setting in which Medicaid pays the nursing home room and board, VITAS serves as a pass-through between Medicaid and the nursing home. We are responsible for paying the nursing home for that patient's room and board. Medicaid reimburses us for 95% of the amount we have paid. This results in a 5% net expense for VITAS related to nursing home room and board. This transaction creates a performance obligation in that VITAS is facilitating room and board being delivered to our patient. As a result, the 5% net expense is recognized as a contra-revenue account under ASC 606 in the accompanying financial statements.

The composition of patient care service revenue by payor and level of care for the quarter ended June 30, 2026 is as follows (in thousands):

| | Medicare | Medicaid | Commercial | Total |
|---|---|---|---|---|
| **Routine home care** | **$ 369,992** | **$ 13,001** | **$ 8,355** | **$ 391,348** |
| **Inpatient care** | **30,854** | **2,345** | **2,474** | **35,673** |
| **Continuous care** | **17,792** | **583** | **1,021** | **19,396** |
| | **$ 418,638** | **$ 15,929** | **$ 11,850** | **$ 446,417** |
| **All other revenue - self-pay, respite care, etc.** | | | | **6,206** |
| **Subtotal** | | | | **$ 452,623** |
| **Medicare cap adjustment** | | | | **(500)** |
| **Implicit price concessions** | | | | **(4,844)** |
| **Room and board, net** | | | | **(3,938)** |
| **Net revenue** | | | | **$ 443,341** |

The composition of patient care service revenue by payor and level of care for the quarter ended June 30, 2025 is as follows (in thousands):

| | Medicare | Medicaid | Commercial | Total |
|---|---|---|---|---|
| Routine home care | $ 338,148 | $ 11,274 | $ 8,620 | $ 358,042 |
| Inpatient care | 28,797 | 2,000 | 2,226 | 33,023 |
| Continuous care | 21,934 | 636 | 1,070 | 23,640 |
| | $ 388,879 | $ 13,910 | $ 11,916 | $ 414,705 |
| All other revenue - self-pay, respite care, etc. | | | | 5,747 |
| Subtotal | | | | $ 420,452 |
| Medicare cap adjustment | | | | (16,375) |
| Implicit price concessions | | | | (3,984) |
| Room and board, net | | | | (3,892) |
| Net revenue | | | | $ 396,201 |

The composition of patient care service revenue by payor and level of care for the six months ended June 30, 2026 is as follows (in thousands):

| | Medicare | Medicaid | Commercial | Total |
|---|---|---|---|---|
| **Routine home care** | **$ 720,068** | **$ 25,555** | **$ 16,815** | **$ 762,438** |
| **Inpatient care** | **62,304** | **4,672** | **4,623** | **71,599** |
| **Continuous care** | **34,376** | **1,134** | **2,020** | **37,530** |
| | **$ 816,748** | **$ 31,361** | **$ 23,458** | **$ 871,567** |
| **All other revenue - self-pay, respite care, etc.** | | | | **11,783** |
| **Subtotal** | | | | **$ 883,350** |
| **Medicare cap adjustment** | | | | **(2,875)** |
| **Implicit price concessions** | | | | **(9,921)** |
| **Room and board, net** | | | | **(7,196)** |
| **Net revenue** | | | | **$ 863,358** |

The composition of patient care service revenue by payor and level of care for the six months ended June 30, 2025 is as follows (in thousands):

| | Medicare | Medicaid | Commercial | Total |
|---|---|---|---|---|
| Routine home care | $ 670,788 | $ 22,311 | $ 16,509 | $ 709,608 |
| Inpatient care | 58,341 | 4,164 | 4,540 | 67,045 |
| Continuous care | 44,779 | 1,379 | 2,118 | 48,276 |
| | $ 773,908 | $ 27,854 | $ 23,167 | $ 824,929 |
| All other revenue - self-pay, respite care, etc. | | | | 11,092 |
| Subtotal | | | | $ 836,021 |
| Medicare cap adjustment | | | | (18,700) |
| Implicit price concessions | | | | (6,304) |
| Room and board, net | | | | (7,417) |
| Net revenue | | | | $ 803,600 |

*Roto-Rooter*

Roto-Rooter provides plumbing, drain cleaning, excavation, water restoration and other related services to both residential and commercial customers primarily in the United States. Services are provided through a network of company-owned branches, independent contractors and franchisees. Service revenue for Roto-Rooter is reported at the amount that reflects the ultimate consideration we expect to receive in exchange for providing services.

Roto-Rooter owns and operates branches focusing mainly on large population centers in the United States. Roto-Rooter's primary lines of business in company-owned branches consist of plumbing, sewer and drain cleaning, excavation and water restoration. For purposes of ASC 606 analysis, plumbing, sewer and drain cleaning, and excavation have been combined into one portfolio and are referred to as "short-term core services". Water restoration is analyzed as a separate portfolio. The following describes the key characteristics of these portfolios:

*Short-term Core Services* are plumbing, drain and sewer cleaning and excavation services. These services are provided to both commercial and residential customers. The duration of services provided in this category range from a few hours to a few days. There are no significant warranty costs or on-going obligations to the customer once a service has been completed. For residential customers, payment is received at the time of job completion before the Roto-Rooter technician leaves the residence. Commercial customers may be granted credit subject to internally designated authority limits and credit check guidelines. If credit is granted, payment terms are generally 30 days or less.

Each job in this category is a distinct service with a distinct performance obligation to the customer. Revenue is recognized at the completion of each job. Variable consideration consists of pre-invoice discounts and post-invoice discounts. Pre-invoice discounts are given in the form of coupons or price concessions. Post-invoice discounts consist of credit memos generally granted to resolve customer service issues. Variable consideration is estimated based on historical activity and recorded at the time service is completed.

*Water Restoration Services* involve the remediation of water and humidity after a flood. These services are provided to both commercial and residential customers. The duration of services provided in this category generally ranges from 3 to 5 days. There are no significant warranties or on-going obligations to the customer once service has been completed. The majority of these services are paid by the customer's insurance company. Variable consideration relates primarily to allowances taken by insurance companies upon payment. Variable consideration is estimated based on historical activity and recorded at the time service is completed.

For both short-term core services and water restoration services, Roto-Rooter satisfies its performance obligation at a point in time. The services provided generally involve fixing plumbing, drainage or flood-related issues at the customer's property. At the time service is complete, the customer acknowledges its obligation to pay for service and its satisfaction with the service performed. This provides evidence that the customer has accepted the service and Roto-Rooter is now entitled to payment. As such, Roto-Rooter recognizes revenue for these services upon completion of the job and receipt of customer acknowledgement. Roto-Rooter's performance obligations for short-term core services and water restoration services relate to contracts with an expected duration of less than a year. Therefore, Roto-Rooter has elected to apply the optional exception provided in ASC 606 and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Roto-Rooter does not have significant unsatisfied or partially unsatisfied performance obligations at the time of initial revenue recognition for short-term core or water restoration services.

Roto-Rooter owns the rights to certain territories and contracts with independent third-parties to operate the territory under Roto-Rooter's registered trademarks ("independent contractors"). Such contracts are for a specified term but cancellable by either party without penalty with 90 days' advance notice. Under the terms of these arrangements, Roto-Rooter provides certain back office support and advertising along with a limited license to use Roto-Rooter's registered trademarks. The independent contractor is responsible for all day-to-day management of the business including staffing decisions and pricing of services provided. All performance obligations of Roto-Rooter cease at the termination of the arrangement.

Independent contractors pay Roto-Rooter a standard fee calculated as a percentage of their cash collection from weekly sales. The primary value for the independent contractors under these arrangements is the right to use Roto-Rooter's registered trademarks. Roto-Rooter recognizes revenue from independent contractors over-time (weekly) as the independent contractor's labor sales are completed and payment from customers are received. Payment from independent contractors is also received on a weekly basis. The use of Roto-Rooter's registered trademarks and advertising provides immediate value to the independent contractor as a result of Roto-Rooter's nationally recognized brand. Therefore, over-time recognition provides the most faithful depiction of the transfer of services as the customer simultaneously receives and consumes the benefits provided. There is no significant variable consideration related to these arrangements.

Roto-Rooter has licensed the rights to operate under Roto-Rooter's registered trademarks in other territories to franchisees. Each such contract is for a 10 year term but cancellable by Roto-Rooter for cause with 60 day advance notice without penalty. The franchisee may cancel the contract for any reason with 60 days advance notice without penalty. Under the terms of the contract, Roto-Rooter provides national advertising and consultation on various aspects of operating a Roto-Rooter business along with the right to use Roto-Rooter's registered trademarks. The franchisee is responsible for all day-to-day management of the business including staffing decisions, pricing of services provided and local advertising spend and placement. All performance obligations of Roto-Rooter cease at the termination of the arrangement.

Franchisees pay Roto-Rooter a standard monthly fee based on the population within the franchise territory. The standard fee is revised on a yearly basis based on changes in the Consumer Price Index for All Urban Consumers. The primary value for the franchisees under this arrangement is the right to use Roto-Rooter's registered trademarks. Roto-Rooter recognizes revenue from franchisees over-time (monthly). Payment from franchisees is also received on a monthly basis. The use of Roto-Rooter's registered trademarks and advertising provides immediate value to the franchisees as a result of Roto-Rooter's nationally recognized brand. Therefore, over-time recognition provides the most faithful depiction of the transfer of services as the customer simultaneously receives and consumes the benefits provided. There is no significant variable consideration related to these arrangements.

The composition of disaggregated revenue for the second quarter is as follows (in thousands):

| | June 30, 2026 | June 30, 2025 |
|---|---|---|
| Drain cleaning | $ 57,501 | $ 55,557 |
| Plumbing | 47,901 | 45,284 |
| Excavation | 61,563 | 56,493 |
| Other | 272 | 187 |
| Subtotal - short term core | 167,237 | 157,521 |
| Water restoration | 46,857 | 49,824 |
| Independent contractors | 17,118 | 17,449 |
| Franchisee fees | 1,443 | 1,405 |
| Other | 4,297 | 4,783 |
| Gross revenue | 236,952 | 230,982 |
| Implicit price concessions and credit memos | (7,042) | (8,385) |
| Net revenue | $ 229,910 | $ 222,597 |

The composition of disaggregated revenue for the first six months is as follows (in thousands):

| | June 30, 2026 | June 30, 2025 |
|---|---|---|
| Drain cleaning | $ 117,235 | $ 115,099 |
| Plumbing | 97,485 | 91,344 |
| Excavation | 125,073 | 120,731 |
| Other | 501 | 376 |
| Subtotal - short term core | 340,294 | 327,550 |
| Water restoration | 94,706 | 103,987 |
| Independent contractors | 34,884 | 35,811 |
| Franchisee fees | 2,964 | 2,828 |
| Other | 9,386 | 9,678 |
| Gross revenue | 482,234 | 479,854 |
| Implicit price concessions and credit memos | (14,828) | (17,713) |
| Net revenue | $ 467,406 | $ 462,141 |

## 3. Segments

Our segments include the VITAS segment and the Roto-Rooter segment, which comprise the structure used by our President and Chief Executive Officer, who has been determined to be our Chief Operating Decision Maker ("CODM") to make key operating decisions and assess performance. Relative contributions of each segment to service revenues and sales for the second quarter of 2026 were 66% and 34%, respectively, compared to the second quarter of 2025 which were 64% and 36%, respectively. Relative contributions of each segment to service revenues and sales for the first six months of 2026 were 65% and 35%, respectively, compared to the first six months of 2025 which were 63% and 37%, respectively. The vast majority of our service revenues and sales from continuing operations are generated from business within the United States. Service revenues and sales by business segment are shown in Note 2.

