

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM 8-K**

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

**Date of Report (Date of earliest event reported): May 3, 2021**

**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, TX**  
(Address of principal executive offices)

**75034**  
(Zip Code)

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

**Not Applicable**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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	ADUS	The Nasdaq Global Market

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.

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**Item 2.02. Results of Operations and Financial Condition**

On May 3, 2021, Addus HomeCare Corporation (the “Company”) issued a press release (the “Press Release”) announcing, among other matters, the Company’s results of operations for the fiscal quarter ended March 31, 2021. A copy of the Press Release is furnished herewith as [Exhibit 99.1](#) to this report and is incorporated herein by reference.

**Item 7.01. Regulation FD Disclosure**

On May 3, 2021, the Company issued the Press Release, announcing, among other matters, its results of operations for the fiscal quarter ended March 31, 2021, the text of which is set forth as [Exhibit 99.1](#).

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release of Addus HomeCare Corporation dated May 3, 2021.</a>
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**

Dated: May 3, 2021

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

**Contacts:**

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 Chief Financial Officer  
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**ADDUS HOMECARE ANNOUNCES  
 FIRST-QUARTER 2021 FINANCIAL RESULTS**

***Revenue Increases 7.9% to \$205.3 million***

***Net Income Increases to \$8.9 Million, or \$0.55 per Diluted Share,  
 and Adjusted Earnings per Diluted Share of \$0.74***

***Adjusted EBITDA Increases 8.9% to \$19.3 Million***

**Frisco, Texas** (May 3, 2021) – Addus HomeCare Corporation (NASDAQ: ADUS), a provider of home care services, today announced financial results for the first quarter ended March 31, 2021.

Net service revenues were \$205.3 million for the first quarter of 2021, a 7.9% increase compared with \$190.2 million for the first quarter of 2020. Net income was \$8.9 million for the first quarter of 2021, compared with \$8.7 million for the first quarter last year, while net income per diluted share was \$0.55 compared with \$0.54 for the first quarter of 2020. Adjusted net income per diluted share was \$0.74 for the first quarter of 2021 compared with \$0.77 for the first quarter of 2020.

Adjusted net income per diluted share for the first quarter of 2021 excludes acquisition and de novo expenses of \$0.08, restructuring and other costs of \$0.02, and stock-based compensation expense of \$0.12, offset by the exclusion of a positive impact of net COVID-19 expenses of \$0.03. Adjusted EBITDA increased to \$19.3 million for the first quarter of 2021 from \$17.7 million in the first quarter of 2020, an 8.9% increase. (See page 8 for a reconciliation of all non-GAAP and GAAP financial measures in this news release.)

As of March 31, 2021, the Company had cash of \$125.5 million and bank debt of \$196.3 million, while availability under its revolving credit facility was \$112.8 million. Net cash used in operating activities was \$18.4 million for the first quarter of 2021, inclusive of the return of \$10.8 million in CARES Act funding received as part of the Queen City acquisition.

Dirk Allison, Chairman and Chief Executive Officer of Addus HomeCare, commented, “We are particularly pleased to report first quarter financial and operating results that compare favorably to the first quarter of 2020, our best ever first quarter and the last quarter not to be significantly affected by the COVID-19 pandemic. First quarter 2021 results reflect an improving public health environment, and we anticipate that the COVID-19 pandemic will continue to steadily decrease in severity over the next several quarters. While we were impacted by both the pandemic and the historic winter storm that interrupted business throughout many of our significant markets, we nevertheless saw overall revenue growth across each of our operating segments, including our acquired businesses, generating solid comparisons to our record 2020 first quarter and providing a strong start to 2021.

“We continue to see improving organic growth trends ahead of pre-pandemic levels in both personal care and home health. With the accelerating growth in vaccinations across the country and increasing facility access, we expect that we will begin to see a return to higher volume trends in our hospice business. Ultimately, we believe Addus is well positioned to meet expected demand in all our operating segments as overall conditions improve and more restrictions are lifted.

