

CHEMED

CHEMED CORPORATION

Results as of March 31, 2022



VITAS[®]
Healthcare

Safe Harbor and Regulation G Statement

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

Forward-Looking Statements

Certain statements contained in this presentation and the accompanying tables are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "hope," "anticipate," "plan" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. Chemed does not undertake and specifically disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. These statements are based on current expectations and assumptions and involve various risks and uncertainties, which could cause Chemed's actual results to differ from those expressed in such forward-looking statements. These risks and uncertainties arise from, among other things, possible changes in regulations governing the hospice care or plumbing and drain cleaning industries; periodic changes in reimbursement levels and procedures under Medicare and Medicaid programs; difficulties predicting patient length of stay and estimating potential Medicare reimbursement obligations; challenges inherent in Chemed's growth strategy; the current shortage of qualified nurses, other healthcare professionals and licensed plumbing and drain cleaning technicians; Chemed's dependence on patient referral sources; and other factors detailed under the caption "Description of Business by Segment" or "Risk Factors" in Chemed's most recent report on form 10-Q or 10-K and its other filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on such forward-looking statements and there are no assurances that the matters contained in such statements will be achieved.

Cumulative Results Since the VITAS Acquisition

For the years ended December 31, 2003 through 2021

	(1)	(2)	(3)
	CAGR		
	One	Three	Eighteen
	Year	Year	Year
Chemed			
(1) Service revenues and sales	2.9%	6.3%	12.4%
(2) Adj. net income	3.9%	15.4%	22.6%
(3) Adj. diluted EPS from continuing operations	6.9%	17.5%	24.0%
Roto-Rooter			
(4) Service revenues and sales	17.9%	14.5%	7.0%
(5) Adj. net income	31.8%	20.9%	15.5%
VITAS			
(6) Service revenues and sales	(5.5%)	1.7%	6.0%
(7) Adj. net income	(14.5%)	7.7%	12.8%

(a) VITAS was acquired in February 2004

Chemed – Purchase of Capital Stock

For the Period January 1, 2007, through March 31, 2022

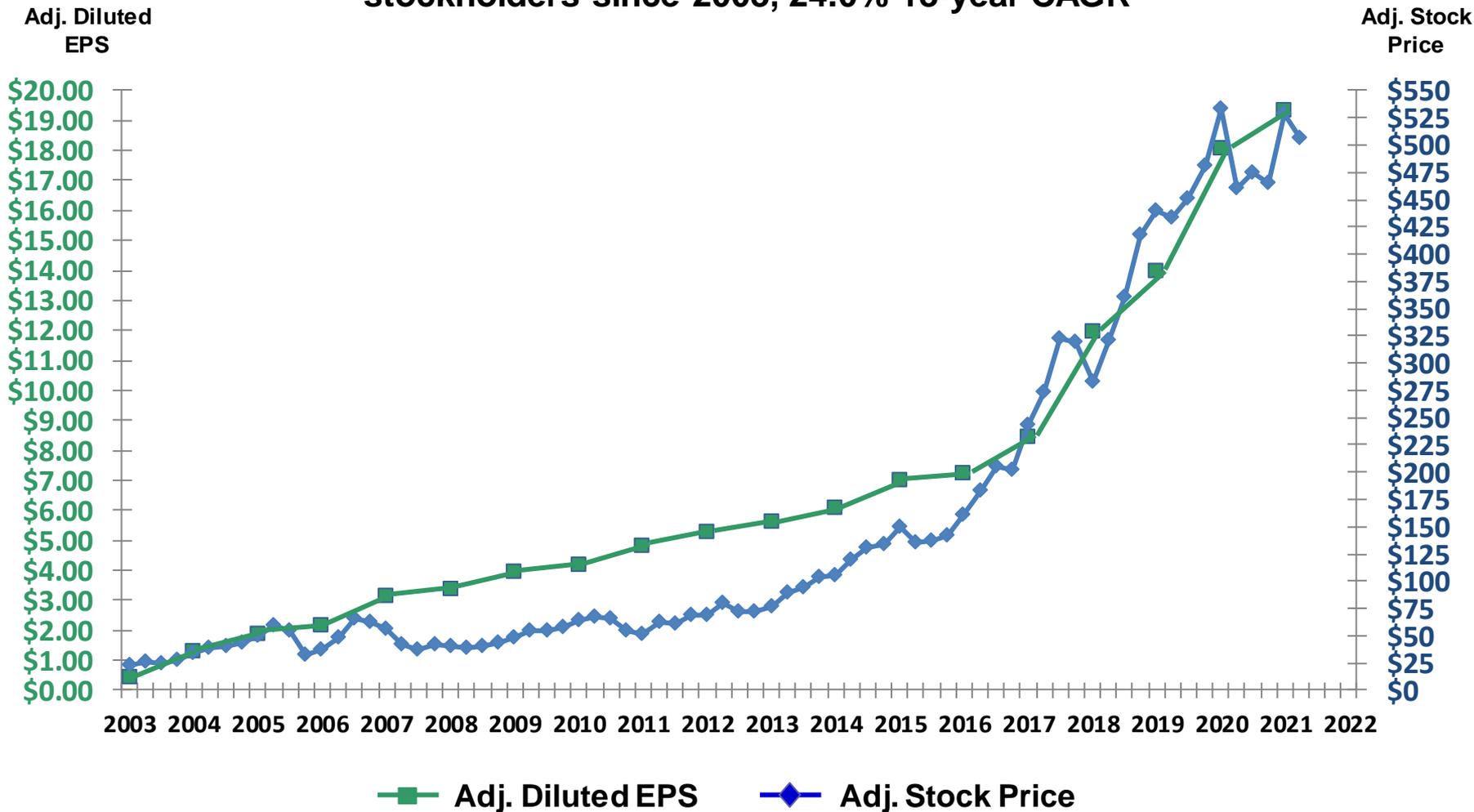
	(1)	(2)	(3)	(4)
	Shares	Dividends	Total	Free
	Repurchased		Returned to	Cash Flow
			Shareholders	Generated (1)
(1) Activity in 2007	\$ 127,881,453	\$ 5,888,000	\$ 133,769,453	72,944,000
(2) Activity in 2008	67,125,500	5,543,000	72,668,500	85,989,000
(3) Activity in 2009	741,726	8,157,000	8,898,726	139,336,000
(4) Activity in 2010	104,054,995	11,881,000	115,935,995	60,373,000
(5) Activity in 2011	143,875,353	12,538,000	156,413,353	144,751,000
(6) Activity in 2012	60,529,057	13,026,000	73,555,057	96,516,000
(7) Activity in 2013	92,911,155	14,148,000	107,059,155	121,523,000
(8) Activity in 2014	110,019,257	14,255,000	124,274,257	66,708,000
(9) Activity in 2015	59,323,141	15,605,000	74,928,141	127,365,000
(10) Activity in 2016	102,312,635	16,440,000	118,752,635	95,621,000
(11) Activity in 2017	94,639,666	17,371,000	112,010,666	98,195,000
(12) Activity in 2018	158,883,849	18,661,000	177,544,849	234,266,000
(13) Activity in 2019	92,630,812	19,788,000	112,418,812	248,227,000
(14) Activity in 2020	175,594,512	21,079,000	196,673,512	430,458,000
(15) Activity in 2021	576,482,853	22,016,000	598,498,853	249,922,000
(16) Activity in 2022	27,353,380	5,321,000	32,674,380	88,441,000
(17) Cumulative Activity				
2007 - 2022 (2)	<u>\$ 1,994,359,344</u>	<u>\$ 221,717,000</u>	<u>\$ 2,216,076,344</u>	<u>\$ 2,360,635,000</u>

(1) Net cash provided by operating activities less capital expenditures.

(2) 15.8 million shares repurchased at an average cost of \$126.42.

Adj. EPS⁽¹⁾ and Stock Price⁽²⁾ History

Chemed has delivered strong and consistent EPS to stockholders since 2003, 24.0% 18-year CAGR



- (1) Adjusted Diluted EPS (non GAAP); see Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results.
- (2) Adjusted for stock split.

Chemed – Consolidated Summary of Operations

For the years ended December 31, 2003 through 2021

(in thousands, except per share data)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14) Average Annual Inc./(Dec.)
	2003	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
(1) Service Revenues and Sales (a)	\$ 260,776	\$ 1,280,545	\$ 1,355,970	\$ 1,430,043	\$ 1,413,329	\$ 1,456,282	\$ 1,543,388	\$ 1,576,881	\$ 1,666,724	\$ 1,782,648	\$ 1,938,555	\$ 2,079,583	\$ 2,139,261	12.4%
(2) EBITDA (b)	30,366	172,275	181,157	188,059	168,206	201,541	217,270	215,407	156,814	283,453	311,349	454,928	411,233	15.6%
(3) Adj. EBITDA (b)	25,118	189,395	197,273	201,455	206,850	212,562	235,931	236,979	268,459	305,506	350,927	444,823	461,414	17.6%
(4) Net Income (GAAP)	11,188	81,831	85,979	89,304	77,227	99,317	110,274	108,743	98,177	205,544	219,923	319,466	268,550	19.3%
(5) Adj. Net Income (b)	7,894	95,961	100,030	102,317	104,372	107,731	121,667	121,487	141,054	200,374	230,473	296,413	308,007	22.6%
(6) Diluted EPS (GAAP)	0.56	3.55	4.10	4.62	4.16	5.57	6.33	6.48	5.86	12.23	13.31	19.48	16.85	20.8%
(7) Adj. Diluted EPS (b) (c)	0.40	4.17	4.78	5.29	5.62	6.07	6.98	7.24	8.43	11.93	13.95	18.08	19.33	24.0%
(8) Diluted Average Shares Outstanding	19,908	23,031	20,945	19,339	18,585	17,738	17,422	16,789	16,742	16,803	16,527	16,398	15,938	(1.2%)

(a) Continuing operations

(b) See footnote (d) below and the Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted non-GAAP results

(c) Adj. Diluted EPS is calculated by dividing Adj. Net Income by Diluted Average Shares Outstanding, and Diluted EPS is calculated by dividing Net Income by Diluted Average Shares Outstanding

Chemed - Results from Continuing Operations

(in thousands, except per share data)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full-Year Results			Three Months Ended March 31,		
	2020 (a)	2021 (a)	Fav/(Unfav) % Growth	2021	2022	Fav/(Unfav) % Growth
(1) Service Revenues and Sales	\$2,079,583	\$2,139,261	2.9%	\$ 527,360	\$ 530,549	0.6%
(2) Adj. EBITDA (a)	444,823	461,414	3.7%	108,519	110,208	1.6%
(3) Adj. EBITDA Margin (a)	21.4%	21.6%	0.2 pts.	20.6%	20.8%	0.2 pts.
(4) Adj. Net Income (a)	296,413	308,007	3.9%	72,370	72,780	0.6%
(5) Adj. Diluted EPS (a) (b)	18.08	19.33	6.9%	4.44	4.79	7.9%
(6) Capital Expenditures	58,831	58,675	0.3%	17,697	12,649	28.5%

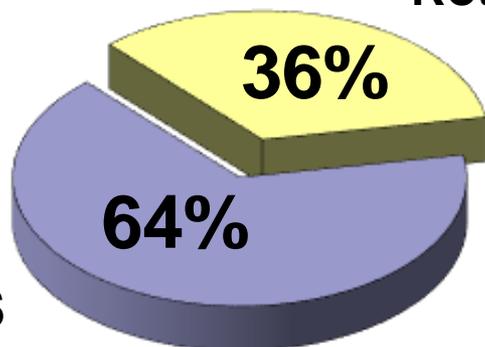
(a) See footnote (b) below and the Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results.

(b) Adj. Diluted EPS is calculated by dividing Adj. Net Income by Diluted Average Shares Outstanding, and Diluted EPS is calculated by dividing Net Income by Diluted Average Shares Outstanding.

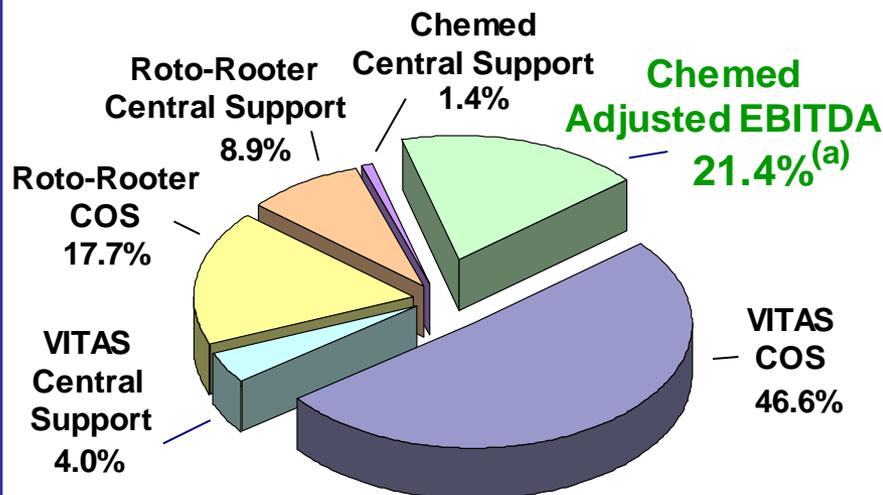
Chemed Corporation Revenue

2020

Roto-Rooter

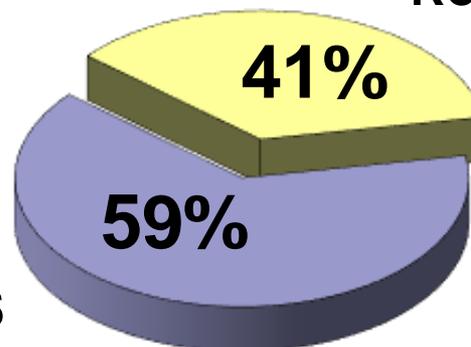


VITAS

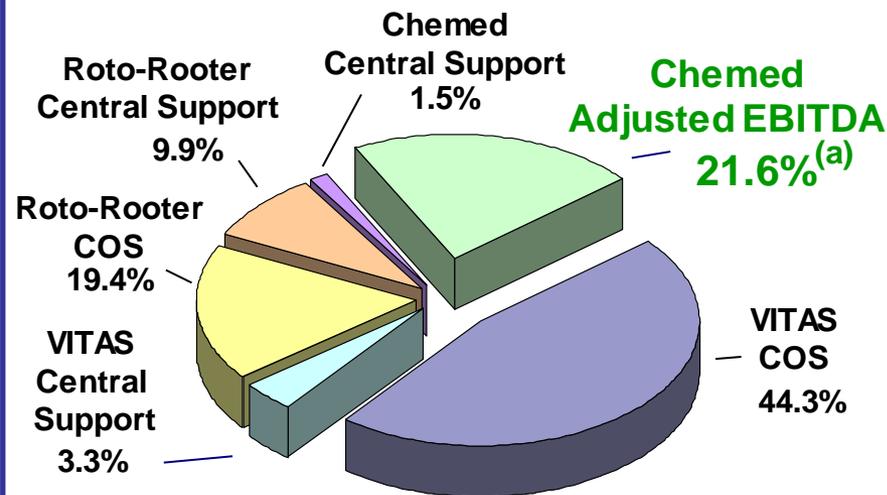


2021

Roto-Rooter



VITAS



(a) See Appendix at the back of this presentation for reconciliation of EBITDA and Adjusted EBITDA to Net Income