The reportable segments have been defined along service lines, which is consistent with the way the businesses are managed. In determining reportable segments, the RRSC and RRC operating units of the Roto-Rooter segment have been aggregated on the basis of possessing similar operating and economic characteristics. The characteristics of these operating segments and the basis for aggregation are reviewed annually.

We report corporate administrative expenses and unallocated investing and financing income and expense not directly related to either segment as "Corporate". Corporate administrative expense includes the stewardship, accounting and reporting, legal, tax and other costs of operating a publicly held corporation. Corporate investing and financing income and expenses include the costs and income associated with corporate debt and investment arrangements.

Our CODM evaluates the segments' operating performance based mainly on income/(loss) from operations. For each segment, the CODM compares segment income/(loss) from operations in the annual budgeting and monthly forecasting process to actual results.

The CODM considers variances on a monthly basis for evaluating performance of each segment and making decisions about allocating resources to each segment.

Segment data for the three months ended June 30, 2026 are as follows (in thousands):

| | VITAS | Roto-Rooter | Reportable Segments | Corporate | Chemed Consolidated |
|---|---|---|---|---|---|
| **Service revenues and sales** | $ 443,341 | $ 229,910 | $ 673,251 | $ - | $ 673,251 |
| **Cost of services provided and goods sold (excluding depreciation)** | | | | | |
| **Wages** | 254,425 | 78,661 | 333,086 | - | 333,086 |
| **Patient care expense** | 47,108 | - | 47,108 | - | 47,108 |
| **Other expenses** | 36,158 | 35,428 | 71,586 | - | 71,586 |
| **Total cost of services provided and goods sold** | 337,691 | 114,089 | 451,780 | - | 451,780 |
| **Selling, general and administrative expense** | | | | | |
| **Wages** | 17,959 | 22,660 | 40,619 | 5,325 | 45,944 |
| **Advertising** | - | 21,793 | 21,793 | - | 21,793 |
| **Stock compensation** | - | - | - | 11,300 | 11,300 |
| **Other expenses** | 8,146 | 22,920 | 31,066 | 5,100 | 36,166 |
| **Total selling, general and administrative expense** | 26,105 | 67,373 | 93,478 | 21,725 | 115,203 |
| **Depreciation** | 5,781 | 8,474 | 14,255 | 12 | 14,267 |
| **Amortization** | 27 | 2,692 | 2,719 | - | 2,719 |
| **Other operating expense** | 28 | 50 | 78 | - | 78 |
| **Total costs and expenses** | 369,632 | 192,678 | 562,310 | 21,737 | 584,047 |
| **Income/(loss) from operations** | 73,709 | 37,232 | 110,941 | (21,737) | 89,204 |
| **Interest expense** | (54) | (185) | (239) | (1,550) | (1,789) |
| **Intercompany interest income/(expense)** | 6,480 | 4,575 | 11,055 | (11,055) | - |
| **Other income - net** | 66 | 10 | 76 | 3,838 | 3,914 |
| **Income/(expense) before income taxes** | 80,201 | 41,632 | 121,833 | (30,504) | 91,329 |
| **Income taxes** | (19,290) | (9,719) | (29,009) | 5,383 | (23,626) |
| **Net income/(loss)** | $ 60,911 | $ 31,913 | $ 92,824 | $ (25,121) | $ 67,703 |
| **Additions to long-lived assets** | $ 6,579 | $ 21,962 | $ 28,541 | $ 4 | $ 28,545 |

Segment data for the three months ended June 30, 2025 are as follows (in thousands):

| | VITAS | Roto-Rooter | Reportable Segments | Corporate | Chemed Consolidated |
|---|---|---|---|---|---|
| Service revenues and sales | $ 396,201 | $ 222,597 | $ 618,798 | $ - | $ 618,798 |
| Cost of services provided and goods sold (excluding depreciation) | | | | | |
| Wages | 241,805 | 75,704 | 317,509 | - | 317,509 |
| Patient care expense | 41,008 | - | 41,008 | - | 41,008 |
| Other expenses | 37,831 | 37,757 | 75,588 | - | 75,588 |
| Total cost of services provided and goods sold | 320,644 | 113,461 | 434,105 | - | 434,105 |
| Selling, general and administrative expense | | | | | |
| Wages | 16,757 | 21,018 | 37,775 | 2,748 | 40,523 |
| Advertising | - | 18,943 | 18,943 | - | 18,943 |
| Stock compensation | - | - | - | 10,069 | 10,069 |
| Other expenses | 8,328 | 20,575 | 28,903 | 1,885 | 30,788 |
| Total selling, general and administrative expense | 25,085 | 60,536 | 85,621 | 14,702 | 100,323 |
| Depreciation | 5,314 | 8,363 | 13,677 | 12 | 13,689 |
| Amortization | 26 | 2,545 | 2,571 | - | 2,571 |
| Other operating expense/(income) | 55 | (29) | 26 | - | 26 |
| Total costs and expenses | 351,124 | 184,876 | 536,000 | 14,714 | 550,714 |
| Income/(loss) from operations | 45,077 | 37,721 | 82,798 | (14,714) | 68,084 |
| Interest expense | (47) | (129) | (176) | (267) | (443) |
| Intercompany interest income/(expense) | 5,454 | 3,970 | 9,424 | (9,424) | - |
| Other income - net | 61 | 23 | 84 | 3,390 | 3,474 |
| Income/(expense) before income taxes | 50,545 | 41,585 | 92,130 | (21,015) | 71,115 |
| Income taxes | (12,326) | (9,671) | (21,997) | 3,375 | (18,622) |
| Net income/(loss) | $ 38,219 | $ 31,914 | $ 70,133 | $ (17,640) | $ 52,493 |
| Additions to long-lived assets | $ 7,060 | $ 8,745 | $ 15,805 | $ 5 | $ 15,810 |

Segment data for the first six months ended June 30, 2026 are as follows (in thousands):

| | VITAS | Roto-Rooter | Reportable Segments | Corporate | Chemed Consolidated |
|---|---|---|---|---|---|
| **Service revenues and sales** | $ 863,358 | $ 467,406 | $ 1,330,764 | $ - | $ 1,330,764 |
| **Cost of services provided and goods sold (excluding depreciation)** | | | | | |
| **Wages** | 498,530 | 160,333 | 658,863 | - | 658,863 |
| **Patient care expense** | 92,953 | - | 92,953 | - | 92,953 |
| **Other expenses** | 71,674 | 70,039 | 141,713 | - | 141,713 |
| **Total cost of services provided and goods sold** | 663,157 | 230,372 | 893,529 | - | 893,529 |
| **Selling, general and administrative expense** | | | | | |
| **Wages** | 35,195 | 45,545 | 80,740 | 10,004 | 90,744 |
| **Advertising** | - | 43,833 | 43,833 | - | 43,833 |
| **Stock compensation** | - | - | - | 22,055 | 22,055 |
| **Other expenses** | 17,018 | 45,924 | 62,942 | 9,950 | 72,892 |
| **Total selling, general and administrative expense** | 52,213 | 135,302 | 187,515 | 42,009 | 229,524 |
| **Depreciation** | 11,693 | 16,853 | 28,546 | 24 | 28,570 |
| **Amortization** | 53 | 5,236 | 5,289 | - | 5,289 |
| **Other operating expense/(income)** | 80 | (9) | 71 | (1) | 70 |
| **Total costs and expenses** | 727,196 | 387,754 | 1,114,950 | 42,032 | 1,156,982 |
| **Income/(loss) from operations** | 136,162 | 79,652 | 215,814 | (42,032) | 173,782 |
| **Interest expense** | (104) | (321) | (425) | (1,876) | (2,301) |
| **Intercompany interest income/(expense)** | 12,717 | 9,088 | 21,805 | (21,805) | - |
| **Other income - net** | 161 | 25 | 186 | 8,502 | 8,688 |
| **Income/(expense) before income taxes** | 148,936 | 88,444 | 237,380 | (57,211) | 180,169 |
| **Income taxes** | (35,818) | (20,747) | (56,565) | 10,401 | (46,164) |
| **Net income/(loss)** | $ 113,118 | $ 67,697 | $ 180,815 | $ (46,810) | $ 134,005 |
| **Additions to long-lived assets** | $ 13,322 | $ 53,057 | $ 66,379 | $ 25 | $ 66,404 |

Segment data for the first six months ended June 30, 2025 are as follows (in thousands):

| | VITAS | Roto-Rooter | Reportable Segments | Corporate | Chemed Consolidated |
|---|---|---|---|---|---|
| Service revenues and sales | $ 803,600 | $ 462,141 | $ 1,265,741 | $ - | $ 1,265,741 |
| Cost of services provided and goods sold (excluding depreciation) | | | | | |
| Wages | 476,978 | 153,176 | 630,154 | - | 630,154 |
| Patient care expense | 81,387 | - | 81,387 | - | 81,387 |
| Other expenses | 75,086 | 78,008 | 153,094 | - | 153,094 |
| Total cost of services provided and goods sold | 633,451 | 231,184 | 864,635 | - | 864,635 |
| Selling, general and administrative expense | | | | | |
| Wages | 34,284 | 42,204 | 76,488 | 7,479 | 83,967 |
| Advertising | - | 37,112 | 37,112 | - | 37,112 |
| Stock compensation | - | - | - | 21,817 | 21,817 |
| Other expenses | 17,340 | 43,868 | 61,208 | 1,806 | 63,014 |
| Total selling, general and administrative expense | 51,624 | 123,184 | 174,808 | 31,102 | 205,910 |
| Depreciation | 10,509 | 16,601 | 27,110 | 24 | 27,134 |
| Amortization | 52 | 5,091 | 5,143 | - | 5,143 |
| Other operating expense/(income) | 119 | (42) | 77 | - | 77 |
| Total costs and expenses | 695,755 | 376,018 | 1,071,773 | 31,126 | 1,102,899 |
| Income/(loss) from operations | 107,845 | 86,123 | 193,968 | (31,126) | 162,842 |
| Interest expense | (95) | (261) | (356) | (416) | (772) |
| Intercompany interest income/(expense) | 10,750 | 7,900 | 18,650 | (18,650) | - |
| Other income - net | 110 | 32 | 142 | 4,577 | 4,719 |
| Income/(expense) before income taxes | 118,610 | 93,794 | 212,404 | (45,615) | 166,789 |
| Income taxes | (30,361) | (21,936) | (52,297) | 9,758 | (42,539) |
| Net income/(loss) | $ 88,249 | $ 71,858 | $ 160,107 | $ (35,857) | $ 124,250 |
| Additions to long-lived assets | $ 11,384 | $ 18,186 | $ 29,570 | $ 5 | $ 29,575 |