“We also expect to benefit from the statewide Illinois rate increase that became effective April 1, 2021 and will help offset the most recent increase in the Chicago minimum wage. Illinois is an important market for Addus, and we were pleased to see the implementation of this rate increase following a previous delay.”

Mr. Allison added, “Despite COVID-19 challenges, we were able to complete three acquisitions in the second half of last year, including our acquisition of Queen City Hospice on December 1, 2020. Integration of these transactions is largely complete, and our average daily census at Queen City has seen positive growth since acquisition. We continue to have a solid pipeline of potential acquisitions that we will aggressively pursue, primarily focused on transactions that allow us to operate each of our hospice, home health and personal care segments in strategic markets. We have the financial strength necessary to complete acquisitions that meet our objectives and we are confident that we can continue our record of delivering value from acquired operations.”

#### **Non-GAAP Financial Measures**

The information provided in this release includes adjusted net income, adjusted EBITDA and adjusted net income per diluted share, which are non-GAAP financial measures. The Company defines adjusted net income as net income before the net COVID-19 expenses, acquisition and de novo expenses, stock-based compensation expense, restructure expenses, and other costs. The Company defines adjusted EBITDA as earnings before interest expense, taxes, depreciation, amortization, net COVID-19 expenses, acquisition and de novo expenses, stock-based compensation expense, restructure expenses, and other costs. The Company defines adjusted diluted earnings per share as earnings per share, adjusted for net COVID-19 expenses, acquisition and de novo expenses, stock compensation expense, restructure expenses, and other costs. The Company defines adjusted net service revenues as revenue adjusted for the closure of certain sites. The Company has provided, in the financial statement tables included in this press release, a reconciliation of adjusted net income to net income, a reconciliation of adjusted EBITDA to net income, a reconciliation of adjusted diluted earnings per share to earnings per share, and a reconciliation of adjusted net service revenues to net service revenues, in each case, the most directly comparable GAAP measure. Management believes that adjusted net income, adjusted EBITDA, adjusted diluted earnings per share, and adjusted net service revenues are useful to investors, management and others in evaluating the Company’s operating performance, to provide investors with insight and consistency in the Company’s financial reporting and to present a basis for comparison of the Company’s business operations among periods, and to facilitate comparison with the results of the Company’s peers. With respect to net COVID-19 expenses, the Company views these expenses as unrelated to the Company’s long-term performance, since they are directly related to the sudden onset COVID-19 pandemic.

#### **Conference Call**

Addus will host a conference call on Tuesday, May 4, 2021, beginning at 9:00 a.m. Eastern time. The toll-free dial-in number is (877) 930-8289 (international dial-in number is (253) 336-8714), pass code 6176200. A telephonic replay of the conference call will be available through midnight on May 11, 2021, by dialing (855) 859-2056 (international dial-in number is (404) 537-3406) and entering pass code 6176200. A live broadcast of Addus HomeCare’s conference call will be available under the Investor Relations section of the Company’s website: [www.addus.com](http://www.addus.com). An online replay will also be available on the Company’s website for one month, beginning approximately two hours following the conclusion of the live broadcast.

#### **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

-MORE-

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 March 1, 2021, which is available at [www.sec.gov](http://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](http://www.addus.com).

-MORE-

**ADDUS HOMECARE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Statements of Income**  
**(amounts and shares in thousands, except per share data)**  
**(Unaudited)**

<i>Income Statement Information:</i>	<b>For the Three Months Ended March 31,</b>	
	<u>2021</u>	<u>2020</u>
Net service revenues	\$ 205,302	\$ 190,216
Cost of service revenues	144,105	134,381
Gross profit	61,197	55,835
	29.8%	29.4%
General and administrative expenses	45,426	42,287
Depreciation and amortization	3,601	2,887
Total operating expenses	49,027	45,174
Operating income from continuing operations	12,170	10,661
Total interest expense, net	1,194	574
Income before income taxes	10,976	10,087
Income tax expense	2,082	1,429
Net income	\$ 8,894	\$ 8,658
Net income per diluted share:	\$ 0.55	\$ 0.54
Weighted average number of common shares outstanding:		
Diluted	16,069	15,907