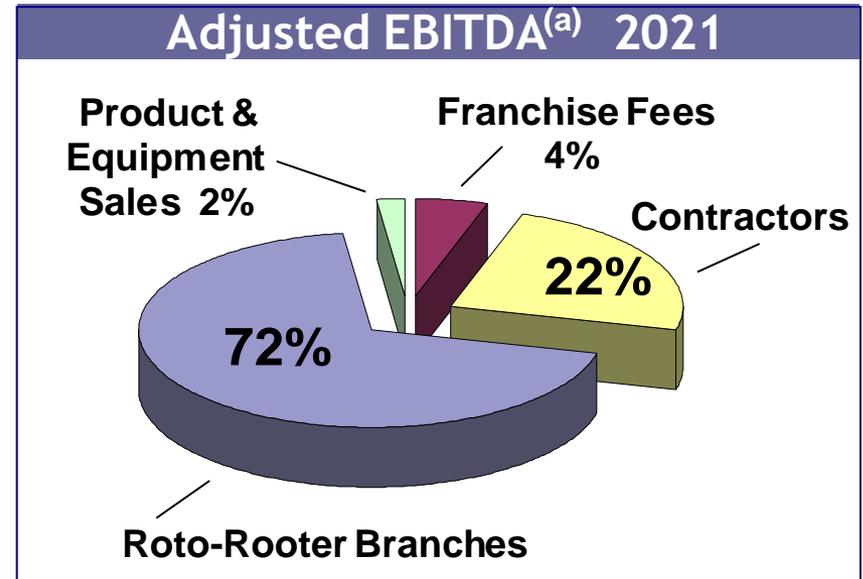
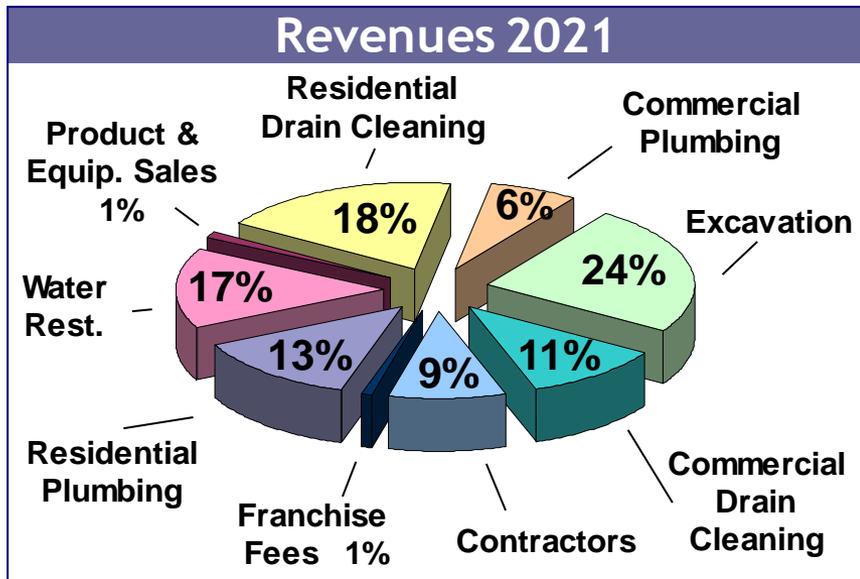


***ROTO-
ROOTER***®

**PLUMBING &
WATER CLEANUP**

Roto-Rooter Company Overview

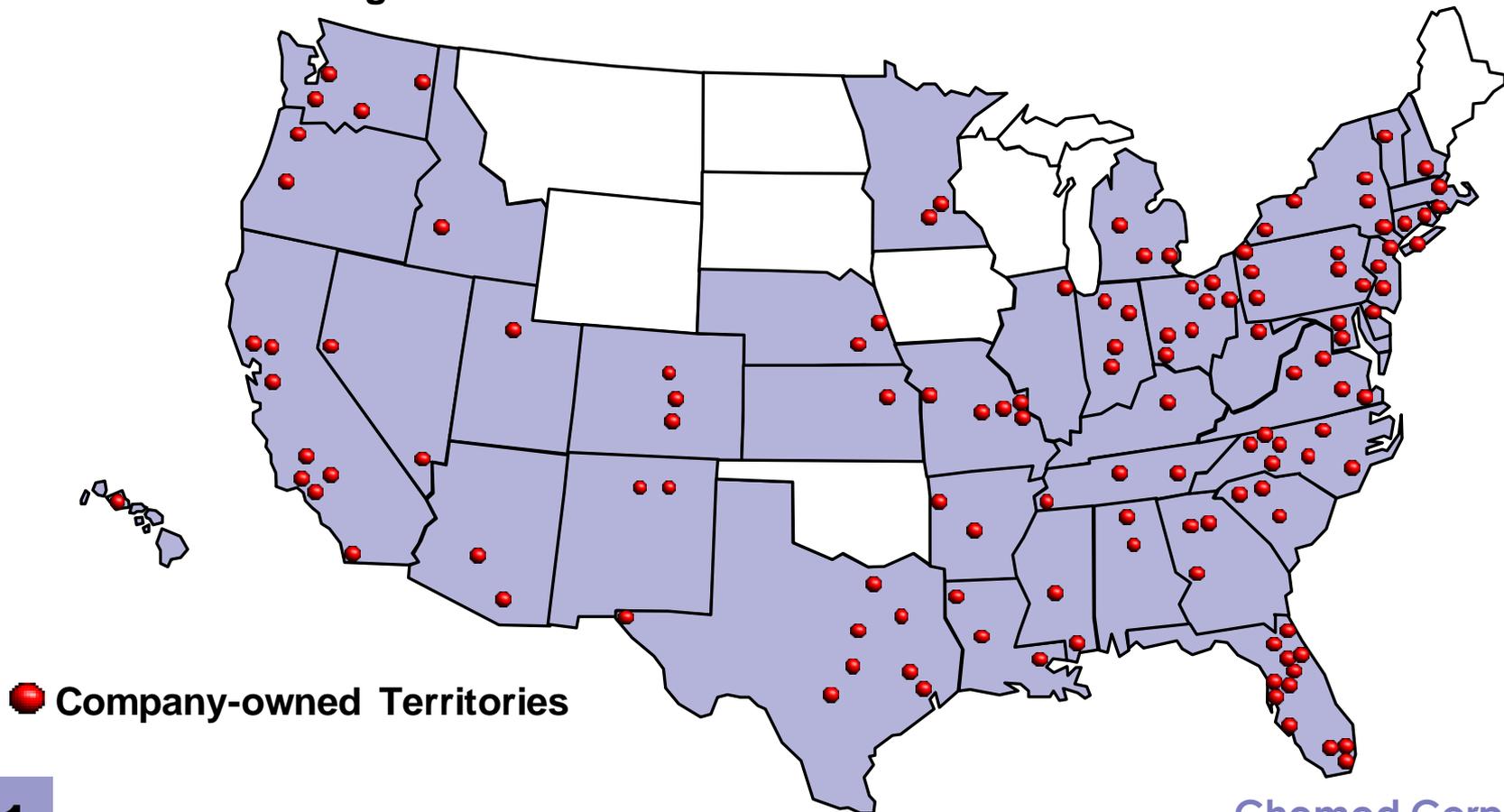
- ◆ Largest provider of plumbing and drain cleaning services in North America
 - ▶ Provides plumbing services to approximately 90% of the United States and 40% of the Canadian population
- ◆ Provides plumbing and drain cleaning services in 127 company-owned territories and 369 franchise territories
- ◆ Maintains an estimated 15% of the drain cleaning market and 2-3% share of the same-day service plumbing market
- ◆ Residential customers represent 70% of revenues, while commercial customers represent 24% of revenues



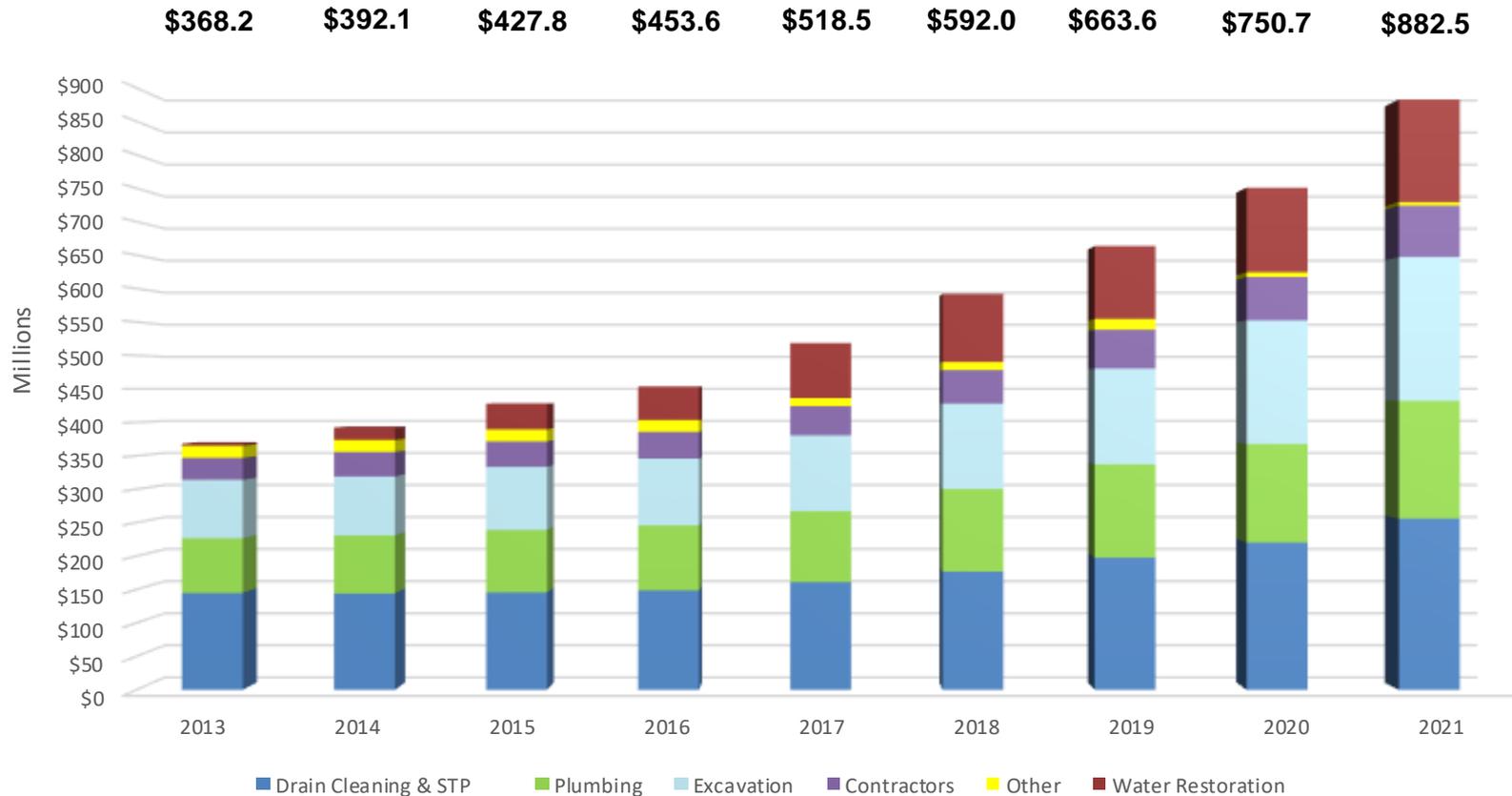
(a) See Appendix at the back of this presentation for reconciliation of EBITDA and Adjusted EBITDA to Net Income

Chemed Growth Strategy – Roto-Rooter

- ◆ Continue to increase efficiency
- ◆ Acquire franchisee territories at reasonable valuations
 - ▶ \$75 - \$100 million in franchise street sales in desirable markets
 - ▶ Purchase at 6-8 times Proforma Adjusted EBITDA
 - ▶ Minimal capital expenditure
- ◆ Focus on earnings and cash flow



Roto-Rooter – Gross Revenue Analysis (\$000)



(a) 2018 - 2021 reflect GAAP Revenue Recognition Accounting Standard. Prior years are not restated for the 2018 Revenue Recognition Accounting Standard.

Roto-Rooter – Summary of Operations

For The Years Ended December 31, 2004 through 2021

(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	2004	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Annual Inc./Dec.
(1) Service Revenues and Sales (a)	\$ 276,611	\$ 354,735	\$ 369,698	\$ 363,006	\$ 368,216	\$ 392,077	\$ 427,837	\$ 453,564	\$ 518,464	\$ 585,086	\$ 657,371	\$ 744,916	\$ 878,015	7.0%
(2) EBITDA (b)	38,314	59,369	64,948	58,751	56,398	79,221	91,911	100,946	123,194	146,896	159,325	191,980	254,133	11.8%
(3) Adj. EBITDA (b)	42,355	58,516	64,176	58,232	70,936	75,110	87,614	96,312	116,670	140,544	155,759	193,106	249,166	11.0%
(4) Adj. EBITDA Margin (b)	15.3%	16.5%	17.4%	16.0%	19.3%	19.2%	20.5%	21.2%	22.5%	24.0%	23.7%	25.9%	28.4%	n.a.
(5) Net Income (GAAP)	18,795	31,678	34,879	30,905	29,243	42,075	48,573	52,893	73,299	98,711	103,710	120,394	166,333	13.7%
(6) Adj. Net Income (b)	21,044	32,960	36,260	32,276	39,845	42,093	48,680	52,921	65,667	99,114	110,092	132,791	174,965	13.3%

(a) Continuing Operations

(b) See Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results

Roto-Router – Results from Continuing Operations

(\$000)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full-Year Results			Three Months Ended March 31,		
	2020	2021	Fav/(Unfav) % Growth	2021	2022	Fav/(Unfav) % Growth
(1) Service Revenues and Sales	\$744,916	\$ 878,015	17.9%	\$211,572	\$231,360	9.4%
(2) Net Income (GAAP)	120,394	166,333	38.2%	37,177	43,937	18.2%
(3) Adj. EBITDA (a) (b)	193,106	249,166	29.0%	56,877	65,893	15.9%
(4) Adj. EBITDA Margin (a) (b)	25.9%	28.4%	2.5 pts.	26.9%	28.5%	1.6 pts.
(5) Adj. EBIT (a) (b)	227,314	284,951	25.4%	65,722	74,956	14.1%
(6) Adj. EBIT Margin (a) (b)	30.5%	32.5%	2.0 pts.	31.1%	32.4%	1.3 pts.
(7) Capital Expenditures	25,532	30,249	(18.5%)	10,819	8,028	25.8%

(a) Excludes certain discreet items.

(b) Reconciliation from GAAP reported results to adjusted (non-GAAP) results is provided in the Appendix at the back of this presentation.