Identifiable assets by segment are as follows (in thousands):

| | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| VITAS | **$ 796,653** | $ **784,927** |
| Roto-Rooter | **584,356** | **528,587** |
| Reportable segments | **1,381,009** | **1,313,514** |
| Corporate | **198,576** | **224,675** |
| Chemed consolidated | **$ 1,579,585** | $ **1,538,189** |

## 4. Earnings per Share

Earnings per share ("EPS") are computed using the weighted average number of shares of capital stock outstanding. Earnings and diluted earnings per share are computed as follows (in thousands, except per share data):

| | Net Income | | |
|---|---|---|---|
| **For the Three Months Ended June 30,** | **Income** | **Shares** | **Earnings per Share** |
| **2026** | | | |
| **Earnings** | **$ 67,703** | **13,174** | **$ 5.14** |
| **Dilutive stock options** | **-** | **-** | |
| **Nonvested stock awards** | **-** | **25** | |
| **Diluted earnings** | **$ 67,703** | **13,199** | **$ 5.13** |
| 2025 | | | |
| Earnings | $ 52,493 | 14,591 | $ 3.60 |
| Dilutive stock options | - | 84 | |
| Nonvested stock awards | - | 28 | |
| Diluted earnings | $ 52,493 | 14,703 | $ 3.57 |

| | Net Income | | |
|---|---|---|---|
| **For the Six Months Ended June 30,** | **Income** | **Shares** | **Earnings per Share** |
| **2026** | | | |
| **Earnings** | **$ 134,005** | **13,423** | **$ 9.98** |
| **Dilutive stock options** | **-** | **-** | |
| **Nonvested stock awards** | **-** | **19** | |
| **Diluted earnings** | **$ 134,005** | **13,442** | **$ 9.97** |
| 2025 | | | |
| Earnings | $ 124,250 | 14,606 | $ 8.51 |
| Dilutive stock options | - | 88 | |
| Nonvested stock awards | - | 39 | |
| Diluted earnings | $ 124,250 | 14,733 | $ 8.43 |

For the three and six months ended June 30, 2026, there were 1.3 million stock options excluded from the computation of dilutive earnings per share because they would have been anti-dilutive.

For the three and six months ended June 30, 2025, there were 336,000 stock options excluded from the computation of dilutive earnings per share because they would have been anti-dilutive.

## 5. Long-Term Debt and Lines of Credit

On April 10, 2026, we replaced our existing credit facility (the "Prior Credit Agreement") with a sixth amended and restated Credit Agreement ("Credit Agreement"). Terms of the Credit Agreement consist of a five-year $450.0 million revolving credit facility including $100.0 million for letters of credit. This Credit Agreement has a floating interest rate that is the secured overnight financing rate ("SOFR") plus an additional tiered rate which varies based on our current leverage ratio. As of June 30, 2026, the interest rate is SOFR plus 100 basis points. The Credit Agreement includes an expansion feature that provides the Company the opportunity to increase its revolver by an additional $250.0 million.

The long-term debt outstanding under the Credit Agreement as of June 30, 2026 is $140.0 million.

The Credit Agreement contains the following quarterly financial covenants:

| Description | Requirement |
|---|---|
| Leverage Ratio (Consolidated Indebtedness/Consolidated Adj. EBITDA) | < 3.50 to 1.00 |
| Interest Coverage Ratio (Consolidated Adj. EBITDA/Consolidated Interest Expense) | > 3.00 to 1.00 |

We were in compliance with all debt covenants as of June 30, 2026. We have issued $47.3 million in standby letters of credit as of June 30, 2026, mainly for insurance purposes. Issued letters of credit reduce our available credit under the Credit Agreement. As of June 30, 2026, we had approximately $262.7 million of unused lines of credit available and eligible to be drawn down under the Credit Agreement.

## 6. Other Income – Net

Other income – net comprises the following (in thousands):

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Market value adjustment on assets held in deferred compensation trust | **$ 3,699** | $ 918 | **$ 7,584** | $ 88 |
| Interest income | **214** | 2,555 | **1,104** | 4,631 |
| Other | **1** | 1 | **-** | - |
| Total other income - net | **$ 3,914** | $ 3,474 | **$ 8,688** | $ 4,719 |

## 7. Leases

Chemed and each of its operating subsidiaries are service companies. As such, real estate leases comprise the largest lease obligation (and conversely, right of use asset) in our lease portfolio. VITAS has leased office space, as well as space for inpatient units ("IPUs") and/or contract beds within hospitals. Roto-Rooter mainly has leased office space. Our leases have remaining terms of under 1 year to 12 years, some of which include options to extend the lease for up to 5 years, and some of which include options to terminate the lease within 1 year.

Roto-Rooter purchases equipment and leases it to certain of its independent contractors. We analyzed these leases in accordance with ASC 842 and determined they are operating leases. As a result, Roto-Rooter capitalizes the equipment underlying these leases, depreciates the equipment and recognizes rental income.

We do not currently have any finance leases, therefore all lease information disclosed is related to operating leases.

The components of balance sheet information related to leases were as follows:

| | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| **Assets** | | |
| Operating lease assets | **$ 142,535** | $ 131,151 |
| **Liabilities** | | |
| Current operating leases | **41,277** | 40,892 |
| Noncurrent operating leases | **113,516** | 102,867 |
| Total operating lease liabilities | **$ 154,793** | $ 143,759 |

The components of lease expense for the second quarter are as follows (in thousands):

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| **Lease Expense (a)** | | |
| Operating lease expense | **$ 17,419** | $ 17,110 |
| Sublease income | **(25)** | (30) |
| Net lease expense | **$ 17,394** | $ 17,080 |

The components of lease expense for the first six months are as follows (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| **Lease Expense (a)** | | |
| Operating lease expense | $ **34,634** | $ 33,971 |
| Sublease income | **(56)** | (66) |
| Net lease expense | $ **34,578** | $ 33,905 |

(a) Includes short-term leases and variable lease costs, which are immaterial. Included in both cost of services provided and goods sold and selling, general and administrative expenses.

The components of cash flows information related to leases were as follows:

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| **Cash paid for amounts included in the measurement of lease liabilities** | | |
| Operating cash flows from leases | $ **28,383** | $ 27,472 |
| **Leased assets obtained in exchange for new operating lease liabilities** | $ **36,108** | $ 29,056 |

| | |
|---|---|
| **Weighted Average Remaining Lease Term at June 30, 2026** | |
| Operating leases | 4.85 years |
| **Weighted Average Discount Rate at June 30, 2026** | |
| Operating leases | 4.27% |

**Maturity of Operating Lease Liabilities (in thousands)**

| | |
|---|---|
| **2026** | $ **28,516** |
| 2027 | 41,269 |
| 2028 | 32,668 |
| 2029 | 26,332 |
| 2030 | 18,607 |
| Thereafter | 25,380 |
| Total lease payments | $ 172,772 |
| Less: interest | (17,979) |
| Total liability recognized on the balance sheet | $ 154,793 |

For leases commencing prior to April 2019, minimum rental payments exclude payments to landlords for real estate taxes and common area maintenance. Operating lease payments include $10.6 million related to extended lease terms that are reasonably certain of being exercised and exclude $485,000 of lease payments for leases signed but not yet commenced.

## 8. Stock-Based Compensation Plans

On February 13, 2026, the Compensation/Incentive Committee of the Board of Directors (“CIC”) granted 8,400 Performance Stock Units (“PSUs”) that vest contingent upon the achievement of certain total shareholder return (“TSR”) targets as compared to the TSR of a group of peer companies for the three-year period ending December 31, 2028, the date at which such awards vest. The cumulative compensation cost of the TSR-based PSU award to be recorded over the three-year service period is $5.2 million.

On February 13, 2026, the CIC also granted 8,400 PSUs that vest contingent upon the achievement of certain earnings per share (“EPS”) targets for the three-year period ending December 31, 2028. At the end of each reporting period, the Company estimates the number of shares that it believes will ultimately be earned and records the corresponding expense over the service period of the award. We currently estimate the cumulative compensation cost of the EPS-based PSUs to be recorded over the three-year service period is $3.9 million.

## 9. Retirement Plans

All of the Company's plans that provide retirement and similar benefits are defined contribution plans. These expenses include the impact of market gains and losses on assets held in deferred compensation plans and are recorded in selling, general and administrative expenses. Net gains for the Company's retirement and profit-sharing plans, excess benefit plans and other similar plans are as follows (in thousands):

| Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|
| **2026** | 2025 | **2026** | 2025 |
| **$ 9,597** | $ 5,731 | **$ 19,521** | $ 11,090 |

## 10. Legal and Regulatory Matters

The VITAS segment of the Company's business operates in a heavily-regulated industry. As a result, the Company is subjected to inquiries and investigations by various government agencies, which can result in penalties including repayment obligations, funding withholding, or debarment, as well as to lawsuits, including *qui tam* actions. The following describes the material lawsuits and investigations of which the Company is currently aware.

***Regulatory Matters and Litigation***

VITAS was one of a group of hospice providers selected by the Office of the Inspector General's ("OIG") Office of Audit Services ("OAS") for inclusion in an audit of the provision of elevated level-of-care hospice services, which reviewed 100 out of a total population of 50,850 inpatient and continuous care claims.

On August 29, 2022, VITAS received a demand letter from its Medicare Administrative Contractor ("MAC") seeking repayment of $50.3 million. VITAS appealed the overpayment decision and deposited $50.3 million under the "Immediate Recoupment" process.

On February 3, 2025, an Administrative Law Judge ("ALJ") ruled that VITAS' care met Medicare's hospice standards for the applicable higher level of care as originally billed for all but one of the claims appealed, and therefore VITAS was entitled to receive payment for all such claims. With respect to the one claim that the judge did not fully side with VITAS, the judge found that four of the five days billed met the applicable standard and only one day did not.

In a letter dated March 18, 2025, VITAS' MAC provided notice that due to the ALJ's ruling the total overpayment amount was reduced to a de minimis amount, and on April 1, 2025 refunded VITAS all previously unreturned deposited amounts in excess of that dollar figure.

As a result of the previously disclosed cybersecurity incident and data breach on October 24, 2025, multiple class action lawsuits were filed against VITAS alleging various causes of action and seeking damages resulting from the breach. All outstanding cases have been consolidated and the Company has reached an agreement to settle them for a non-material amount fully covered by VITAS' cybersecurity insurance.

Regardless of the outcome of the preceding matters, dealing with the various regulatory agencies and opposing parties can adversely affect us through defense costs, potential payments, withholding of governmental funding, diversion of management time, and related publicity.

## 11. Concentration of Risk

As of June 30, 2026, and December 31, 2025, approximately 58% of VITAS' total accounts receivable balance were from Medicare and 36% and 34% respectively, of VITAS' total accounts receivable balance were due from various state Medicaid or managed Medicaid programs. Combined accounts receivable from Medicare, Medicaid, and managed Medicaid represent approximately 76% of the consolidated net accounts receivable in the accompanying consolidated balance sheets as of June 30, 2026.

VITAS has a pharmacy services contract with one service provider for specified pharmacy services related to its hospice operations. Similarly, VITAS obtains the majority of its medical supplies from a single vendor. A large majority of VITAS' pharmaceutical and medical supplies purchases are from these vendors. The pharmaceutical and medical supplies purchased by VITAS are available through many providers in the United States. However, a disruption from VITAS' main service providers could adversely impact VITAS' operations, including temporary logistical challenges and increased cost associated with getting medication and medical supplies to our patients.

