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

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Quarter Ended March 31, 1994

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.)

2600 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202

(Address of principal executive offices) (Zip code)

(513) 762-6900
(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 period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes X No

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

Class	Amount	Date
Capital Stock $1 Par Value	9,844,553 Shares	April 29, 1994

CHEMED CORPORATION AND
SUBSIDIARY COMPANIES

Index

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

	March 31, 1994	December 31, 1993
ASSETS		
Current assets		
Cash and cash equivalents	$ 12,833	$ 14,615
Marketable securities	1,095	1,200
Accounts receivable, less allowances of $2,512 (1993 - $2,391)	73,389	58,350
Current portion of note receivable	6,000	5,627
Inventories		
Raw materials	5,364	6,977
Finished goods and general merchandise	48,441	47,768
Other current assets	12,585	10,677
Total current assets	159,707	145,214
Investment in affiliate	29,913	30,656
Other Investments	50,940	37,657
Note receivable	10,413	10,413
Properties and equipment, at cost less accumulated depreciation depreciation of $35,331 (1993 - $33,952)	73,429	70,758
Identifiable intangible assets less accumulated amortization of $1,145 (1993 - $884)	21,905	22,166
Goodwill less accumulated amortization of $14,870 (1993 - $14,073)	109,975	94,867
Other assets	19,037	18,522
Total Assets	$ 475,319	$ 430,253
LIABILITIES		
Current liabilities		
Accounts payable	$ 26,188	$ 24,124
Bank notes and loans payable	25,000	25,000
Current portion of long-term debt	5,856	5,688
Income taxes	23,513	20,448
Deferred contract revenue	23,547	23,783
Other current liabilities	35,760	28,606
Total current liabilities	139,864	127,649
Deferred income taxes	3,195	374
Long-term debt	110,255	98,059
Other liabilities and deferred income	38,068	35,009
Minority interest	33,260	32,011
Total Liabilities	324,642	293,102
STOCKHOLDERS' EQUITY		
Capital stock-authorized 15,000,000 shares $1 par; issued 12,189,499 (1993 - 12,087,894) shares	12,190	12,088
Paid-in capital	135,708	132,095
Retained earnings	100,510	99,851
Unrealized appreciation on investments	9,824	-
Treasury stock - 2,343,840 (1993 - 2,289,120) shares, at cost	(65,703)	(63,914)
Unearned compensation - ESOPs	(41,852)	(42,969)
Total Stockholders' Equity	150,677	137,151
Total Liabilities and Stockholders' Equity	$ 475,319	$ 430,253

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
Sales	$ 97,585	$ 94,932
Service revenues	54,484	25,587
Total sales and service revenues	152,069	120,519
Cost of goods sold	67,120	65,031
Cost of services provided	34,038	14,479
Selling and marketing expenses	23,307	21,616
General and administrative expenses	19,280	13,451
Depreciation	2,654	2,050
Total costs and expenses	146,399	116,627
Income from operations	5,670	3,892
Interest expense	(2,047)	(2,273)
Other income - net	6,313	4,670
Income before income taxes, equity earnings and minority interest	9,936	6,289
Income taxes	(4,047)	(1,964)
Equity in earnings of affiliate	621	479
Minority interest in earnings of subsidiaries	(833)	(726)
Income before cumulative effect of a change in accounting principle	5,677	4,078
Cumulative effect of a change in accounting principle	-	1,651
Net Income	$ 5,677	$ 5,729
Earnings Per Common Share		
Income before cumulative effect of a change in accounting principle	$ .58	$ .42
Net income	$ .58	$ .59
Average number of shares outstanding	9,824	9,766
Cash Dividends Paid Per Share	$ .51	$ .50

See accompanying notes to unaudited financial statements.

