

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): November 12, 2020 (November 10, 2020)

ADDUS HOMECARE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34504
(Commission
File Number)

20-5340172
(I.R.S. Employer
Identification No.)

6303 Cowboys Way, Suite 600
Frisco, Texas
(Address of principal executive offices)

75034
(Zip Code)

(469) 535-8200
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	ADUS	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company.

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On November 10, 2020, Addus HealthCare, Inc., an Illinois corporation (“Addus HealthCare”) and a wholly-owned subsidiary of Addus HomeCare Corporation (the “Corporation”), entered into a Unit Purchase Agreement (the “Purchase Agreement”) with (i) Queen City Hospice, LLC, a Delaware limited liability company (“Queen City”), (ii) Miracle City Hospice, LLC, a Delaware limited liability company (“Miracle City”), and together with Queen City, “Queen City Hospice”), and (iii) QCH Holdings LLC, a Delaware limited liability company (the “Seller”). Pursuant to the Purchase Agreement, Addus HealthCare has agreed to directly or indirectly acquire all of the issued and outstanding equity interests of Queen City Hospice (the “Transaction”) for a cash purchase price of \$192.0 million, representing \$162.8 million of value, net of the present value of \$29.2 million in estimated tax benefits, subject to customary adjustments for working capital and other items. Based in Cincinnati, Ohio, Queen City Hospice currently serves patients across the state of Ohio, including patients in the Cincinnati, Columbus, and Dayton markets.

The Transaction is expected to close in December of 2020, subject to, among other customary closing conditions, the accuracy of the representations and warranties in the Purchase Agreement, compliance with the covenants in the Purchase Agreement, completion of all required regulatory approvals, and the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. Addus Healthcare and the Seller are also provided certain customary termination rights.

The Seller has made customary representations and warranties with respect to the businesses of Queen City Hospice, as well as customary covenants regarding the operation of the business of Queen City Hospice during the period between the execution of the Purchase Agreement and the closing of the Transaction. Addus Healthcare is obligated to obtain (and has already bound) representations and warranties insurance. Consummation of the transaction contemplated by the Purchase Agreement is not subject to any financing condition, and there is no termination or reverse termination fee in connection with the Purchase Agreement.

Item 7.01 Regulation FD Disclosure.

On November 11, 2020, the Corporation issued the Press Release announcing the entry into the Purchase Agreement. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release, dated November 11, 2020.
104	Cover Page Interactive Data File (embedded within Inline XBRL document).

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 hereunto duly authorized.

ADDUS HOMECARE CORPORATION

Date: November 12, 2020

By: /s/ Brian Poff
Brian Poff
Chief Financial Officer



Contacts: Brian W. Poff
 Executive Vice President,
 Chief Financial Officer
 Addus HomeCare Corporation
 (469) 535-8200
investorrelations@addus.com

Dru Anderson
 Corporate Communications, Inc.
 (615) 324-7346
dru.anderson@cci-ir.com

**ADDUS HOMECARE SIGNS DEFINITIVE AGREEMENT TO
 ACQUIRE QUEEN CITY HOSPICE, LLC AND AFFILIATE**

***Ohio Business Provides Hospice Services through Three Locations
 Producing Annualized Revenue of Approximately \$56 Million***

Frisco, Texas (November 11, 2020) – Addus HomeCare Corporation (NASDAQ: ADUS), a provider of home care services, today announced the signing of a definitive agreement to acquire Queen City Hospice, LLC, and its affiliate Miracle City Hospice, LLC (together “Queen City Hospice”) for a cash purchase price of \$192.0 million, representing \$162.8 million of value, net of the present value of \$29.2 million in estimated tax benefits. Based in Cincinnati, Ohio, Queen City Hospice currently serves an average daily census of approximately 900 patients across the state of Ohio, including patients in the Cincinnati, Columbus, and Dayton markets. Addus expects to close the transaction following completion of all required regulatory approvals, subject to customary closing conditions. Addus will fund the acquisition through a combination of cash on hand and the Company’s revolving credit facility.

Dirk Allison, President and Chief Executive Officer of Addus HomeCare Corporation, commented, “We are very pleased to announce our agreement to acquire Queen City Hospice, a leading provider of hospice services in the state of Ohio. This proposed acquisition is aligned with our strategy of providing hospice and home health care in markets where we already have a significant personal care presence. With this acquisition, Ohio becomes the second state where we have the capability to provide all three levels of home care. We are excited to have this opportunity to combine a well-respected and growing hospice operation like Queen City Hospice with our existing operations.

“We look forward to working with the experienced operational leadership team at Queen City Hospice and its clinical staff of over 600 employees. Importantly, we share the same dedication to patient-centered hospice services that allow consumers to receive quality, compassionate care in their homes. We believe this acquisition is a great strategic fit for Addus, and we look forward to the additional opportunities for growth through our combined operations. Queen City Hospice has annualized revenues of approximately \$56 million, and we expect this transaction to be immediately accretive to our financial results,” said Allison.

James Vannelle, Chief Executive Officer of Queen City Hospice, LLC, commented, “We are excited to have our team join the Addus family and believe this will be a great opportunity for everyone associated with Queen City Hospice. We are mindful of our critical role in meeting the demand for quality end of life care and supporting the patients and families we serve. We recognize this same level of commitment in the Addus team, and we look forward to working together to extend our market reach so that Queen City Hospice can provide quality hospice services to more patients.”

Mr. Allison added, “Acquisitions have been and remain an important part of our growth strategy at Addus. This pending acquisition, along with the other two acquisitions we have closed in 2020, will bring our total acquired annualized revenues to approximately \$82 million. We have strategically maintained a strong capital structure, which allows us to pursue acquisition opportunities as they occur. While our approach to acquisitions has emphasized appropriate caution and additional diligence through the early phase of the COVID-19 pandemic, we are now fully engaged in the process of identifying and pursuing acquisition opportunities in each of our three operating segments. We have an outstanding development team with a track record of success and a strong acquisition pipeline, which together support our ability to extend our market reach and further strengthen our competitive position.”

Raymond James Health Care Banking acted as financial advisor to Addus.

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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, the anticipated impact to our business operations, reimbursements and patient population due to the recent COVID-19 global pandemic, caused by a novel strain of the coronavirus (COVID-19), 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 August 10, 2020, 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.

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 214 locations across 25 states. For more information, please visit www.addus.com.

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