Future of Roto-Router

◆ Continue to Consolidate Franchises

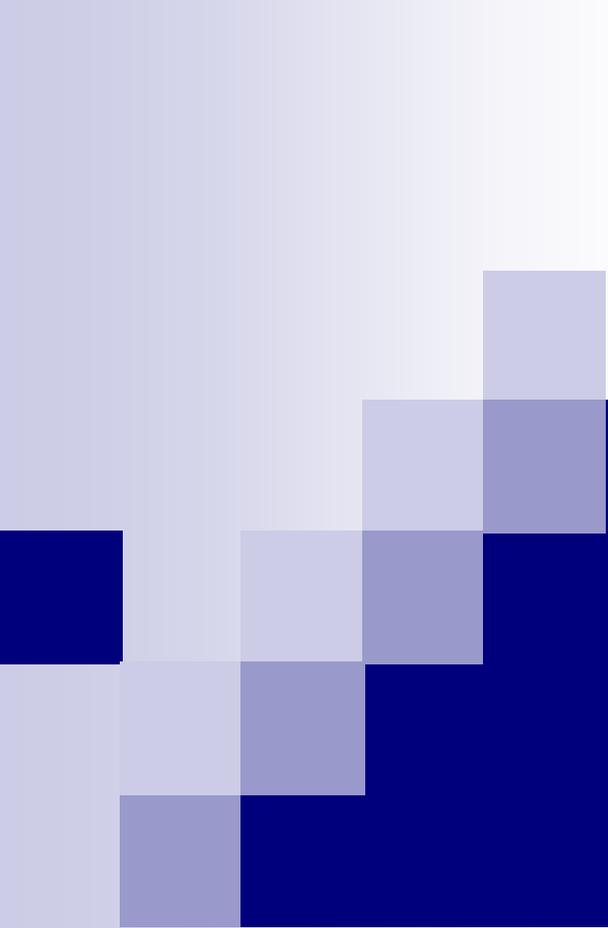
- ▶ Purchase at reasonable multiples
- ▶ Avoid over-paying for current acquisitions
 - ▶ Inflates expectations/demands of remaining franchisees

◆ Utilize Cash Flow for:

- ▶ Purchase of franchises
- ▶ Acquisition of hospices
- ▶ Share buy-back, increased dividends

◆ Roto-Router Divestiture Considerations:

- ▶ If after-tax proceeds can be reinvested at higher return, risk adjusted
- ▶ If Chemed's capital structure and cash flow without Roto-Router provide it significant flexibility to support continued growth of VITAS
- ▶ If tax-free spin-off creates long-term stockholder value

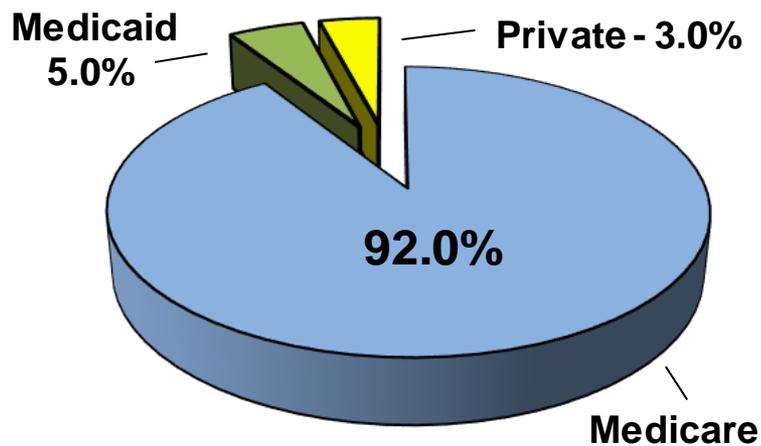


VITAS[®]
Healthcare

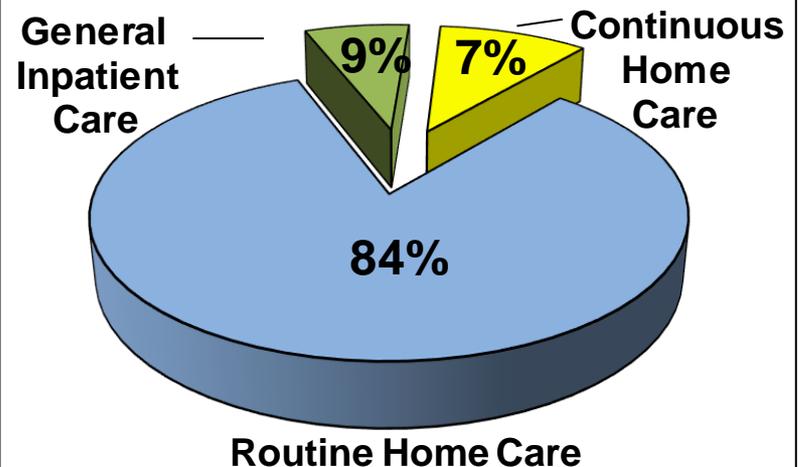
VITAS Healthcare Company Overview

- ◆ Largest provider of hospice services for patients with severe, life-limiting illnesses with approximately 7% of the U.S. market share
- ◆ Operates a comprehensive range of hospice services through 49 operating programs in 14 states and the District of Columbia
- ◆ Utilizes an approach for customized plans of care which is intended to maximize quality and enhance patient satisfaction
- ◆ Operating statistics:
 - ▶ Revenues: \$299 million (Q1 2022)
 - ▶ Average daily census per established program: approximately 400 ADC, largest approximately 2,200 (Q1 2022)
 - ▶ Average length of stay: 104.8 (Q1 2022)
- ◆ Approximately 9,500 employees, including approximately 4,000 nurses (Q1 2022)