## 12. Cash Overdrafts and Cash Equivalents

There is $34.3 million in cash overdrafts payable included in accounts payable at June 30, 2026. There were $11.0 million of cash overdrafts payable included in accounts payable at December 31, 2025.

From time to time throughout the year, we invest excess cash in money market funds with major commercial banks. We closely monitor the creditworthiness of the institutions with which we invest our overnight funds. In 2023, Chemed began investing excess cash in money market funds holding US Treasuries. Deposits and withdrawals are made daily, based on the Company's excess cash balance. There are no penalties associated with withdrawals. The accounts bear interest at a normal market rate.

## 13. Financial Instruments

FASB's authoritative guidance on fair value measurements defines a hierarchy which prioritizes the inputs in fair value measurements. Level 1 measurements are measurements using quoted prices in active markets for identical assets or liabilities. Level 2 measurements use significant other observable inputs. Level 3 measurements are measurements using significant unobservable inputs which require a company to develop its own assumptions. In recording the fair value of assets and liabilities, companies must use the most reliable measurement available.

The following shows the carrying value, fair value, and the hierarchy for our financial instruments as of June 30, 2026 (in thousands):

| | | **Fair Value Measure** | | |
|---|---|---|---|---|
| | **Carrying Value** | **Quoted Prices in Active Markets for Identical Assets (Level 1)** | **Significant Other Observable Inputs (Level 2)** | **Significant Unobservable Inputs (Level 3)** |
| **Investments of deferred compensation plans held in trust** | **$ 148,153** | **$ 148,153** | **$ -** | **$ -** |
| **Cash equivalents** | **35,064** | **35,064** | **-** | **-** |

The following shows the carrying value, fair value and the hierarchy for our financial instruments as of December 31, 2025 (in thousands):

| | | Fair Value Measure | | |
|---|---|---|---|---|
| | Carrying Value | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments of deferred compensation plans held in trust | $ 140,347 | $ 140,347 | $ - | $ - |
| Cash equivalents | 94,273 | 94,273 | - | - |

For cash, accounts receivable and accounts payable, the carrying amount is a reasonable estimate of fair value because of the liquidity and short-term nature of these instruments. As further described in Note 5, our outstanding long-term debt has a floating interest rate that is reset at short-term intervals, generally 30 or 60 days. The interest rate we pay also includes an additional amount based on our current leverage ratio. As such, we believe our borrowings reflect significant nonperformance risks, mainly credit risk. Based on these factors, we believe the fair value of our long-term debt approximates its carrying value.

## 14. Capital Stock Repurchase Plan Transactions

We repurchased the following capital stock:

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Total cost of repurchased shares (in thousands) | **$ 89,839** | $ 42,945 | **$ 287,521** | $ 72,701 |
| Shares repurchased | **210,000** | 75,000 | **710,000** | 125,000 |
| Weighted average price per share | **$ 427.81** | $ 572.61 | **$ 404.96** | $ 581.62 |

In February 2026, the Board of Directors authorized $300.0 million for additional stock repurchases under Chemed's existing share repurchase program. We currently have $139.8 million of authorization remaining under this share repurchase plan.

## 15. Acquisitions

On March 31, 2026, Roto-Rooter completed two acquisitions, for one franchise in Texas for $17.36 million in cash and one franchise in California for $3.25 million in cash. On April 15, 2026, Roto-Rooter completed an acquisition for one franchise in New York for $930,000 in cash. On June 8, 2026, Roto-Rooter completed an acquisition for one franchise in Texas for $12.0 million in cash.

On January 3, 2025, Roto-Rooter completed the acquisition of one franchise in Michigan for $225,000 in cash.

Revenue and net income from acquisitions made in 2026 and 2025 are not material.

Goodwill is assessed for impairment on a yearly basis as of October 1. The primary factor that contributed to the purchase price resulting in the recognition of goodwill is operational efficiencies expected as a result of integrating the operations of the acquisitions into the organizational structure. All goodwill recognized is deductible for tax purposes.

Shown below is movement in Goodwill (in thousands):

| | VITAS | Roto-Rooter | Total |
|---|---|---|---|
| Balance at December 31, 2025 | $ 404,866 | $ 262,133 | $ 666,999 |
| Business combinations | - | 32,439 | 32,439 |
| Foreign currency adjustments | - | (40) | (40) |
| Balance at June 30, 2026 | $ 404,866 | $ 294,532 | $ 699,398 |

## 16. Recent Accounting Standards

In November 2024, the FASB issued Accounting Standards Update "ASU 2024-03 – Disaggregation of Income Statement Expenses". The guidance provides enhanced disclosures about commonly presented expense categories such as cost of sales, selling, general and administrative expenses and research and development. The objective is to provide investors with a better understanding of the entity's performance, assess potential future cash flows and comparability with other entities. The guidance is effective for fiscal periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company is currently analyzing the impact of the ASU on the current footnote disclosures.

In September 2025, the FASB issued Accounting Standards Update "ASU 2025-06 – Intangibles – Goodwill and Other – Internal – Use Software". The guidance seeks to modernize the accounting guidance for the costs to develop software for internal use. The guidance amends the existing standard to better align with current software development methods. Entities will start capitalizing eligible costs when management has authorized and committed to funding software projects and when it is probable that the projects will be completed and used as intended. The guidance is effective for annual periods beginning after December 15, 2027, and interim periods within those annual reporting periods. The Company is currently analyzing the impact of the ASU on the consolidated financial statements.

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

**Executive Summary**

We operate through our two wholly-owned subsidiaries, VITAS Healthcare Corporation and Roto-Rooter Group, Inc. VITAS focuses on hospice care that helps make terminally ill patients' final days as comfortable as possible. Through its teams of doctors, nurses, home health aides, social workers, clergy and volunteers, VITAS provides direct medical services to patients, as well as spiritual and emotional counseling to both patients and their families. Roto-Rooter's services are focused on providing plumbing, drain cleaning, excavation, water restoration, and other related services to both residential and commercial customers. Through its network of company-owned branches, independent contractors and franchisees, Roto-Rooter offers plumbing and drain cleaning service to over 90% of the U.S. population.

The vast majority of the Company's operations are located in the United States. As both operations are service companies, our employees are the most critical resource of the Company. We have very little exposure related to customers, vendors, or employees in other regions of the world. We continue to monitor macroeconomic trends and uncertainties such as inflation, the effects of recently implemented tariffs, and the potential imposition of modified or additional tariffs, as well as the impact of the war with Iran on fuel prices, which may have adverse effects on net sales and profitability. Based on preliminary analysis of the potential effects of the announced tariffs and these other factors, we do not expect a material negative effect on our net sales or profitability for the remainder of fiscal year 2026. However, we are continuing to evaluate these factors and their potential effects as well as our ability to potentially offset all or a portion of cost increases through pricing actions and cost savings efforts for fiscal year 2027 planning. Economic pressures including the challenges of high inflation and the effects of increased tariffs and the impact of the war with Iran may negatively affect our net sales and profitability in the future.

The following is a summary of the key operating results (in thousands except per share amounts):

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Service revenues and sales | **$ 673,251** | $ 618,798 | **$ 1,330,764** | $ 1,265,741 |
| Net income | **$ 67,703** | $ 52,493 | **$ 134,005** | $ 124,250 |
| Diluted EPS | **$ 5.13** | $ 3.57 | **$ 9.97** | $ 8.43 |
| Adjusted net income | **$ 80,039** | $ 62,721 | **$ 157,421** | $ 145,796 |
| Adjusted diluted EPS | **$ 6.06** | $ 4.27 | **$ 11.71** | $ 9.90 |
| Adjusted EBITDA | **$ 121,806** | $ 95,331 | **$ 238,062** | $ 217,023 |
| Adjusted EBITDA as a % of revenue | **18.1 %** | 15.4 % | **17.9 %** | 17.1 % |

Adjusted net income, adjusted diluted EPS, earnings before interest, taxes and depreciation and amortization ("EBITDA"), Adjusted EBITDA and Adjusted EBITDA as a percent of revenue are not measures derived in accordance with US GAAP. We provide non-GAAP measures to help readers evaluate our operating results and to compare our operating performance with that of similar companies that have different capital structures. Our non-GAAP measures should not be considered in isolation or as a substitute for comparable measures presented in accordance with GAAP. A reconciliation of our non-GAAP measures is presented on pages 37-39.

For the three months ended June 30, 2026, the increase in consolidated service revenues and sales was driven by an 11.9 % increase at VITAS and a 3.3% increase at Roto-Rooter. The increase in service revenues at VITAS is comprised primarily of 6.1% increase in days-of-care and a geographically weighted average Medicare reimbursement rate increase of approximately 2.4%. Acuity mix shift negatively impacted revenue growth by 115-basis points in the quarter when compared to the prior year quarter's revenue and level-of-care mix. The combination of Medicare Cap and other contra revenue changes increased revenue growth by 455-basis points. The increase in service revenues at Roto-Rooter was driven by an increase in plumbing, drain cleaning and excavation offset by a decrease in water restoration.

For the six months ended June 30, 2026, the increase in consolidated service revenues and sales was driven by a 7.4% increase at VITAS and by a 1.1% increase at Roto-Rooter. The increase in service revenues at VITAS is comprised primarily of 4.2% increase in days-of-care and a geographically weighted average Medicare reimbursement rate increase of approximately 2.5%. Acuity mix shift negatively impacted revenue growth by 120-basis points in the year when compared to the prior year's revenue and level-of-care mix. The combination of Medicare Cap and other contra revenue changes increased revenue growth by 190-basis points. The increase in service revenues at Roto-Rooter was driven by an increase in plumbing, drain cleaning and excavation offset by a decrease in water restoration.

**Financial Condition**

**Liquidity and Capital Resources**

Material changes in the balance sheet accounts from December 31, 2025 to June 30, 2026 include the following:

- A $6.1 million increase in accounts receivable due to the timing of payments. Other significant changes in our accounts receivable balances are typically driven by the timing of payments received from the Federal government at our VITAS subsidiary. We typically receive a payment in excess of $63.0 million from the Federal government for hospice services every other Friday. The timing of a period end will have a significant impact on the accounts receivable at VITAS. These changes generally normalize over a two-year period, as cash flow variations in one year are offset in the following year.
- A $10.3 million increase in prepaid expenses due to prepaid insurance premiums paid in the second quarter.
- A $11.4 million increase in lease right of use asset due to lease renewals. This resulted in a similar increase in the lease liability accounts.
- A $32.4 million increase in goodwill due to four acquisitions at Roto-Rooter.
- A $20.3 million increase in accounts payable due to timing of payments.
- A $10.8 million increase in the liability of deferred compensation plans due mainly to market valuation gains. This resulted in a similar increase in the assets associated with deferred compensation plans.
- A $140.0 million increase in long-term debt due primarily to acquisitions and stock repurchases.
- A $291.9 million increase in treasury stock due to stock repurchases.

Net cash provided by operating activities increased $1.7 million from June 30, 2025 to June 30, 2026. See the Unaudited Consolidated Statements of Cash Flows on page 5 for the detail components making up the change.

Management continually evaluates cash utilization alternatives, including share repurchase, debt repurchase, acquisitions and increased dividends to determine the most beneficial use of available capital resources.

