



CHEMED

CHEMED CORPORATION

Results as of December 31, 2019



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 2019

| | (1) | (2) | (3) |
|---|-------|-------|---------|
| | CAGR | | |
| | One | Three | Sixteen |
| | Year | Year | Year |
| Chemed | | | |
| (1) Service revenues and sales | 8.7% | 7.1% | 13.4% |
| (2) Adj. net income | 15.0% | 23.8% | 23.5% |
| (3) Adj. diluted EPS from continuing operations | 16.9% | 24.4% | 24.9% |
| Roto-Rooter | | | |
| (4) Service revenues and sales | 12.4% | 13.2% | 5.9% |
| (5) Adj. net income | 11.1% | 27.7% | 14.2% |
| VITAS | | | |
| (6) Service revenues and sales | 7.0% | 4.5% | 6.9% |
| (7) Adj. net income | 17.8% | 22.0% | 14.1% |

(a) VITAS was acquired in February 2004

Chemed – Purchase of Capital Stock

For the Period January 1, 2007, through December 31, 2019

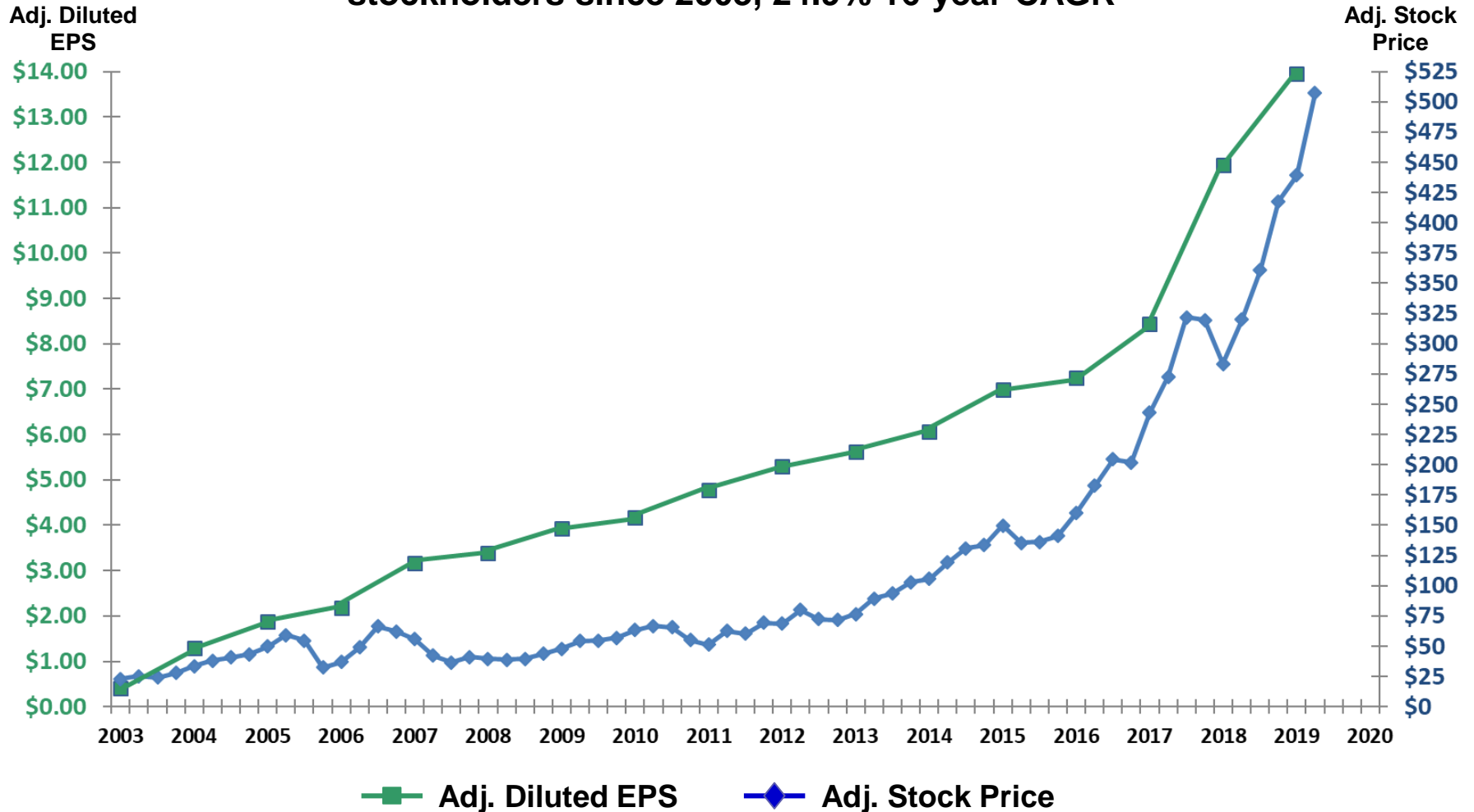
| | (1) | (2) | (3) | (4) |
|--------------------------|-------------------------|-----------------------|-------------------------|-------------------------|
| | Shares | Dividends | Total | Free |
| | Repurchased | | Returned to | Cash Flow |
| | | | Shareholders | Generated (1) |
| (1) Activity in 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 | 301,249,000 |
| (14) Cumulative Activity | | | | |
| 2007 - 2019 (2) | <u>\$ 1,214,928,599</u> | <u>\$ 173,301,000</u> | <u>\$ 1,388,229,599</u> | <u>\$ 1,644,836,000</u> |

(1) Net cash provided by operating activities.

(2) 14.1 million shares repurchased at an average cost of \$85.93.

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

Chemed has delivered strong and consistent EPS to stockholders since 2003, 24.9% 16-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 2019
(in thousands, except per share data)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
|--|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------------------|
| | 2003 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Average Annual Inc./(Dec.) |
| (1) Service Revenues and Sales (a) | \$ 260,776 | \$ 1,190,236 | \$ 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 | 13.4% |
| (2) EBITDA (c) | 30,366 | 157,827 | 172,275 | 181,157 | 188,059 | 168,206 | 201,541 | 217,270 | 215,407 | 156,814 | 283,453 | 311,349 | 15.7% |
| (3) Adj. EBITDA (c) | 25,118 | 177,050 | 189,395 | 197,273 | 201,455 | 206,850 | 212,562 | 235,931 | 236,979 | 268,459 | 305,506 | 350,927 | 17.9% |
| (4) Net Income (GAAP) | 11,188 | 73,784 | 81,831 | 85,979 | 89,304 | 77,227 | 99,317 | 110,274 | 108,743 | 98,177 | 205,544 | 219,923 | 20.5% |
| (5) Adj. Net Income (c) | 7,894 | 89,289 | 95,961 | 100,030 | 102,317 | 104,372 | 107,731 | 121,667 | 121,487 | 141,054 | 200,374 | 230,473 | 23.5% |
| (6) Diluted EPS (GAAP) | 0.56 | 3.24 | 3.55 | 4.10 | 4.62 | 4.16 | 5.57 | 6.33 | 6.48 | 5.86 | 12.23 | 13.31 | 21.9% |
| (7) Adj. Diluted EPS (c) (d) | 0.40 | 3.93 | 4.17 | 4.78 | 5.29 | 5.62 | 6.07 | 6.98 | 7.24 | 8.43 | 11.93 | 13.95 | 24.9% |
| (8) Diluted Average Shares Outstanding | 19,908 | 22,742 | 23,031 | 20,945 | 19,339 | 18,585 | 17,738 | 17,422 | 16,789 | 16,742 | 16,803 | 16,527 | (1.2%) |

(a) Continuing operations

(b) Restated for the retrospective adoption of FASB Staff Position No. APB 14-1, "Accounting for Convertible Debt Instruments that May Be Settled in Cash upon Conversion (Including Partial Cash Settlement)," effective January 1, 2009

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

(d) 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) |
|---------------------------------------|--------------------|--------------------|-------------------------|
| | Full-Year Results | | |
| | 2018 (a) | 2019 (a) | Fav/(Unfav) % Growth |
| (1) Service Revenues and Sales | \$1,782,648 | \$1,938,555 | 8.7% |
| (2) Adj. EBITDA (c) | 305,506 | 350,927 | 14.9% |
| (3) Adj. EBITDA Margin (b) | 17.1% | 18.1% | 1.0 pts. |
| (4) Adj. Net Income (b) | 200,374 | 230,473 | 15.0% |
| (5) Adj. Diluted EPS (b) (c) | 11.93 | 13.95 | 16.9% |
| (6) Capital Expenditures | 52,872 | 53,022 | (0.3%) |

(a) Excludes expenses related to the DOJ litigation and settlement.

(b) 2019 and 2018 reflect GAAP Revenue Recognition Accounting Standard. Prior years are not restated for the 2018 Revenue Recognition Accounting Standard.

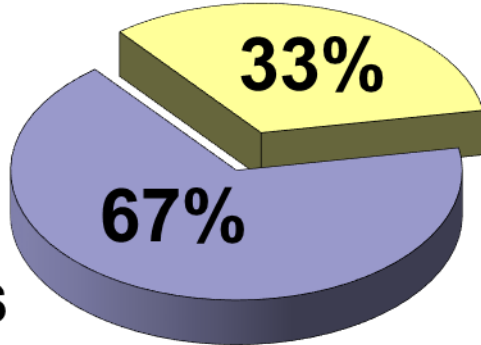
(c) See footnote (d) below and the Appendix at the back of this presentation for reconciliation from GAAP reported results to adjusted (non-GAAP) results.

(d) 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.

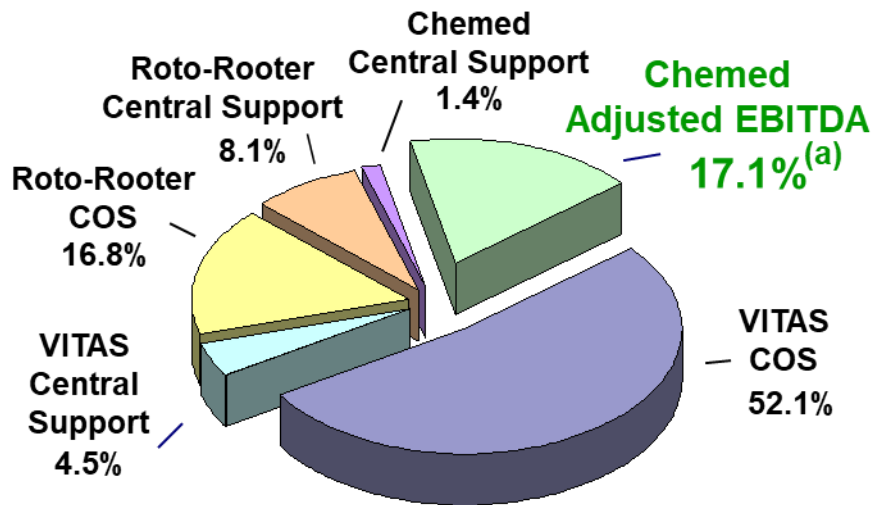
Chemed Corporation Revenue

2018

Roto-Router

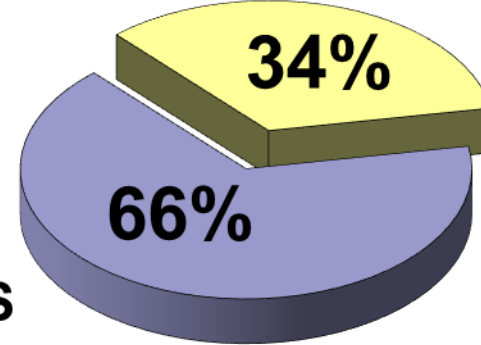


VITAS

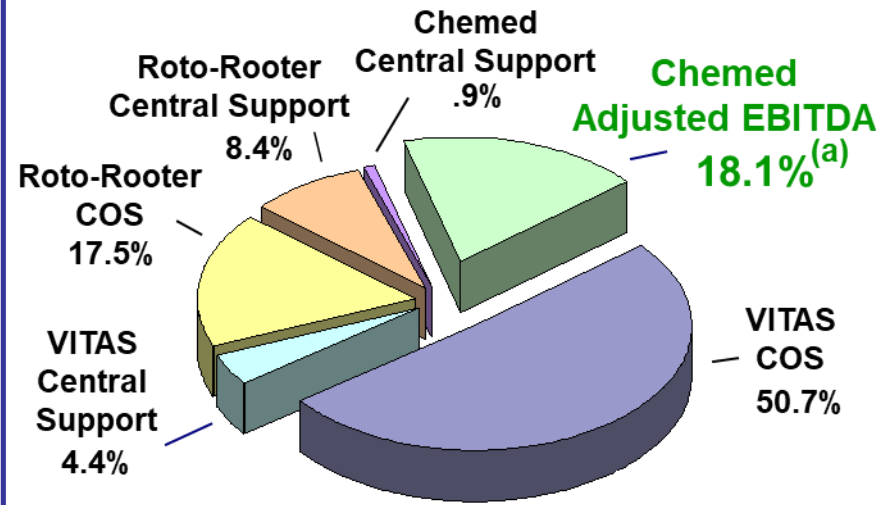


2019

Roto-Router



VITAS



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

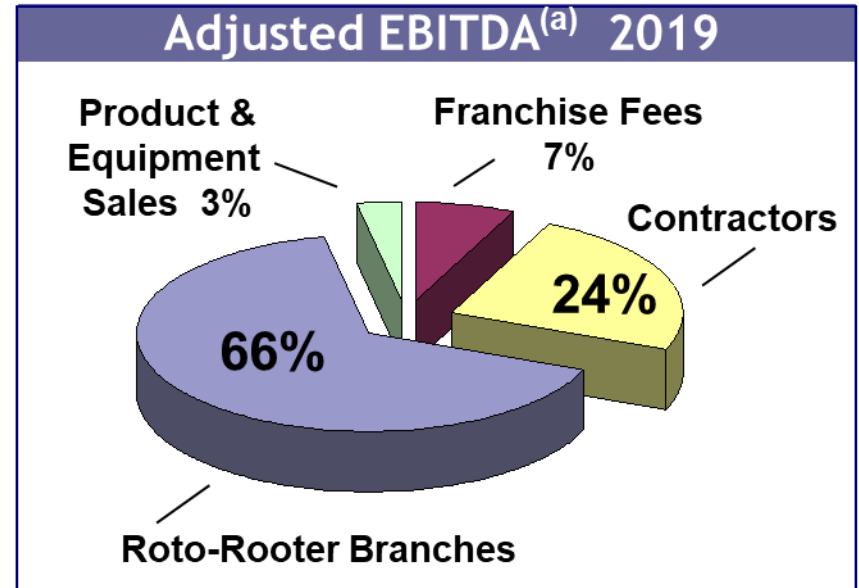
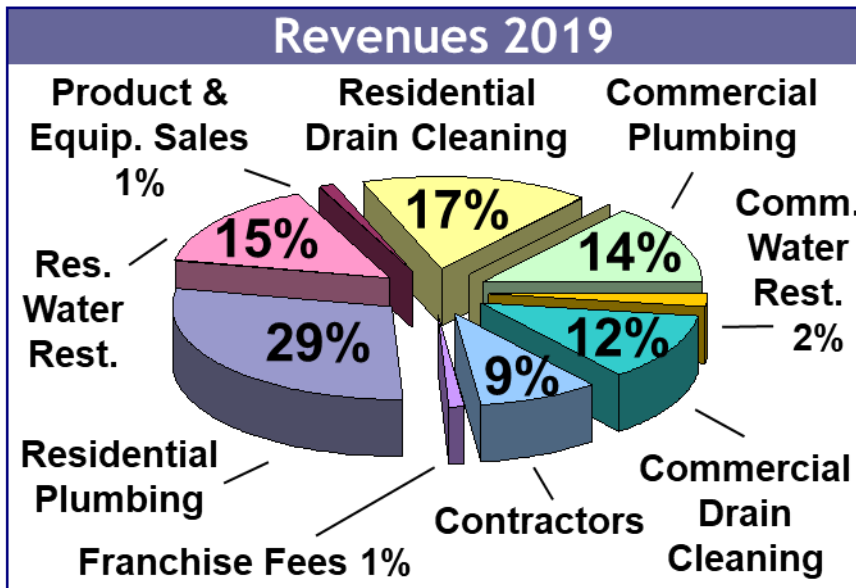