  

<i>Cash Flow Information:</i>	<b>For the Three Months Ended March 31,</b>	
	<u>2021</u>	<u>2020</u>
Net cash (used in) provided by operating activities	\$ (18,366)	\$ 20,442
Net cash (used in) investing activities	(1,021)	(2,834)
Net cash (used in) provided by financing activities	(144)	1,141
Net change in cash	(19,531)	18,749
Cash at the beginning of the period	145,078	111,714
Cash at the end of the period	\$ 125,547	\$ 130,463

-MORE-

**ADDUS HOMECARE CORPORATION AND SUBSIDIARIES**  
**Condensed Consolidated Balance Sheets**  
**(Amounts in thousands)**  
**(Unaudited)**

	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Current assets		
Cash	\$ 125,547	\$ 130,463
Accounts receivable, net	138,806	141,083
Prepaid expenses and other current assets	10,787	6,505
Total current assets	275,140	278,051
Property and equipment, net	19,322	13,791
Other assets		
Goodwill	469,036	275,364
Intangible assets, net	69,395	55,304
Deferred tax assets, net	6,359	1,606
Operating lease assets	38,325	20,703
Total other assets	583,115	352,977
Total assets	\$877,577	\$644,819
<b>Liabilities and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 23,459	\$ 17,561
Accrued payroll	20,255	29,476
Accrued expenses	38,654	22,116
Government stimulus advance	20,368	—
Accrued workers compensation	14,380	14,497
Current portion of long-term debt	972	956
Total current liabilities	118,088	84,606
Long-term debt, less current portion, net of debt issuance costs	193,839	59,112
Long-term operating lease liabilities, less current portion	35,623	13,638
Other long-term liabilities	117	655
Total long-term liabilities	229,579	73,405
Total liabilities	347,667	158,011
Total stockholders' equity	529,910	486,808
Total liabilities and stockholders' equity	\$877,577	\$644,819

-MORE-



**ADDUS HOMECARE CORPORATION AND SUBSIDIARIES**  
**Net Service Revenues by Segment**  
**(Amounts in thousands)**  
**(Unaudited)**

	<b>For the Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Personal Care	\$164,868	\$160,665
Hospice	36,094	25,212
Home Health	4,340	4,339
Total Revenue	<u>\$205,302</u>	<u>\$190,216</u>

-MORE-

**ADDUS HOMECARE CORPORATION AND SUBSIDIARIES**  
**Key Statistical and Financial Data (Unaudited)**

	<b>For the Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Personal Care</b>		
States served at period end	21	24
Locations served at period end	164	151
Average billable census - same store	36,788	39,170
Average billable census - acquisitions (1)	1,539	—
Average billable census total (2)	38,327	39,170
Billable hours (in thousands)	7,567	7,674
Average billable hours per census per month	65.2	64.9
Billable hours per business day	118,237	118,054
Revenues per billable hour	\$ 21.75	\$ 20.97
<b>Organic growth</b>		
- Revenue	2.4%	14.0%
<b>Hospice</b>		
Locations served at period end	34	34
Admissions	2,394	1,655
Average daily census	2,400	1,863
Average discharge length of stay	101.3	99.1
Patient days	216,007	169,512
Revenue per patient day	\$ 167.09	\$ 150.49
<b>Organic growth</b>		
- Revenue	(8.4)%	12.1%
- Average daily census	(20.2)%	14.1%
<b>Home Health</b>		
Locations served at period end	10	10
New Admissions	1,168	1,022
Recertifications	657	710
Total Volume	1,825	1,732
Visits	27,665	33,710
<b>Organic growth</b>		
- Revenue	0.0%	19.5%
- Total volume	5.4%	6.6%
<b>Percentage of Revenues by Payor:</b>		
<b>Personal Care</b>		
State, local and other governmental programs	49.0%	49.4%
Managed care organizations	45.8	44.9
Private duty	3.0	3.3
Commercial	1.4	1.6
Other	0.8%	0.8%
<b>Hospice</b>		
Medicare	94.2%	92.1%
Managed care organizations	4.1	5.5
Other	1.7%	2.4%
<b>Home Health</b>		
Medicare	80.7%	80.0%
Managed care organizations	18.4	18.6
Other	0.9%	1.4%

- (1) The average billable census in acquisitions of 993 for the three ended March 31, 2020, was reclassified to average billable census - same stores for comparability purposes. The average billable census for the three months ended March 31, 2021 was prorated for the date of the acquisition.
- (2) Exited sites would have reduced same store census for the three months ended March 31, 2020 by 696.