We anticipate that our operating income and cash flows will be sufficient to operate our business and meet any commitments for the foreseeable future.

**Commitments and Contingencies**

On April 10, 2026, we replaced the Prior Credit Agreement with a sixth amended and restated Credit Agreement. Terms of the Credit Agreement consist of a five-year $450.0 million revolving credit facility including $100.0 million for letters of credit. This Credit Agreement has a floating interest rate that is generally the secured overnight financing rate (“SOFR”) plus an additional tiered rate which varies based on our current leverage ratio. As of June 30, 2026, the interest rate is SOFR plus 100 basis points. The Credit Agreement includes an expansion feature that provides the Company the opportunity to increase its revolver by an additional $250.0 million.

We have issued $47.3 million in standby letters of credit as of June 30, 2026, mainly for insurance purposes. Issued letters of credit reduce our available credit under the Credit Agreement. As of June 30, 2026, we have approximately $262.7 million of unused lines of credit available and are eligible to be drawn down under the Credit Agreement. Management believes its liquidity and sources of capital are satisfactory for the Company’s needs in the foreseeable future.

Collectively, the terms of the Credit Agreement require us to meet various financial covenants, to be tested quarterly. We are in compliance with all financial and other debt covenants as of June 30, 2026.

We are subject to various lawsuits and claims in the normal course of our business. In addition, we periodically receive communications from governmental and regulatory agencies concerning compliance with Medicare and Medicaid billing requirements at our VITAS subsidiary. We establish reserves for specific, uninsured liabilities in connection with regulatory and legal action that we deem to be probable and estimable. We disclose the existence of regulatory and legal actions when we believe it is reasonably possible that a loss could occur in connection with the specific action. In most instances, we are unable to make a reasonable estimate of any reasonably possible liability due to the uncertainty of the outcome and stage of litigation. We record legal fees associated with legal and regulatory actions as the costs are incurred.

See Note 10 in the Notes to the Unaudited Consolidated Financial Statements in Item 1 above for a description of current material legal matters.

**Results of Operations**
**Three months ended June 30, 2026 versus 2025 - Consolidated Results**

Our service revenues and sales for the second quarter of 2026 increased 8.8% versus services revenue and sales for the second quarter of 2025. Of this increase, a $47.1 million increase was attributable to VITAS, and a $7.3 million increase at Roto-Rooter. The following chart shows the components of revenue by operating segment (in thousands):

| | Three months ended June 30, | | Increase/(Decrease) |
|---|---|---|---|
| | **2026** | 2025 | **Percent** |
| VITAS | | | |
| Routine homecare | **$ 391,348** | $ 358,042 | 9.3 |
| General inpatient | **35,673** | 33,023 | 8.0 |
| Continuous care | **19,396** | 23,640 | (18.0) |
| Other | **6,206** | 5,747 | 8.0 |
| Subtotal | **452,623** | 420,452 | 7.7 |
| Medicare cap adjustment | **(500)** | (16,375) | 96.9 |
| Room and board - net | **(3,938)** | (3,892) | (1.2) |
| Implicit price concessions | **(4,844)** | (3,984) | (21.6) |
| Net revenue | **$ 443,341** | $ 396,201 | 11.9 |
| Roto-Rooter | | | |
| Drain cleaning | **$ 57,501** | $ 55,557 | 3.5 |
| Plumbing | **47,901** | 45,284 | 5.8 |
| Excavation | **61,563** | 56,493 | 9.0 |
| Other | **272** | 187 | 45.5 |
| Subtotal - short term core | **167,237** | 157,521 | 6.2 |
| Water restoration | **46,857** | 49,824 | (6.0) |
| Independent contractors | **17,118** | 17,449 | (1.9) |
| Outside franchisee fees | **1,443** | 1,405 | 2.7 |
| Other | **4,297** | 4,783 | (10.2) |
| Gross revenue | **236,952** | 230,982 | 2.6 |
| Implicit price concessions | **(7,042)** | (8,385) | 16.0 |
| Net revenue | **229,910** | 222,597 | 3.3 |
| Total Revenues | **$ 673,251** | $ 618,798 | 8.8 |

Days of care at VITAS during the quarters were as follows:

| | Three months ended June 30, | | Increase/(Decrease) |
|---|---|---|---|
| | **2026** | 2025 | **Percent** |
| Routine homecare | **1,792,360** | 1,662,455 | 7.8 |
| Nursing home | **303,053** | 307,158 | (1.3) |
| Respite | **12,307** | 11,440 | 7.6 |
| Subtotal routine homecare and respite | **2,107,720** | 1,981,053 | 6.4 |
| General inpatient | **29,703** | 28,213 | 5.3 |
| Continuous care | **18,094** | 21,647 | (16.4) |
| Total days of care | **2,155,517** | 2,030,913 | 6.1 |

The increase in service revenues at VITAS is comprised primarily of 6.1% increase in days-of-care and a geographically weighted average Medicare reimbursement rate increase of approximately 2.4%. Acuity mix shift negatively impacted revenue growth by 115-basis points 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 increased revenue growth by 455-basis points.

The increase in plumbing revenues for the second quarter of 2026 versus 2025 is attributable to a 10.1% increase in price and service mix shift offset by a 4.3% decrease in job count. The increase in drain cleaning revenues for the second quarter of 2026 versus 2025 is attributable to a 6.5% increase in price and service mix offset by a 3.0% decrease in job count. The increase in excavation revenues for the second quarter of 2026 versus 2025 is attributable to a 5.5% increase in price and service mix shift and by a 3.5% increase in job count. Water restoration revenues decreased 6.0%, and contractors operations decreased 1.9%. Implicit price concessions and credit memos decreased 16.0% mainly related to the water restoration business.

The consolidated gross margin was 32.9% in the second quarter of 2026 as compared with 29.8% in the second quarter of 2025. On a segment basis, VITAS' gross margin was 23.8% in the second quarter of 2026 as compared with 19.1% in the second quarter of 2025. The increase was primarily related to increased revenues including a $15.9 million decrease in Medicare Cap billing limitation in the second quarter of 2026 compared to second quarter of 2025. The Roto-Rooter segment's gross margin was 50.4% for the second quarter of 2026 compared with 49.0% in the second quarter of 2025.

Selling, general and administrative expenses ("SG&A") comprise (in thousands):

| | Three months ended June 30, 2026 | | Three months ended June 30, 2025 | |
|---|---|---|---|---|
| SG&A expenses before long-term incentive compensation and the impact of market value adjustments related to deferred compensation trusts | $ | **109,256** | $ | 98,552 |
| Impact of market value adjustments related to assets held in deferred compensation trusts | | **3,699** | | 918 |
| Long-term incentive compensation | | **2,248** | | 853 |
| Total SG&A expenses | $ | **115,203** | $ | 100,323 |

SG&A expenses before long-term incentive compensation and the impact of market value adjustments related to deferred compensation trusts for the second quarter of 2026 were up 10.9% when compared to the second quarter of 2025. Of this increase $2.9 million was the result of increased advertising at Roto-Rooter in the second quarter of 2026 compared to the second quarter of 2025. The remaining increase was the result of increased legal expenses of $1.3 million mainly at VITAS, normal salary increases and increased incentive compensation.

Other income – net comprise (in thousands):

| | Three months ended June 30, 2026 | | Three months ended June 30, 2025 | |
|---|---|---|---|---|
| Market value adjustment on assets held in deferred compensation trusts | $ | **3,699** | $ | 918 |
| Interest income | | **214** | | 2,555 |
| Other | | **1** | | 1 |
| Total other income - net | $ | **3,914** | $ | 3,474 |

We invest excess cash in money market funds with major commercial banks. We closely monitor the creditworthiness of the institutions with which we invest our overnight funds. Chemed invests excess cash in money market funds holding US Treasuries. Deposits and withdrawals are made daily, based on the Company's excess cash balance. There are no penalties associated with withdrawals. The accounts bear interest at a normal market rate.

Our effective tax rate reconciliation is as follows (in thousands):

| | Three months ended June 30, 2026 | | Three months ended June 30, 2025 | |
|---|---|---|---|---|
| Income tax provision calculated at the statutory federal rate | $ | **19,179** | $ | 14,934 |
| State and local income taxes, less federal income tax effect | | **2,811** | | 2,261 |
| Nondeductible expenses: | | | | |
| Stock compensation tax expense/(benefit) | | **445** | | (50) |
| Other--net | | **1,191** | | 1,477 |
| Income tax provision | $ | **23,626** | $ | 18,622 |
| Effective tax rate | | **25.9** % | | 26.2 % |

Net income for both periods included the following after-tax items/adjustments that (reduced) or increased after-tax earnings (in thousands):

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| VITAS | | |
| Legal settlements | **$ (415)** | $ - |
| Acquisition expense | **(6)** | - |
| Roto-Rooter | | |
| Amortization of reacquired franchise agreements | **(1,804)** | (1,806) |
| Acquisition expense | **(46)** | - |
| Corporate | | |
| Stock option expense | **(7,604)** | (7,696) |
| Long-term incentive compensation | **(2,016)** | (776) |
| Excess tax (expenses)/benefit on stock compensation | **(445)** | 50 |
| Total | **$ (12,336)** | $ (10,228) |

**<u>Three months ended June 30, 2026 versus 2025 - Segment Results</u>**

Net income/(loss) for the second quarter of 2026 versus the second quarter of 2025 by segment (in thousands):

| | Three months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| VITAS | **$ 60,911** | $ 38,219 |
| Roto-Rooter | **31,913** | 31,914 |
| Corporate | **(25,121)** | (17,640) |
| | **$ 67,703** | $ 52,493 |

After-tax earnings as a percent of revenue at VITAS in the second quarter of 2026 was 13.7% as compared to 9.6% in the second quarter of 2025. VITAS' after-tax earnings increased primarily due to increased revenues including a $15.9 million decrease in Medicare Cap liability in the second quarter of 2026 compared to the second quarter of 2025.

Roto-Rooter's net income was essentially flat when compared with the same quarter of 2025 but was negatively impacted by an increase in marketing expenses. Roto-Rooter's after-tax earnings as a percent of revenue in the second quarter of 2026 was 13.9%, as compared to 14.3% in the second quarter of 2025.

After-tax Corporate expenses for the second quarter of 2026 increased 42.4% when compared to the second quarter in 2025 due primarily to a $2.3 million decrease in interest income related to lower cash and investment balances and a $1.3 million increase in interest expense related to an increase in long-term debt as a result of stock repurchases and Roto-Rooter acquisitions, a $1.6 million increase in intercompany interest expense, a $1.1 million increase in stock-based compensation and a $495,000 decrease in excess tax benefit related to reduced stock option exercises.