Revenue by Payer - 2021

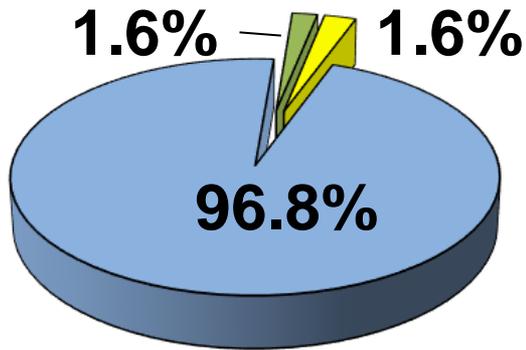


Revenues - 2021



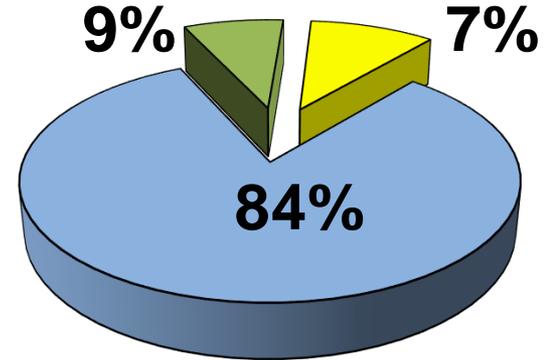
VITAS – Analysis of Revenue

Days of Care - 2021

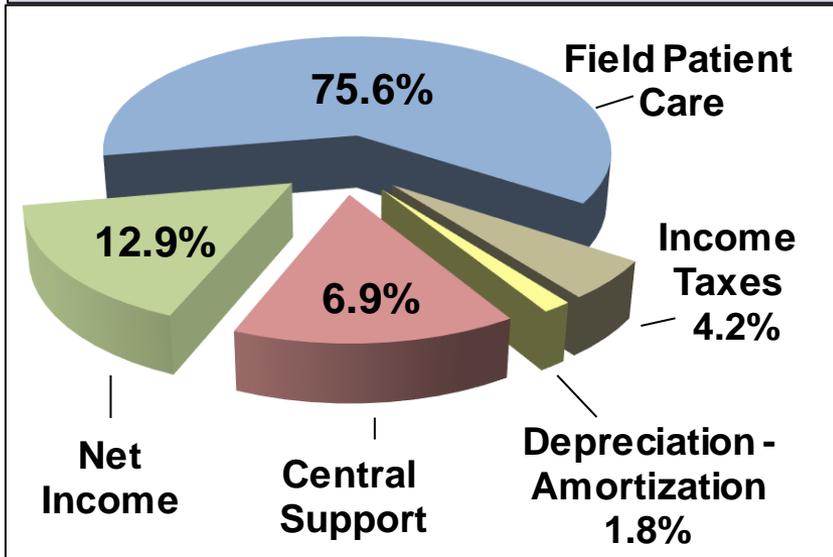


- Routine Home Care
- General Inpatient Care
- Continuous Home Care

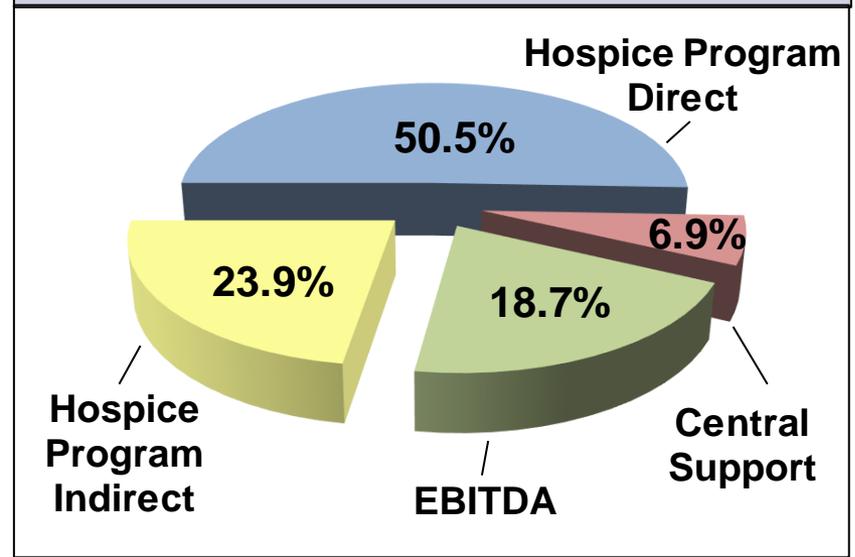
Revenues - 2021



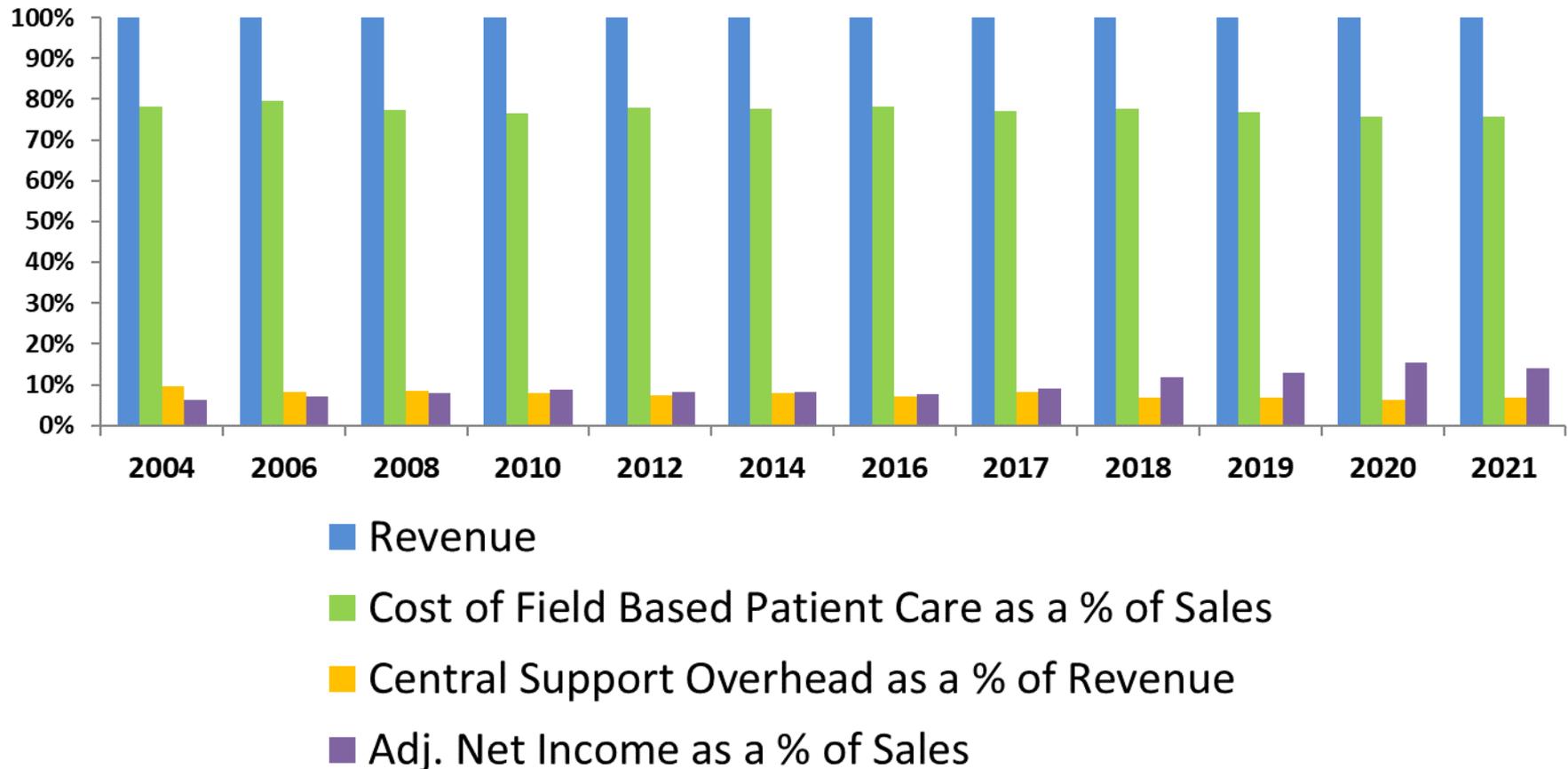
Revenue and Expenses - 2021



Adjusted EBITDA - 2021

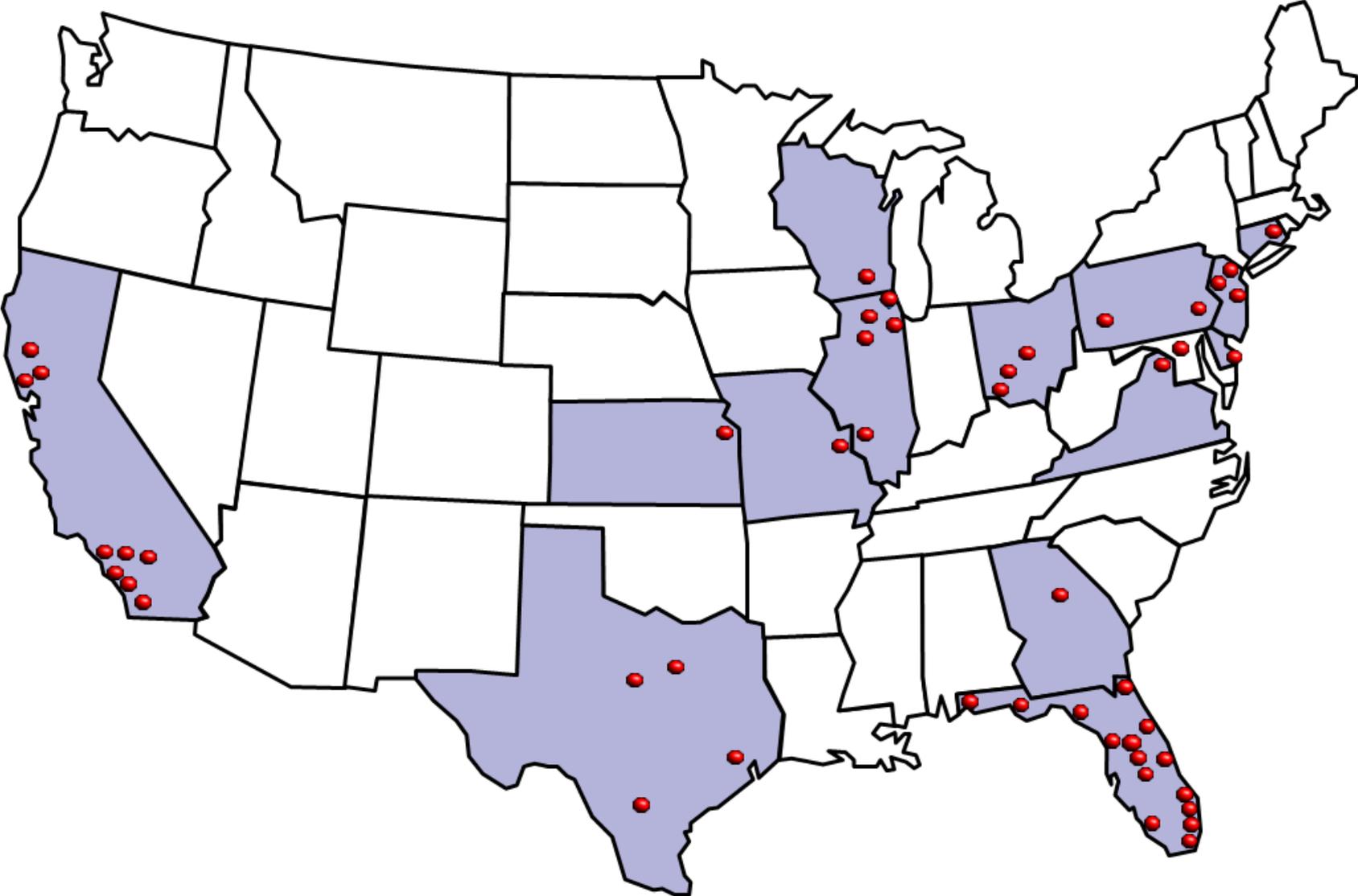


VITAS – Operations as a Percent of Revenue



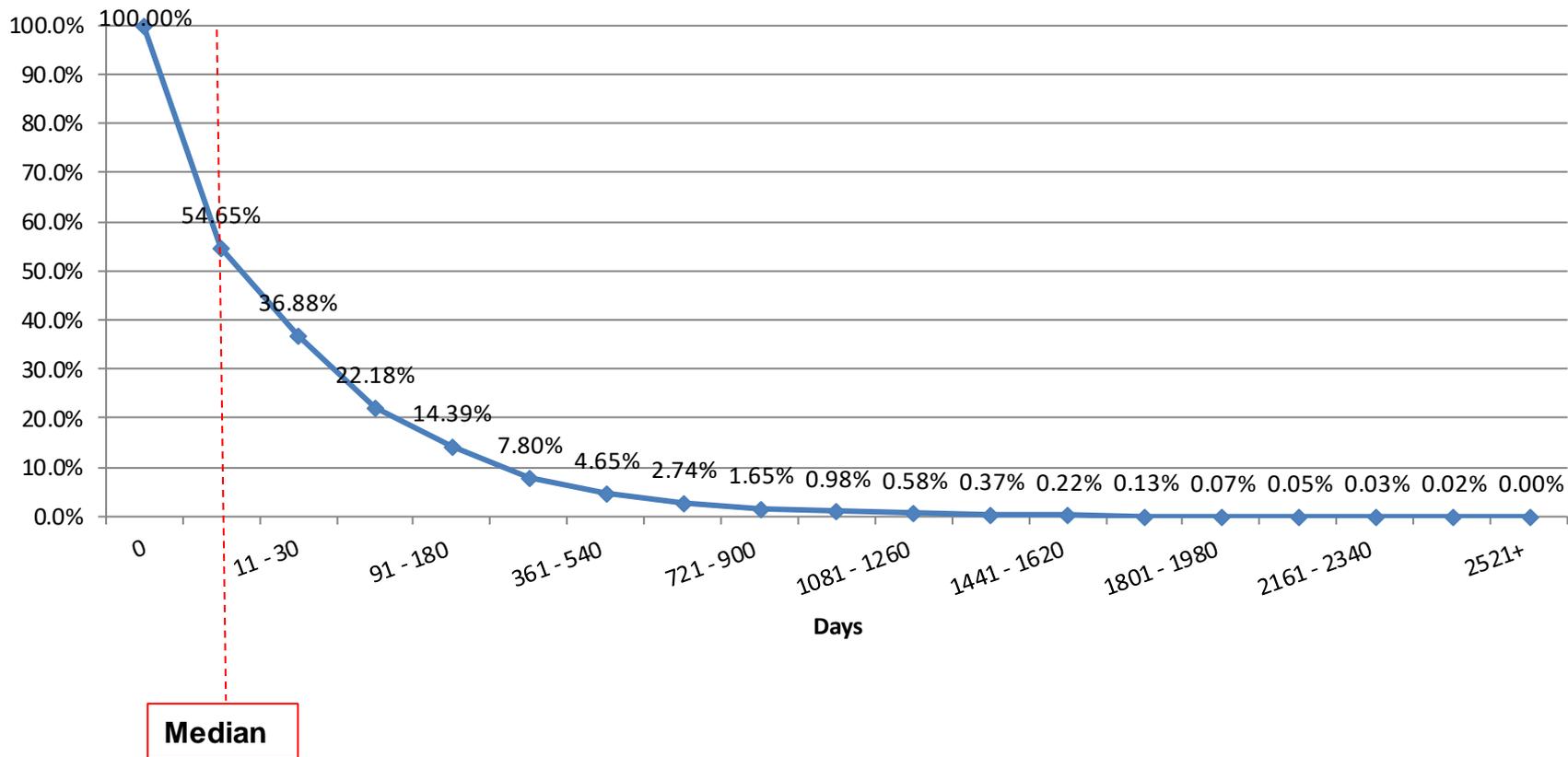
(1) 2018 - 2021 include the impact of the new revenue recognition accounting standard. Prior periods are not restated for the 2018 revenue recognition accounting standard.

VITAS – 49 Locations (as of March 31, 2022)



VITAS 2021 Discharge Rate – Total

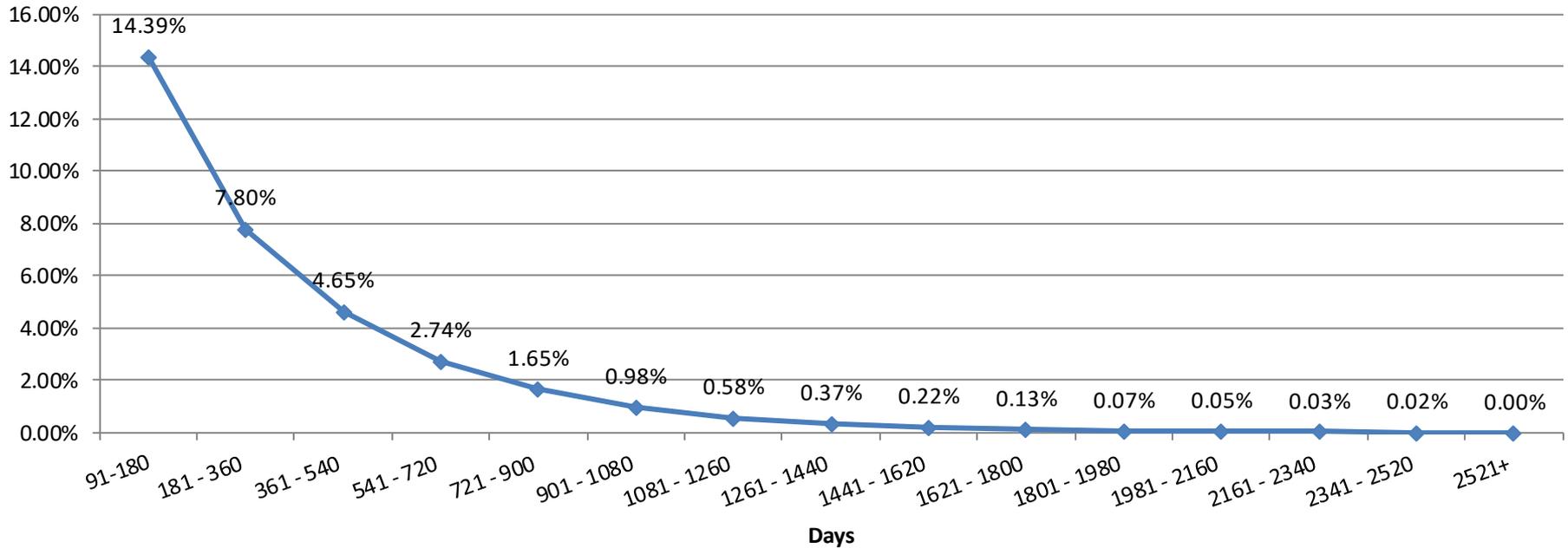
Population: 69,411 patients (MLOS 14)



