

Addus HomeCare Corp
Form 10-Q
August 08, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2017

OR

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

For the transition period from to

Commission file number 001-34504

ADDUS HOMECARE CORPORATION

(Exact name of registrant as specified in its charter)

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Delaware
(State or other jurisdiction of
incorporation or organization)

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

6801 Gaylord Parkway, Suite 110

Frisco, TX
(Address of principal executive offices)

75034
(Zip code)

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

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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 No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No .

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

Common Stock \$0.001 par value

Shares outstanding at July 31, 2017: 11,624,536

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As of June 30, 2017 and December 31, 2016

(Amounts and Shares in Thousands, Except Per Share Data)

	(Unaudited) June 30, 2017	(Audited) December 31, 2016
Assets		
Current assets		
Cash	\$ 15,873	\$ 8,013
Accounts receivable, net of allowances of \$9,085 and \$7,363 at June 30, 2017 and December 31, 2016, respectively	137,967	116,999
Prepaid expenses and other current assets	3,884	5,998
Total current assets	157,724	131,010
Property and equipment, net of accumulated depreciation and amortization		
	7,191	6,648
Other assets		
Goodwill	73,906	73,906
Intangibles, net of accumulated amortization	13,320	15,413
Non-current deferred tax assets, net	3,153	3,153
Investment in joint venture	900	900
Total other assets	91,279	93,372
Total assets	\$ 256,194	\$ 231,030
Liabilities and stockholders equity		
Current liabilities		
Accounts payable	\$ 3,430	\$ 4,486
Current portion of long-term debt, net of debt issuance costs	3,052	2,531
Accrued expenses	40,590	42,603
Total current liabilities	47,072	49,620
Long-term liabilities		
Long-term debt, less current portion, net of debt issuance costs	40,986	22,482
Total liabilities	\$ 88,058	\$ 72,102
Stockholders equity		

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Common stock \$.001 par value; 40,000 authorized and 11,625 and 11,527 shares issued and outstanding as of June 30, 2017 and December 31, 2016, respectively	\$	12	\$	12
Additional paid-in capital		94,502		92,253
Retained earnings		73,622		66,663
Total stockholders equity		168,136		158,928
Total liabilities and stockholders equity	\$	256,194	\$	231,030

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

Table of Contents**ADDUS HOMECARE CORPORATION****AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****For the Three and Six Months Ended June 30, 2017 and 2016****(Amounts and Shares in Thousands, Except Per Share Data)****(Unaudited)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2017	2016	2017	2016
Net service revenues	\$ 103,559	\$ 100,927	\$ 205,165	\$ 193,529
Cost of service revenues	75,048	75,232	149,337	143,515
Gross margin	28,511	25,695	55,828	50,014
General and administrative expenses	19,006	17,744	37,879	38,565
Gain on sale of adult day services centers			(2,065)	
Depreciation and amortization	1,514	1,744	3,030	3,222
Provision for doubtful accounts	2,070	1,813	4,102	3,181
Total operating expenses	22,590	21,301	42,946	44,968
Operating income	5,921	4,394	12,882	5,046
Interest income	(13)	(23)	(20)	(30)
Interest expense	2,108	686	2,759	1,112
Total interest expense, net	2,095	663	2,739	1,082
Other income	44		101	
Income before income taxes	3,870	3,731	10,244	3,964
Income tax expense	1,170	1,131	3,285	1,207
Net income	\$ 2,700	\$ 2,600	\$ 6,959	\$ 2,757
Net income per common share				
Basic income per share	\$ 0.24	\$ 0.23	\$ 0.61	\$ 0.25
Diluted income per share	\$ 0.23	\$ 0.23	\$ 0.60	\$ 0.25
Weighted average number of common shares and potential common shares outstanding:				
Basic	11,470	11,361	11,452	11,192
Diluted	11,622	11,385	11,604	11,217

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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ADDUS HOMECARE CORPORATION

AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Six Months Ended June 30, 2017

(Amounts and Shares in Thousands)

(Unaudited)

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-in	Earnings	Stockholders
			Capital		Equity
Balance at December 31, 2016	11,527	\$ 12	\$ 92,253	\$ 66,663	\$ 158,928
Issuance of shares of common stock under restricted stock award agreements	80				
Forfeiture of shares of common stock under restricted stock award agreements	(10)				
Stock-based compensation			1,091		1,091
Shares issued	28		1,158		1,158
Net income				6,959	6,959
Balance at June 30, 2017	11,625	\$ 12	\$ 94,502	\$ 73,622	\$ 168,136

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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ADDUS HOMECARE CORPORATION
AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2017 and 2016
(Amounts in Thousands)
(Unaudited)