



Addus HomeCare Signs Definitive Agreement To Acquire Armada Skilled Home Health and Hospice in New Mexico

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Strengthens Company's Market Presence in New Mexico

FRISCO, Texas--(BUSINESS WIRE)--Jul. 13, 2021-- Addus HomeCare Corporation (NASDAQ: ADUS), a provider of home care services, today announced the signing of a definitive agreement to acquire Armada Skilled Home Health of New Mexico, LLC, Armada Hospice of New Mexico, LLC and Armada Hospice of Santa Fe, LLC, ("Armada") for a cash purchase price of approximately \$29.0 million. Based in Albuquerque, New Mexico, Armada currently serves an average daily census of approximately 1,100 patients for home health services and 100 patients for hospice care, with primary coverage across Bernalillo County and surrounding counties. Addus expects to close the transaction on or about August 1, 2021, following completion of all required regulatory approvals, subject to customary closing conditions.

Dirk Allison, Chairman and Chief Executive Officer of Addus HomeCare Corporation, commented, "We believe this acquisition is a great strategic fit for Addus, and we are very pleased to reach an agreement with Armada to expand our market coverage in New Mexico, which is an important and growing market for Addus. This proposed acquisition follows our strategy to grow our clinical services offering in home health and enhances our ability to provide all three levels of home care in New Mexico. We will also benefit from the additional opportunities to provide quality hospice services to more patients. We look forward to working with the experienced operational leadership team and clinical staff at Armada, who share our mission to provide quality, patient-centered care in the home.

"Armada has annualized revenues of approximately \$23.0 million, and we expect this transaction to be immediately accretive to our financial results," said Allison.

Chris Tapia, Chief Executive Officer of Armada, commented, "We believe this proposed acquisition will benefit everyone associated with Armada, especially the patients we serve. Addus has an excellent reputation in our market area, and we look forward to joining the Addus family. We share the same dedication to providing quality home health care services and premium end-of-life care that supports both patients and families. We are excited to leverage the strength of our combined operations."

Allison added, "Acquisitions continue to be an integral part of our growth strategy at Addus and complement our strong organic growth opportunities. We are focused on transactions that will allow us to enhance our service offerings in each of our operating segments in target markets. We are confident in our ability to drive value from our acquired operations and further strengthen our competitive position."

Forward-Looking Statements

Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may be identified by words such as "preliminary," "continue," "expect," and similar expressions. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effect on us. Forward-looking statements involve a number of risks and uncertainties that may cause actual results to differ materially from those expressed or implied by such forward-looking statements, including discretionary determinations by government officials, the consummation and integration of acquisitions, anticipated transition to managed care providers, our ability to successfully execute our growth strategy, unexpected increases in SG&A and other expenses, expected benefits and unexpected costs of acquisitions and dispositions, management plans related to dispositions, the possibility that expected benefits may not materialize as expected, the failure of the business to perform as expected, changes in reimbursement, changes in government regulations, changes in Addus HomeCare's relationships with referral sources, increased competition for Addus HomeCare's services, changes in the interpretation of government regulations, the uncertainty regarding the outcome of discussions with managed care organizations, changes in tax rates, the impact of adverse weather, higher than anticipated costs, lower than anticipated cost savings, estimation inaccuracies in future revenues, margins, earnings and growth, whether any anticipated receipt of payments will materialize, any future impact to our business operations, reimbursements and patient population due to the recent COVID-19 global pandemic, and other risks set forth in the Risk Factors section in Addus HomeCare's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2021, which is available at www.sec.gov. The financial information described herein and the periods to which they relate are preliminary estimates that are subject to change and finalization. There is no assurance that the final amounts and adjustments will not differ materially from the amounts described above, or that additional adjustments will not be identified, the impact of which may be material. Addus HomeCare undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, these forward-looking statements necessarily depend upon assumptions, estimates and dates that may be incorrect or imprecise and involve known and unknown risks, uncertainties, and other factors. Accordingly, any forward-looking statements included in this press release do not purport to be predictions of future events or circumstances and may not be realized. (Unaudited tables and notes follow).

About Addus HomeCare

Addus HomeCare is a provider of home care services that primarily include personal care services that assist with activities of daily living, as well as hospice and home health services. Addus HomeCare's consumers are primarily persons who, without these services, are at risk of hospitalization or institutionalization, such as the elderly, chronically ill and disabled. Addus HomeCare's payor clients include federal, state and local governmental agencies, managed care organizations, commercial insurers and private individuals. Addus HomeCare currently provides home care services to approximately 44,000 consumers through 208 locations across 22 states. For more information, please visit www.addus.com.

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