

Addus HomeCare Corp
Form 10-Q
November 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2013

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.)

2401 South Plum Grove Road

Palatine, Illinois
(Address of principal executive offices)

60067
(Zip code)

(847) 303-5300
(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, or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
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 October 31, 2013: 10,912,973

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As of September 30, 2013 and December 31, 2012

(amounts and shares in thousands, except per share data)

	(Unaudited) September 30, 2013	December 31, 2012
Assets		
Current assets		
Cash	\$ 29,464	\$ 1,737
Accounts receivable, net of allowances of \$4,026 and \$4,466 at September 30, 2013 and December 31, 2012, respectively	54,516	71,303
Prepaid expenses and other current assets	6,167	7,293
Assets held for sale, net		245
Deferred tax assets	7,258	7,258
Total current assets	97,405	87,836
Property and equipment, net of accumulated depreciation and amortization	2,471	2,489
Other assets		
Goodwill	50,416	50,536
Intangibles, net of accumulated amortization	5,352	6,370
Deferred tax assets		2,328
Investment in joint ventures	900	
Other assets	173	298
Total other assets	56,841	59,532
Total assets	\$ 156,717	\$ 149,857
Liabilities and stockholders equity		
Current liabilities		
Accounts payable	\$ 4,379	\$ 4,117
Accrued expenses	36,401	32,717
Current maturities of long-term debt		208
Deferred revenue	19	2,148
Total current liabilities	40,799	39,190

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Deferred tax liabilities	3,097	
Long term debt, less current maturities		16,250
Total liabilities	43,896	55,440
Commitments, contingencies and other matters		
Stockholders' equity		
Common stock \$.001 par value; 40,000 authorized and 10,913 and 10,823 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	11	11
Additional paid-in capital	82,922	82,778
Retained earnings	29,888	11,628
Total stockholders' equity	112,821	94,417
Total liabilities and stockholders' equity	\$ 156,717	\$ 149,857

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 Nine Months Ended September 30, 2013 and 2012****(amounts and shares in thousands, except per share data)****(Unaudited)**

	For the Three Months Ended		For the Nine Months	
	September 30,		Ended	
	2013	2012	2013	2012
Net service revenues	\$ 67,306	\$ 61,211	\$ 196,059	\$ 180,540
Cost of service revenues	50,080	45,528	146,422	134,026
Gross profit	17,226	15,683	49,637	46,514
General and administrative expenses	12,424	11,181	36,026	34,710
Gain on sale of agency				(495)
Depreciation and amortization	539	635	1,626	1,897
Total operating expenses	12,963	11,816	37,652	36,112
Operating income from continuing operations	4,263	3,867	11,985	10,402
Interest expense (income), net	(24)	407	326	1,237
Income from continuing operations before income taxes	4,287	3,460	11,659	9,165
Income tax expense	1,517	1,256	3,620	3,380
Net income from continuing operations	\$ 2,770	\$ 2,204	\$ 8,039	\$ 5,785
Discontinued Operations				
Loss from home health business, net of tax	(203)	(407)	(890)	(1,895)
Gain on sale of home health business, net of tax			11,111	
Earnings (losses) from discontinued operations	(203)	(407)	10,221	(1,895)
Net Income	\$ 2,567	\$ 1,797	\$ 18,260	\$ 3,890
Net Income (loss) per common share				
Basic				
Continuing operations	\$ 0.26	\$ 0.20	\$ 0.75	\$ 0.54
Discontinued operations	(0.02)	(0.04)	0.95	(0.18)
Basic income per share	\$ 0.24	\$ 0.16	\$ 1.70	\$ 0.36
Diluted				
Continuing operations	\$ 0.25	\$ 0.20	\$ 0.73	\$ 0.54
Discontinued operations	(0.02)	(0.04)	0.93	(0.18)

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Diluted income per share	\$	0.23	\$	0.16	\$	1.66	\$	0.36
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Weighted average number of common shares and potential common shares outstanding:

Basic	10,787	10,761	10,783	10,761
Diluted	11,071	10,773	11,006	10,764

See accompanying Notes to Condensed Consolidated Financial Statements (Unaudited)

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ADDUS HOMECARE CORPORATION

AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

For the Nine Months Ended September 30, 2013

(amounts and shares in thousands)

(Unaudited)

	Common Stock		Additional	Retained	Total
	Shares	Amount	Paid-In	Earnings	Stockholders
			Capital		Equity
Balance at December 31, 2012	10,823	\$ 11	\$ 82,778	\$ 11,628	\$ 94,417
Issuance of shares of common stock under restricted stock award agreements	63				
Issuance of shares of common stock for exercised stock options	27				
Stock-based compensation			365		365
Common shares withheld for withholding taxes on exercise of options					