***ROTO-
ROOTER***®

**PLUMBING &
WATER CLEANUP**

Roto-Rooter Company Overview

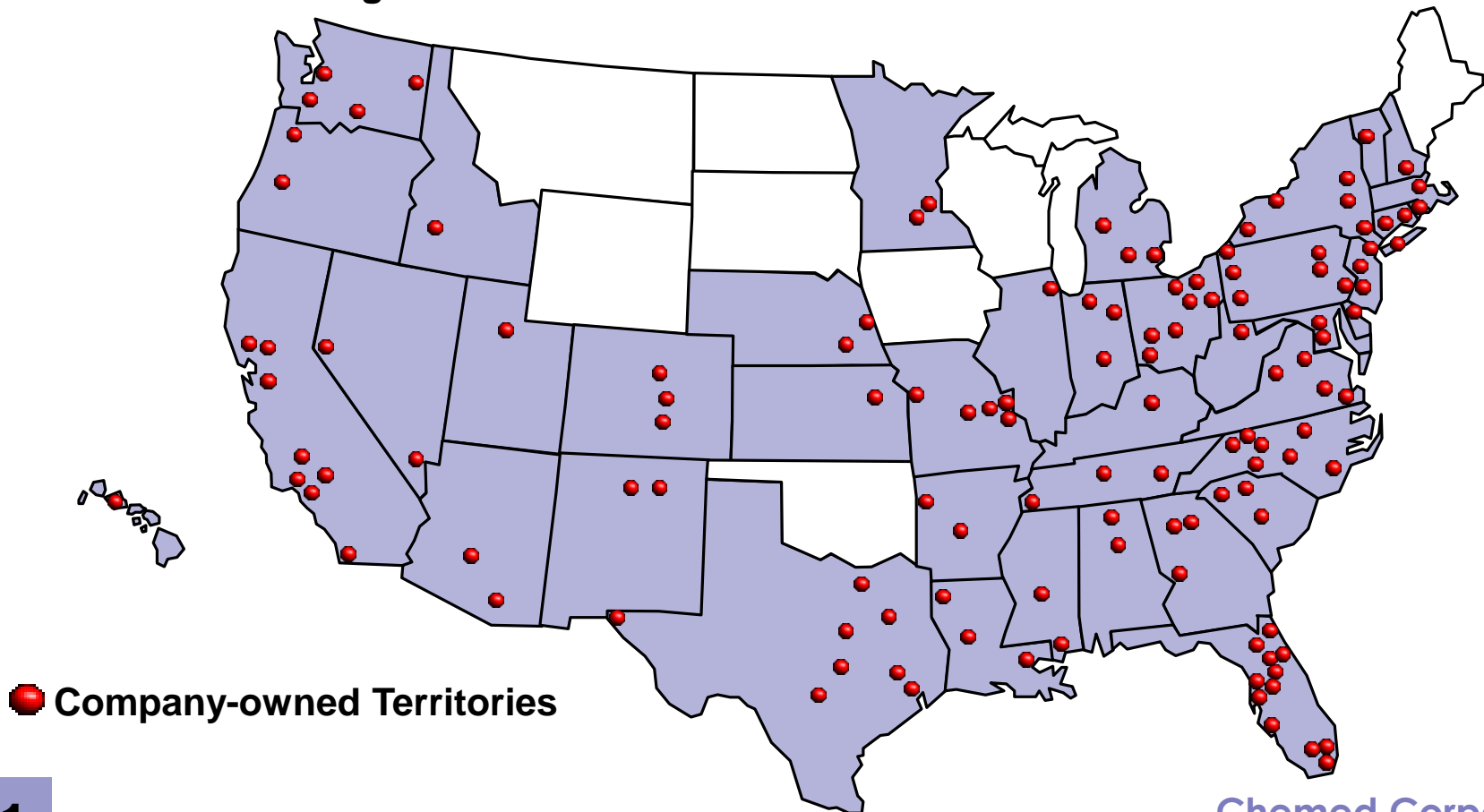
- ◆ Largest provider of plumbing and drain cleaning services in North America
 - ▶ Provides plumbing services to approximately 90% of the United States and 40% of the Canadian population
- ◆ Provides plumbing and drain cleaning services in more than 130 company-owned territories and approximately 365 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 61% of revenues, while commercial customers represent 28% of revenues



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

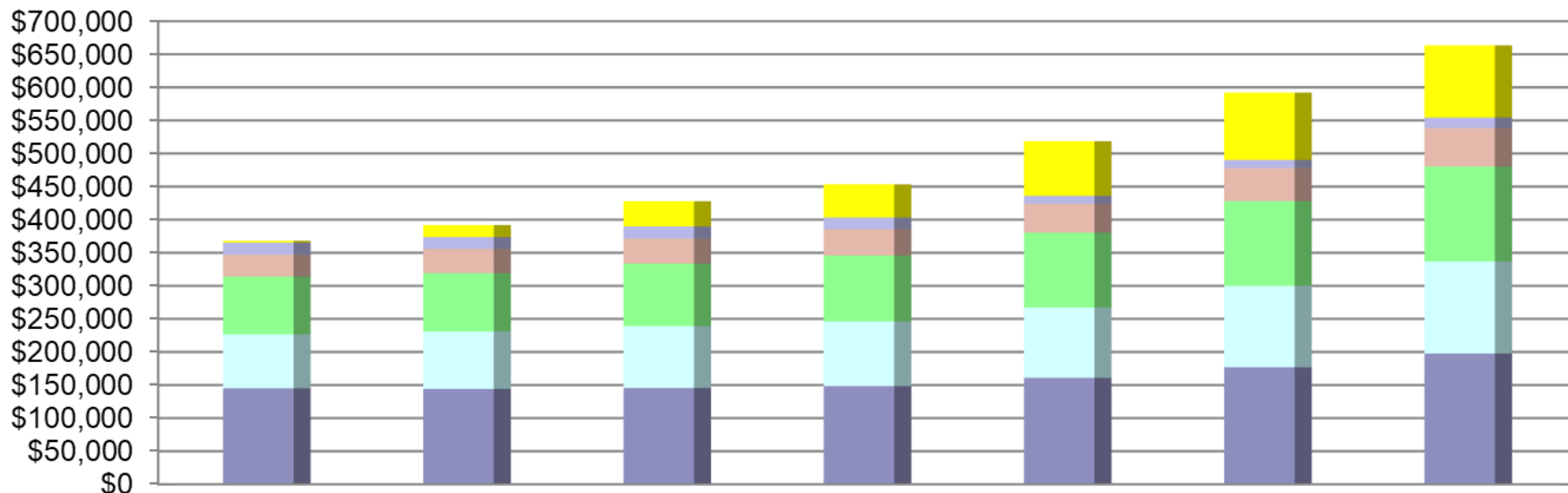
Chemed Growth Strategy – Roto-Rooter

- ◆ 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)

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018(a) | 2019(a) |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| \$368,216 | \$392,077 | \$427,837 | \$453,564 | \$518,464 | \$592,007 | \$663,561 |



- Drain Cleaning & Misc.
- Excavation
- Franchise Fees & Product Sales
- Plumbing
- Contractors
- Water Restoration

(a) 2018 and 2019 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 2019

(in thousands, except percentages)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
|------------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------------------------|
| | 2004 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Average Annual Inc./(Dec.) |
| (1) Service Revenues and Sales (a) | \$ 276,611 | \$ 335,893 | \$ 354,735 | \$ 369,698 | \$ 363,006 | \$ 368,216 | \$ 392,077 | \$ 427,837 | \$ 453,564 | \$ 518,464 | \$ 585,086 | \$ 657,371 | 5.9% |
| (2) EBITDA (b) | 38,314 | 61,780 | 59,369 | 64,948 | 58,751 | 56,398 | 79,221 | 91,911 | 100,946 | 123,194 | 146,896 | 159,325 | 10.0% |
| (3) Adj. EBITDA (b) | 42,355 | 59,862 | 58,516 | 64,176 | 58,232 | 70,936 | 75,110 | 87,614 | 96,312 | 116,670 | 140,544 | 155,759 | 9.1% |
| (4) Adj. EBITDA Margin (b) | 15.3% | 17.8% | 16.5% | 17.4% | 16.0% | 19.3% | 19.2% | 20.5% | 21.2% | 22.5% | 24.0% | 23.7% | n.a. |
| (5) Net Income (GAAP) | 18,795 | 33,040 | 31,678 | 34,879 | 30,905 | 29,243 | 42,075 | 48,573 | 52,893 | 73,299 | 98,711 | 103,710 | 12.1% |
| (6) Adj. Net Income (b) | 21,044 | 33,574 | 32,960 | 36,260 | 32,276 | 39,845 | 42,093 | 48,680 | 52,921 | 65,667 | 99,114 | 110,092 | 11.7% |

(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) |
| | Full-Year Results | | |
| | 2018 (b) | 2019 (b) | Fav/(Unfav) % Growth |
| (1) Service Revenues and Sales | \$585,086 | \$ 657,371 | 12.4% |
| (2) Net Income (GAAP) | 98,711 | 103,710 | 5.1% |
| (3) Adj. EBITDA (a) | 140,544 | 155,759 | 10.8% |
| (4) Adj. EBITDA Margin (a) | 24.0% | 23.7% | (0.3) pts. |
| (5) Adj. EBIT (a) | 121,528 | 130,765 | 7.6% |
| (6) Adj. EBIT Margin (a) | 20.8% | 19.9% | (0.9) pts. |
| (7) Capital Expenditures | 26,915 | 26,814 | 0.4% |

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

(b) 2019 and 2018 reflect GAAP Revenue Recognition Accounting Standard. Prior years are not restated for the 2018 Revenue Recognition Accounting Standard.

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

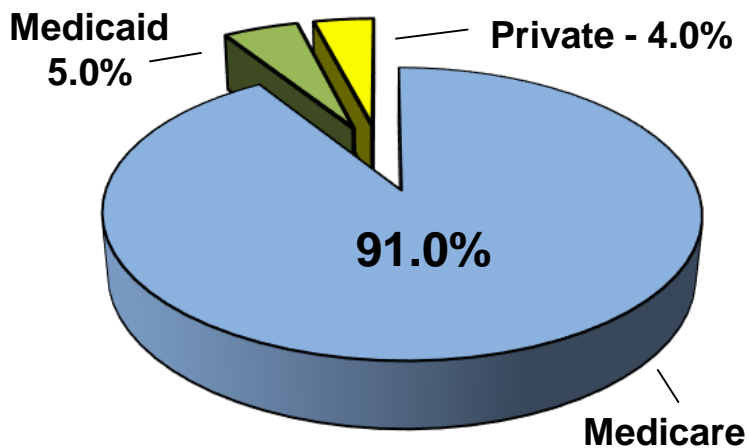


VITAS[®]
Healthcare

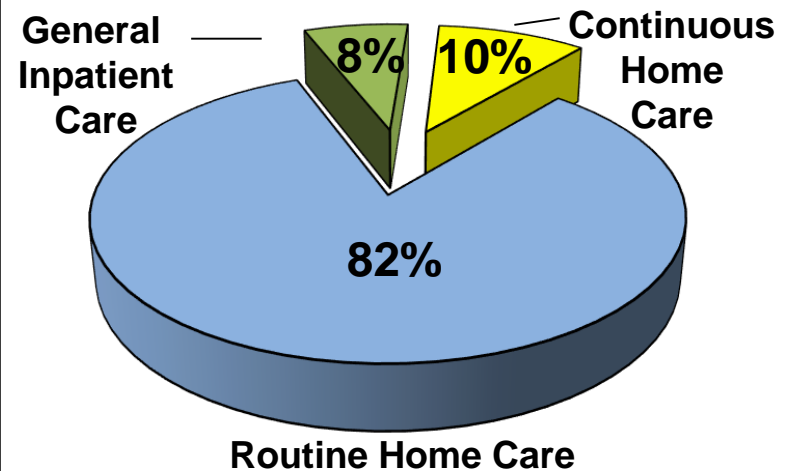
VITAS Healthcare Company Overview

- ◆ 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 48 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: \$340 million (Q4 2019)
 - ▶ Average daily census per established program: approximately 400 ADC, largest approximately 2,000 (Q4 2019)
 - ▶ Average length of stay: 95.2 (Q4 2019)
- ◆ Approximately 12,500 employees, including approximately 5,000 nurses (Q4 2019)