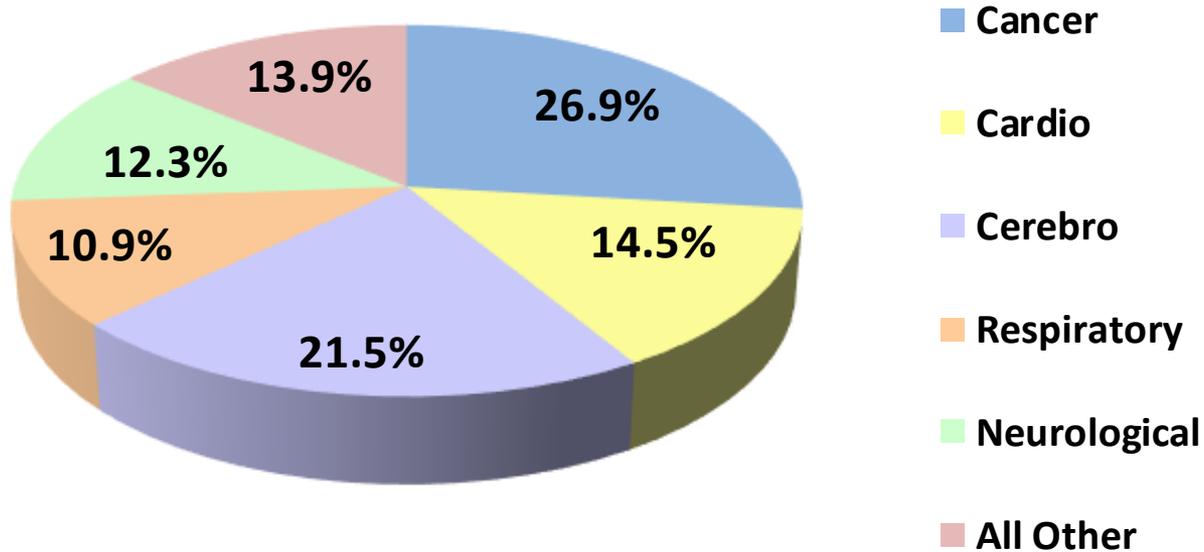
VITAS 2021 Discharge Rate – Total

After 180 Days

Population: 9,988 patients

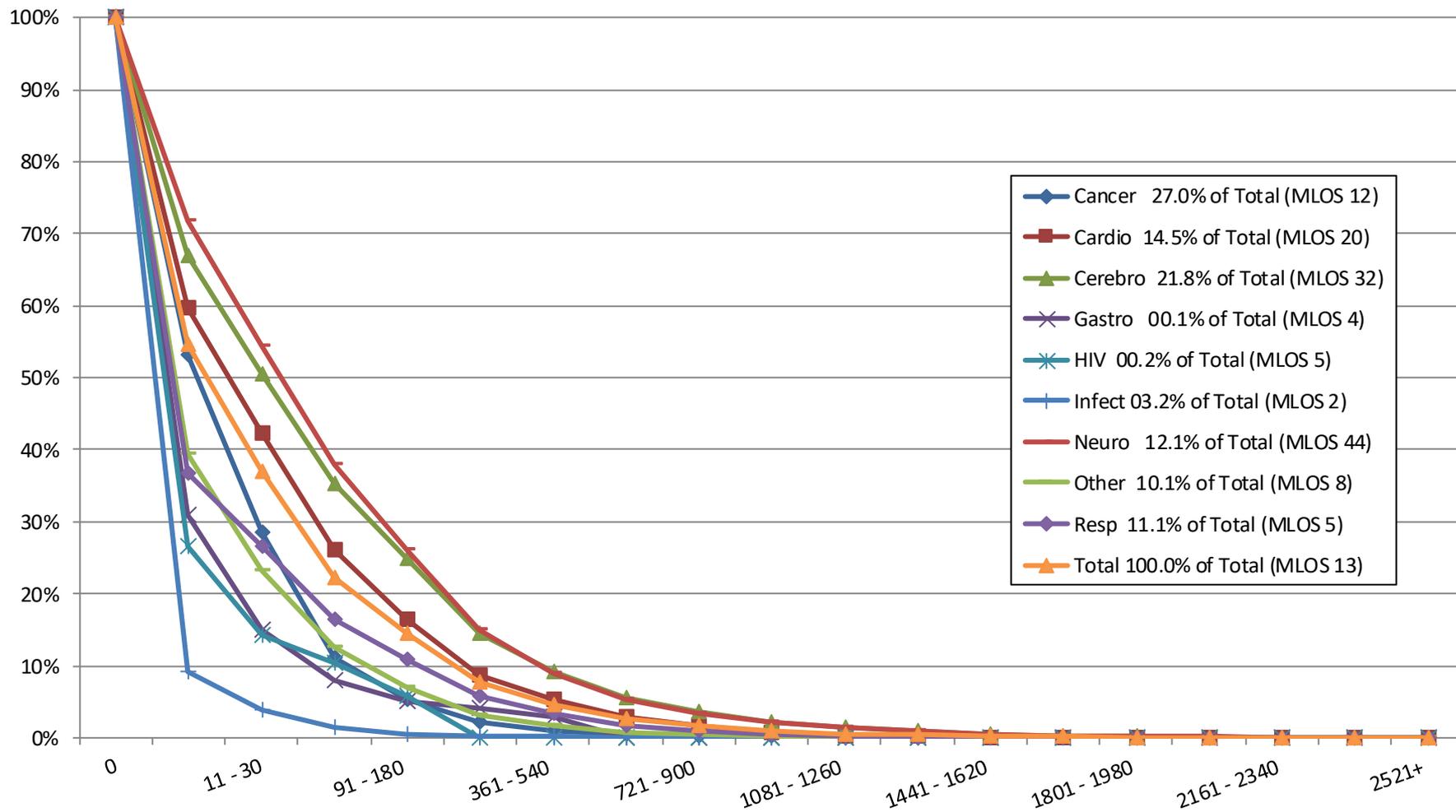


VITAS Admissions by Diagnosis - 2021

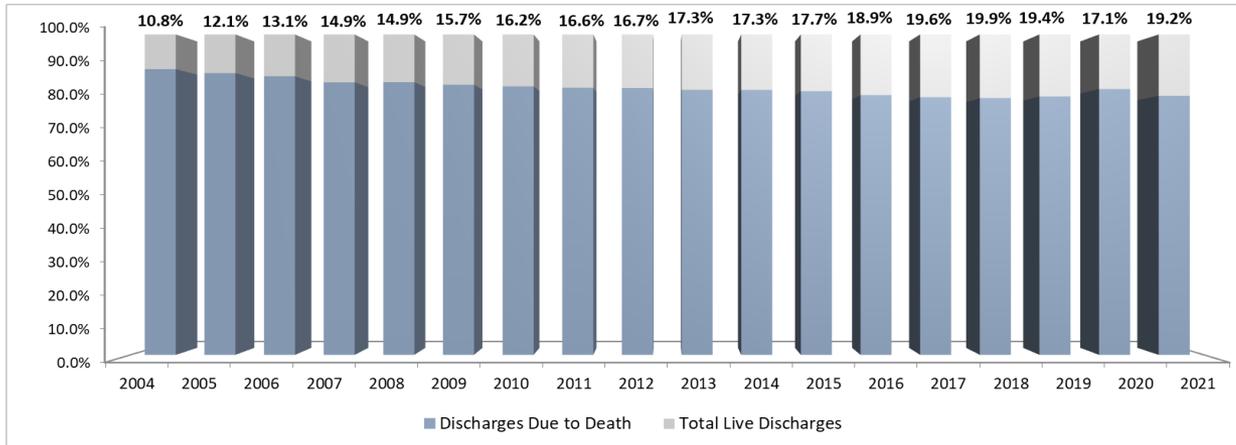


VITAS 2021 Discharge Rate – All Diagnosis

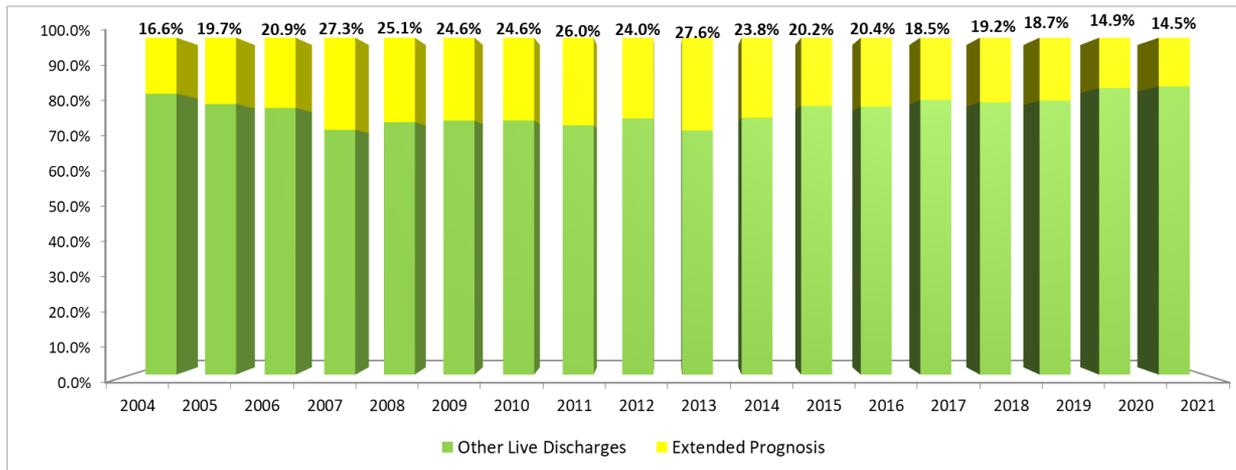
Population: 69,411



Analysis of VITAS Discharges 2004-2021



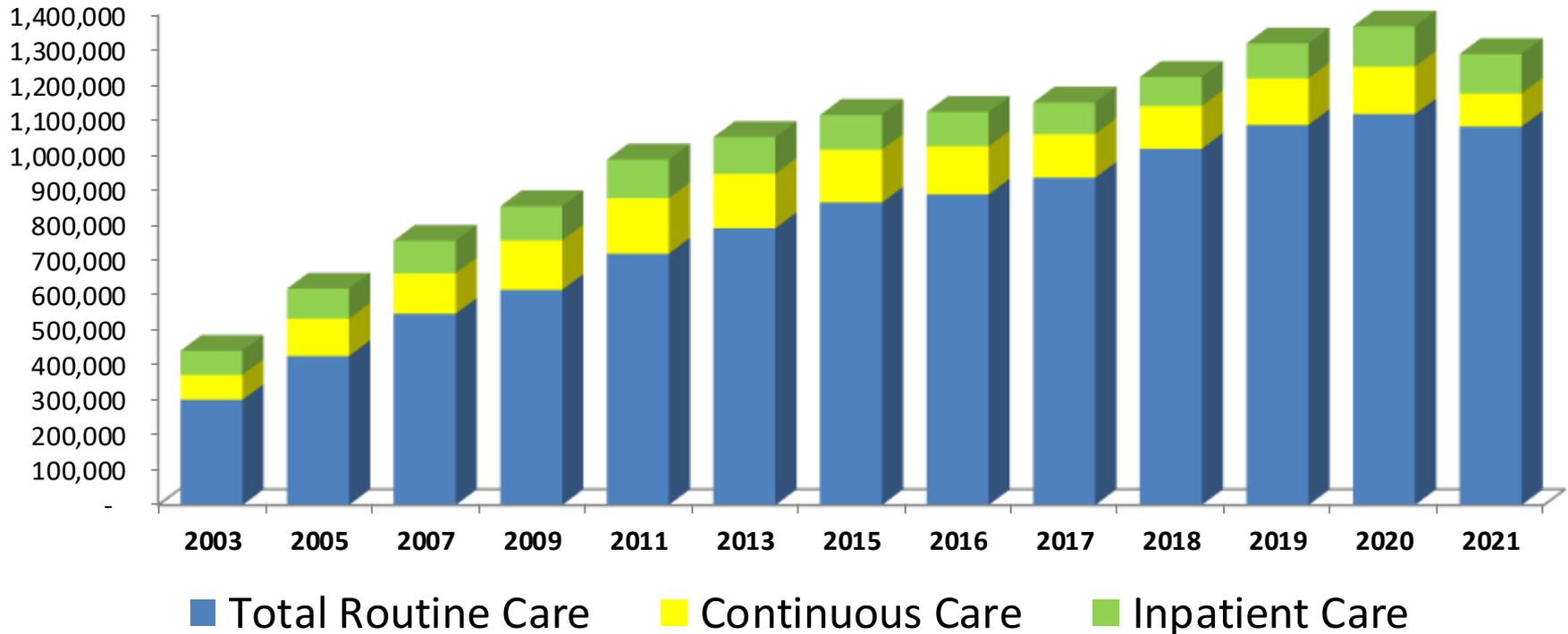
Total Discharges



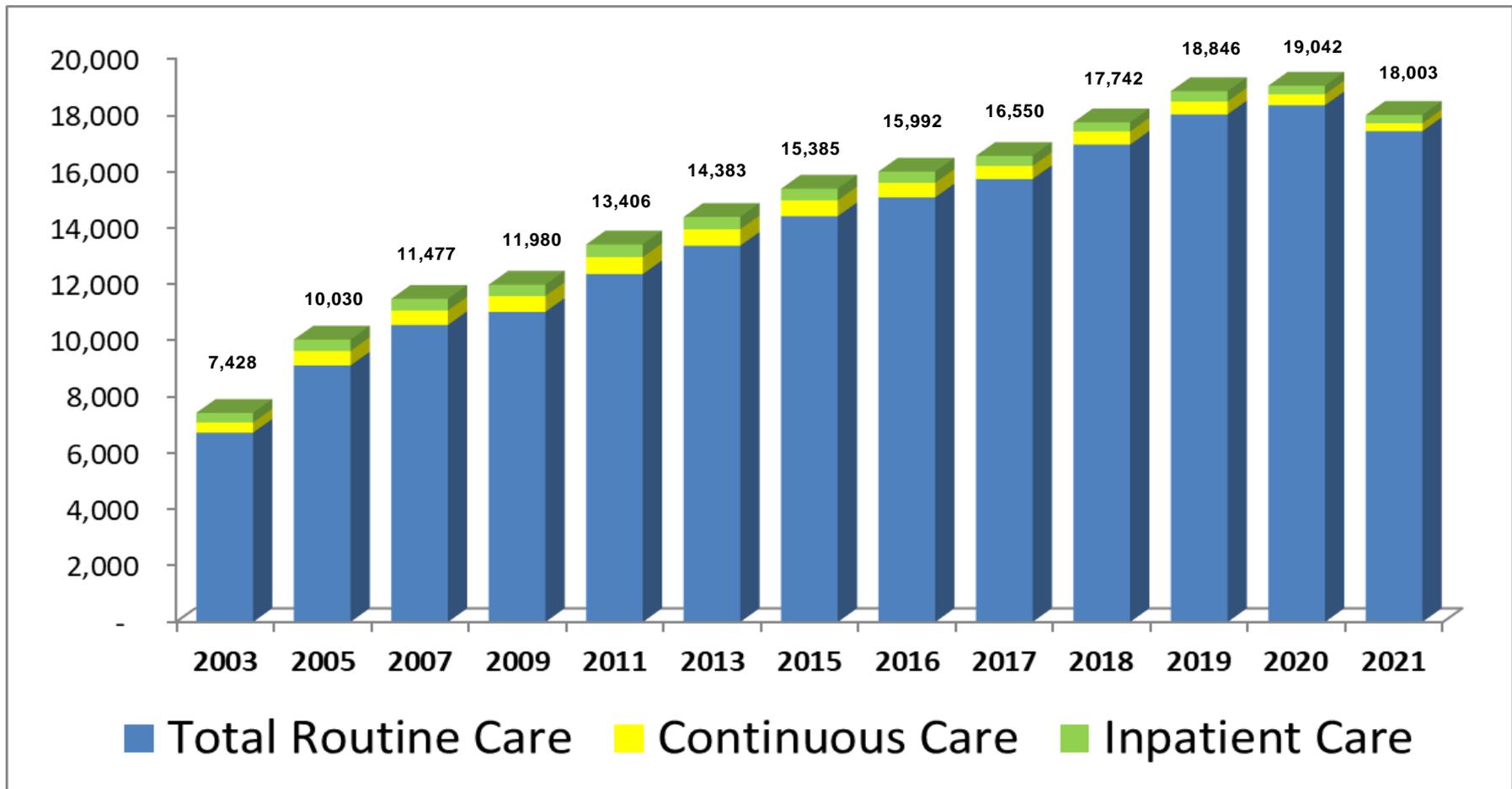
Total Live Discharges

VITAS Analysis of Gross Revenue By Level of Care

2003 through 2021
(\$000)

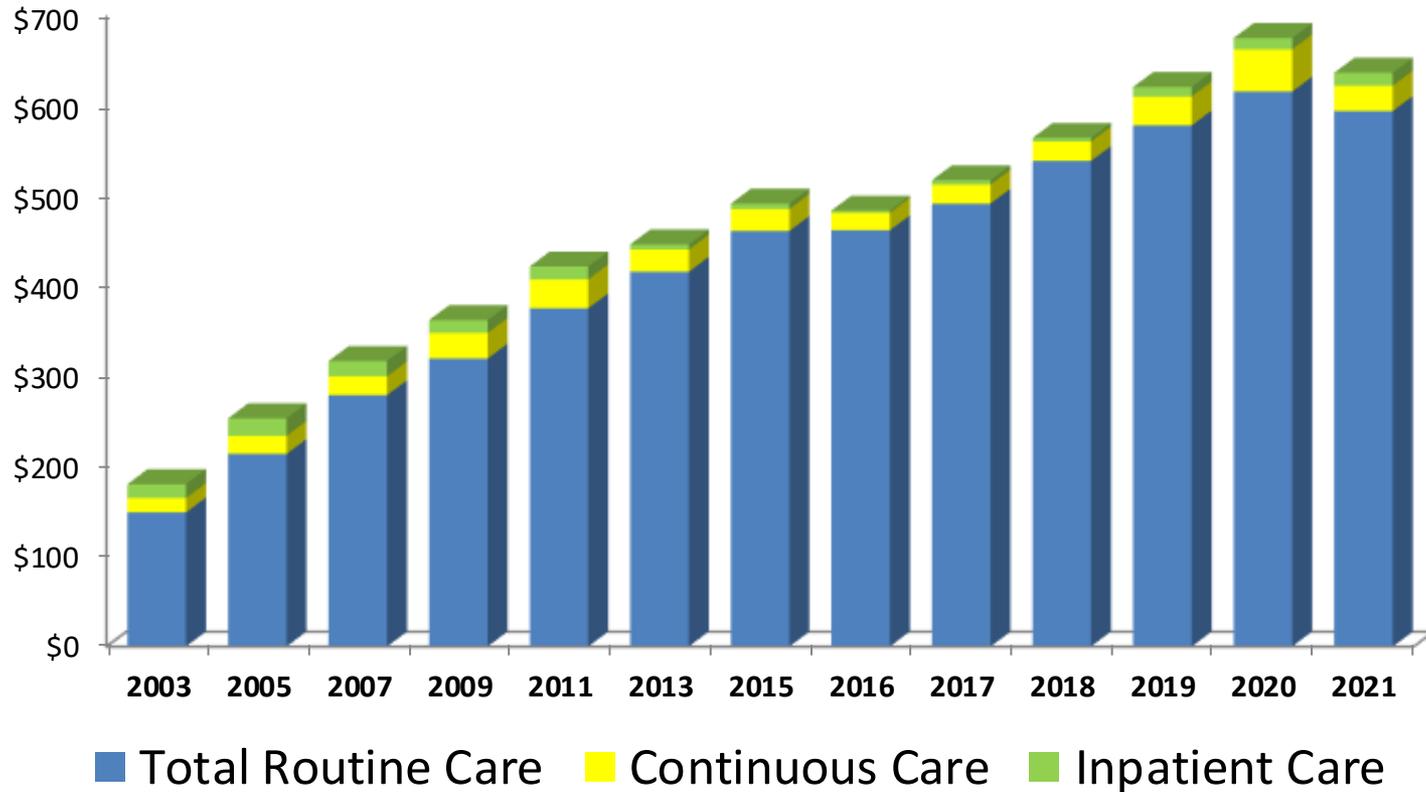


VITAS Analysis of Average Daily Census (ADC) 2003 through 2021



VITAS Analysis of Direct Gross Profit Contribution Margin By Level of Care

2003 through 2021 (in millions)



VITAS – Summary of Operations ^(a)

For The Years Ended December 31, 2004 through 2021

(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2004	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Average Annual Inc./ (Dec.)
(1) Service Revenues and Sales	\$ 531,136	\$ 986,272	\$ 1,067,037	\$ 1,045,113	\$ 1,064,205	\$ 1,115,551	\$ 1,123,317	\$ 1,148,260	\$ 1,197,562	\$ 1,281,184	\$ 1,334,667	\$ 1,261,246	5.2%
(2) EBITDA (b)	65,685	147,243	158,251	142,770	158,719	169,768	156,172	92,899	199,568	224,757	337,660	238,202	7.9%
(3) Adj. EBITDA (b)	64,553	144,944	156,289	151,156	155,449	167,498	159,393	172,401	188,764	216,880	272,930	236,120	7.9%
(4) Adj. EBITDA Margin (b)	12.2%	14.7%	14.6%	14.5%	14.6%	15.0%	14.2%	15.0%	15.8%	16.9%	20.4%	18.7%	n.a.
(5) Net Income (GAAP)	33,052	80,358	86,577	76,144	86,186	93,346	84,961	57,645	138,846	155,822	238,782	162,431	9.8%
(6) Adj. Net Income (b)	32,961	81,186	87,338	84,023	87,585	96,418	91,190	103,121	140,710	163,752	205,826	175,972	10.4%
(7) Adj. Net Income as a percent of Sales	6.2%	8.2%	8.2%	8.0%	8.2%	8.6%	8.1%	9.0%	11.7%	12.8%	15.4%	14.0%	n.a.