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

	Three Months Ended March 31,	
	1994	1993*
Cash Flows From Operating Activities		
Net income	$ 5,677	$ 5,729
Adjustments to reconcile net income to net cash provided by operating activities:		
Gain on sale of investments	(4,827)	(2,637)
Depreciation and amortization	3,909	2,976
Proceeds from sale of trading securities	1,041	-
Purchase of trading securities	(1,000)	-
Minority interest in earnings of subsidiaries	833	726
Provision for uncollectible accounts receivable	418	446
Provision for deferred income taxes	(212)	1,223
Cumulative effect of a change in accounting principle	-	(1,651)
Changes in operating assets and liabilities, excluding amounts acquired in business combinations		
(Increase)/decrease in accounts receivable	(2,686)	1,262
Decrease in inventories and other current assets	64	2,374
(Increase)/decrease in accounts payable, deferred contract revenue and other current liabilities	2,019	(387)
(Increase)/decrease in income taxes	3,265	(1,636)
Other - net	(1,395)	(1,598)
Net cash provided by operating activities	7,106	6,827
Cash Flows From Investing Activities		
Business combinations, net of cash acquired	(14,822)	(958)
Proceeds from sale of investments	8,464	2,637
Capital expenditures	(5,025)	(3,065)
Proceeds from sale of marketable securities	-	48,690
Purchase of marketable securities	-	(35,810)
Other - net	(302)	(187)
Net cash provided/(used) by investing activities	(11,685)	11,307
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt	10,000	-
Dividends paid	(5,018)	(4,885)
Repayment of long-term debt	(3,526)	(231)
Issuance of capital stock	2,389	1,121
Purchase of treasury stock	(1,789)	(1,008)
Other - net	741	61
Net cash used by financing activities	2,797	(4,942)
Increase/(Decrease) In Cash And Cash Equivalents	(1,782)	13,192
Cash and cash equivalents at beginning of period	14,615	14,527
Cash and cash equivalents at end of period	$ 12,833	$ 27,719

See accompanying notes to unaudited financial statements.
* Reclassified to conform to 1994 presentation.

CHEMED CORPORATION AND SUBSIDIARY COMPANIES

Notes to Unaudited Financial Statements

1. The accompanying unaudited consolidated financial statements have been prepared in accordance with Rule 10-01 of SEC Regulation S-X. Consequently, they do not include all the disclosures required under generally accepted accounting principles for complete financial statements. However, in the opinion of the management of Chemed Corporation (the "Company"), the financial statements presented herein contain all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows of the Company and its consolidated subsidiaries ("Chemed"). For further information regarding Chemed's accounting policies, refer to the consolidated financial statements and notes included in Chemed's Annual Report on Form 10-K for the year ended December 31, 1993.

2. Primary earnings per common share are computed using the weighted average number of shares of capital stock outstanding and exclude the dilutive effect of outstanding stock options as it is not material.

3. Equity in earnings of affiliate represents Chemed's aftertax share of the net income of Omnicare, Inc. ("Omnicare"), a public company operating in the health care industry whose stock is traded on the New York Stock Exchange. At March 31, 1994, the Company's investment in Omnicare of $29,913,000 was $3,239,000 in excess of its 26% equity interest ($3,451,000 at December 31, 1993). The market value of the Company's investment at March 31, 1994, based on that day's closing market price of $29 3/4, was $71,117,000. Chemed received cash dividends totaling $114,000 during the first quarter of 1994 (1993 - $102,000).

   During the first quarter of 1994, Chemed sold 149,900 shares of its investment in Omnicare, realizing a pretax gain of $3,184,000 ($1,817,000 aftertax).

4. Effective January 1, 1994, Chemed acquired all of the capital stock of Patient Care Inc. ("Patient Care") for cash payments aggregating $20,582,000, including deferred payments with a present value of $6,271,000, plus 17,500 shares of Chemed Capital Stock. Additional cash payments of up to $10,400,000 may be made, the amount being contingent upon the earnings of Patient Care during the three-year period ended

December 31, 1995. Patient Care emphasizes personal care in the home, with services including skilled nursing; medical and social work; nutrition; and other specialized services. The aggregate purchase price of Patient Care and other purchase business combinations completed in the first three months of 1994 has been allocated as follows (in thousands):