Revenue by Payer - 2019

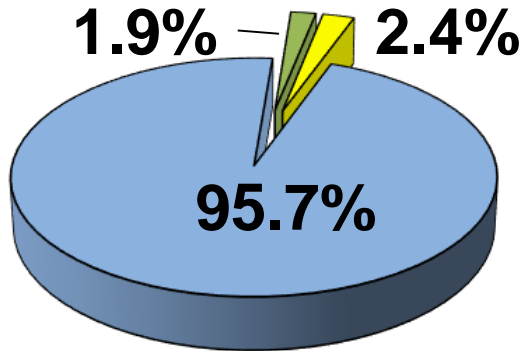


Revenues - 2019



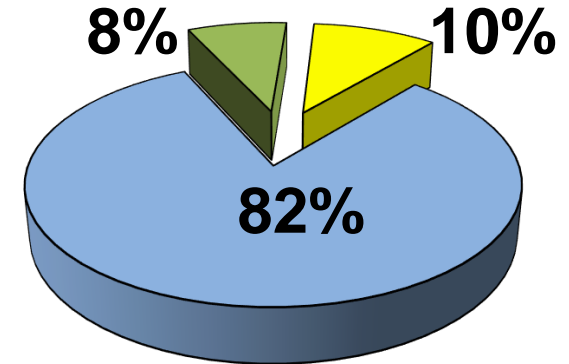
VITAS – Analysis of Revenue

Days of Care - 2019

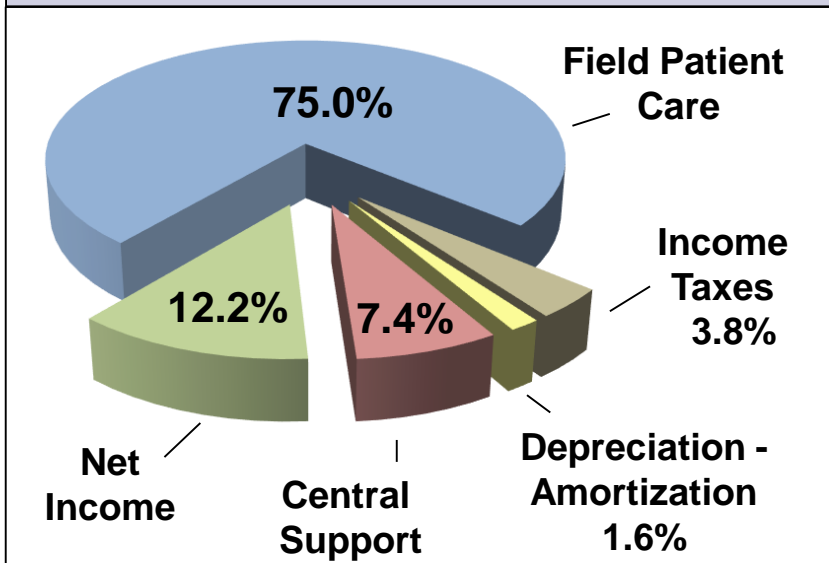


- Routine Home Care
- General Inpatient Care
- Continuous Home Care

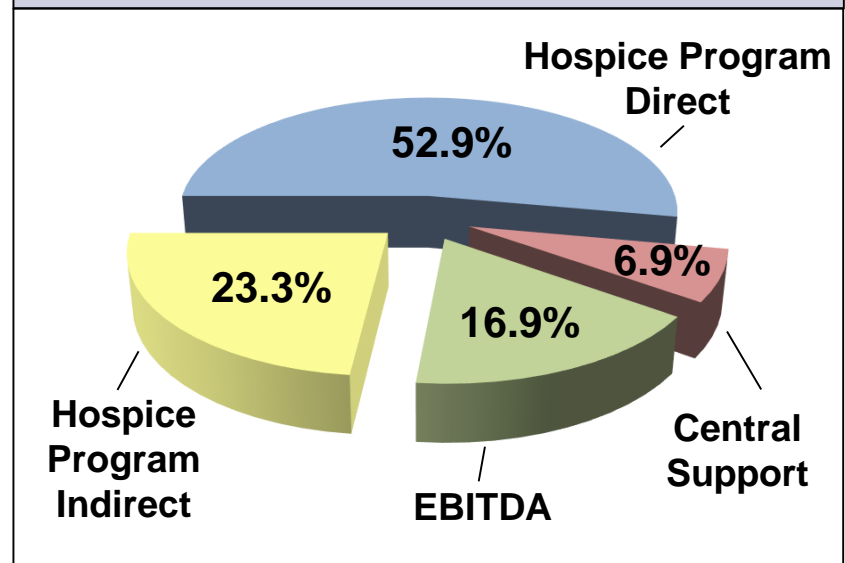
Revenues - 2019



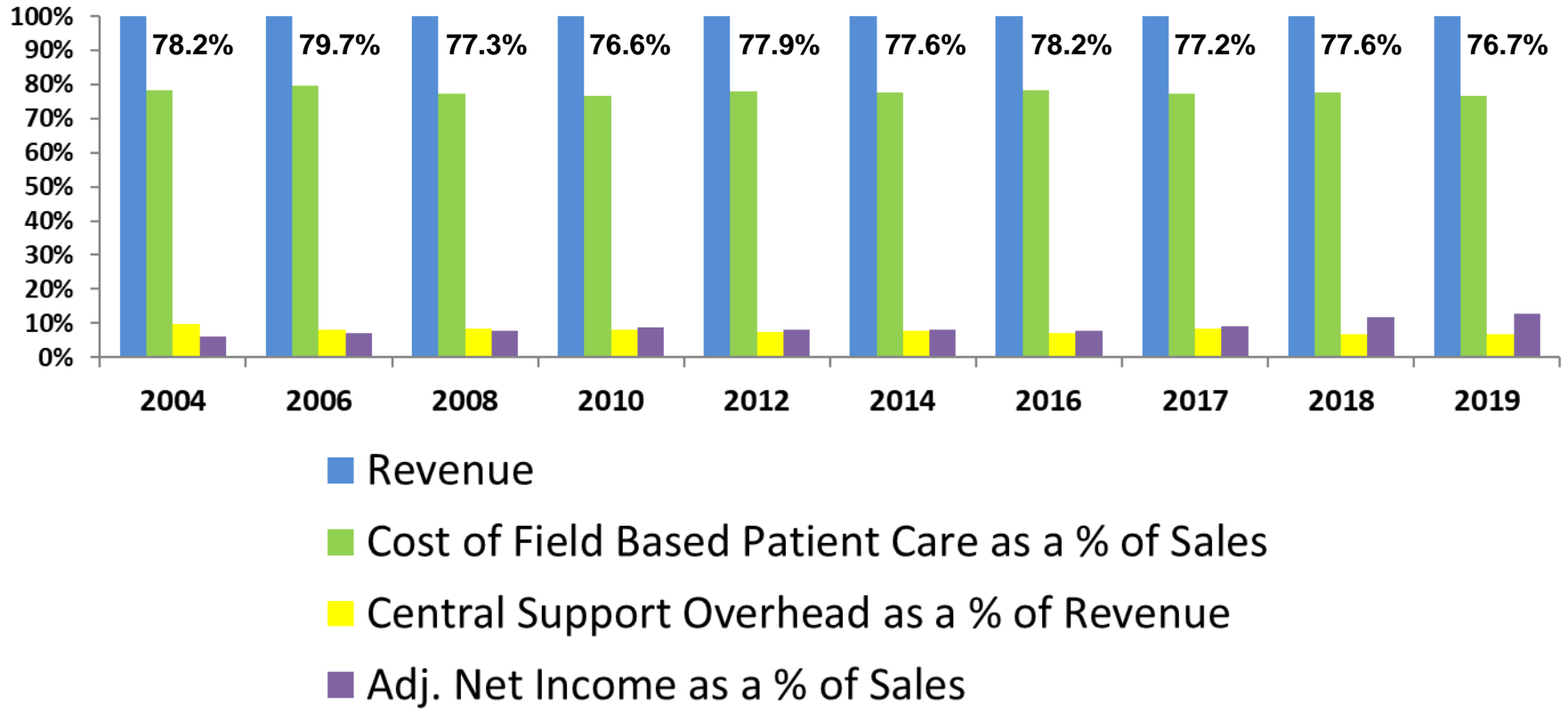
Revenue and Expenses - 2019



Adjusted EBITDA - 2019

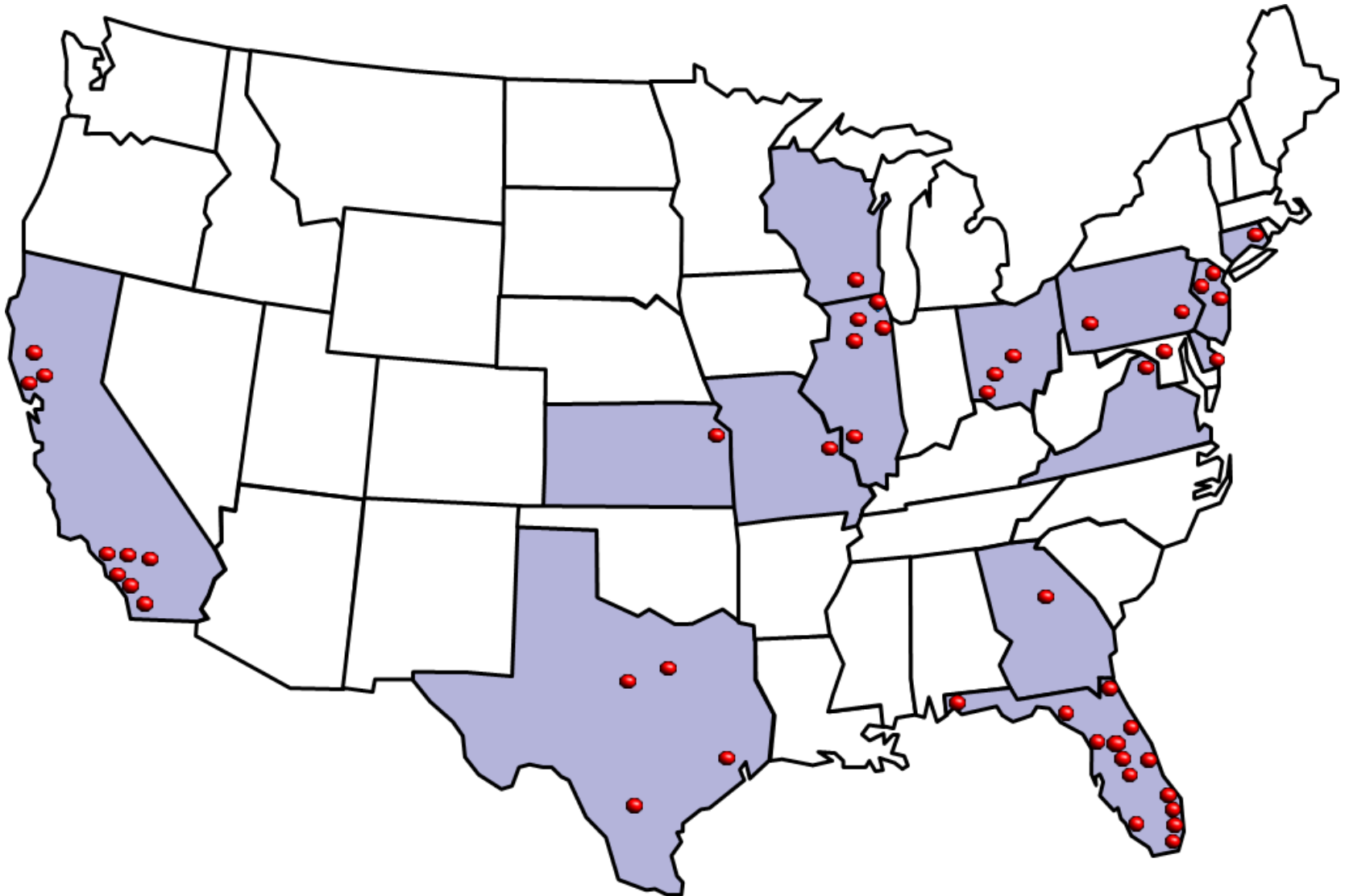


VITAS – Operations as a Percent of Revenue



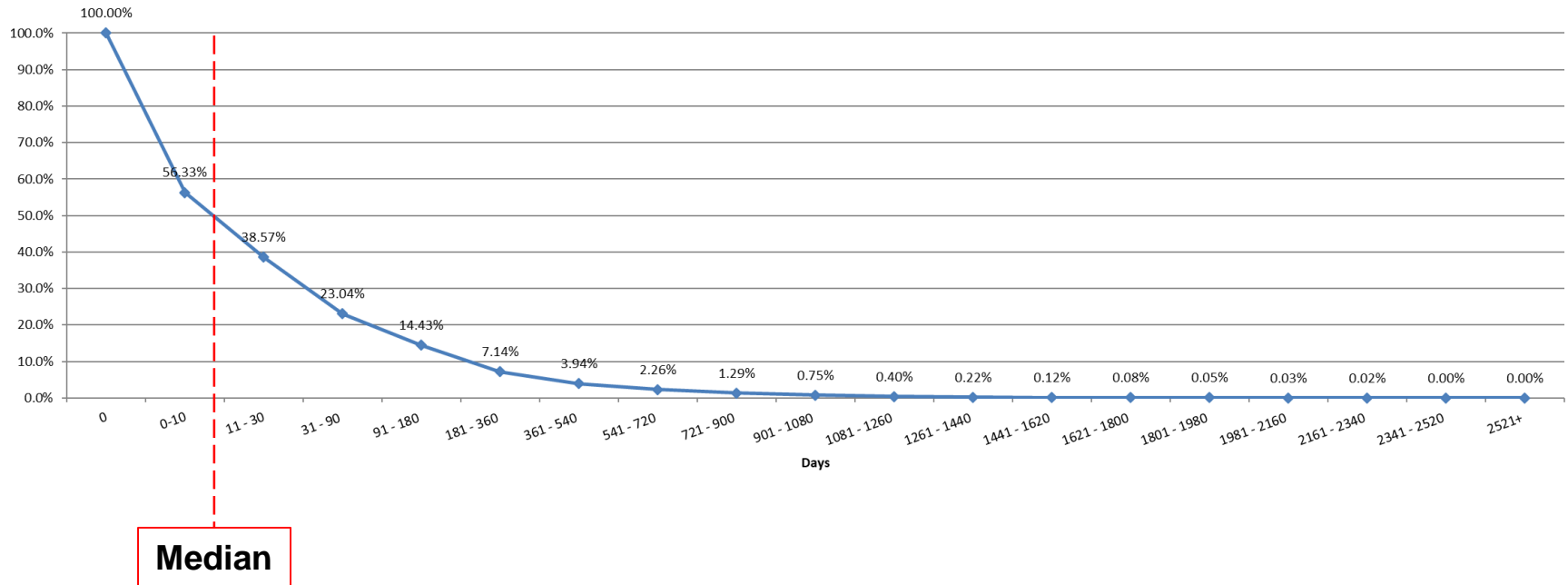
(1) 2018 and 2019 include the impact of the new revenue recognition accounting standard. Prior periods are not restated for the 2018 revenue recognition accounting standard.