(a) Assumes VITAS was purchased on January 1, 2004

(b) See Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results

VITAS – Operating Results^(a)

(in thousands, except percentages)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	2003 (b)	2004 (b)	2006	2008	2010	2012	2014	2016	2017	2018	2019	2020	2021	Average Annual Inc./ (Dec.)
(1) Net Service Revenue	\$ 441,017	\$ 531,136	\$ 699,092	\$ 808,445	\$ 925,810	\$ 1,067,037	\$ 1,064,205	\$ 1,123,317	\$ 1,148,260	\$ 1,197,562	\$ 1,281,184	\$ 1,334,667	\$ 1,261,246	6.0%
(2) Cost of field patient care	\$ 345,189	\$ 415,341	\$ 557,260	\$ 625,177	\$ 709,094	\$ 831,321	\$ 825,739	\$ 878,092	\$ 886,062	\$ 929,306	\$ 982,056	\$ 1,010,693	\$ 953,420	5.8%
(3) Gross profit	\$ 95,828	\$ 115,795	\$ 141,832	\$ 183,268	\$ 216,716	\$ 235,716	\$ 238,466	\$ 245,225	\$ 262,198	\$ 268,256	\$ 299,128	\$ 323,974	\$ 307,826	6.7%
(4) Selling and G&A expenses	\$ 53,526	\$ 51,266	\$ 57,707	\$ 68,417	\$ 74,531	\$ 81,188	\$ 85,183	\$ 92,550	\$ 95,215	\$ 80,969	\$ 86,345	\$ 85,445	\$ 87,585	2.8%
(5) Depreciation & amortization	\$ 9,285	\$ 10,149	\$ 11,923	\$ 16,317	\$ 18,124	\$ 18,349	\$ 19,049	\$ 19,090	\$ 18,630	\$ 19,700	\$ 20,055	\$ 22,239	\$ 23,185	5.2%
(6) Other operating expense	\$ -	\$ -	\$ 272	\$ -	\$ -	\$ -	\$ -	\$ 4,491	\$ 85,614	\$ 1,130	\$ 6,546	\$ (78,590)	\$ 876	n.a
(7) Income from operations	\$ 33,017	\$ 54,380	\$ 71,930	\$ 98,534	\$ 124,061	\$ 136,179	\$ 134,234	\$ 129,094	\$ 62,739	\$ 166,457	\$ 186,182	\$ 294,880	\$ 196,180	10.4%
(8) EBITDA	\$ 42,986	\$ 65,685	\$ 89,237	\$ 119,901	\$ 146,652	\$ 158,251	\$ 158,719	\$ 156,172	\$ 92,899	\$ 199,568	\$ 224,757	\$ 337,660	\$ 238,202	10.0%
(9) Adjusted EBITDA	\$ 42,302	\$ 64,553	\$ 85,880	\$ 115,278	\$ 143,656	\$ 156,289	\$ 155,449	\$ 159,393	\$ 172,401	\$ 188,764	\$ 216,880	\$ 272,930	\$ 236,120	10.0%
Percent of Sales														
(10) Net Service Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
(11) Cost of field patient care	78.3%	78.2%	79.7%	77.3%	76.6%	77.9%	77.6%	78.2%	77.2%	77.6%	76.7%	75.7%	75.6%	75.6%
(12) Gross profit	21.7%	21.8%	20.3%	22.7%	23.4%	22.1%	22.4%	21.8%	22.8%	22.4%	23.3%	24.3%	24.4%	24.4%
(13) Selling and G&A expenses	12.1%	9.7%	8.3%	8.5%	8.1%	7.6%	8.0%	8.2%	8.3%	6.8%	6.7%	6.4%	6.9%	6.9%
(14) Depreciation & amortization	2.1%	1.9%	1.7%	2.0%	2.0%	1.7%	1.8%	1.7%	1.6%	1.6%	1.6%	1.7%	1.8%	1.8%
(15) Other operating expense	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	7.5%	0.1%	0.5%	-5.9%	0.1%	0.1%
(16) Income from operations	7.5%	10.2%	10.3%	12.2%	13.4%	12.8%	12.6%	11.5%	5.5%	13.9%	14.5%	22.1%	15.6%	15.6%
(17) EBITDA	9.7%	12.4%	12.8%	14.8%	15.8%	14.8%	14.9%	13.9%	8.1%	16.7%	17.5%	25.3%	18.9%	18.9%
(18) Adjusted EBITDA	9.6%	12.2%	12.3%	14.3%	15.5%	14.6%	14.6%	14.2%	15.0%	15.8%	16.9%	20.4%	18.7%	18.7%

(a) Continuing operations

(b) VITAS was acquired in February 2004. This schedule assumes VITAS was acquired January 1, 2003.

VITAS – Results from Continuing Operations

(\$000)

	(1)	(2)	(3)	(4)	(5)	(6)
	Full-Year Results			Three Months Ended March 31,		
	2020	2021	Fav/(Unfav) % Growth	2021	2022	Fav/(Unfav) % Growth
(1) Service Revenues Before Medicare Cap	\$ 1,341,345	\$ 1,267,843	(5.5%)	\$ 317,288	\$ 301,689	(4.9%)
(2) Medicare Cap	(6,678)	(6,597)	1.2%	(1,500)	(2,500)	(66.7%)
(3) Net Service Revenues and Sales	\$ 1,334,667	\$ 1,261,246	(5.5%)	\$ 315,788	\$ 299,189	(5.3%)
(4) Adj. Net Income (a)	\$ 205,826	\$ 175,972	(14.5%)	\$ 42,078	\$ 36,773	(12.6%)
(5) Adj. EBITDA (a) (b)	272,930	236,120	(13.5%)	56,754	50,035	(11.8%)
(6) Adj. EBITDA Margin (a) (b)	20.4%	18.7%	(1.7 pts.)	18.0%	16.7%	(1.3 pts.)
(7) Capital Expenditures	28,053	28,042	0.0%	6,872	4,618	32.8%

(a) Excludes certain discreet items.

(b) Reconciliation from GAAP reported results to adjusted (non-GAAP) results is provided in the Appendix at the back of the presentation.

Future of VITAS

Short-term

- ◆ Continue organic growth
- ◆ Acquisitions
 - ▶ Fragmented industry
 - ▶ Dominated by “Mom & Pop” not-for-profits
 - ▶ Average operating margin in hospice is 4% - 8%*
- ◆ Access to reasonably priced capital critical to expansion

Long-term

- ◆ Government reimbursement structure will drive VITAS' future
- ◆ Consolidation
 - ▶ Will “pure play” dominate industry? ➡ Consolidation continues
 - ▶ Will continuum of care dominate? ➡ Acquire other healthcare providers
 - ▶ Self referral ➡ Divest VITAS to diverse healthcare provider
 - ▶ Control of patient

*Source - MedPac

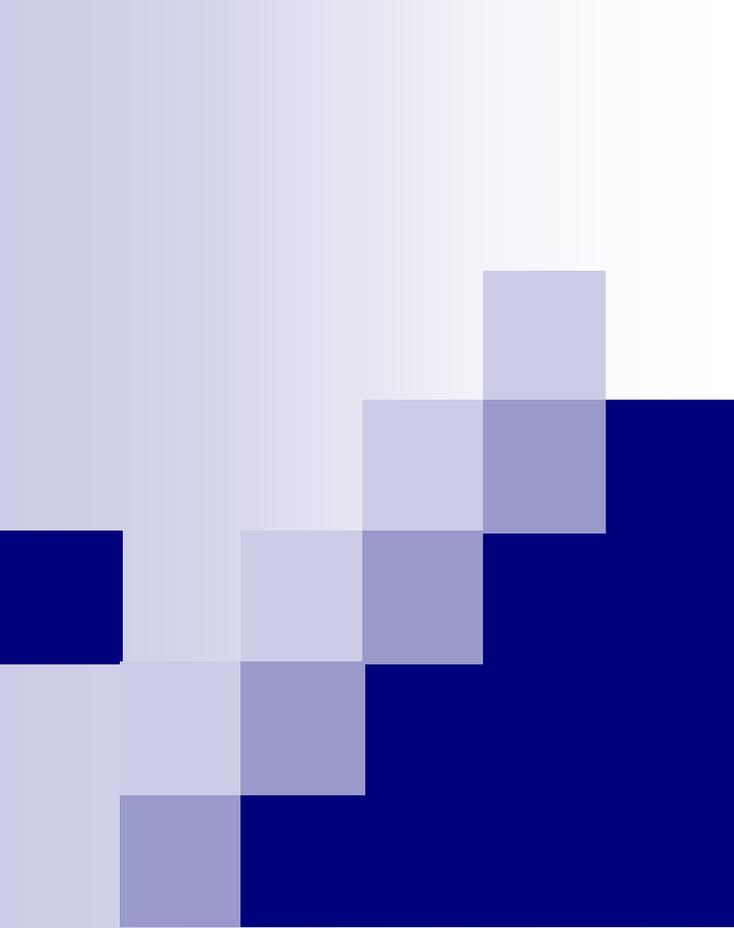
VITAS – Operating Metrics (\$000)

Operating Metrics	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	2018				2019				2020				2021				2022
	Q1	Q2	Q3	Q4	Q1												
(1) Average Daily Census (ADC)	17,209	17,643	17,957	18,149	18,345	18,681	19,086	19,258	19,215	19,195	19,045	18,718	18,050	17,995	18,034	17,935	17,313
(2) Admissions	18,279	16,858	16,403	16,579	17,758	17,491	17,131	17,479	18,603	16,822	17,943	17,960	18,135	16,840	17,598	16,250	16,530
(3) Discharges	17,558	16,474	16,171	16,623	17,339	17,008	16,951	17,575	18,196	17,000	18,205	18,570	18,316	16,525	17,686	16,684	16,862
(4) Average Length of Stay (ALOS) (Days):	87.9	89.0	90.0	92.6	91.3	91.1	92.6	95.2	90.7	90.9	97.1	97.2	94.4	94.5	96.0	97.9	104.8
(5) Median Length of Stay (Days)	15	17	18	17	15	16	17	16	14	14	14	14	12	14	13	15	14
(6) Total Revenue Before Medicare Cap Reduction (\$000)	\$290,195	\$297,335	\$303,714	\$310,439	\$310,181	\$315,948	\$323,065	\$344,405	\$340,416	\$333,215	\$333,025	\$334,689	\$317,288	\$313,935	\$317,508	\$319,112	\$301,689
(7) Medicare Cap Reduction	\$1,818	(\$536)	(\$1,950)	(\$3,454)	(\$3,400)	(\$3,198)	(\$1,317)	(\$4,500)	(\$2,500)	(\$5,750)	\$4,072	(\$2,500)	(\$1,500)	(\$2,000)	(\$97)	(\$3,000)	(\$2,500)
(8) Revenue After Medicare Cap Reduction (\$000)	\$292,013	\$296,799	\$301,764	\$306,985	\$306,781	\$312,750	\$321,748	\$339,905	\$337,916	\$327,465	\$337,097	\$332,189	\$315,788	\$311,935	\$317,411	\$316,112	\$299,189
(9) % Routine Home Care	81.5%	82.6%	83.2%	83.0%	82.0%	82.7%	83.2%	78.5%	78.1%	81.5%	82.0%	81.8%	81.6%	82.9%	83.1%	84.3%	84.0%
(10) % InPatient	7.5%	6.6%	6.3%	6.6%	7.1%	7.1%	7.1%	8.8%	9.3%	7.6%	8.1%	8.5%	9.0%	8.6%	9.1%	8.4%	8.7%
(11) % Continuous Care	10.4%	10.1%	9.8%	9.8%	10.2%	9.5%	8.9%	11.7%	11.7%	10.2%	9.0%	8.8%	8.5%	7.6%	6.8%	6.4%	6.4%
(12) % Other	(1.2%)	(1.9%)	(1.1%)	(1.1%)	(1.2%)	0.7%	(1.4%)	(1.0%)	(1.3%)	(1.0%)	(1.2%)	(1.1%)	(0.9%)	(0.9%)	(0.7%)	(0.6%)	(0.8%)
(13) % Medicare Cap	0.6%	(0.1%)	(0.6%)	(1.1%)	(0.9%)	(1.0%)	(0.4%)	(1.3%)	(0.7%)	(1.7%)	1.2%	(0.7%)	(0.5%)	(0.6%)	0.0%	(0.9%)	(0.8%)
Direct Care Margins: (a)																	
(14) Routine Home Care	52.1%	52.6%	53.0%	53.9%	52.7%	53.5%	53.4%	53.7%	51.9%	54.7%	55.8%	58.1%	54.1%	53.8%	54.7%	57.2%	55.2%
(15) In Patient Care	7.5%	4.2%	3.1%	3.9%	6.5%	7.4%	4.1%	20.6%	17.8%	1.8%	9.5%	12.5%	11.1%	10.7%	15.0%	14.5%	13.4%
(16) Continuous Care	17.7%	17.3%	17.3%	18.4%	18.2%	17.9%	16.8%	38.9%	35.6%	35.2%	32.2%	34.4%	32.2%	30.6%	27.8%	28.2%	25.7%
(17) Gross Profit (Direct and Indirect) (\$000) (b) (c)	\$64,757	\$63,726	\$68,758	\$71,014	\$67,038	\$71,646	\$74,197	\$86,246	\$78,487	\$60,650	\$90,461	\$94,378	\$77,121	\$64,416	\$79,199	\$87,089	\$71,949
(18) Gross Profit Margin (b) (c)	22.2%	21.5%	22.8%	23.1%	21.9%	22.9%	23.1%	25.4%	23.2%	18.5%	26.8%	28.4%	24.4%	20.7%	25.0%	27.6%	24.0%
(19) Pro Forma Selling, General & Admin Exp (c)	\$20,510	\$20,702	\$20,394	\$19,363	\$21,536	\$21,682	\$21,965	\$21,162	\$22,269	\$21,072	\$21,799	\$20,305	\$22,090	\$22,631	\$21,372	\$21,491	\$22,453
(20) Pro Forma Adjusted EBITDA (\$000) (c)	\$44,687	\$43,110	\$48,945	\$52,024	\$46,319	\$51,616	\$52,976	\$65,970	\$57,749	\$66,717	\$72,254	\$76,211	\$56,754	\$52,775	\$60,261	\$66,331	\$50,035
(21) Pro Forma Adjusted EBITDA Margin (c)	15.3%	14.5%	16.2%	16.9%	15.1%	16.5%	16.5%	19.4%	17.1%	20.3%	21.4%	22.9%	18.0%	16.9%	19.0%	21.0%	16.7%

