

CHEMED CORP  
Form 10-Q  
July 29, 2016

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, 2016

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post 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

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.

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Class	Amount	Date
Capital Stock \$1 Par Value	16,190,702 Shares	June 30, 2016

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CHEMED CORPORATION AND  
SUBSIDIARY COMPANIES

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## CHEMED CORPORATION AND SUBSIDIARY COMPANIES

## UNAUDITED CONSOLIDATED BALANCE SHEET

(in thousands, except share and per share data)

	June 30, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 17,474	\$ 14,727
Accounts receivable less allowances of \$14,769 (2015 - \$13,244)	98,952	106,262
Inventories	6,120	6,314
Prepaid income taxes	8,964	10,653
Prepaid expenses	15,457	12,852
Total current assets	146,967	150,808
Investments of deferred compensation plans	53,127	49,481
Properties and equipment, at cost, less accumulated depreciation of \$205,323 (2015 - \$201,094)	118,502	117,370
Identifiable intangible assets less accumulated amortization of \$33,051 (2015 - \$32,866)	54,928	55,111
Goodwill	472,471	472,322
Other assets	6,960	7,233
Total Assets	\$852,955	\$852,325
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$41,962	\$43,695
Current portion of long-term debt	7,500	7,500
Accrued insurance	44,704	43,972
Accrued compensation	51,289	52,817
Accrued legal	1,729	1,233
Other current liabilities	20,267	22,119
Total current liabilities	167,451	171,336
Deferred income taxes	16,832	21,041
Long-term debt	140,000	83,750
Deferred compensation liabilities	52,452	49,467
Other liabilities	14,638	13,478
Total Liabilities	391,373	339,072
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock - authorized 80,000,000 shares \$1 par; issued 34,104,899 shares (2015 - 33,985,316 shares)	34,105	33,985
Paid-in capital	617,793	603,006
Retained earnings	907,531	865,845
Treasury stock - 18,014,005 shares (2015 - 17,187,540)	(1,100,314)	(991,978)
Deferred compensation payable in Company stock	2,467	2,395
Total Stockholders' Equity	461,582	513,253
Total Liabilities and Stockholders' Equity	\$852,955	\$852,325

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Service revenues and sales	\$390,409	\$381,921	\$780,798	\$758,573
Cost of services provided and goods sold (excluding depreciation)	276,255	270,663	554,690	539,548
Selling, general and administrative expenses	62,628	58,442	121,673	117,479
Depreciation	8,581	8,082	17,005	16,114
Amortization	91	134	183	261
Other operating expenses	4,491	-	4,491	-
Total costs and expenses	352,046	337,321	698,042	673,402
Income from operations	38,363	44,600	82,756	85,171
Interest expense	(971 )	(969 )	(1,813 )	(1,938 )
Other income/(expense) - net	3,217	536	293	1,099
Income before income taxes	40,609	44,167	81,236	84,332
Income taxes	(15,724 )	(17,192 )	(31,511 )	(32,820 )
Net income	\$24,885	\$26,975	\$49,725	\$51,512
Earnings Per Share				
Net income	\$1.51	\$1.60	\$3.00	\$3.05
Average number of shares outstanding	16,443	16,880	16,583	16,872
Diluted Earnings Per Share				
Net income	\$1.48	\$1.55	\$2.93	\$2.96
Average number of shares outstanding				