VITAS – Locations (as of December 31, 2019)



VITAS 2019 Discharge Rate – Total

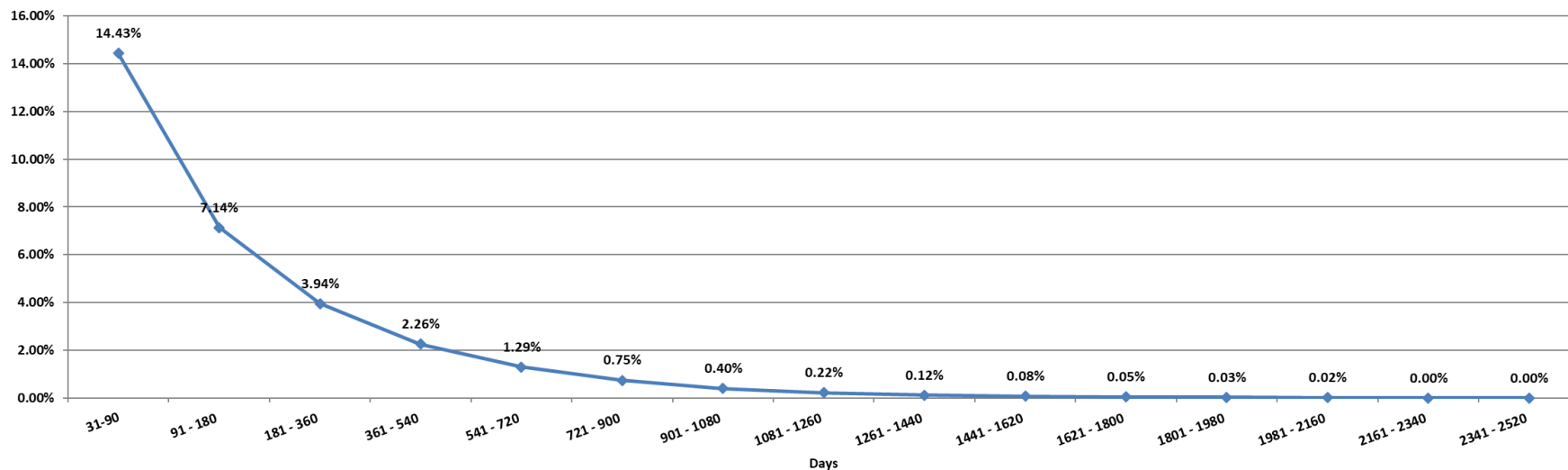
Population: 68,857 patients (MLOS 16)



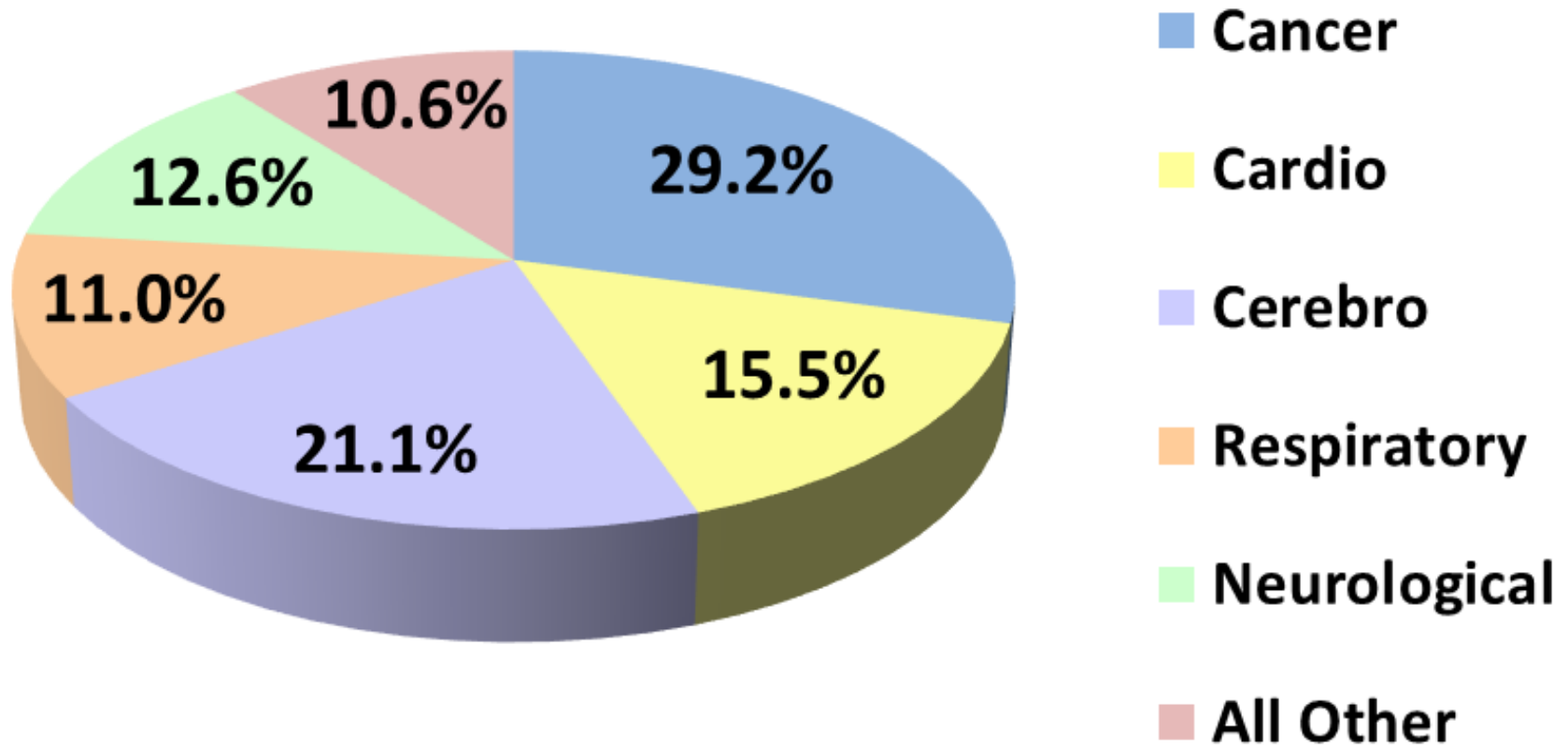
VITAS 2019 Discharge Rate – Total

After 180 Days

Population: 9,934 patients

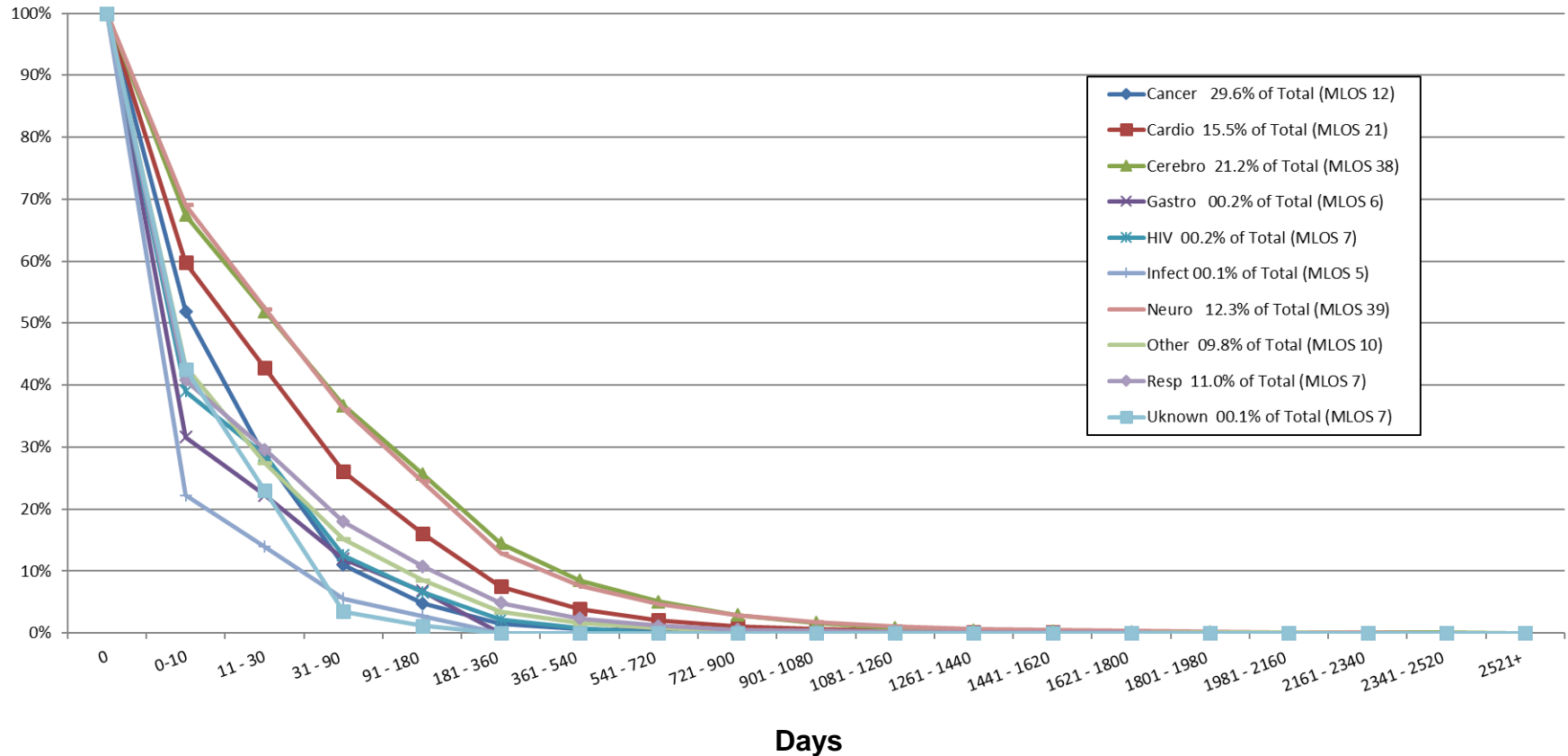


VITAS Admissions by Diagnosis - 2019

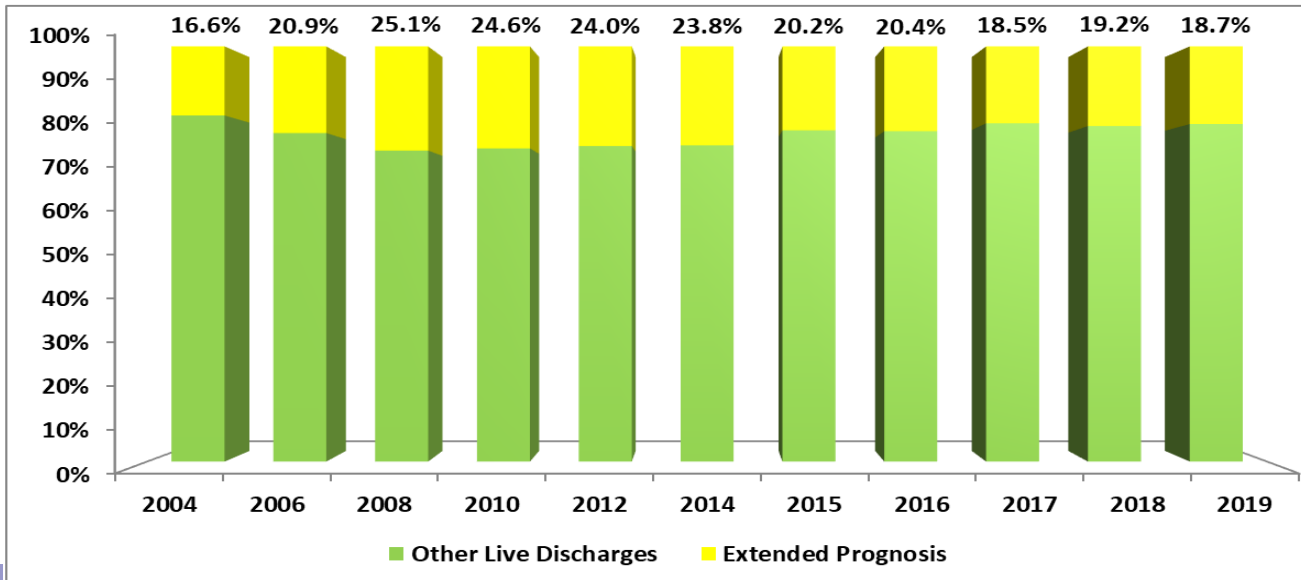
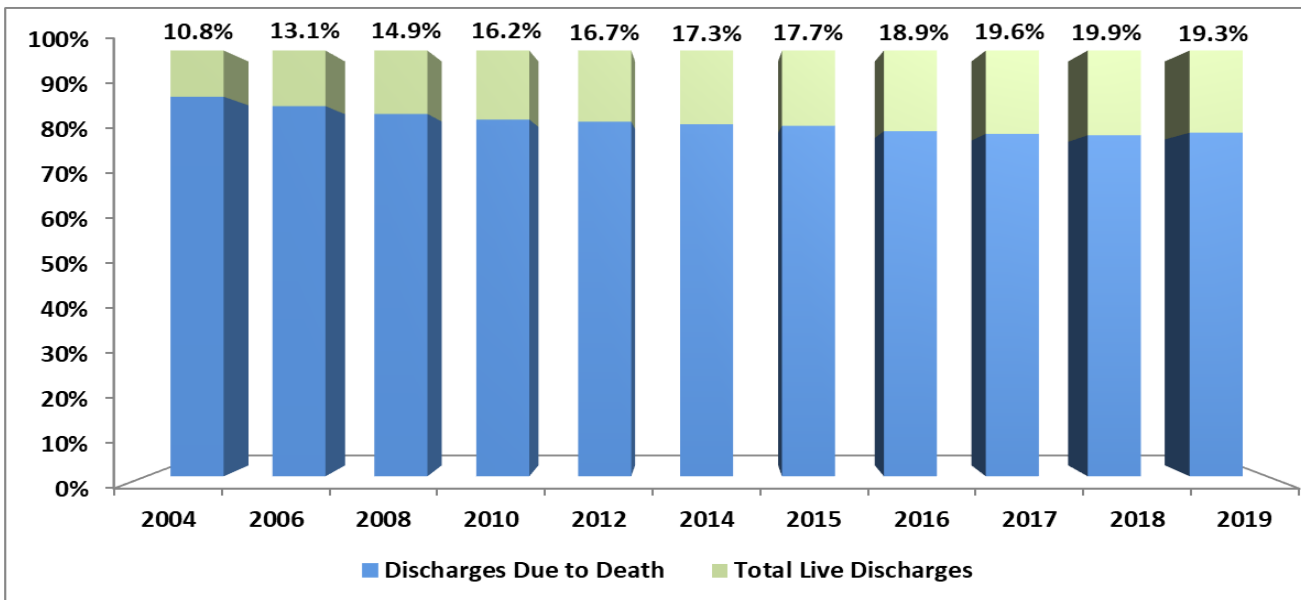