Working capital	$ 9,669
Goodwill	15,990
Long-term debt	(7,000)
Other assets and liabilities - net	3,116
Total net assets	21,775
Less: cash and cash equivalents acquired	(182)
Less: deferred payments	(6,271)
Less: capital stock issued	(500)
Net cash used	$ 14,822

Unaudited pro forma sales and service revenues, which assume that the acquisitions of Patient Care and Encore Service Systems Inc. (acquired in July 1993) were completed on January 1, 1993 are as follows (in thousands):

	For the three months ended March 31,	
	1994	1993
Total sales and service revenues	$152,069	$137,904

These acquisitions did not materially impact income before cumulative effect of a change in accounting principle for 1993 or 1994. In conjunction with the purchase of Patient Care, an application for the transfer of ownership of one region of Patient Care has been made with a state regulatory agency and is expected to be approved during 1994.

5. Effective January 1, 1994, Chemed adopted Statement of Financial Accounting Standards No. 115 ("SFAS 115"), "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, the Company has classified its cash equivalents and marketable securities as "trading securities" under SFAS 115 and its investments included in

other investments as "available for sale." The resultant cumulative effect of adopting SFAS 115 on the Company's statement of income in 1994 was immaterial. The cumulative effect of adopting SFAS 115 on the Company's balance sheet as of January 1, 1994 was to increase stockholders' equity by $12,975,000.

As a result of adopting SFAS 115, investments in debt and marketable equity instruments are recorded at their fair value at March 31, 1994 and nonmarketable equity investments are recorded at cost. Such investments at December 31, 1993 were recorded at amortized cost, which approximated their fair value.

In computing realized gains or losses on the sale of investments, the Company uses the "specific identification" method to determine the cost of investments sold.

6. On March 4, 1994, the Company entered into a $10,000,000 term loan agreement ("Agreement") with Fifth Third Bank. The interest rate is variable and is based on current market conditions, or that the option of the Company, the rate may be fixed based on a stipulated formula. The loan matures on March 4, 1999 and may be prepaid without penalty. The current variable interest rate is 4.9%

7. On April 15, 1994, the Company's 89%-owned subsidiary, National Sanitary Supply company ("National Sanitary"), finalized the purchase of two southern California facilities at a total cost of $3,282,000 in cash. These facilities had been previously leased from the former owners of National Sanitary since 1983. The lease had included an option to purchase these facilities at their fair market value as of November 1983.

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

Financial Condition

Increases in accounts receivable, goodwill and accounts payable from recorded amounts at December 31, 1993 to balances as of March 31, 1994 are primarily attributable to the Company's acquisition of Patient Care Inc. ("Patient Care") effective January 1, 1994. The increase in other investments from $37,657,000 at December 31, 1993 to $50,940,000 at March 31, 1994 is primarily attributable to the Company's adoption of Statement of Financial Standards No. 115 ("SFAS 115") effective January 1, 1994. Such investments are classified as "available for sale" and include $14,885,000 of unrealized appreciation on debt and marketable equity investments at March 31, 1994. The aftertax impact of this unrealized gain is included in stockholders' equity and amounts to $9,824,000 at March 31, 1994.

The increase in income taxes from $20,448,000 at December 31, 1993 to $23,513,000 at March 31, 1994 is primarily attributable to the recognition of gains ($4,827,000 before income taxes) from the sales of investments in the first quarter of 1994. The taxes on these gains will not be paid until the second quarter of 1994.

Increases in other current liabilities and other liabilities and deferred income as of March 31, 1994 versus balances at December 31, 1993 are primarily attributable to the recording of deferred payments for the purchase of Patient Care in January 1994. The current portion of these payments included in other current liabilities amounts to $2,938,000 at March 31, 1994 and the non-current portion amounts to $3,386,000. In addition, to assist with financing the purchase of Patient Care, the Company entered into a credit agreement with the Fifth Third Bank of Cincinnati, Ohio in March 1994 to borrow $10,000,000 for a period of five years.

At March 31, 1994 Chemed had approximately $34,250,000 of unused lines of credit with various banks.