**Results of Operations**
**Six months ended June 30, 2026 versus 2025 - Consolidated Results**

Our service revenues and sales for the first six months of 2026 increased 5.1% versus services revenue and sales for the first six months of 2025. Of this increase, a $59.8 million increase was attributable to VITAS, and a $5.3 million increase at Roto-Rooter. The following chart shows the components of revenue by operating segment (in thousands):

| | Six months ended June 30, | | Increase/(Decrease) |
|---|---|---|---|
| | **2026** | 2025 | **Percent** |
| VITAS | | | |
| Routine homecare | $ 762,438 | $ 709,608 | 7.4 |
| General inpatient | 71,599 | 67,045 | 6.8 |
| Continuous care | 37,530 | 48,276 | (22.3) |
| Other | 11,783 | 11,092 | 6.2 |
| Subtotal | 883,350 | 836,021 | 5.7 |
| Medicare cap adjustment | (2,875) | (18,700) | 84.6 |
| Room and board - net | (7,196) | (7,417) | 3.0 |
| Implicit price concessions | (9,921) | (6,304) | (57.4) |
| Net revenue | $ 863,358 | $ 803,600 | 7.4 |
| | | | |
| Roto-Rooter | | | |
| Drain cleaning | $ 117,235 | $ 115,099 | 1.9 |
| Plumbing | 97,485 | 91,344 | 6.7 |
| Excavation | 125,073 | 120,731 | 3.6 |
| Other | 501 | 376 | 33.2 |
| Subtotal - short term core | 340,294 | 327,550 | 3.9 |
| Water restoration | 94,706 | 103,987 | (8.9) |
| Independent contractors | 34,884 | 35,811 | (2.6) |
| Outside franchisee fees | 2,964 | 2,828 | 4.8 |
| Other | 9,386 | 9,678 | (3.0) |
| Gross revenue | 482,234 | 479,854 | 0.5 |
| Implicit price concessions | (14,828) | (17,713) | 16.3 |
| Net revenue | 467,406 | 462,141 | 1.1 |
| Total Revenues | $ 1,330,764 | $ 1,265,741 | 5.1 |

Days of care at VITAS during the six months ended June 30 were as follows:

| | Six months ended June 30, | | Increase/(Decrease) |
|---|---|---|---|
| | **2026** | 2025 | **Percent** |
| Routine homecare | 3,483,979 | 3,295,024 | 5.7 |
| Nursing home | 597,871 | 614,266 | (2.7) |
| Respite | 23,182 | 21,435 | 8.2 |
| Subtotal routine homecare and respite | 4,105,032 | 3,930,725 | 4.4 |
| General inpatient | 60,177 | 57,917 | 3.9 |
| Continuous care | 35,382 | 44,267 | (20.1) |
| Total days of care | 4,200,591 | 4,032,909 | 4.2 |

The increase in service revenues at VITAS is comprised primarily of 4.2% increase in days-of-care and a geographically weighted average Medicare reimbursement rate increase of approximately 2.5%. Acuity mix shift negatively impacted revenue growth by 120-basis points in the year when compared to the prior year revenue and level-of-care mix. The combination of Medicare Cap and other contra revenue changes increased revenue growth by 190-basis points.

The increase in plumbing revenues for the first six months of 2026 versus 2025 is attributable to a 12.0% increase in price and service mix shift offset by a 5.3% decrease in job count. The increase in drain cleaning revenues for the first six months of 2026 versus 2025 is attributable to a 9.5% increase in price and service mix offset by a 7.6% decrease in job count. The increase in excavation revenues for the first six months of 2026 versus 2025 is attributable to an 8.3% increase in price and service mix shift offset by a 4.7% decrease in job count. Water restoration revenues decreased 8.9%, and contractors operations decreased 2.6%. Implicit price concessions and credit memos decreased 16.3% mainly related to the water restoration business.

The consolidated gross margin was 32.9% in the first six months of 2026 as compared with 31.7% in the first six months of 2025. On a segment basis, VITAS' gross margin was 23.2% in the first six months of 2026 as compared with 21.2% in the first six months of 2025. The increase was primarily related to increased revenues including a $15.8 million decrease in Medicare Cap billing limitation in the first six months of 2026 compared to the first six months of 2025. The Roto-Rooter segment's gross margin was 50.7% for the first six months of 2026 which was almost equal to the first six months of 2025.

Selling, general and administrative expenses ("SG&A") comprise (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| SG&A expenses before long-term incentive compensation and the impact of market value adjustments related to deferred compensation trusts | **$ 218,187** | $ 202,312 |
| Impact of market value adjustments related to assets held in deferred compensation trusts | **7,584** | 88 |
| Long-term incentive compensation | **3,753** | 3,510 |
| Total SG&A expenses | **$ 229,524** | $ 205,910 |

SG&A expenses before long-term incentive compensation and the impact of market value adjustments related to deferred compensation trusts for the first six months of 2026 were up 7.8% when compared to the first six months of 2025. $6.7 million of this increase was the result of increased advertising at Roto-Rooter in the first six months of 2026 compared to the first six months of 2025. The remaining increase was the result of increased legal expense of $2.5 million mainly at VITAS, normal salary increases and increased incentive compensation.

Other income – net comprise (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| Market value adjustment on assets held in deferred compensation trusts | **$ 7,584** | $ 88 |
| Interest income | **1,104** | 4,631 |
| Total other income - net | **$ 8,688** | $ 4,719 |

We invest excess cash in money market funds with major commercial banks. We closely monitor the creditworthiness of the institutions with which we invest our overnight funds. Chemed invests excess cash in money market funds holding US Treasuries. Deposits and withdrawals are made daily, based on the Company's excess cash balance. There are no penalties associated with withdrawals. The accounts bear interest at a normal market rate.

Our effective tax rate reconciliation is as follows (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| Income tax provision calculated at the statutory federal rate | **$ 37,835** | $ 35,026 |
| State and local income taxes, less federal income tax effect | **5,529** | 6,448 |
| Nondeductible expenses: | | |
| Stock compensation tax expense/(benefit) | **501** | (513) |
| Other--net | **2,299** | 1,578 |
| Income tax provision | **$ 46,164** | $ 42,539 |
| Effective tax rate | **25.6 %** | 25.5 % |

Net income for both periods include the following after tax items/adjustments that (reduce) or increased after tax earnings (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| VITAS | | |
| Legal settlements | **$ (415)** | $ - |
| Acquisition expense | **(6)** | - |
| Roto-Rooter | | |
| Amortization of reacquired franchise agreements | **(3,608)** | (3,613) |
| Acquisition expense | **(173)** | - |
| Corporate | | |
| Stock option expense | **(15,354)** | (15,317) |
| Long-term incentive compensation | **(3,359)** | (3,129) |
| Excess tax (expenses)/benefits on stock compensation | **(501)** | 513 |
| Total | **$ (23,416)** | $ (21,546) |

**<u>Six months ended June 30, 2026 versus 2025 - Segment Results</u>**

Net income/(loss) for the first six months of 2026 versus the first six months of 2025 by segment (in thousands):

| | Six months ended June 30, | |
|---|---|---|
| | **2026** | 2025 |
| VITAS | **$ 113,118** | $ 88,249 |
| Roto-Rooter | **67,697** | 71,858 |
| Corporate | **(46,810)** | (35,857) |
| | **$ 134,005** | $ 124,250 |

After-tax earnings as a percent of revenue at VITAS in the first six months of 2026 was 13.1% as compared to 11.0% in the first six months of 2025. The increase was primarily related to increased revenues including a $15.8 million decrease in Medicare Cap liability in the first six months of 2026 compared to the first six months of 2025.

Roto-Rooter's net income was negatively impacted in the first six months of 2026 compared to the first six months of 2025 due mainly to an increase in marketing expenses. Roto-Rooter's after-tax earnings as a percent of revenue in the first six months of 2026 was 14.5%, as compared to 15.5% in the first six months of 2025.

After-tax Corporate expenses for the first six months of 2026 increased 30.5% when compared to the first six months in 2025 due primarily to a $3.5 million decrease in interest income related to lower cash and investment balances and a $1.5 million increase in interest expense related to an increase in long-term debt as a result of stock repurchases and Roto-Rooter acquisitions, a $3.2 million increase in intercompany interest expense, and a $1.0 million decrease in excess tax benefit related to reduced stock option exercises.

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**CONSOLIDATING STATEMENTS OF INCOME**
**FOR THE THREE MONTHS ENDED JUNE 30, 2026**
(in thousands)(unaudited)

| 2026 (a) | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Service revenues and sales | $ 443,341 | $ 229,910 | $ - | $ 673,251 |
| Cost of services provided and goods sold | 337,691 | 114,089 | - | 451,780 |
| Selling, general and administrative expenses | 26,105 | 67,373 | 21,725 | 115,203 |
| Depreciation | 5,781 | 8,474 | 12 | 14,267 |
| Amortization | 27 | 2,692 | - | 2,719 |
| Other operating expense | 28 | 50 | - | 78 |
| Total costs and expenses | 369,632 | 192,678 | 21,737 | 584,047 |
| Income/(loss) from operations | 73,709 | 37,232 | (21,737) | 89,204 |
| Interest expense | (54) | (185) | (1,550) | (1,789) |
| Intercompany interest income/(expense) | 6,480 | 4,575 | (11,055) | - |
| Other income—net | 66 | 10 | 3,838 | 3,914 |
| Income/(expense) before income taxes | 80,201 | 41,632 | (30,504) | 91,329 |
| Income taxes | (19,290) | (9,719) | 5,383 | (23,626) |
| Net income/(loss) | $ 60,911 | $ 31,913 | $ (25,121) | $ 67,703 |

(a) The following amounts are included in net income (in thousands):

| | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Pretax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (9,052) | $ (9,052) |
| Amortization of reacquired franchise agreements | - | (2,352) | - | (2,352) |
| Long-term incentive compensation | - | - | (2,248) | (2,248) |
| Legal settlements | (548) | - | - | (548) |
| Acquisition expense | (8) | (60) | - | (68) |
| Total | $ (556) | $ (2,412) | $ (11,300) | $ (14,268) |

| | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| After-tax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (7,604) | $ (7,604) |
| Long-term incentive compensation | - | - | (2,016) | (2,016) |
| Amortization of reacquired franchise agreements | - | (1,804) | - | (1,804) |
| Legal settlements | (415) | - | - | (415) |
| Acquisition expense | (6) | (46) | - | (52) |
| Excess tax expense on stock compensation | - | - | (445) | (445) |
| Total | $ (421) | $ (1,850) | $ (10,065) | $ (12,336) |

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**CONSOLIDATING STATEMENTS OF INCOME**
**FOR THE THREE MONTHS ENDED JUNE 30, 2025**
(in thousands)(unaudited)

| **2025 (a)** | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| Service revenues and sales | $ 396,201 | $ 222,597 | $ - | $ 618,798 |
| Cost of services provided and goods sold | 320,644 | 113,461 | - | 434,105 |
| Selling, general and administrative expenses | 25,085 | 60,536 | 14,702 | 100,323 |
| Depreciation | 5,314 | 8,363 | 12 | 13,689 |
| Amortization | 26 | 2,545 | - | 2,571 |
| Other operating expense/(income) | 55 | (29) | - | 26 |
| Total costs and expenses | 351,124 | 184,876 | 14,714 | 550,714 |
| Income/(loss) from operations | 45,077 | 37,721 | (14,714) | 68,084 |
| Interest expense | (47) | (129) | (267) | (443) |
| Intercompany interest income/(expense) | 5,454 | 3,970 | (9,424) | - |
| Other income—net | 61 | 23 | 3,390 | 3,474 |
| Income/(expense) before income taxes | 50,545 | 41,585 | (21,015) | 71,115 |
| Income taxes | (12,326) | (9,671) | 3,375 | (18,622) |
| Net income/(loss) | $ 38,219 | $ 31,914 | $ (17,640) | $ 52,493 |