VITAS 2019 Discharge Rate – All Diagnosis

Population: 68,857

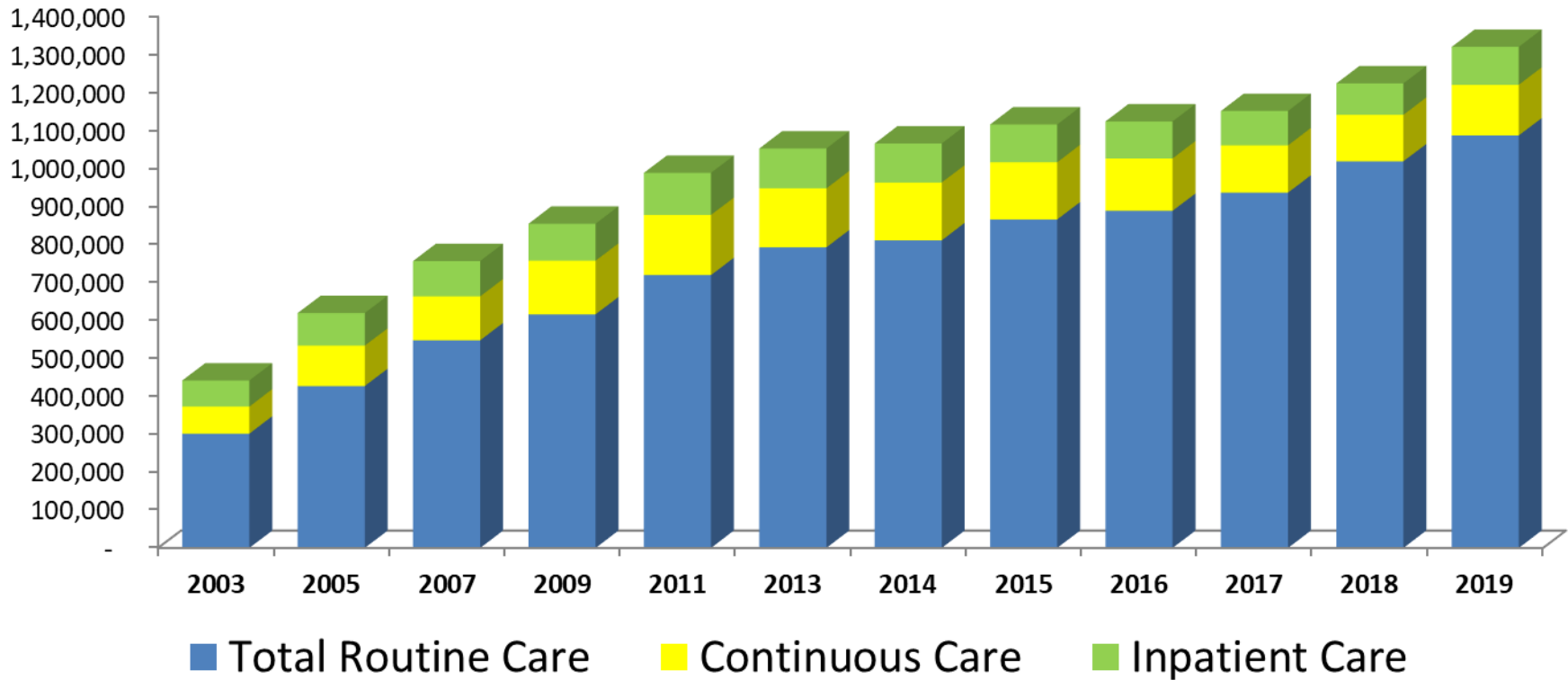


Analysis of VITAS Discharges 2004-2019



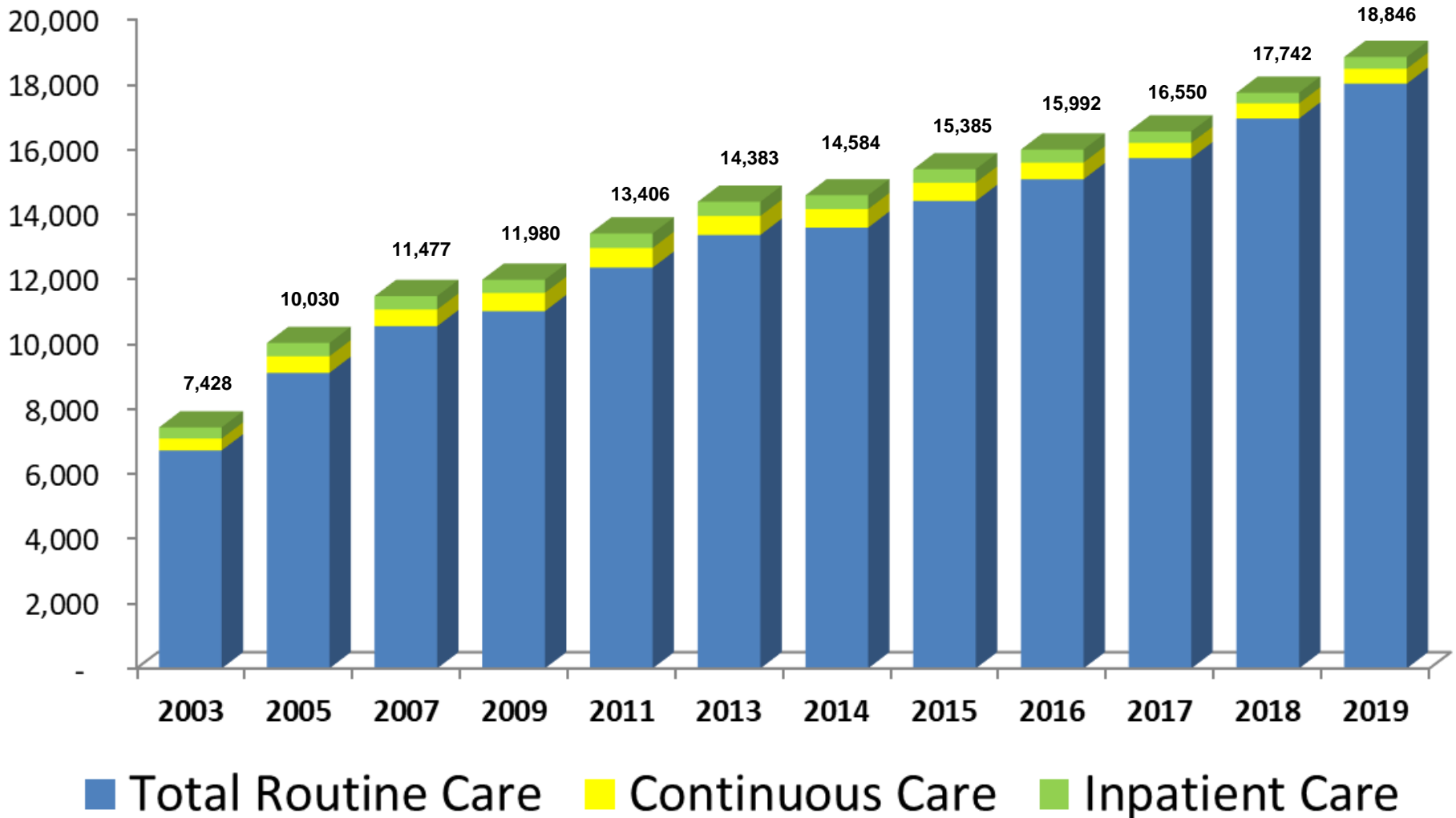
VITAS Analysis of Gross Revenue By Level of Care

2003 through 2019
(\$000)



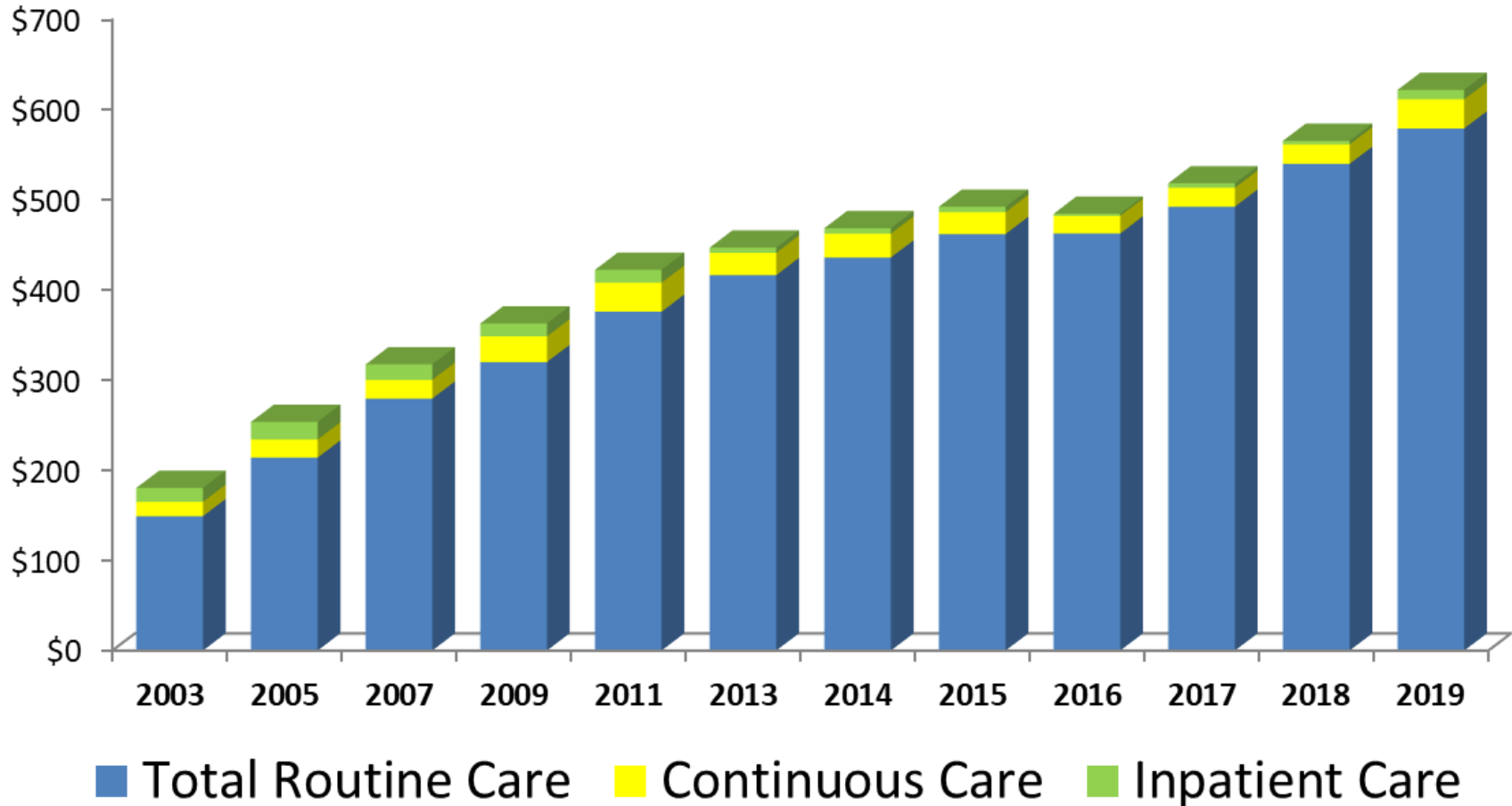
VITAS Analysis of Average Daily Census (ADC)

2003 through 2019



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

2003 through 2019 (in millions)



VITAS – Summary of Operations^(a)

For The Years Ended December 31, 2004 through 2019

(in thousands, except percentages)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|---|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------------|
| | 2004 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Average Annual Inc./ (Dec.) |
| (1) Service Revenues and Sales | \$ 531,136 | \$ 925,810 | \$ 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 | 6.0% |
| (2) EBITDA (b) | 65,685 | 146,652 | 147,243 | 158,251 | 142,770 | 158,719 | 169,768 | 156,172 | 92,899 | 199,568 | 224,757 | 8.5% |
| (3) Adj. EBITDA (b) | 64,553 | 143,656 | 144,944 | 156,289 | 151,156 | 155,449 | 167,498 | 159,393 | 172,401 | 188,764 | 216,880 | 8.4% |
| (4) Adj. EBITDA Margin (b) | 12.2% | 15.5% | 14.7% | 14.6% | 14.5% | 14.6% | 15.0% | 14.2% | 15.0% | 15.8% | 16.9% | n.a. |
| (5) Net Income (GAAP) | 33,052 | 79,796 | 80,358 | 86,577 | 76,144 | 86,186 | 93,346 | 84,961 | 57,645 | 138,846 | 155,822 | 10.9% |
| (6) Adj. Net Income (b) | 32,961 | 80,465 | 81,186 | 87,338 | 84,023 | 87,585 | 96,418 | 91,190 | 103,121 | 140,710 | 163,752 | 11.3% |
| (7) Adj. Net Income as a percent of Sales | 6.2% | 8.7% | 8.2% | 8.2% | 8.0% | 8.2% | 8.6% | 8.1% | 9.0% | 11.7% | 12.8% | 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) Average Annual Inc./(Dec.) |
|----------------------------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | 2003 (b) | 2004 (b) | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | |
| (1) Net Service Revenue | \$ 441,017 | \$ 531,136 | \$ 925,810 | \$ 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 | 6.9% |
| (2) Cost of field patient care | \$ 345,189 | \$ 415,341 | \$ 709,094 | \$ 766,732 | \$ 831,321 | \$ 813,600 | \$ 825,739 | \$ 862,587 | \$ 878,092 | \$ 886,062 | \$ 929,306 | \$ 982,056 | 6.8% |
| (3) Gross profit | \$ 95,828 | \$ 115,795 | \$ 216,716 | \$ 219,540 | \$ 235,716 | \$ 231,513 | \$ 238,466 | \$ 252,964 | \$ 245,225 | \$ 262,198 | \$ 268,256 | \$ 299,128 | 7.4% |
| (4) Selling and G&A expenses | \$ 53,526 | \$ 51,266 | \$ 74,531 | \$ 76,357 | \$ 81,188 | \$ 82,969 | \$ 85,183 | \$ 89,879 | \$ 92,550 | \$ 95,215 | \$ 80,969 | \$ 86,345 | 3.0% |
| (5) Depreciation & amortization | \$ 9,285 | \$ 10,149 | \$ 18,124 | \$ 17,821 | \$ 18,349 | \$ 19,534 | \$ 19,049 | \$ 19,547 | \$ 19,090 | \$ 18,630 | \$ 19,700 | \$ 20,055 | 4.9% |
| (6) Other operating expense | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,500 | \$ - | \$ - | \$ 4,491 | \$ 85,614 | \$ 1,130 | \$ 6,546 | n.a |
| (7) Income from operations | \$ 33,017 | \$ 54,380 | \$ 124,061 | \$ 125,362 | \$ 136,179 | \$ 118,510 | \$ 134,234 | \$ 143,538 | \$ 129,094 | \$ 62,739 | \$ 166,457 | \$ 186,182 | 11.4% |
| (8) EBITDA | \$ 42,986 | \$ 65,685 | \$ 146,652 | \$ 147,243 | \$ 158,251 | \$ 142,770 | \$ 158,719 | \$ 169,768 | \$ 156,172 | \$ 92,899 | \$ 199,568 | \$ 224,757 | 10.9% |
| (9) Adjusted EBITDA | \$ 42,302 | \$ 64,553 | \$ 143,656 | \$ 144,944 | \$ 156,289 | \$ 151,156 | \$ 155,449 | \$ 167,498 | \$ 159,393 | \$ 172,401 | \$ 188,764 | \$ 216,880 | 10.8% |
| 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% |
| (11) Cost of field patient care | 78.3% | 78.2% | 76.6% | 77.7% | 77.9% | 77.8% | 77.6% | 77.3% | 78.2% | 77.2% | 77.6% | 76.7% | |
| (12) Gross profit | 21.7% | 21.8% | 23.4% | 22.3% | 22.1% | 22.2% | 22.4% | 22.7% | 21.8% | 22.8% | 22.4% | 23.3% | |
| (13) Selling and G&A expenses | 12.1% | 9.7% | 8.1% | 7.7% | 7.6% | 7.9% | 8.0% | 8.1% | 8.2% | 8.3% | 6.8% | 6.7% | |
| (14) Depreciation & amortization | 2.1% | 1.9% | 2.0% | 1.8% | 1.7% | 1.9% | 1.8% | 1.8% | 1.7% | 1.6% | 1.6% | 1.6% | |
| (15) Other operating expense | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.0% | 0.0% | 0.0% | 0.4% | 7.5% | 0.1% | 0.5% | |
| (16) Income from operations | 7.5% | 10.2% | 13.4% | 12.7% | 12.8% | 11.3% | 12.6% | 12.9% | 11.5% | 5.5% | 13.9% | 14.5% | |
| (17) EBITDA | 9.7% | 12.4% | 15.8% | 14.9% | 14.8% | 13.7% | 14.9% | 15.2% | 13.9% | 8.1% | 16.7% | 17.5% | |
| (18) Adjusted EBITDA | 9.6% | 12.2% | 15.5% | 14.7% | 14.6% | 14.5% | 14.6% | 15.0% | 14.2% | 15.0% | 15.8% | 16.9% | |

(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) |
|--|-------------------|--------------|-------------------------|
| | Full-Year Results | | |
| | 2018 (c) | 2019 (c) | Fav/(Unfav) % Growth |
| (1) Service Revenues Before Medicare Cap | \$ 1,201,685 | \$ 1,293,599 | 7.6% |
| (2) Medicare Cap | (4,123) | (12,415) | (201.1%) |
| (3) Net Service Revenues and Sales | \$ 1,197,562 | \$ 1,281,184 | 7.0% |
| (4) Adj. Net Income (a) | \$ 140,710 | \$ 163,752 | 16.4% |
| (5) Adj. EBITDA (a) (b) | 188,764 | 216,880 | 14.9% |
| (6) Adj. EBITDA Margin (a) (b) | 15.8% | 16.9% | 1.1 pts. |
| (7) Capital Expenditures | 25,829 | 25,208 | 2.4% |

(a) Excludes expenses related to the DOJ litigation and settlement.