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**ADDUS HOMECARE CORPORATION AND SUBSIDIARIES**  
**Reconciliation of Non-GAAP Financial Measures**  
(Amounts in thousands, except per share data)  
(Unaudited)

	For the Three Months Ended March 31,	
	2021	2020
<b>Reconciliation of Adjusted EBITDA to Net Income: (1)</b>		
Net income	\$ 8,894	\$ 8,658
Interest expense, net	1,194	574
Income tax expense	2,082	1,429
Depreciation and amortization	3,601	2,887
COVID-19 expense, net	(591)	263
Acquisition and de novo expenses	1,475	1,634
Stock-based compensation expense	2,239	1,407
Restructuring and other costs	402	873
Adjusted EBITDA	<u>\$ 19,296</u>	<u>\$ 17,725</u>
<b>Reconciliation of Adjusted Net Income to Net Income: (2)</b>		
Net income	\$ 8,894	\$ 8,658
COVID-19 expense, net of tax	(479)	227
Acquisition and de novo expenses, net of tax	1,352	1,417
Stock-based compensation expense, net of tax	1,814	1,220
Restructuring and other costs, net of tax	326	758
Adjusted Net Income	<u>11,907</u>	<u>12,280</u>
<b>Reconciliation of Diluted Earnings per Share to Adjusted Diluted Earnings per Share: (3)</b>		
Diluted earnings per share	\$ 0.55	\$ 0.54
COVID-19 expense, net per diluted share	(0.03)	0.01
Acquisition and de novo expenses, per diluted share	0.08	0.09
Restructuring and other costs per diluted share	0.02	0.05
Stock-based compensation expense per diluted share	0.12	0.08
Adjusted net income per diluted share	<u>\$ 0.74</u>	<u>\$ 0.77</u>
<b>Reconciliation of Net Service Revenues to Adjusted Net Service Revenues: (4)</b>		
Net service revenues	\$205,302	\$190,216
Revenue associated with the closure of certain sites	2	(2,078)
Adjusted net service revenues	<u>\$205,304</u>	<u>\$188,138</u>

- (1) We define Adjusted EBITDA as earnings before interest expense, taxes, depreciation, amortization, net COVID-19 expenses, acquisition and de novo expenses, stock-based compensation expense, restructure expenses, and other costs. Adjusted EBITDA is a performance measure used by management that is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). It should not be considered in isolation or as a substitute for net income, operating income or any other measure of financial performance calculated in accordance with GAAP.
- (2) We define Adjusted Net Income as net income before net COVID-19 expenses, acquisition and de novo expenses, stock-based compensation expense, restructure expenses, and other costs. Adjusted Net Income is a performance measure used by management that is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). It should not be considered in isolation or as a substitute for net income, operating income or any other measure of financial performance calculated in accordance with GAAP.
- (3) We define Adjusted diluted earnings per share as earnings per share, adjusted for net COVID-19 expenses, acquisition and de novo expenses, stock compensation expense and restructure expenses, and other costs. Adjusted diluted earnings per share is a performance measure used by management that is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). It should not be considered in isolation or as a substitute for net income, operating income or any other measure of financial performance calculated in accordance with GAAP.
- (4) We define Adjusted net service revenues as revenue adjusted for the closure of certain sites. Adjusted net service revenues is a performance measure used by management that is not calculated in accordance with generally accepted accounting principles in the United States (GAAP). It should not be considered in isolation or as a substitute for net income, operating income or any other measure of financial performance calculated in accordance with GAAP.

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