Results of Operations

Sales and service revenues and operating profit from continuing operations by business segment follow (in thousands):

	Three Months Ended March 31, 1994	Three Months Ended March 31, 1993
Sales and Service Revenues		
National Sanitary Supply	$ 71,460	$ 69,347
Roto-Rooter	41,536	27,568
Veratex	23,966	23,604
Patient Care	15,107	-
Total	$152,069	$120,519
Operating Profit		
National Sanitary Supply	$ 1,487	$ 1,402
Roto-Rooter	3,526	2,755
Veratex	1,621	1,412
Patient Care	496	-
Total	$ 7,130	$ 5,569

Data relating to (a) growth in sales and service revenues and (b) operating profit as a percent of sales and service revenues for each segment for the first three months of 1994 and 1993 are set forth on the next page:

	Sales and Service Revenues % Increase	Operating Profit as a % of Sales (Operating Margin)	
	1994 vs. 1993	1994	1993
National Sanitary Supply	3%	2.1%	2.0%
Roto-Rooter	51	8.5	10.0
Veratex	2	6.8	6.0
Patient Care	n.a.	3.3	n.a.
Total	26	4.7	4.6

Sales of the National Sanitary Supply segment for the first quarter of 1994 increased by 3% over sales for the first quarter of 1993, despite the business disruptions caused by the earthquake in National Sanitary's large Southern California market. The operating margin of this segment improved slightly from 2.0% during 1993 to 2.1% during 1994.

Sales and service revenues of the Roto-Rooter segment for the first quarter of 1994 totaled $41,536,000, an increase of 51% over the $27,568,000 recorded for the first quarter of 1993. Excluding the revenues of Encore Service Systems Inc. ("Encore"), acquired jointly by the Company and Roto-Rooter in July 1993, Roto-Rooter's total revenues for 1994 increased 16% versus revenues for 1993. Revenues from plumbing repair and maintenance services for 1994, which comprise approximately 21% of Roto-Rooter's total revenues, increased by 29% when compared with amounts recorded for 1993. Roto-Rooter's operating margin declined from 10.0% during 1993 to 8.5% during 1994 primarily as a result of the acquisition of Encore. The economies achieved as Encore is integrated into the existing service contract business should enable Encore to reach the margin achieved in Roto-Rooter's other businesses. Partially offsetting the lower margins of the Encore business was a favorable decline in insurance costs as a percent of sales from 5.0% in the first three months of 1993 to 3.1% in the first three months of 1994 as a result of continuing improvements in Roto-Rooter's safety record.

Sales of the Veratex segment, for the first three months of 1994 increased by 2% over amounts recorded during the first three months of 1993, reflecting the impact of severe winter weather which made it impossible for a large number of Veratex's customers to see their normal number of patients. The operating margin of this segment increased from 6.0% during 1993 to 6.8% during 1994. This increase was largely due to an increase in the gross profit margin during the 1994 period as a result of improved pricing and lower manufacturing costs.

Patient Care, acquired at the beginning of 1994, contributed $15,107,000 and $496,000 to sales and operating profit, respectively, during the first quarter of 1994. Compared with its 1993 first quarter results, revenues of Patient Care increased by 26% in 1994.

On a consolidated basis, Chemed's sales and service revenues for the first quarter of 1994 increased 26% over amounts recorded during the first quarter of 1993. Excluding the sales of Encore and Patient Care, sales for 1994 increased by 6% over amounts recorded during 1993. The total operating margin of Chemed improved slightly from 4.6% during 1993 to 4.7% during 1994.

Income from operations increased from $3,892,000 during the first quarter of 1993 to $5,670,000 during the first quarter of 1994, primarily as a result of the acquisitions of Encore in July 1993 and of Patient Care in January 1994.

Interest expense for the first quarter of 1994 totaled $2,047,000 as compared with $2,273,000 during the first quarter of 1993. This decline was primarily due to the maturity of the Company's Series A Senior Notes in November 1993, which carried an interest rate of approximately 10%. This debt has been replaced with short-term and long-term borrowings carrying interest rates of approximately 5%.