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

(c) 2019 and 2018 reflect GAAP Revenue Recognition Accounting Standard. Prior years are not restated for the 2018 Revenue Recognition Accounting Standard.

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)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | (17) |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2015 | 2016 | | | | 2017 | | | | 2018 (d) | | | | 2019 | | | |
| Operating Metrics | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| (1) Average Daily Census (ADC) | 15,697 | 15,653 | 15,952 | 16,201 | 16,160 | 16,222 | 16,398 | 16,652 | 16,920 | 17,209 | 17,643 | 17,957 | 18,149 | 18,345 | 18,681 | 19,086 | 19,258 |
| (2) Admissions | 15,790 | 16,868 | 16,180 | 16,157 | 15,889 | 17,563 | 16,311 | 16,000 | 16,575 | 18,279 | 16,858 | 16,403 | 16,579 | 17,758 | 17,491 | 17,131 | 17,479 |
| (3) Discharges | 15,915 | 16,743 | 15,960 | 15,690 | 16,282 | 17,213 | 16,124 | 15,726 | 16,553 | 17,558 | 16,474 | 16,171 | 16,623 | 17,339 | 17,008 | 16,951 | 17,575 |
| (4) Average Length of Stay (ALOS) (Days) | 89.8 | 83.7 | 84.2 | 87.7 | 91.4 | 88.7 | 85.2 | 89.5 | 91.4 | 87.9 | 89.0 | 90.0 | 92.6 | 91.3 | 91.1 | 92.6 | 95.2 |
| (5) Median Length of Stay (Days) | 17 | 15 | 16 | 16 | 16 | 15 | 16 | 16 | 16 | 15 | 17 | 18 | 17 | 15 | 16 | 17 | 16 |
| (6) Total Revenue Before Medicare Cap Reduction (\$000) | \$284,470 | \$277,528 | \$278,739 | \$283,093 | \$284,186 | \$282,316 | \$284,957 | \$288,951 | \$294,718 | \$290,195 | \$297,335 | \$303,714 | \$310,439 | \$310,181 | \$315,948 | \$323,065 | \$344,405 |
| (7) Medicare Cap Reduction | \$0 | \$0 | \$0 | (\$228) | \$0 | \$0 | (\$247) | \$0 | (\$2,435) | \$1,818 | (\$536) | (\$1,950) | (\$3,454) | (\$3,400) | (\$3,198) | (\$1,317) | (\$4,500) |
| (8) Revenue After Medicare Cap Reduction (\$000) | \$284,470 | \$277,528 | \$278,739 | \$282,865 | \$284,186 | \$282,316 | \$284,710 | \$288,951 | \$292,283 | \$292,013 | \$296,799 | \$301,764 | \$306,985 | \$306,781 | \$312,750 | \$321,748 | \$339,905 |
| (9) % Routine Home Care | 78.8% | 77.4% | 78.7% | 79.6% | 80.4% | 79.9% | 81.2% | 81.9% | 82.3% | 81.5% | 82.6% | 83.2% | 83.0% | 82.0% | 82.7% | 83.2% | 78.5% |
| (10) % InPatient | 8.1% | 9.2% | 8.8% | 8.4% | 8.3% | 8.5% | 7.7% | 7.8% | 7.5% | 7.5% | 6.6% | 6.3% | 6.6% | 7.1% | 7.1% | 7.1% | 8.8% |
| (11) % Continuous Care | 13.1% | 13.4% | 12.5% | 12.0% | 11.3% | 11.6% | 11.1% | 10.3% | 10.2% | 10.4% | 10.1% | 9.8% | 9.8% | 10.2% | 9.5% | 8.9% | 11.7% |
| (12) % Other | - | - | - | - | - | - | - | - | - | (1.2%) | (1.9%) | (1.1%) | (1.1%) | (1.2%) | 0.7% | (1.4%) | (1.0%) |
| (13) % Medicare Cap | 0.0% | 0.0% | 0.0% | (0.1%) | 0.0% | 0.0% | (0.1%) | 0.0% | (0.8%) | 0.6% | (0.1%) | (0.6%) | (1.1%) | (0.9%) | (1.0%) | (0.4%) | (1.3%) |
| Direct Care Margins: (a) | | | | | | | | | | | | | | | | | |
| (14) Routine Home Care | 54.7% | 52.1% | 51.9% | 51.4% | 53.1% | 51.3% | 52.8% | 52.4% | 53.9% | 52.1% | 52.6% | 53.0% | 53.9% | 52.7% | 53.5% | 53.4% | 53.7% |
| (15) In Patient Care | 1.3% | 5.7% | 4.6% | -2.4% | 1.2% | 5.9% | 3.7% | 3.4% | 8.5% | 7.5% | 4.2% | 3.1% | 3.9% | 6.5% | 7.4% | 4.1% | 20.6% |
| (16) Continuous Care | 16.1% | 15.1% | 13.8% | 12.2% | 15.8% | 15.6% | 18.0% | 17.3% | 16.8% | 17.7% | 17.3% | 17.3% | 18.4% | 18.2% | 17.9% | 16.8% | 38.9% |
| (17) Gross Profit (Direct and Indirect) (\$000) (b) (c) | \$68,684 | \$58,262 | \$60,045 | \$58,455 | \$68,464 | \$60,638 | \$64,941 | \$66,832 | \$69,786 | \$64,757 | \$63,726 | \$68,758 | \$71,014 | \$67,038 | \$71,646 | \$74,197 | \$86,246 |
| (18) Gross Profit Margin (b) (c) | 24.1% | 21.0% | 21.5% | 20.7% | 24.1% | 21.5% | 22.8% | 23.1% | 23.9% | 22.2% | 21.5% | 22.8% | 23.1% | 21.9% | 22.9% | 23.1% | 25.4% |
| (19) Pro Forma Selling, General & Admin Exp (c) | \$23,086 | \$24,783 | \$22,638 | \$21,775 | \$23,354 | \$24,294 | \$24,531 | \$23,783 | \$22,607 | \$20,510 | \$20,702 | \$20,394 | \$19,363 | \$21,536 | \$21,682 | \$21,965 | \$21,162 |
| (20) Pro Forma Adjusted EBITDA (\$000) (c) | \$46,404 | \$35,908 | \$38,631 | \$38,632 | \$46,225 | \$38,422 | \$42,601 | \$43,922 | \$47,456 | \$44,687 | \$43,110 | \$48,945 | \$52,024 | \$46,319 | \$51,616 | \$52,976 | \$65,970 |
| (21) Pro Forma Adjusted EBITDA Margin (c) | 16.3% | 12.9% | 13.9% | 13.7% | 16.3% | 13.6% | 15.0% | 15.2% | 16.2% | 15.3% | 14.5% | 16.2% | 16.9% | 15.1% | 16.5% | 16.5% | 19.4% |

(a) Excludes any Medicare cap

(b) Includes any Medicare cap

(c) Excludes depreciation, amortization.

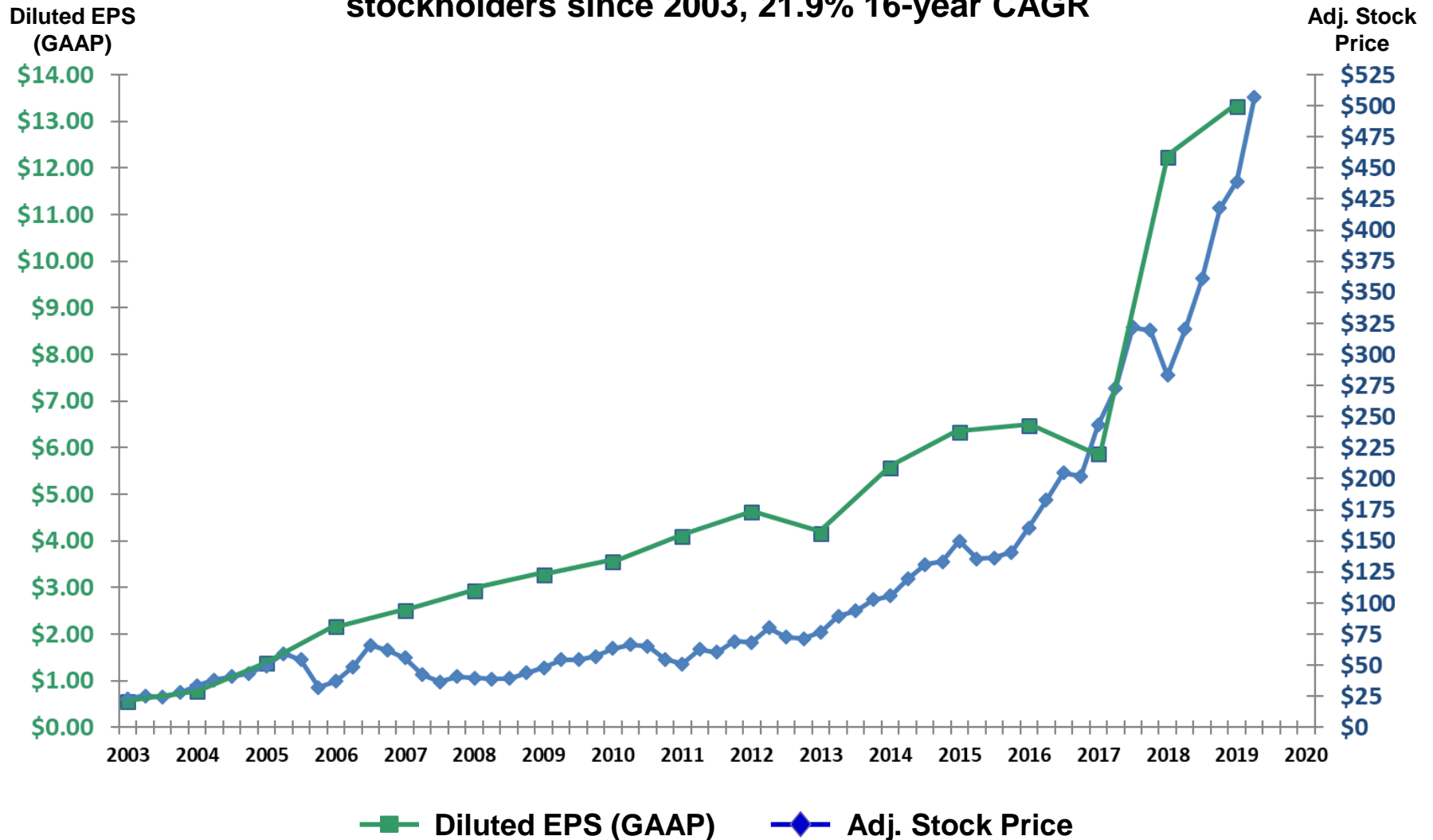
(d) 2019 and 2018 reflect GAAP Revenue Recognition Accounting Standard. Prior years are not restated for the 2018 Revenue Recognition Accounting Standard.



Appendix

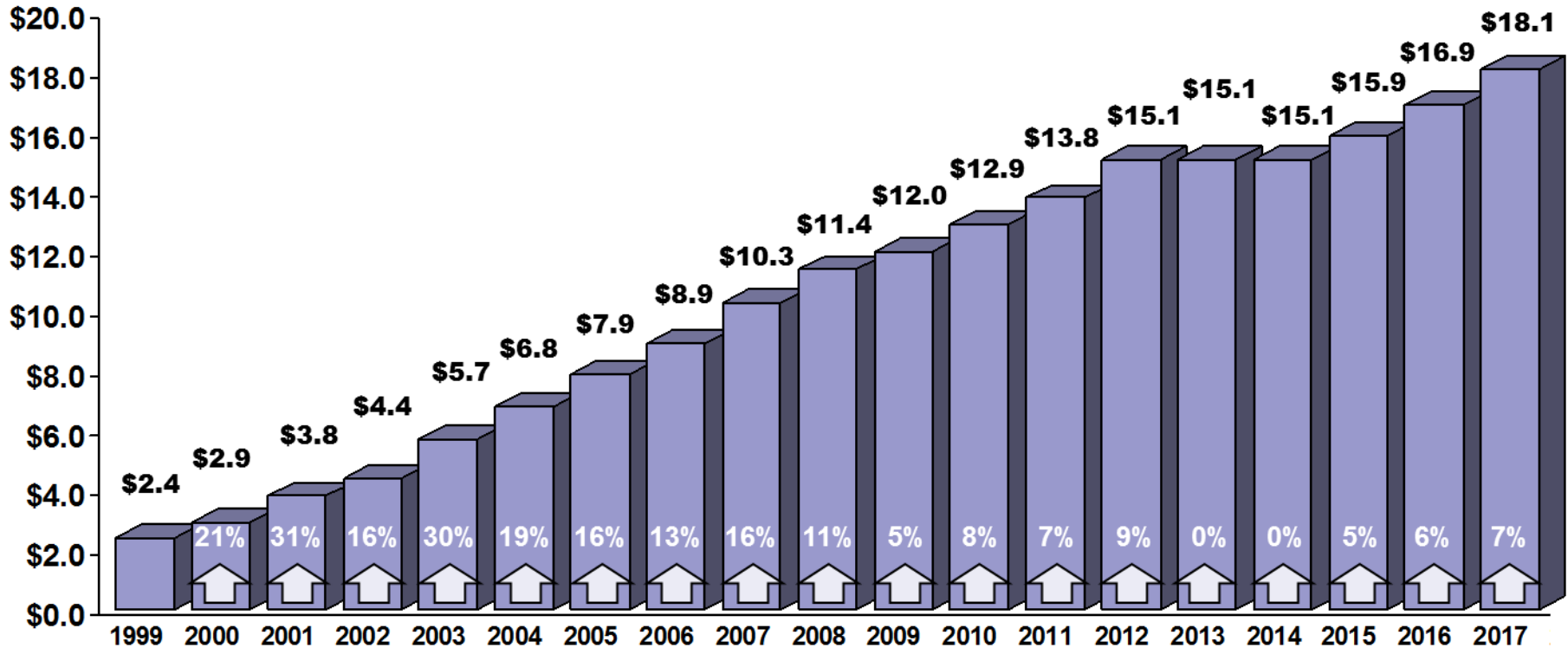
EPS⁽¹⁾ and Stock Price⁽²⁾ History

Chemed has delivered strong and consistent EPS to stockholders since 2003, 21.9% 16-year CAGR



