



Addus HomeCare Increases Presence In New Mexico With Agreement To Purchase Ambercare Corporation

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Business Provides Personal Care, Hospice and Home Health Services through 15 Locations across New Mexico, Producing Revenue of Approximately \$57 Million

FRISCO, Texas, Feb. 28, 2018 /PRNewswire/ -- Addus HomeCare Corporation (NASDAQ: ADUS), a provider of comprehensive home care services, today announced the signing of a definitive agreement to purchase Ambercare Corporation, Inc., a provider of personal care, hospice and home health services, headquartered in Albuquerque, New Mexico. Ambercare currently serves approximately 2,600 consumers through 15 locations located across New Mexico and for 2017, generated revenue of approximately \$57 million. Addus expects to complete the transaction in the second quarter of 2018 for a purchase price of \$40.0 million (net of excess cash), subject to usual closing conditions, with funding through the delayed draw term loan portion of its credit facility.

Dirk Allison, President and Chief Executive Officer of Addus, commented, "We are pleased to announce our agreement to purchase Ambercare, a long-time provider of high quality home care services and the leading hospice provider in the state. With a trailing EBITDA purchase multiple between 7.0x and 8.0x, we expect this transaction to be accretive to our 2018 financial results, as well as significantly expand the scope of services we provide in New Mexico. The completion of this acquisition, along with our August 2017 purchase of Options Home Care, will make Addus New Mexico's leading provider of both personal care and hospice.

"We are particularly excited to supplement our service offering with hospice services through this acquisition, consistent with our strategy of providing an expanded range of home-based healthcare services. Our management team has deep experience in the hospice industry, and we look forward to welcoming the employees of Ambercare to the Addus family and adding their expertise to our own, as we intend to continue to grow this segment of the business in the future."

Mary Merrell, Chairwoman of Ambercare, said, "Given the strong reputation of Addus in our market and nationally, they are a natural fit for Ambercare's customers and staff. We are excited to be joining Addus, and we expect their support systems and expertise will help us remain a leader in hospice, home health and personal care services in our community."

Mr. Allison added, "This acquisition complements our acquisitions in October and January of two high quality home care providers of services to private pay consumers. These transactions reflect our growing acquisition pipeline, which we expect will continue to help us expand our market share and diversify our client base in targeted markets. With a strong financial position and substantial cash flow from operations, we believe we are well-positioned both to fund our organic growth and execute additional accretive acquisitions during 2018."

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 "will," "continue," "expect," "believe" 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, 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 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 15, 2017, which is available at www.sec.gov. 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.

About Addus

Addus is a provider of comprehensive personal care services that are provided in the home and assist with activities of daily living. Addus' consumers are primarily persons who are at risk of hospitalization or institutionalization, such as the elderly, chronically ill and disabled. Addus' payor clients include federal, state and local governmental agencies, managed care organizations, commercial insurers and private individuals. At September 30, 2017, Addus provided personal care services to approximately 35,000 consumers through 114 locations across 24 states. For more information, please visit www.addus.com.

[to-purchase-ambercare-corporation-300606090.html](https://www.sec.gov/edgar/disclosure/primary/efiling/000119312521000001/000119312521000001.pdf)

SOURCE Addus HomeCare Corporation

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