(a) Excludes any Medicare cap

(b) Includes any Medicare cap

(c) Excludes depreciation and amortization



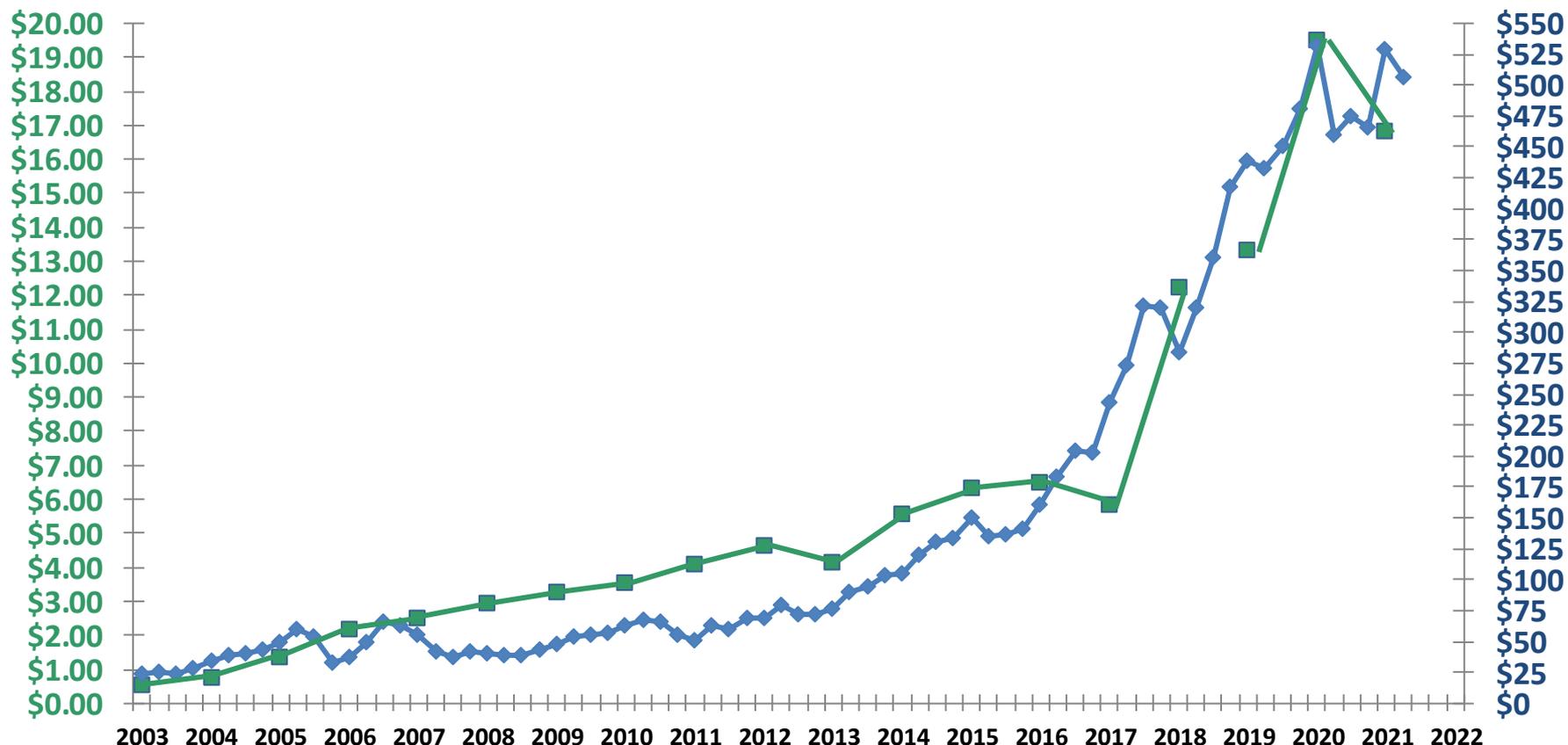
Appendix

EPS⁽¹⁾ and Stock Price⁽²⁾ History

Chemed has delivered strong and consistent EPS to stockholders since 2003, 20.8% 18-year CAGR

Diluted EPS
(GAAP)

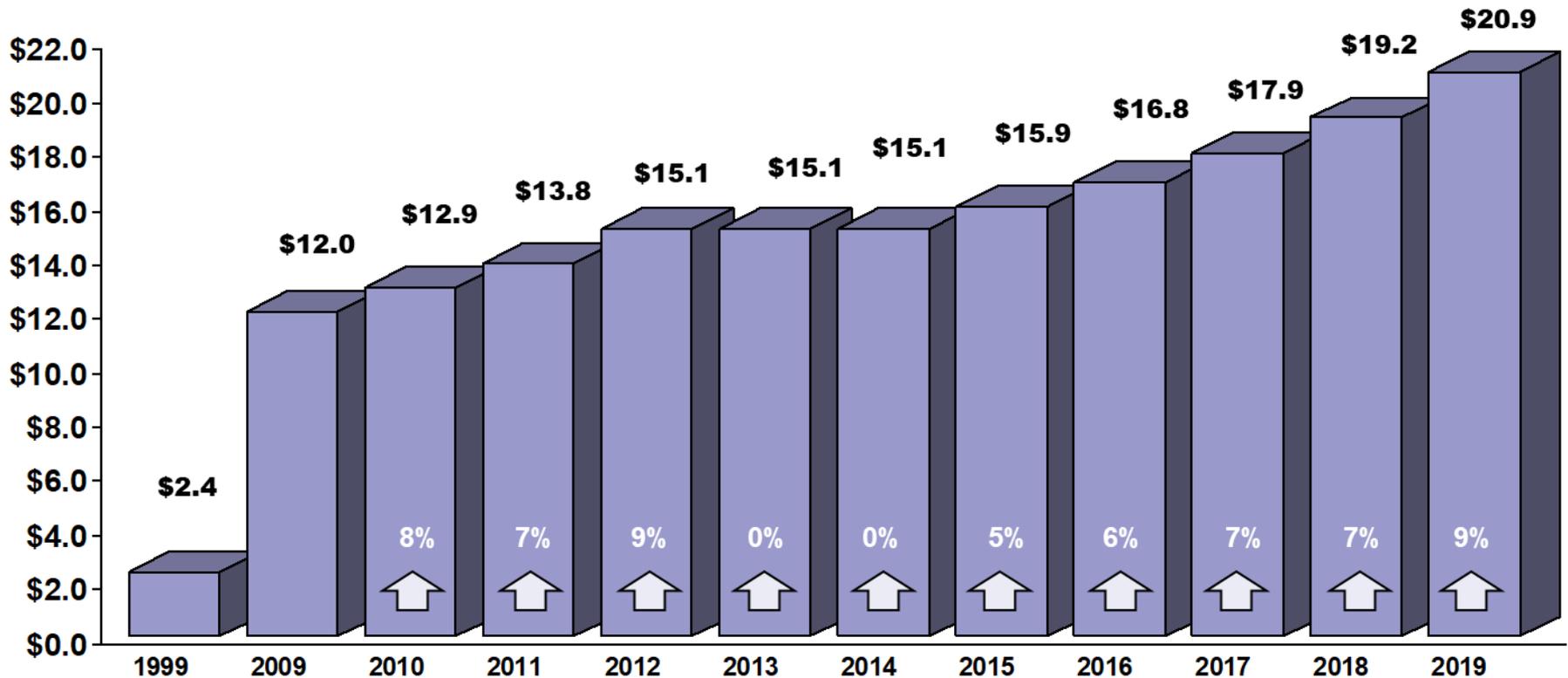
Adj. Stock
Price



—■— Diluted EPS (GAAP) —◆— Adj. Stock Price

(1) Diluted EPS from continuing operations (GAAP)
(2) Adjusted for stock splits

Medicare Hospice Spending (in billions)

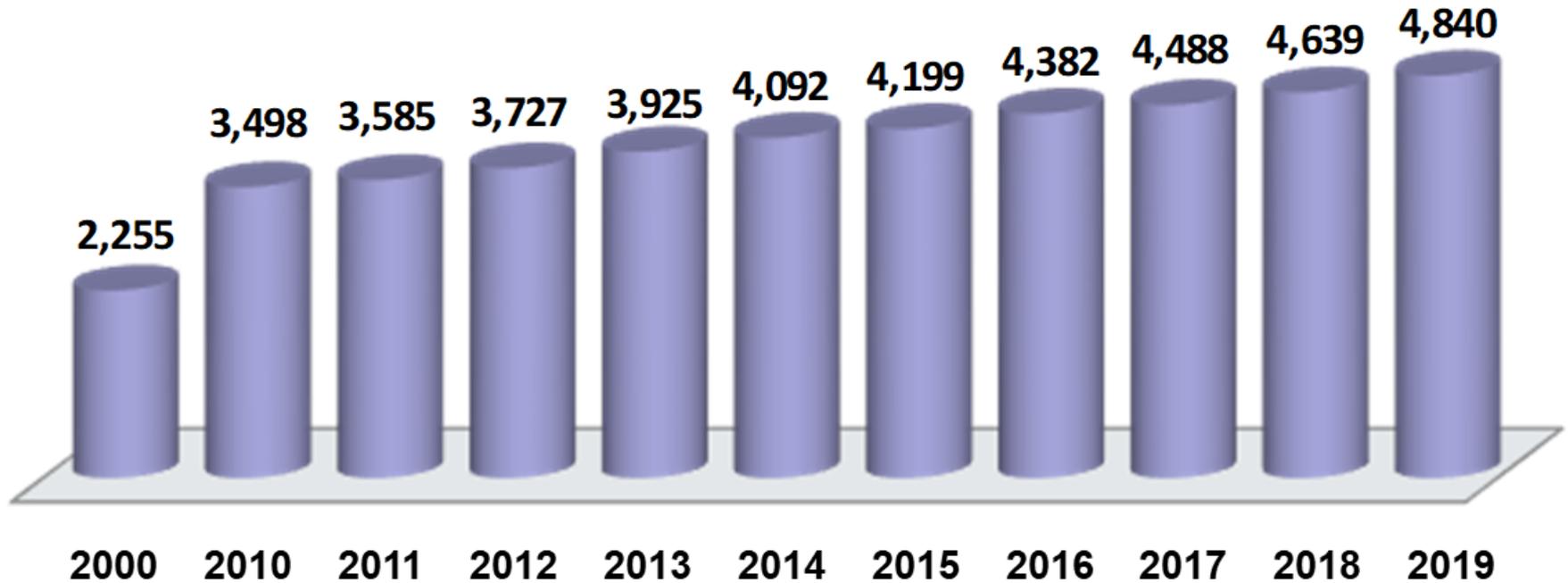


■ **11.4% Compounded annual growth rate from 1999 to 2019**

Sources: MedPAC Report to the Congress – 2011 - 2021

Annual Report of the Boards of Trustees of the Federal Hospital Insurance and
Federal Supplementary Medical Insurance Trust Funds - 2017 and 2018

Growth in Hospice Programs



Source: MedPAC Report to the Congress – 2011 through 2021

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2021
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2004	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reconciliation of Adjusted EBITDA													
(1) Net income/(loss)	\$ 27,512	\$ 81,831	\$ 85,979	\$ 89,304	\$ 77,227	\$ 99,317	\$ 110,274	\$ 108,743	\$ 98,177	\$ 205,544	\$ 219,923	\$ 319,466	\$ 268,550
(2) Discontinued operations	(8,417)	-	-	-	-	-	-	-	-	-	-	-	-
(3) Interest expense	21,158	11,959	13,888	14,723	15,035	8,186	3,645	3,715	4,272	4,990	4,535	2,355	1,868
(4) Income taxes	13,736	52,000	54,577	56,515	46,602	63,437	69,852	68,311	18,740	34,056	41,686	76,524	81,764
(5) Depreciation	14,542	24,386	25,247	26,009	27,698	29,881	32,369	34,279	35,488	38,464	40,870	46,596	49,011
(6) Amortization	3,468	2,099	1,466	1,508	1,644	720	1,130	359	137	399	4,335	9,987	10,040
(7) EBITDA	71,999	172,275	181,157	188,059	168,206	201,541	217,270	215,407	156,814	283,453	311,349	454,928	411,233
Add/(deduct)													
(8) Interest income	(1,874)	(444)	(426)	(809)	(847)	29	(281)	(383)	(427)	(671)	(513)	(757)	(377)
(9) Equity in earnings of VITAS	4,105	-	-	-	-	-	-	-	-	-	-	-	-
(10) Advertising cost adjustment	528	(679)	(1,240)	(1,573)	(1,166)	(1,462)	(1,317)	(1,333)	(1,371)	-	-	-	-
(11) Long-term incentive compensation	8,783	4,734	3,012	360	1,301	2,569	7,519	1,930	4,994	6,618	7,630	8,937	9,167
(12) Loss/(gain) on extinguishment of debt	3,330	-	-	-	-	-	-	-	-	-	-	-	-
(13) Legal expenses of OIG investigation	-	1,012	1,188	1,212	2,149	2,141	4,974	5,260	5,194	-	-	-	-
(14) Stock option expense	-	7,762	8,376	8,130	6,042	4,802	5,445	8,330	10,485	12,611	14,831	18,422	22,502
(15) Stock award expense	311	2,558	2,786	3,004	3,046	2,471	2,107	1,855	1,230	446	-	-	-
(16) Lawsuit settlement	3,135	1,853	2,299	1,016	27,646	120	5	1,194	84,689	796	6,000	3,639	(98)
(17) Debt registration expenses	1,191	-	-	-	-	-	-	-	-	-	-	-	-
(18) VITAS transactions costs	442	-	-	-	-	-	-	-	-	-	-	-	-
(19) Acquisition Expenses	-	324	121	188	62	24	172	-	-	757	4,834	-	-
(20) Costs to Shut down HVAC operations	-	-	-	1,126	-	-	-	-	-	-	-	-	-
(21) Securities litigation	-	-	-	742	109	327	37	-	-	-	-	-	-
(22) Severance arrangements	-	-	-	-	302	-	-	-	-	-	-	-	-
(23) Early Retirement Expenses	-	-	-	-	-	-	-	4,491	-	-	-	-	-
(24) Medicare Cap Sequestration adjustment	-	-	-	-	-	-	-	228	447	1,496	3,982	-	-
(25) Other	-	-	-	-	-	-	-	-	-	-	548	619	218
(26) Loss on sale of transportation equipment	-	-	-	-	-	-	-	-	5,266	-	2,266	-	-
(27) Program closure expenses	-	-	-	-	-	-	-	-	1,138	-	-	-	-
(28) Cares Act grant	-	-	-	-	-	-	-	-	-	-	-	(80,225)	-
(29) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	-	39,260	18,769
(30) Adjusted EBITDA	\$ 91,950	\$ 189,395	\$ 197,273	\$ 201,455	\$ 206,850	\$ 212,562	\$ 235,931	\$ 236,979	\$ 268,459	\$ 305,506	\$ 350,927	\$ 444,823	\$ 461,414