(a) The following amounts are included in net income (in thousands):

| | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| Pretax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (9,216) | $ (9,216) |
| Amortization of reacquired franchise agreements | - | (2,352) | - | (2,352) |
| Long-term incentive compensation | - | - | (853) | (853) |
| Total | $ - | $ (2,352) | $ (10,069) | $ (12,421) |

| | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| After-tax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (7,696) | $ (7,696) |
| Amortization of reacquired franchise agreements | - | (1,806) | - | (1,806) |
| Long-term incentive compensation | - | - | (776) | (776) |
| Excess tax benefits on stock compensation | - | - | 50 | 50 |
| Total | $ - | $ (1,806) | $ (8,422) | $ (10,228) |

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**CONSOLIDATING STATEMENTS OF INCOME**
**FOR THE SIX MONTHS ENDED JUNE 30, 2026**
(in thousands)(unaudited)

| 2026 (a) | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Service revenues and sales | $ 863,358 | $ 467,406 | $ - | $ 1,330,764 |
| Cost of services provided and goods sold | 663,157 | 230,372 | - | 893,529 |
| Selling, general and administrative expenses | 52,213 | 135,302 | 42,009 | 229,524 |
| Depreciation | 11,693 | 16,853 | 24 | 28,570 |
| Amortization | 53 | 5,236 | - | 5,289 |
| Other operating expense/(income) | 80 | (9) | (1) | 70 |
| Total costs and expenses | 727,196 | 387,754 | 42,032 | 1,156,982 |
| Income/(loss) from operations | 136,162 | 79,652 | (42,032) | 173,782 |
| Interest expense | (104) | (321) | (1,876) | (2,301) |
| Intercompany interest income/(expense) | 12,717 | 9,088 | (21,805) | - |
| Other income—net | 161 | 25 | 8,502 | 8,688 |
| Income/(expense) before income taxes | 148,936 | 88,444 | (57,211) | 180,169 |
| Income taxes | (35,818) | (20,747) | 10,401 | (46,164) |
| Net income/(loss) | $ 113,118 | $ 67,697 | $ (46,810) | $ 134,005 |

**(a) The following amounts are included in net income (in thousands):**

| | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Pretax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (18,302) | $ (18,302) |
| Amortization of reacquired franchise agreements | - | (4,704) | - | (4,704) |
| Long-term incentive compensation | - | - | (3,753) | (3,753) |
| Legal settlements | (548) | - | - | (548) |
| Acquisition expense | (8) | (226) | - | (234) |
| Total | $ (556) | $ (4,930) | $ (22,055) | $ (27,541) |

| | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| After-tax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (15,354) | $ (15,354) |
| Amortization of reacquired franchise agreements | - | (3,608) | - | (3,608) |
| Long-term incentive compensation | - | - | (3,359) | (3,359) |
| Legal settlements | (415) | - | - | (415) |
| Acquisition expense | (6) | (173) | - | (179) |
| Excess tax expense on stock compensation | - | - | (501) | (501) |
| Total | $ (421) | $ (3,781) | $ (19,214) | $ (23,416) |

**CHEMED CORPORATION AND SUBSIDIARY COMPANIES**
**CONSOLIDATING STATEMENTS OF INCOME**
**FOR THE SIX MONTHS ENDED JUNE 30, 2025**
(in thousands)(unaudited)

| **2025 (a)** | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| Service revenues and sales | $ 803,600 | $ 462,141 | $ - | $ 1,265,741 |
| Cost of services provided and goods sold | 633,451 | 231,184 | - | 864,635 |
| Selling, general and administrative expenses | 51,624 | 123,184 | 31,102 | 205,910 |
| Depreciation | 10,509 | 16,601 | 24 | 27,134 |
| Amortization | 52 | 5,091 | - | 5,143 |
| Other operating expense/(income) | 119 | (42) | - | 77 |
| Total costs and expenses | 695,755 | 376,018 | 31,126 | 1,102,899 |
| Income/(loss) from operations | 107,845 | 86,123 | (31,126) | 162,842 |
| Interest expense | (95) | (261) | (416) | (772) |
| Intercompany interest income/(expense) | 10,750 | 7,900 | (18,650) | - |
| Other income - net | 110 | 32 | 4,577 | 4,719 |
| Income/(expense) before income taxes | 118,610 | 93,794 | (45,615) | 166,789 |
| Income taxes | (30,361) | (21,936) | 9,758 | (42,539) |
| Net income/(loss) | $ 88,249 | $ 71,858 | $ (35,857) | $ 124,250 |

(a) The following amounts are included in net income (in thousands):

| | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| Pretax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (18,307) | $ (18,307) |
| Amortization of reacquired franchise agreements | - | (4,704) | - | (4,704) |
| Long-term incentive compensation | - | - | (3,510) | (3,510) |
| Total | $ - | $ (4,704) | $ (21,817) | $ (26,521) |

| | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| After-tax benefit/(cost): | | | | |
| Stock option expense | $ - | $ - | $ (15,317) | $ (15,317) |
| Amortization of reacquired franchise agreements | - | (3,613) | - | (3,613) |
| Long-term incentive compensation | - | - | (3,129) | (3,129) |
| Excess tax benefits on stock compensation | - | - | 513 | 513 |
| Total | $ - | $ (3,613) | $ (17,933) | $ (21,546) |

# Unaudited Consolidating Summary and Reconciliation of Adjusted EBITDA

**Chemed Corporation and Subsidiary Companies**

| **(in thousands)**<br>**For the three months ended June 30, 2026** | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| **Net income/(loss)** | **$ 60,911** | **$ 31,913** | **$ (25,121)** | **$ 67,703** |
| **Add/(deduct):** | | | | |
| **Interest expense** | **54** | **185** | **1,550** | **1,789** |
| **Income taxes** | **19,290** | **9,719** | **(5,383)** | **23,626** |
| **Depreciation** | **5,781** | **8,474** | **12** | **14,267** |
| **Amortization** | **27** | **2,692** | **-** | **2,719** |
| **EBITDA** | **86,063** | **52,983** | **(28,942)** | **110,104** |
| **Add/(deduct):** | | | | |
| **Intercompany interest expense/(income)** | **(6,480)** | **(4,575)** | **11,055** | **-** |
| **Interest income** | **(66)** | **(10)** | **(138)** | **(214)** |
| **Stock option expense** | **-** | **-** | **9,052** | **9,052** |
| **Long-term incentive compensation** | **-** | **-** | **2,248** | **2,248** |
| **Legal settlements** | **548** | **-** | **-** | **548** |
| **Acquisition expense** | **8** | **60** | **-** | **68** |
| **Adjusted EBITDA** | **$ 80,073** | **$ 48,458** | **$ (6,725)** | **$ 121,806** |

| For the three months ended June 30, 2025 | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Net income/(loss) | $ 38,219 | $ 31,914 | $ (17,640) | $ 52,493 |
| Add/(deduct): | | | | |
| Interest expense | 47 | 129 | 267 | 443 |
| Income taxes | 12,326 | 9,671 | (3,375) | 18,622 |
| Depreciation | 5,314 | 8,363 | 12 | 13,689 |
| Amortization | 26 | 2,545 | - | 2,571 |
| EBITDA | 55,932 | 52,622 | (20,736) | 87,818 |
| Add/(deduct): | | | | |
| Intercompany interest expense/(income) | (5,454) | (3,970) | 9,424 | - |
| Interest income | (61) | (23) | (2,472) | (2,556) |
| Stock option expense | - | - | 9,216 | 9,216 |
| Long-term incentive compensation | - | - | 853 | 853 |
| Adjusted EBITDA | $ 50,417 | $ 48,629 | $ (3,715) | $ 95,331 |

# Unaudited Consolidating Summary and Reconciliation of Adjusted EBITDA

**Chemed Corporation and Subsidiary Companies**

| **(in thousands)**<br>**For the six months ended June 30, 2026** | **VITAS** | **Roto-Rooter** | **Corporate** | **Chemed Consolidated** |
|---|---|---|---|---|
| **Net income/(loss)** | **$ 113,118** | **$ 67,697** | **$ (46,810)** | **$ 134,005** |
| **Add/(deduct):** | | | | |
| **Interest expense** | **104** | **321** | **1,876** | **2,301** |
| **Income taxes** | **35,818** | **20,747** | **(10,401)** | **46,164** |
| **Depreciation** | **11,693** | **16,853** | **24** | **28,570** |
| **Amortization** | **53** | **5,236** | **-** | **5,289** |
| **EBITDA** | **160,786** | **110,854** | **(55,311)** | **216,329** |
| **Add/(deduct):** | | | | |
| **Intercompany interest expense/(income)** | **(12,717)** | **(9,088)** | **21,805** | **-** |
| **Interest income** | **(162)** | **(25)** | **(917)** | **(1,104)** |
| **Stock option expense** | **-** | **-** | **18,302** | **18,302** |
| **Long-term incentive compensation** | **-** | **-** | **3,753** | **3,753** |
| **Legal settlements** | **548** | **-** | **-** | **548** |
| **Acquisition expense** | **8** | **226** | **-** | **234** |
| **Adjusted EBITDA** | **$ 148,463** | **$ 101,967** | **$ (12,368)** | **$ 238,062** |

| For the six months ended June 30, 2025 | VITAS | Roto-Rooter | Corporate | Chemed Consolidated |
|---|---|---|---|---|
| Net income/(loss) | $ 88,249 | $ 71,858 | $ (35,857) | $ 124,250 |
| Add/(deduct): | | | | |
| Interest expense | 95 | 261 | 416 | 772 |
| Income taxes | 30,361 | 21,936 | (9,758) | 42,539 |
| Depreciation | 10,509 | 16,601 | 24 | 27,134 |
| Amortization | 52 | 5,091 | - | 5,143 |
| EBITDA | 129,266 | 115,747 | (45,175) | 199,838 |
| Add/(deduct): | | | | |
| Intercompany interest expense/(income) | (10,750) | (7,900) | 18,650 | - |
| Interest income | (110) | (33) | (4,489) | (4,632) |
| Stock option expense | - | - | 18,307 | 18,307 |
| Long-term incentive compensation | - | - | 3,510 | 3,510 |
| Adjusted EBITDA | $ 118,406 | $ 107,814 | $ (9,197) | $ 217,023 |

## RECONCILIATION OF ADJUSTED NET INCOME
## (in thousands, except per share data)(unaudited)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Net income as reported | **$ 67,703** | $ 52,493 | **$ 134,005** | $ 124,250 |
| Add/(deduct) pre-tax cost of: | | | | |
| Stock option expense | **9,052** | 9,216 | **18,302** | 18,307 |
| Amortization of reacquired franchise agreements | **2,352** | 2,352 | **4,704** | 4,704 |
| Long-term incentive compensation | **2,248** | 853 | **3,753** | 3,510 |
| Legal settlements | **548** | - | **548** | - |
| Acquisition expense | **68** | - | **234** | - |
| Add/(deduct) tax impacts: | | | | |
| Tax impact of the above pre-tax adjustments (1) | **(2,377)** | (2,143) | **(4,626)** | (4,462) |
| Excess tax expense/(benefit) on stock compensation | **445** | (50) | **501** | (513) |
| Adjusted net income | **$ 80,039** | $ 62,721 | **$ 157,421** | $ 145,796 |
| Diluted Earnings Per Share As Reported | | | | |
| Net income | **$ 5.13** | $ 3.57 | **$ 9.97** | $ 8.43 |
| Average number of shares outstanding | **13,199** | 14,703 | **13,442** | 14,733 |
| Adjusted Diluted Earnings Per Share | | | | |
| Adjusted net income | **$ 6.06** | $ 4.27 | **$ 11.71** | $ 9.90 |
| Adjusted average number of shares outstanding | **13,199** | 14,703 | **13,442** | 14,733 |