Other income for 1994 totaled $6,313,000 as compared with $4,670,000 for the first quarter 1993. This increase was attributable to larger gains on the sales of investments ($4,827,000 in 1994 versus $2,637,000 in 1993) partially offset by lower interest income in 1994 (due primarily to lower interest rates on cash equivalents and marketable securities).

During the first quarter of 1994 the Company's effective income tax rate was 40.7% as compared with 31.2% during the comparable period of 1993. The higher rate in 1994 was attributable to: a) a lower domestic dividend deduction and lower ESOP tax credit (as a percent of pretax income) in the 1994 quarter; b) a higher effective state and local tax rate for the 1994 period; c) a lower tax basis (versus book basis) on investments sold in 1994; and, d) lower favorable tax adjustments in the 1994 period versus those recorded in the first quarter of 1993.

Chemed's share of the earnings of Omnicare, a 26%-owned affiliate engaged in the pharmacy services business, increased by 30% from $479,000 in the first quarter of 1993 to $621,000 in the first quarter of 1994. The increase in Omnicare's income is largely attributable to continuing advances in its acquisition program.

Chemed's income before cumulative effect of a change in accounting principle increased from $4,078,000 ($.42 per share) during the first quarter of 1993 to $5,677,000 ($.58 per share) during the first quarter of 1994. Earnings for 1994 included an aftertax gain of $2,688,000 ($.28 per share) from the sales of investments during 1994. Similarly, during 1993 the Company recognized an aftertax gain of $1,741,000 ($.18 per share) from the sale of a portion of the Company's investment in EXEL Ltd.

Net income for 1994's first quarter totaled $5,677,000 ($.58 per share) as compared with $5,729,000 ($.59 per share) for the first quarter of 1993. Effective January 1, 1993, the Company recorded an aftertax gain of $1,651,000 ($.17 per share) from the adoption of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

PART II -- OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit No.	SK 601 Ref. No.	Description	Page No.
1	(11)	Statement re: Computation of Per Share Earnings	E-1

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Chemed Corporation
(Registrant)

Dated: May 11, 1994 By Kevin J. McNamara

Kevin J. McNamara, Executive Vice President, Secretary, and General Counsel

Dated: May 11, 1994 By Arthur V. Tucker

Arthur V. Tucker
Vice President and Controller (Principal Accounting Officer)

CHEMED CORPORATION AND SUBSIDIARY COMPANIES
COMPUTATION OF PER SHARE EARNINGS
(in thousands except per thousands) EXHIBIT 11

	Income Before Cumulative Effect of a Change in Accounting Principle		Net Income	
	Three Months Ended March 31,		Three Months Ended March 31,	
	1994	1993	1994	1993
Computation of Earnings Per Common and Common Equivalent Share (a):				
Reported Income	$ 5,677	$ 4,078	$ 5,677	$ 5,729
Average number of shares used to compute earnings per common share	9,824	9,766	9,824	9,766
Effect of unexercised stock options	59	37	59	37
Average number of shares used to compute earnings per common and common equivalent share	9,883	9,803	9,883	9,803
Earnings per common and common equivalent share	$ .57	$ .42	$ .57	$ .58
Computation of Earnings Per Common Share Assuming Full Dilution (a):				
Reported Income	$ 5,677	$ 4,078	$ 5,677	$ 5,729
Average number of shares used to compute earnings per common share	9,824	9,766	9,824	9,766
Effect of unexercised stock options	61	43	61	43
Average number of shares used to compute earnings per common share assuming full dilution	9,885	9,809	9,885	9,809
Earnings per common share assuming full dilution	$ .57	$ .42	$ .57	$ .58

(a) This calculation is submitted in accordance with Regulation S-K Item 601 (b) (11) although it is not required by APB Opinion No. 15 because it results in dilution of less than 3%.

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10Q FOR THE QUARTER ENDED MARCH 31, 1994 FOR CHEMED CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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CHEMED CORPORATION
1,000

3-MOS
DEC-31-1994
JAN-01-1994
MAR-31-1994
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.58