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2021
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2004	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reconciliation of Adjusted Net Income													
(1) Net income/(loss)	\$ 27,512	\$ 81,831	\$ 85,979	\$ 89,304	\$ 77,227	\$ 99,317	\$ 110,274	\$ 110,274	\$ 98,177	\$ 205,544	\$ 219,923	\$ 319,466	\$ 268,550
Add/(deduct):													
(2) Discontinued operations	(8,417)	-	-	-	-	-	-	-	-	-	-	-	-
(3) Equity in earnings of VITAS	4,105	-	-	-	-	-	-	-	-	-	-	-	-
(4) Long-term incentive compensation	5,437	2,957	1,880	228	822	1,625	4,752	1,221	3,243	5,307	6,440	7,895	8,094
(5) Loss/(gain) on extinguishment of debt	2,030	-	-	-	294	-	-	-	-	-	-	-	-
(6) Legal expenses of OIG investigation	-	627	737	752	1,333	1,328	3,072	3,248	3,207	-	-	-	-
(7) Stock option expense	-	4,909	5,298	5,143	3,813	3,022	3,439	5,266	6,892	10,118	12,237	15,700	18,879
(8) Lawsuit settlement	1,897	1,126	1,397	617	16,926	74	3	28	52,504	594	4,476	2,675	(72)
(9) Prior period tax adjustments	(1,620)	-	-	-	(1,782)	-	-	-	-	-	-	-	-
(10) Debt registration expenses	727	-	-	-	-	-	-	-	-	-	-	-	-
(11) VITAS transactions costs	222	-	-	-	-	-	-	-	-	-	-	-	-
(12) Non-cash interest on convertible debt	-	4,313	4,664	5,041	5,448	2,143	-	-	-	-	-	-	-
(13) Income tax impact of non-taxable investments	-	-	-	-	-	-	-	-	-	-	-	-	-
(14) Expenses associated with contested proxy solicitation	-	-	-	-	-	-	-	-	-	-	-	-	-
(15) Acquisition Expenses	-	198	75	114	38	15	104	-	-	559	3,557	-	-
(16) Costs to Shut down HVAC operations	-	-	-	649	-	-	-	-	-	-	-	-	-
(17) Securities litigation	-	-	-	469	69	207	23	-	-	-	-	-	-
(18) Severance arrangements	-	-	-	-	184	-	-	-	-	-	-	-	-
(19) Early retirement expenses	-	-	-	-	-	-	-	2,840	-	-	-	-	-
(20) Medicare cap sequestration adjustment	-	-	-	-	-	-	-	141	276	1,114	2,965	462	-
(21) Other	-	-	-	-	-	-	-	-	-	-	406	-	166
(22) Excess tax benefits on stock compensation	-	-	-	-	-	-	-	-	(18,932)	(22,862)	(24,177)	(26,089)	(9,884)
(23) Impact of tax reform	-	-	-	-	-	-	-	-	(8,302)	-	-	-	-
(24) Loss on sale of transportation equipment	-	-	-	-	-	-	-	-	3,314	-	1,733	-	-
(25) Program closure expenses	-	-	-	-	-	-	-	-	675	-	-	-	1,384
(26) Amortization of acquired and cancelled franchise agreements	-	-	-	-	-	-	-	-	-	-	2,913	6,914	6,915
(27) Cares Act grant	-	-	-	-	-	-	-	-	-	-	-	(59,848)	-
(28) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	-	29,238	13,975
(29) Adjusted net income	\$ 31,893	\$ 95,961	\$ 100,030	\$ 102,317	\$ 104,372	\$ 107,731	\$ 121,667	\$ 123,018	\$ 141,054	\$ 200,374	\$ 230,473	\$ 296,413	\$ 308,007

ROTO-ROOTER GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2021
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2004	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reconciliation of Adjusted EBITDA													
(1) Net income	\$ 18,795	\$ 31,678	\$ 34,879	\$ 30,905	\$ 29,243	\$ 42,075	\$ 48,573	\$ 52,893	\$ 73,299	\$ 98,711	\$ 103,710	\$ 120,394	\$ 166,333
(2) Interest expense	206	233	358	433	322	363	348	332	323	319	345	340	595
(3) Income taxes	10,611	19,547	21,353	18,770	17,560	25,808	29,630	32,719	32,782	28,850	30,276	37,038	51,420
(4) Depreciation	8,583	7,775	8,130	8,397	9,014	10,702	12,988	14,698	16,667	18,629	20,730	24,292	25,816
(5) Amortization	119	136	228	246	259	273	372	304	123	387	4,264	9,916	9,969
(6) EBITDA	38,314	59,369	64,948	58,751	56,398	79,221	91,911	100,946	123,194	146,896	159,325	191,980	254,133
Add/(deduct)													
(7) Advertising cost adjustment	528	(679)	(1,240)	(1,573)	(1,166)	(1,462)	(1,317)	(1,333)	(1,371)	-	-	-	-
(8) Long-term incentive compensation	1,558	-	-	-	-	-	-	-	-	-	-	-	-
(9) Lawsuit settlement	3,135	1,853	2,299	1,016	17,146	7	5	45	213	-	-	3,639	(98)
(10) Prior-period insurance adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
(11) Interest income	(139)	(49)	(40)	(30)	(41)	(39)	(40)	(58)	(39)	(92)	(133)	(76)	(124)
(12) Intercompany interest income	(1,041)	(2,612)	(2,136)	(1,617)	(2,055)	(2,892)	(3,385)	(3,595)	(5,596)	(6,908)	(8,152)	(6,256)	(7,180)
(13) Acquisition expenses	-	256	(26)	173	4	23	172	-	-	548	4,664	-	-
(14) Severance arrangements	-	-	-	-	302	-	-	-	-	-	-	-	-
(15) Costs to shut down HVAC operations	-	-	-	1,126	-	-	-	-	-	-	-	-	-
(16) Stock award amortization	-	378	371	386	348	252	268	307	269	100	-	-	-
(17) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	-	3,819	2,435
(18) Non cash ASC 842 expenses	-	-	-	-	-	-	-	-	-	-	55	-	-
(19) Adjusted EBITDA	\$ 42,355	\$ 58,516	\$ 64,176	\$ 58,232	\$ 70,936	\$ 75,110	\$ 87,614	\$ 96,312	\$ 116,670	\$ 140,544	\$ 155,759	\$ 193,106	\$ 249,166
Reconciliation of Adjusted Net Income													
(20) Net income	\$ 18,795	\$ 31,678	\$ 34,879	\$ 30,905	\$ 29,243	\$ 42,075	\$ 48,573	\$ 52,893	\$ 73,299	\$ 98,711	\$ 103,710	\$ 120,394	\$ 166,333
Add/(deduct):													
(21) Long-term incentive compensation	982	-	-	-	-	-	-	-	-	-	-	-	-
(22) Lawsuit settlement	1,897	1,126	1,397	617	10,416	4	3	28	129	403	-	2,675	(72)
(23) Prior-period insurance adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
(24) Prior-period tax adjustments	(630)	-	-	-	-	-	-	-	-	-	-	-	-
(25) Acquisition expenses	-	156	(16)	105	2	14	104	-	-	-	3,429	-	-
(26) Severance arrangements	-	-	-	-	184	-	-	-	-	-	-	-	-
(27) Costs to shut down HVAC operations	-	-	-	649	-	-	-	-	-	-	-	-	-
(28) Impact of tax reform	-	-	-	-	-	-	-	-	(7,761)	-	-	-	-
(29) Non cash ASC 842 expenses	-	-	-	-	-	-	-	-	-	-	40	-	-
(30) Amortization of acquired and cancelled franchise agreements	-	-	-	-	-	-	-	-	-	-	2,913	6,914	6,915
(31) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	2,913	2,808	1,789
(32) Adjusted net income	\$ 21,044	\$ 32,960	\$ 36,260	\$ 32,276	\$ 39,845	\$ 42,093	\$ 48,680	\$ 52,921	\$ 65,667	\$ 99,114	\$ 113,005	\$ 132,791	\$ 174,965

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2021 (a)
(IN THOUSANDS)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	2004	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Reconciliation of Adjusted EBITDA													
(1) Net income	\$ 33,052	\$ 79,796	\$ 80,358	\$ 86,577	\$ 76,144	\$ 86,186	\$ 93,346	\$ 84,961	\$ 57,645	\$ 138,846	\$ 155,822	\$ 238,782	\$ 162,431
(2) Discontinued operations	(91)	-	-	-	-	-	-	-	-	-	-	-	-
(3) Interest expense	128	131	229	233	182	207	200	211	188	175	169	166	160
(4) Income taxes	22,447	48,601	48,835	53,092	46,910	53,278	56,675	51,910	16,436	40,847	48,711	76,473	52,426
(5) Depreciation	6,192	16,161	16,583	17,087	18,149	18,601	18,789	19,035	18,616	19,688	19,984	22,168	23,114
(6) Amortization	3,957	1,963	1,238	1,262	1,385	447	758	55	14	12	71	71	71
(7) EBITDA	65,685	146,652	147,243	158,251	142,770	158,719	169,768	156,172	92,899	199,568	224,757	337,660	238,202
Add/(deduct)													
(8) Legal expenses of OIG investigation	-	1,012	1,188	1,212	2,149	2,141	4,974	5,260	5,194	-	-	-	-
(9) Lawsuit settlement	-	-	-	-	10,500	113	-	1,149	84,476	796	6,000	-	-
(10) Interest income	(373)	(220)	(295)	(703)	(750)	78	(241)	(325)	(388)	(580)	(380)	(668)	(253)
(11) Intercompany interest income	(759)	(4,632)	(3,998)	(3,180)	(4,288)	(6,189)	(7,499)	(7,969)	(11,656)	(12,832)	(18,135)	(19,897)	(18,125)
(12) Acquisition expenses	-	68	147	15	58	1	-	-	-	209	-	-	-
(13) Stock award amortization	-	776	659	694	717	586	496	387	291	107	-	-	-
(14) Early retirement expense	-	-	-	-	-	-	-	4,491	-	-	-	-	-
(15) Medicare cap sequestration adjustment	-	-	-	-	-	-	-	228	447	1,496	3,982	619	-
(16) Program closure expenses	-	-	-	-	-	-	-	-	1,138	-	-	-	-
(17) Non cash ASC 842 expenses	-	-	-	-	-	-	-	-	-	-	656	-	-
(18) Cares Act grant	-	-	-	-	-	-	-	-	-	-	-	(80,225)	-
(19) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	-	35,441	16,296
(20) Adjusted EBITDA	\$ 64,553	\$ 143,656	\$ 144,944	\$ 156,289	\$ 151,156	\$ 155,449	\$ 167,498	\$ 159,393	\$ 172,401	\$ 188,764	\$ 216,880	\$ 272,930	\$ 236,120
Reconciliation of Adjusted Net Income													
(21) Net income	\$ 33,052	\$ 79,796	\$ 80,358	\$ 86,577	\$ 76,144	\$ 86,186	\$ 93,346	\$ 84,961	\$ 57,645	\$ 138,846	\$ 155,822	\$ 238,782	\$ 162,431
Add/(deduct):													
(22) Discontinued operations	(91)	-	-	-	-	-	-	-	-	-	-	-	-
(23) Legal expenses of OIG investigation	-	627	737	752	1,333	1,328	3,072	3,248	3,207	-	-	-	-
(24) Lawsuit settlement	-	-	-	-	6,510	70	-	-	52,375	594	4,476	-	-
(25) Prior-period tax adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-
(26) Acquisition expenses	-	42	91	9	36	1	-	-	-	156	-	-	-
(27) Early retirement expense	-	-	-	-	-	-	-	2,840	-	-	-	-	-
(28) Medicare cap sequestration adjustment	-	-	-	-	-	-	-	141	276	1,114	2,965	462	-
(29) Program closure expenses	-	-	-	-	-	-	-	-	675	-	-	-	1,384
(30) Impact of tax reform	-	-	-	-	-	-	-	-	(11,057)	-	-	-	-
(31) Non cash ASC 842 expenses	-	-	-	-	-	-	-	-	-	-	490	-	-
(32) Cares Act grant	-	-	-	-	-	-	-	-	-	-	-	(59,848)	-
(33) Direct costs related to COVID-19	-	-	-	-	-	-	-	-	-	-	-	26,430	12,157
(34) Adjusted net income	\$ 32,961	\$ 80,465	\$ 81,186	\$ 87,338	\$ 84,023	\$ 87,585	\$ 96,418	\$ 91,190	\$ 103,121	\$ 140,710	\$ 163,753	\$ 205,826	\$ 175,972

(a) Assumes VITAS was purchased on January 1, 2004

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA AND ADJUSTED NET INCOME
FOR THE FIRST THREE MONTHS OF 2021 AND 2022
(IN THOUSANDS)

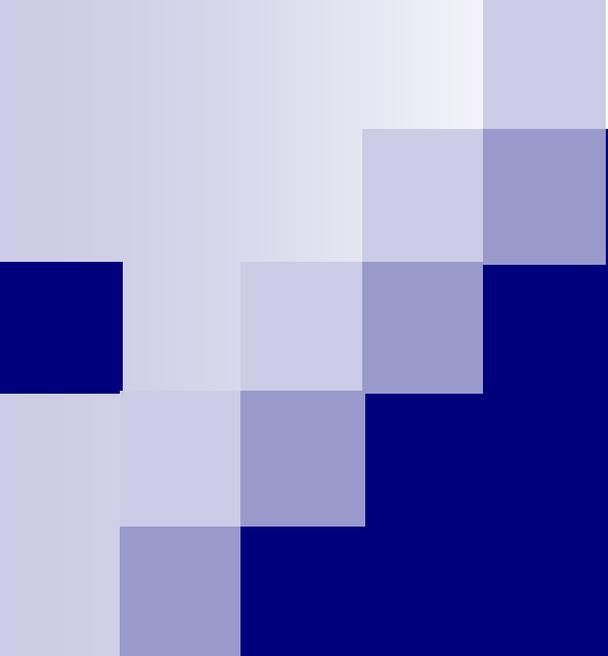
	<u>2021</u>	<u>2022</u>
Reconciliation of Adjusted EBITDA		
(1) Net income	\$ 65,400	\$ 64,169
(2) Interest expense	381	810
(3) Income taxes	18,262	20,533
(4) Depreciation	11,715	12,138
(5) Amortization	<u>2,510</u>	<u>2,518</u>
(6) EBITDA	98,268	100,168
Add/(deduct)		
(7) Interest income	(92)	(73)
(8) Stock option expense	6,106	7,451
(9) Long-term incentive compensation	1,893	1,310
(10) Direct costs related to COVID-19	<u>2,344</u>	<u>1,352</u>
(11) Adjusted EBITDA	<u><u>\$ 108,519</u></u>	<u><u>\$ 110,208</u></u>
Reconciliation of Adjusted Net Income		
(12) Net income	\$ 65,400	\$ 64,169
Add/(deduct):		
(13) Stock option expense	5,066	6,166
(14) Excess tax benefit on stock compensation	(3,238)	(1,441)
(15) Long-term incentive compensation	1,670	1,159
(16) Direct costs related to COVID-19	1,743	998
(17) Amortization of acquired and cancelled franchise agreements	<u>1,729</u>	<u>1,729</u>
(18) Adjusted net income	<u><u>\$ 72,370</u></u>	<u><u>\$ 72,780</u></u>

ROTO-ROOTER GROUP
RECONCILIATION OF ADJUSTED EBIT AND ADJUSTED EBITDA
FOR THE FIRST THREE MONTHS OF 2021 AND 2022
(IN THOUSANDS)

	2021	2022
Reconciliation of Adjusted EBIT and EBITDA		
(1) Net income	\$ 37,177	\$ 43,937
(2) Interest expense	89	115
(3) Income taxes	11,864	14,029
(4) EBIT	49,130	58,081
Add/(deduct)		
(5) Interest income	(31)	(36)
(6) Intercompany interest income	(1,620)	(2,176)
(7) Direct costs related to COVID-19	553	961
(8) Adjusted EBIT	48,032	56,830
(9) Depreciation	6,353	6,569
(10) Amortization	2,492	2,494
(11) Adjusted EBITDA	\$ 56,877	\$ 65,893

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA
FOR THE FIRST THREE MONTHS OF 2021 AND 2022
(IN THOUSANDS)

Reconciliation of Adjusted EBITDA		2021	2022
(1) Net income		\$ 40,770	\$ 36,481
(2) Interest expense		42	52
(3) Income taxes		13,419	12,229
(4) Depreciation		5,338	5,551
(5) Amortization		18	24
(6) EBITDA		<u>59,587</u>	<u>54,337</u>
Add/(deduct)			
(7) Interest income		(61)	(37)
(8) Intercompany interest income		(4,525)	(4,656)
(9) Direct costs related to COVID-19		1,753	391
(10) Adjusted EBITDA		<u>\$ 56,754</u>	<u>\$ 50,035</u>



CHEMED

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