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

Medicare Hospice Spending (in billions)

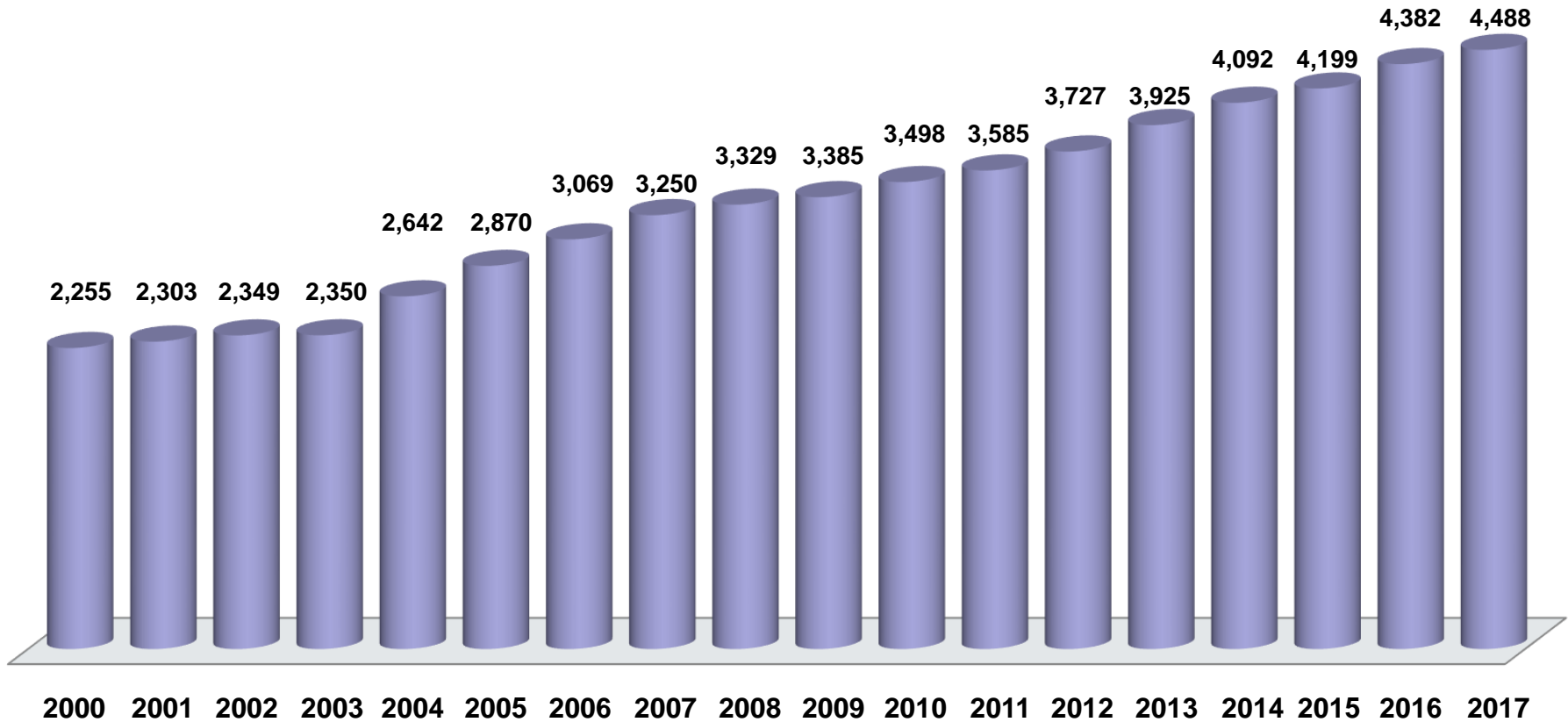


■ **11.9% Compounded annual growth rate from 1999 to 2017**

Sources: MedPAC Report to the Congress – 2011, 2012, 2013, 2014, 2015, 2017 and 2018

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, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and 2019

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2019 (IN THOUSANDS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
|--|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Reconciliation of Adjusted EBITDA | | | | | | | | | | | | | | | | |
| (1) Net income/(loss) | \$ 27,512 | \$ 35,817 | \$ 50,651 | \$ 61,641 | \$ 67,281 | \$ 73,784 | \$ 81,831 | \$ 85,979 | \$ 89,304 | \$ 77,227 | \$ 99,317 | \$ 110,274 | \$ 108,743 | \$ 98,177 | \$ 205,544 | \$ 219,923 |
| (2) Discontinued operations | (8,417) | 411 | 7,071 | (1,201) | 1,088 | 253 | - | - | - | - | - | - | - | - | - | - |
| (3) Interest expense | 21,158 | 21,264 | 17,468 | 14,921 | 12,123 | 11,599 | 11,959 | 13,888 | 14,723 | 15,035 | 8,186 | 3,645 | 3,715 | 4,272 | 4,990 | 4,535 |
| (4) Income taxes | 13,736 | 18,428 | 32,562 | 37,721 | 47,035 | 46,583 | 52,000 | 54,577 | 56,515 | 46,602 | 63,437 | 69,852 | 68,311 | 18,740 | 34,056 | 41,686 |
| (5) Depreciation | 14,542 | 16,150 | 16,775 | 20,118 | 21,581 | 21,535 | 24,386 | 25,247 | 26,009 | 27,698 | 29,881 | 32,369 | 34,279 | 35,488 | 38,464 | 40,870 |
| (6) Amortization | 3,468 | 4,036 | 3,988 | 4,038 | 4,034 | 4,073 | 2,099 | 1,466 | 1,508 | 1,644 | 720 | 1,130 | 359 | 137 | 399 | 4,335 |
| (7) EBITDA | 71,999 | 96,106 | 128,515 | 137,238 | 153,142 | 157,827 | 172,275 | 181,157 | 188,059 | 168,206 | 201,541 | 217,270 | 215,407 | 156,814 | 283,453 | 311,349 |
| Add/(deduct): | | | | | | | | | | | | | | | | |
| (8) (Gains)/losses on investments | - | - | 1,445 | - | - | (1,211) | - | - | - | - | - | - | - | - | - | - |
| (9) Gain on sale of property | - | - | - | (1,138) | - | - | - | - | - | - | - | - | - | - | - | - |
| (10) Impairment loss on transportation equipment | - | - | - | - | 2,699 | - | - | - | - | - | - | - | - | - | - | - |
| (11) Interest income | (1,874) | (2,198) | (2,691) | (3,304) | (743) | (423) | (444) | (426) | (809) | (847) | 29 | (281) | (383) | (427) | (671) | (513) |
| (12) Equity in earnings of VITAS | 4,105 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (13) Advertising cost adjustment | 528 | 691 | 323 | 601 | 225 | (540) | (679) | (1,240) | (1,573) | (1,166) | (1,462) | (1,317) | (1,333) | (1,371) | - | - |
| (14) Long-term incentive compensation | 8,783 | 5,477 | - | 7,067 | - | 5,007 | 4,734 | 3,012 | 360 | 1,301 | 2,569 | 7,519 | 1,930 | 4,994 | 6,618 | 7,630 |
| (15) Loss/(gain) on extinguishment of debt | 3,330 | 3,971 | 430 | 13,798 | (3,406) | - | - | - | - | - | - | - | - | - | - | - |
| (16) Legal expenses of OIG investigation | - | 637 | 1,068 | 227 | 47 | 586 | 1,012 | 1,188 | 1,212 | 2,149 | 2,141 | 4,974 | 5,260 | 5,194 | - | - |
| (17) Stock option expense | - | 215 | 1,211 | 4,665 | 7,303 | 8,639 | 7,762 | 8,376 | 8,130 | 6,042 | 4,802 | 5,445 | 8,330 | 10,485 | 12,611 | 14,831 |
| (18) Stock award expense | 311 | 886 | 1,267 | 1,232 | 1,890 | 2,294 | 2,558 | 2,786 | 3,004 | 3,046 | 2,471 | 2,107 | 1,855 | 1,230 | 446 | - |
| (19) Lawsuit settlement | 3,135 | 17,350 | 272 | 1,927 | - | 882 | 1,853 | 2,299 | 1,016 | 27,646 | 120 | 5 | 1,194 | 84,689 | 796 | 6,000 |
| (20) Debt registration expenses | 1,191 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (21) VITAS transactions costs | 442 | (959) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (22) Prior-period insurance adjustments | - | (1,663) | - | - | 597 | - | - | - | - | - | - | - | - | - | - | - |
| (23) Expenses associated with contested proxy solicitation | - | - | - | - | - | 3,989 | - | - | - | - | - | - | - | - | - | - |
| (24) Acquisition Expenses | - | - | - | - | - | - | 324 | 121 | 188 | 62 | 24 | 172 | - | - | 757 | 4,834 |
| (25) Costs to Shut down HVAC operations | - | - | - | - | - | - | - | - | 1,126 | - | - | - | - | - | - | - |
| (26) Securities litigation | - | - | - | - | - | - | - | - | 742 | 109 | 327 | 37 | - | - | - | - |
| (27) Severance arrangements | - | - | - | - | - | - | - | - | - | 302 | - | - | - | - | - | - |
| (28) Early Retirement Expenses | - | - | - | - | - | - | - | - | - | - | - | - | 4,491 | - | - | - |
| (29) Medicare Cap Sequestration adjustment | - | - | - | - | - | - | - | - | - | - | - | - | 228 | 447 | 1,496 | 3,982 |
| (30) Other | - | - | (467) | (467) | - | - | - | - | - | - | - | - | - | - | - | 548 |
| (31) Loss on sale of transportation equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,266 | - | 2,266 |
| (32) Program closure expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,138 | - | - |
| (33) Adjusted EBITDA | \$ 91,950 | \$ 120,513 | \$ 131,373 | \$ 161,846 | \$ 161,754 | \$ 177,050 | \$ 189,395 | \$ 197,273 | \$ 201,455 | \$ 206,850 | \$ 212,562 | \$ 235,931 | \$ 236,979 | \$ 268,459 | \$ 305,506 | \$ 350,927 |
| Reconciliation of Adjusted Net Income | | | | | | | | | | | | | | | | |
| (34) Net income/(loss) | \$ 27,512 | \$ 35,817 | \$ 50,651 | \$ 61,641 | \$ 67,281 | \$ 73,784 | \$ 81,831 | \$ 85,979 | \$ 89,304 | \$ 77,227 | \$ 99,317 | \$ 110,274 | \$ 108,743 | \$ 98,177 | \$ 205,544 | \$ 219,923 |
| Add/(deduct): | | | | | | | | | | | | | | | | |
| (35) Discontinued operations | (8,417) | 411 | 7,071 | (1,201) | 1,088 | 253 | - | - | - | - | - | - | - | - | - | - |
| (36) (Gains)/losses on investments | - | - | 918 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (37) Gain on sale of property | - | - | - | (724) | - | - | - | - | - | - | - | - | - | - | - | - |
| (38) Impairment loss on transportation equipment | - | - | - | - | 1,714 | - | - | - | - | - | - | - | - | - | - | - |
| (39) Severance charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (40) Dividend income from VITAS | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (41) Equity in earnings of VITAS | 4,105 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (42) Long-term incentive compensation | 5,437 | 3,434 | - | 4,427 | - | 3,134 | 2,957 | 1,880 | 228 | 822 | 1,625 | 4,752 | 1,221 | 3,243 | 5,307 | 6,440 |
| (43) Loss/(gain) on extinguishment of debt | 2,030 | 2,523 | 273 | 8,778 | (2,156) | - | - | - | - | 294 | - | - | - | - | - | - |
| (44) Legal expenses of OIG investigation | - | 397 | 662 | 141 | 28 | 363 | 627 | 737 | 752 | 1,333 | 1,328 | 3,072 | 3,248 | 3,207 | - | - |
| (45) Stock option expense | - | 137 | 769 | 2,962 | 4,619 | 5,464 | 4,909 | 5,298 | 5,143 | 3,813 | 3,022 | 3,439 | 5,266 | 6,892 | 10,118 | 12,237 |
| (46) Lawsuit settlement | 1,897 | 10,757 | 169 | 1,168 | - | 534 | 1,126 | 1,397 | 617 | 16,926 | 74 | 3 | 28 | 52,504 | 594 | 4,476 |
| (47) Prior period tax adjustments | (1,620) | (1,961) | (2,115) | - | (322) | - | - | - | - | (1,782) | - | - | - | - | - | - |
| (48) Debt registration expenses | 727 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (49) VITAS transactions costs | 222 | (959) | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (50) Prior-period insurance adjustments | - | (1,014) | - | - | 358 | - | - | - | - | - | - | - | - | - | - | - |
| (51) Non-cash interest on convertible debt | - | - | - | 2,335 | 3,228 | 3,988 | 4,313 | 4,664 | 5,041 | 5,448 | 2,143 | - | - | - | - | - |
| (52) Income tax impact of non-taxable investments | - | - | - | 46 | 3,062 | (756) | - | - | - | - | - | - | - | - | - | - |
| (53) Expenses associated with contested proxy solicitation | - | - | - | - | - | 2,525 | - | - | - | - | - | - | - | - | - | - |
| (54) Acquisition Expenses | - | - | - | - | - | - | 198 | 75 | 114 | 38 | 15 | 104 | - | - | 559 | 3,557 |
| (55) Costs to Shut down HVAC operations | - | - | - | - | - | - | - | - | 649 | - | - | - | - | - | - | - |
| (56) Securities litigation | - | - | - | - | - | - | - | - | 469 | 69 | 207 | 23 | - | - | - | - |
| (57) Severance arrangements | - | - | - | - | - | - | - | - | - | 184 | - | - | - | - | - | - |
| (58) Early retirement expenses | - | - | - | - | - | - | - | - | - | - | - | - | 2,840 | - | - | - |
| (59) Medicare cap sequestration adjustment | - | - | - | - | - | - | - | - | - | - | - | - | 141 | 276 | 1,114 | 2,965 |
| (60) Other | - | - | (296) | (296) | - | - | - | - | - | - | - | - | - | - | - | 406 |
| (61) Excess tax benefits on stock compensation | - | - | - | - | - | - | - | - | - | - | - | - | - | (18,932) | (22,862) | (24,177) |
| (62) Impact of tax reform | - | - | - | - | - | - | - | - | - | - | - | - | - | (8,302) | - | - |
| (63) Loss on sale of transportation equipment | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,314 | - | 1,733 |
| (64) Program closure expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | 675 | - | - |
| (65) Amortization of acquired and cancelled franchise agreements | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,913 |
| (66) Adjusted net income | \$ 31,893 | \$ 49,542 | \$ 58,102 | \$ 79,277 | \$ 78,900 | \$ 89,289 | \$ 95,961 | \$ 100,030 | \$ 102,317 | \$ 104,372 | \$ 107,731 | \$ 121,667 | \$ 121,487 | \$ 141,054 | \$ 200,374 | \$ 230,473 |