(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 Ended June 30, | |
|---|---|---|---|---|
| OPERATING STATISTICS | **2026** | 2025 | **2026** | 2025 |
| Net revenue ($000) | | | | |
| Homecare | **$ 391,348** | $ 358,042 | **$ 762,438** | $ 709,608 |
| Inpatient | **35,673** | 33,023 | **71,599** | 67,045 |
| Continuous care | **19,396** | 23,640 | **37,530** | 48,276 |
| Other | **6,206** | 5,747 | **11,783** | 11,092 |
| Subtotal | **$ 452,623** | $ 420,452 | **$ 883,350** | $ 836,021 |
| Room and board, net | **(3,938)** | (3,892) | **(7,196)** | (7,417) |
| Contractual allowances | **(4,844)** | (3,984) | **(9,921)** | (6,304) |
| Medicare cap allowance | **(500)** | (16,375) | **(2,875)** | (18,700) |
| Total | **$ 443,341** | $ 396,201 | **$ 863,358** | $ 803,600 |
| Net revenue as a percent of total before Medicare cap allowances | | | | |
| Homecare | **86.5%** | 85.2% | **86.4%** | 84.9% |
| Inpatient | **7.9** | 7.9 | **8.1** | 8.0 |
| Continuous care | **4.3** | 5.6 | **4.2** | 5.8 |
| Other | **1.3** | 1.3 | **1.3** | 1.3 |
| Subtotal | **100.0** | 100.0 | **100.0** | 100.0 |
| Room and board, net | **(0.9)** | (0.9) | **(0.9)** | (0.9) |
| Contractual allowances | **(1.1)** | (0.9) | **(1.1)** | (0.8) |
| Medicare cap allowance | **(0.1)** | (3.9) | **(0.3)** | (2.2) |
| Total | **97.9%** | 94.3% | **97.7%** | 96.1% |
| Days of care | | | | |
| Homecare | **1,792,360** | 1,662,455 | **3,483,979** | 3,295,024 |
| Nursing home | **303,053** | 307,158 | **597,871** | 614,266 |
| Respite | **12,307** | 11,440 | **23,182** | 21,435 |
| Subtotal routine homecare and respite | **2,107,720** | 1,981,053 | **4,105,032** | 3,930,725 |
| Inpatient | **29,703** | 28,213 | **60,177** | 57,917 |
| Continuous care | **18,094** | 21,647 | **35,382** | 44,267 |
| Total | **2,155,517** | 2,030,913 | **4,200,591** | 4,032,909 |
| Number of days in relevant time period | **91** | 91 | **181** | 181 |
| Average daily census (days) | | | | |
| Homecare | **19,697** | 18,269 | **19,249** | 18,205 |
| Nursing home | **3,330** | 3,375 | **3,303** | 3,394 |
| Respite | **135** | 126 | **128** | 118 |
| Subtotal routine homecare and respite | **23,162** | 21,770 | **22,680** | 21,717 |
| Inpatient | **326** | 310 | **333** | 320 |
| Continuous care | **199** | 238 | **195** | 244 |
| Total | **23,687** | 22,318 | **23,208** | 22,281 |
| Total Admissions | **19,125** | 17,545 | **38,519** | 35,684 |
| Total Discharges | **18,167** | 17,845 | **36,704** | 35,583 |
| Average length of stay (days) | **101.2** | 137.1 | **101.9** | 127.9 |
| Median length of stay (days) | **16.0** | 20.0 | **15.0** | 18.0 |
| ADC by major diagnosis | | | | |
| Cerebro | **44.2%** | 44.4% | **44.4%** | 44.6% |
| Neurological | **11.1** | 12.1 | **11.2** | 12.2 |
| Cancer | **9.5** | 9.7 | **9.5** | 9.6 |
| Cardio | **16.6** | 16.2 | **16.5** | 16.1 |
| Respiratory | **8.0** | 7.5 | **7.8** | 7.3 |
| Other | **10.6** | 10.1 | **10.6** | 10.2 |
| Total | **100.0%** | 100.0% | **100.0%** | 100.0% |
| Admissions by major diagnosis | | | | |
| Cerebro | **27.3%** | 26.7% | **27.1%** | 27.6% |
| Neurological | **7.1** | 7.2 | **7.0** | 6.8 |
| Cancer | **24.7** | 26.6 | **24.1** | 25.6 |
| Cardio | **15.2** | 14.9 | **15.5** | 15.0 |
| Respiratory | **11.8** | 10.7 | **12.1** | 11.1 |
| Other | **13.9** | 13.9 | **14.2** | 13.9 |
| Total | **100.0%** | 100.0% | **100.0%** | 100.0% |
| Estimated uncollectible accounts as a percent of revenues | **0.7%** | 1.0% | **1.1%** | 0.8% |
| Accounts receivable -- | | | | |
| Days of revenue outstanding- excluding unapplied Medicare payments | **39.7** | 37.5 | **n.a.** | n.a. |
| Days of revenue outstanding- including unapplied Medicare payments | **26.9** | 26.9 | **n.a.** | n.a. |

**<u>Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995 Regarding Forward-Looking Information</u>**

Certain statements contained in this report 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. These forward-looking statements are based on current expectations and assumptions and involve various known and unknown risks, uncertainties, contingencies and other factors, which could cause Chemed's actual results to differ from those expressed in such forward-looking statements. Variances in any or all of the risks, uncertainties, contingencies, and other factors from our assumptions could cause actual results to differ materially from these forward-looking statements and trends. In addition, our ability to deal with the unknown outcomes of these events, many of which are beyond our control, may affect the reliability of projections and other financial matters. Investors are cautioned that such forward-looking statements are subject to inherent risk and there are no assurances that the matters contained in such statements will be achieved. 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.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk**

The Company's primary market risk exposure relates to interest rate risk exposure through its variable interest line of credit. At June 30, 2026, the Company has $140.0 million of variable rate debt outstanding. For each $10 million borrowed under the credit facility, an increase or decrease of 100 basis points (1%), increases or decreases the Company's annual interest expense by $100,000.

The Company continually evaluates this interest rate exposure and periodically weighs the cost versus the benefit of fixing the variable interest rates through a variety of hedging techniques.

**Item 4. Controls and Procedures**

We carried out an evaluation, under the supervision of the Company's President and Chief Executive Officer and with the participation of the Executive Vice President, Chief Financial Officer and Controller, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the President and Chief Executive Officer and Executive Vice President, Chief Financial Officer and Controller have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report. There has been no change in our internal control over financial reporting that occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II. OTHER INFORMATION**

**Item 1. Legal Proceedings**

For information regarding the Company's legal proceedings, see Note 10, Legal and Regulatory Matters, under Part I, Item I of this Quarterly Report on Form 10-Q.

**Item 1A. Risk Factors**

There have been no material changes from the risk factors previously disclosed in the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

**Item 2(c). Purchases of Equity Securities by Issuer and Affiliated Purchasers**

The following table shows the activity related to our share repurchase program for the first six months of 2026:

| | Total Number of Shares Repurchased | Weighted Average Price Paid Per Share | Cumulative Shares Repurchased Under the Program | Dollar Amount Remaining Under The Program |
|---|---|---|---|---|
| ***February 2011 Program*** | | | | |
| January 1 through January 31, 2026 | - | $ - | 12,161,858 | $ 127,282,674 |
| February 1 through February 28, 2026 (1) | - | - | 12,161,858 | 427,282,674 |
| March 1 through March 31, 2026 | 500,000 | 395.36 | 12,661,858 | $ 229,601,903 |
| First Quarter Total | 500,000 | $ 395.36 | | |
| April 1 through April 30, 2026 | 40,300 | $ 422.59 | 12,702,158 | $ 212,571,327 |
| May 1 through May 31, 2026 | 109,700 | 424.12 | 12,811,858 | 166,045,452 |
| June 1 through June 30, 2026 | 60,000 | 438.07 | 12,871,858 | $ 139,761,356 |
| Second Quarter Total | 210,000 | $ 427.81 | | |

(1) In February 2026, our Board of Directors authorized an additional $300.0 million under the February 2011 Repurchase Program.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

None.

**Item 5. Other Information**

None.

**Item 6. Exhibits**

| Exhibit No. | Description |
|---|---|
| 10.1 | Sixth Amended and Restated Credit Agreement |
| 31.1 | Certification by Kevin J. McNamara pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act of 1934. |
| 31.2 | Certification by Michael D. Witzeman pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act of 1934. |
| 32.1 | Certification by Kevin J. McNamara pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification by Michael D. Witzeman pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101 | The following materials from Chemed Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026 formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) The Condensed Consolidated Balance Sheet, (ii) The Condensed Consolidated Statement of Income, (iii) The Condensed Consolidated Statement of Cash Flows, (iv) The Condensed Statement of Equity, and (v) Notes to the Condensed Consolidated Financial Statements. |
| 104 | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in iXBRL and contained in Exhibit 101. |

**SIGNATURES**

Pursuant to the requirements of the Securities and 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<br>(Registrant) |
| Dated: | July 31, 2026 | By: | */s/ Kevin J. McNamara*<br>Kevin J. McNamara<br>(President and Chief Executive Officer) |
| Dated: | July 31, 2026 | By: | */s/ Michael D. Witzeman*<br>Michael D. Witzeman<br>(Executive Vice President, Chief Financial Officer and Controller) |

CERTIFICATION PURSUANT TO RULES 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, Kevin J. McNamara, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation ("registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors or persons performing the equivalent function:

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2026

/s/ Kevin J. McNamara
Kevin J. McNamara
(President and Chief Executive Officer)

CERTIFICATION PURSUANT TO RULES 13a-14(a)/15d-14(a) OF THE EXCHANGE ACT OF 1934

I, Michael D. Witzeman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chemed Corporation (“registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors or persons performing the equivalent function:

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 31, 2026

/s/ Michael D. Witzeman
Michael D. Witzeman
(Executive Vice President, Controller, and Chief Financial Officer)

**EXHIBIT 32.1**

CERTIFICATION BY KEVIN J. MCNAMARA
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as President and Chief Executive Officer of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2026 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2026

/s/ Kevin J. McNamara
Kevin J. McNamara
(President and Chief Executive Officer)

CERTIFICATION BY MICHAEL D. WITZEMAN
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002.

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as Executive Vice President and Chief Financial Officer of Chemed Corporation ("Company"), does hereby certify that:

1) the Company's Quarterly Report on Form 10-Q for the quarter ending June 30, 2026 ("Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 31, 2026

/s/ Michael D. Witzeman
Michael D. Witzeman
(Executive Vice President, Controller and Chief Financial Officer)