ROTO-ROOTER GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2019
(IN THOUSANDS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Reconciliation of Adjusted EBITDA | | | | | | | | | | | | | | | | |
| (1) Net income | \$ 18,795 | \$ 27,626 | \$ 32,454 | \$ 38,971 | \$ 33,427 | \$ 33,040 | \$ 31,678 | \$ 34,879 | \$ 30,905 | \$ 29,243 | \$ 42,075 | \$ 48,573 | \$ 52,893 | \$ 73,299 | \$ 98,711 | \$ 103,710 |
| (2) Interest expense | 206 | 563 | 368 | 495 | 246 | 186 | 233 | 358 | 433 | 322 | 363 | 348 | 332 | 323 | 319 | 345 |
| (3) Income taxes | 10,611 | 16,048 | 18,748 | 24,145 | 20,644 | 20,372 | 19,547 | 21,353 | 18,770 | 17,560 | 25,808 | 29,630 | 32,719 | 32,782 | 28,850 | 30,276 |
| (4) Depreciation | 8,583 | 8,271 | 7,665 | 8,365 | 8,294 | 8,068 | 7,775 | 8,130 | 8,397 | 9,014 | 10,702 | 12,988 | 14,698 | 16,667 | 18,629 | 20,730 |
| (5) Amortization | 119 | 90 | 13 | (60) | 50 | 114 | 136 | 228 | 246 | 259 | 273 | 372 | 304 | 123 | 387 | 4,264 |
| (6) EBITDA | 38,314 | 52,598 | 59,248 | 71,916 | 62,661 | 61,780 | 59,369 | 64,948 | 58,751 | 56,398 | 79,221 | 91,911 | 100,946 | 123,194 | 146,896 | 159,325 |
| Add/(deduct) | | | | | | | | | | | | | | | | |
| (7) Advertising cost adjustment | 528 | 691 | 323 | 601 | 225 | (540) | (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 | - | - | 1,927 | - | 882 | 1,853 | 2,299 | 1,016 | 17,146 | 7 | 5 | 45 | 213 | - | - |
| (10) Prior-period insurance adjustments | - | (1,663) | - | - | 597 | - | - | - | - | - | - | - | - | - | - | - |
| (11) Interest income | (139) | (156) | (85) | (377) | (116) | (73) | (49) | (40) | (30) | (41) | (39) | (40) | (58) | (39) | (92) | (133) |
| (12) Intercompany interest income | (1,041) | (2,236) | (3,997) | (4,993) | (3,708) | (2,514) | (2,612) | (2,136) | (1,617) | (2,055) | (2,892) | (3,385) | (3,595) | (5,596) | (6,908) | (8,152) |
| (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 | - | - | 59 | 114 | 263 | 327 | 378 | 371 | 386 | 348 | 252 | 268 | 307 | 269 | 100 | - |
| (17) Non cash ASC 842 expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 55 |
| (18) Adjusted EBITDA | \$ 42,355 | \$ 49,234 | \$ 55,548 | \$ 69,188 | \$ 59,922 | \$ 59,862 | \$ 58,516 | \$ 64,176 | \$ 58,232 | \$ 70,936 | \$ 75,110 | \$ 87,614 | \$ 96,312 | \$ 116,670 | \$ 140,544 | \$ 155,759 |
| Reconciliation of Adjusted Net Income | | | | | | | | | | | | | | | | |
| (19) Net income | \$ 18,795 | \$ 27,626 | \$ 32,454 | \$ 38,971 | \$ 33,427 | \$ 33,040 | \$ 31,678 | \$ 34,879 | \$ 30,905 | \$ 29,243 | \$ 42,075 | \$ 48,573 | \$ 52,893 | \$ 73,299 | \$ 98,711 | \$ 103,710 |
| Add/(deduct): | | | | | | | | | | | | | | | | |
| (20) Long-term incentive compensation | 982 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (21) Lawsuit settlement | 1,897 | - | - | 1,168 | - | 534 | 1,126 | 1,397 | 617 | 10,416 | 4 | 3 | 28 | 129 | 403 | - |
| (22) Prior-period insurance adjustments | - | (1,014) | - | - | 358 | - | - | - | - | - | - | - | - | - | - | - |
| (23) Prior-period tax adjustments | (630) | (1,126) | (1,251) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (24) Acquisition expenses | - | - | - | - | - | - | 156 | (16) | 105 | 2 | 14 | 104 | - | - | - | 3,429 |
| (25) Severance arrangements | - | - | - | - | - | - | - | - | - | 184 | - | - | - | - | - | - |
| (26) Costs to shut down HVAC operations | - | - | - | - | - | - | - | - | 649 | - | - | - | - | - | - | - |
| (27) Impact of tax reform | - | - | - | - | - | - | - | - | - | - | - | - | - | (7,761) | - | - |
| (28) Non cash ASC 842 expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 40 |
| (29) Amortization of acquired and cancelled franchise agreements | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,913 |
| (30) Adjusted net income | \$ 21,044 | \$ 25,486 | \$ 31,203 | \$ 40,139 | \$ 33,785 | \$ 33,574 | \$ 32,960 | \$ 36,260 | \$ 32,276 | \$ 39,845 | \$ 42,093 | \$ 48,680 | \$ 52,921 | \$ 65,667 | \$ 99,114 | \$ 110,092 |

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA and ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2004 THROUGH 2019 (a)
(IN THOUSANDS)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
|--|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Reconciliation of Adjusted EBITDA | | | | | | | | | | | | | | | | |
| (1) Net income | \$ 33,052 | \$ 34,982 | \$ 43,546 | \$ 61,034 | \$ 64,304 | \$ 71,696 | \$ 79,796 | \$ 80,358 | \$ 86,577 | \$ 76,144 | \$ 86,186 | \$ 93,346 | \$ 84,961 | \$ 57,645 | \$ 138,846 | \$ 155,822 |
| (2) Discontinued operations | (91) | (1,477) | 4,872 | (1,201) | - | - | - | - | - | - | - | - | - | - | - | - |
| (3) Interest expense | 128 | 153 | 191 | 146 | 155 | 374 | 131 | 229 | 233 | 182 | 207 | 200 | 211 | 188 | 175 | 169 |
| (4) Income taxes | 22,447 | 20,097 | 28,705 | 35,722 | 38,458 | 43,637 | 48,601 | 48,835 | 53,092 | 46,910 | 53,278 | 56,675 | 51,910 | 16,436 | 40,847 | 48,711 |
| (5) Depreciation | 6,192 | 7,557 | 8,753 | 11,446 | 13,000 | 13,269 | 16,161 | 16,583 | 17,087 | 18,149 | 18,601 | 18,789 | 19,035 | 18,616 | 19,688 | 19,984 |
| (6) Amortization | 3,957 | 3,947 | 3,170 | 3,368 | 3,984 | 3,959 | 1,963 | 1,238 | 1,262 | 1,385 | 447 | 758 | 55 | 14 | 12 | 71 |
| (7) EBITDA | 65,685 | 65,259 | 89,237 | 110,515 | 119,901 | 132,935 | 146,652 | 147,243 | 158,251 | 142,770 | 158,719 | 169,768 | 156,172 | 92,899 | 199,568 | 224,757 |
| Add/(deduct) | | | | | | | | | | | | | | | | |
| (8) Legal expenses of OIG investigation | - | 637 | 1,068 | 227 | 46 | 586 | 1,012 | 1,188 | 1,212 | 2,149 | 2,141 | 4,974 | 5,260 | 5,194 | - | - |
| (9) Lawsuit settlement | - | 17,350 | 272 | - | - | - | - | - | - | 10,500 | 113 | - | 1,149 | 84,476 | 796 | 6,000 |
| (10) Interest income | (373) | (237) | (114) | (151) | (137) | (267) | (220) | (295) | (703) | (750) | 78 | (241) | (325) | (388) | (580) | (380) |
| (11) Intercompany interest income | (759) | (2,554) | (5,329) | (7,254) | (5,199) | (4,314) | (4,632) | (3,998) | (3,180) | (4,288) | (6,189) | (7,499) | (7,969) | (11,656) | (12,832) | (18,135) |
| (12) Acquisition expenses | - | - | - | - | - | - | 68 | 147 | 15 | 58 | 1 | - | - | - | 209 | - |
| (13) Stock award amortization | - | - | 746 | 616 | 667 | 745 | 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 |
| (16) Program closure expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,138 | - | - |
| (17) Non cash ASC 842 expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 656 |
| (18) Adjusted EBITDA | \$ 64,553 | \$ 80,455 | \$ 85,880 | \$ 103,953 | \$ 115,278 | \$ 129,685 | \$ 143,656 | \$ 144,944 | \$ 156,289 | \$ 151,156 | \$ 155,449 | \$ 167,498 | \$ 159,393 | \$ 172,401 | \$ 188,764 | \$ 216,880 |
| Reconciliation of Adjusted Net Income | | | | | | | | | | | | | | | | |
| (19) Net income | \$ 33,052 | \$ 34,982 | \$ 43,546 | \$ 61,034 | \$ 64,304 | \$ 71,696 | \$ 79,796 | \$ 80,358 | \$ 86,577 | \$ 76,144 | \$ 86,186 | \$ 93,346 | \$ 84,961 | \$ 57,645 | \$ 138,846 | \$ 155,822 |
| (20) Add/(deduct): | | | | | | | | | | | | | | | | |
| (21) Discontinued operations | (91) | (1,477) | 4,872 | (1,201) | - | - | - | - | - | - | - | - | - | - | - | - |
| (22) Legal expenses of OIG investigation | - | 397 | 662 | 141 | 28 | 363 | 627 | 737 | 752 | 1,333 | 1,328 | 3,072 | 3,248 | 3,207 | - | - |
| (23) Lawsuit settlement | - | 10,757 | 169 | - | - | - | - | - | - | 6,510 | 70 | - | - | 52,375 | 594 | 4,476 |
| (24) Prior-period tax adjustments | - | - | - | - | (322) | - | - | - | - | - | - | - | - | - | - | - |
| (25) Acquisition expenses | - | - | - | - | - | - | 42 | 91 | 9 | 36 | 1 | - | - | - | 156 | - |
| (26) Early retirement expense | - | - | - | - | - | - | - | - | - | - | - | - | 2,840 | - | - | - |
| (27) Medicare cap sequestration adjustment | - | - | - | - | - | - | - | - | - | - | - | - | 141 | 276 | 1,114 | 2,965 |
| (28) Program closure expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | 675 | - | - |
| (29) Impact of tax reform | - | - | - | - | - | - | - | - | - | - | - | - | - | (11,057) | - | - |
| (30) Non cash ASC 842 expenses | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 490 |
| (31) Adjusted net income | \$ 32,961 | \$ 44,659 | \$ 49,249 | \$ 59,974 | \$ 64,010 | \$ 72,059 | \$ 80,465 | \$ 81,186 | \$ 87,338 | \$ 84,023 | \$ 87,585 | \$ 96,418 | \$ 91,190 | \$ 103,121 | \$ 140,710 | \$ 163,753 |

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

CHEMED CORPORATION
RECONCILIATION OF ADJUSTED EBITDA AND ADJUSTED NET INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019
(IN THOUSANDS)

| | (1) | (2) |
|--|-------------------|-------------------|
| | <u>2018</u> | <u>2019</u> |
| Reconciliation of Adjusted EBITDA | | |
| (1) Net income | \$ 205,544 | \$ 219,923 |
| (2) Interest expense | 4,990 | 4,535 |
| (3) Income taxes | 34,056 | 41,686 |
| (4) Depreciation | 38,464 | 40,870 |
| (5) Amortization | 399 | 4,335 |
| (6) EBITDA | <u>283,453</u> | <u>311,349</u> |
| Add/(deduct) | | |
| (7) Interest income | (671) | (513) |
| (8) Litigation settlement | 796 | 6,000 |
| (9) Long-term incentive compensation | 6,618 | 7,630 |
| (10) Non cash ASC 842 expenses | - | 548 |
| (11) Stock option expense | 12,611 | 14,831 |
| (12) Acquisition expenses | 757 | 4,834 |
| (13) Stock award amortization | 446 | - |
| (14) Impairment of transportation equipment | - | 2,266 |
| (15) Medicare cap sequestration adjustment | 1,496 | 3,982 |
| (16) Adjusted EBITDA | <u>\$ 305,506</u> | <u>\$ 350,927</u> |
| Reconciliation of Adjusted Net Income | | |
| (17) Net income | \$ 205,544 | \$ 219,923 |
| Add/(deduct): | | |
| (18) Long-term incentive compensation | 5,307 | 6,440 |
| (19) Non cash ASC 842 expenses | - | 406 |
| (20) Stock option expense | 10,118 | 12,237 |
| (21) Excess tax benefit on stock compensation | (22,862) | (24,177) |
| (22) Litigation settlement | 594 | 4,476 |
| (23) Medicare cap sequestration adjustments | 1,114 | 2,965 |
| (24) Impairment of transportation equipment | - | 1,733 |
| (25) Amortization of acquired and cancelled franchise agreements | - | 2,913 |
| (26) Acquisition expenses | 559 | 3,557 |
| (27) Adjusted net income | <u>\$ 200,374</u> | <u>\$ 230,473</u> |

ROTO-ROOTER GROUP

RECONCILIATION OF ADJUSTED EBIT AND ADJUSTED EBITDA FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019 (IN THOUSANDS)

| | <u>(1)</u> 2018 | <u>(2)</u> 2019 |
|---|---------------------------|---------------------------|
| Reconciliation of Adjusted EBIT and EBITDA | | |
| (1) Net income | \$ 98,711 | \$ 103,710 |
| (2) Interest expense | 319 | 345 |
| (3) Income taxes | 28,850 | 30,276 |
| (4) EBIT | <u>127,880</u> | <u>134,331</u> |
| Add/(deduct) | | |
| (5) Non cash ASC 842 expenses | - | 55 |
| (6) Interest income | (92) | (133) |
| (7) Intercompany interest income | (6,908) | (8,152) |
| (8) Stock award amortization | 100 | - |
| (9) Acquisition expenses | 548 | 4,664 |
| (10) Adjusted EBIT | <u>121,528</u> | <u>130,765</u> |
| (11) Depreciation | 18,629 | 20,730 |
| (12) Amortization | 387 | 4,264 |
| (13) Adjusted EBITDA | <u><u>\$ 140,544</u></u> | <u><u>\$ 155,759</u></u> |

VITAS HEALTHCARE GROUP
RECONCILIATION OF ADJUSTED EBITDA
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2019
(IN THOUSANDS)

| Reconciliation of Adjusted EBITDA | | (1) 2018 | (2) 2019 |
|--|---------------------------------------|--------------------|--------------------|
| (1) | Net income | \$ 138,846 | \$ 155,822 |
| (2) | Interest expense | 175 | 169 |
| (3) | Income taxes | 40,847 | 48,711 |
| (4) | Depreciation | 19,688 | 19,984 |
| (5) | Amortization | 12 | 71 |
| (6) | EBITDA | <u>199,568</u> | <u>224,757</u> |
| | Add/(deduct) | | |
| (7) | Litigation settlement | 796 | 6,000 |
| (8) | Interest income | (580) | (380) |
| (9) | Intercompany interest income | (12,832) | (18,135) |
| (10) | Stock award amortization | 107 | - |
| (11) | Medicare cap sequestration adjustment | 1,496 | 3,982 |
| (12) | Non cash ASC 842 expenses | - | 656 |
| (13) | Acquisition expenses | 209 | - |
| (14) | Adjusted EBITDA | <u>\$ 188,764</u> | <u>\$ 216,880</u> |



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