



Almost Family, Inc.

Steve Guenthner
(502) 891-1000

FOR IMMEDIATE RELEASE

May 9, 2017

Almost Family Reports First Quarter 2017 Results

Louisville, KY, May 9, 2017 – Almost Family, Inc. (NASDAQ: AFAM), a leading national provider of home health and related services, announced today its financial results for the quarter ended March 31, 2017.

First Quarter Highlights ⁽¹⁾:

- Record net service revenues of approximately \$201.3 million including the first quarter of operations of the CHS-JV (see below), up 31% from the first quarter of 2016
- GAAP net income of \$3.6 million
- GAAP EPS of \$0.28⁽²⁾ per diluted share
- Adjusted net income of \$7.1⁽¹⁾ million
- Adjusted EPS of \$0.55^(1, 2). Excluding the effect of the January 2017 equity sale, Adjusted EPS would have been \$0.68^(1, 2)
- Adjusted EBITDA of \$16.6 million
- Net cash from operating activities of \$7.0 million
- As of May 9, 2017 the Company has completed conversion of 32 home health branches to the new HomeCare-HomeBase information system and currently expects to complete conversion of the remaining branches before the end of 2017

(1) See Non-GAAP Financial Measures below

(2) Note that comparability of EPS between years is partially impacted by changes in shares outstanding as explained further below

Management Comments

William Yarmuth, Chairman and CEO, commented: “We are exceptionally pleased to report strong operating results for our first quarter. Our transition efforts are well underway and we are seeing very nice performance in the JV operations. We’re also demonstrating strong organic growth in our legacy home health operations, with 4.5% episodic admission growth overall, the best we’ve seen in some time. The earnings power of our business is especially evident when viewed in terms of adjusted net income which increased by almost one-third. While our personal care business presents some near-term opportunities for improvement, the JV’s hospice operations are contributing

nicely. As we proceed into the remainder of 2017 with an exceptionally strong balance sheet, we'll work to complete our transition efforts and improve our organic growth rates even further, while also increasing our focus on M&A and other business development opportunities."

Steve Guenther, President added: "We completed our recent equity offering primarily to enable us to continue as a leading consolidator in the home health space. We have a very active development pipeline that includes not only traditional "bolt-on" acquisition opportunities but also reflects heightened interest from health systems for additional joint ventures. Meanwhile, on the regulatory front, we're pleased with developments at the Federal level that seem to indicate a more business-friendly approach to new laws and regulations while also continuing to acknowledge the critical and growing role home health services play in the evolution of the US healthcare delivery system. This continues to be a receptive environment in which we can aggressively put capital to work and we'll continue our efforts to do so."

Yarmuth concluded: "I want to express my sincere appreciation to the continued commitment and dedication of all our employees and in particular welcome and thank the newest members of our team, those of the CHS-JV, for their patience and hard work as they complete the transition from CHS to Almost Family."

First Quarter Financial Results (*See Matters Impacting Comparability and Presentation below*)

Home Health segment net revenues increased by 38% or \$41.7 million to \$151.2 million from \$109.4 million in the prior year and episodic admissions grew by 44.8% to 31,290 from 21,612 primarily due to the CHS-JV acquisition. Net revenue and episodic admissions in the CHS-JV were \$42.9 million and 8,731, respectively. Excluding the CHS-JV, episodic admissions grew by approximately 4.5%, including growth in Florida of 2.8% while episodic admits in the CHS-JV grew 4.2% over the prior year.

Home Health segment contribution increased \$4.8 million, or 32.2%, to \$19.9 million, from \$15.0 million in the prior year period. Home Health contribution margins as a percentage of revenue decreased slightly from 13.7% to 13.2% primarily due to the combined effect of a 1% Medicare rate cut and an annual cost of living wage rate adjustment of 2% both effective January 1, 2017.

Other Home-Based Services (OHBS) segment net revenues increased \$5.7 million or 14.3% to \$45.6 million in 2017 from \$39.9 million primarily as a result of the 15 hospice facilities acquired in the CHS-JV transaction. Hospice revenues were \$7.0 million for the quarter including \$6.7 million in the CHS-JV. Personal care revenues were down \$1.1 million or 2.9% from prior year on lower volumes. Additionally, rate cuts and increases in wages influenced by increases in statutory minimum wage rates in certain states negatively impacted personal care margins. OHBS segment contribution increased \$0.1 million as compared to the same period of last year.

Healthcare Innovations (HCI) segment net revenues increased \$0.2 million to \$4.6 million in 2017 from \$4.4 million in 2016, while operating losses as percent of revenue declined to 7.5% from 15.3% in 2016. HCI segment first quarter assessment revenues are traditionally lower than the other quarters due to the seasonal nature of Medicare Advantage plan customers.

Corporate expenses as a percentage of revenue decreased to 4.5% from 5.0% in the prior year period primarily due to a larger base of business. Deal, transition and other costs were \$7.2 million, primarily as a result of the CHS-JV acquisition and the first-full quarter conversion of the HH Segment to the HomeCare-HomeBase information system. System conversion, implementation, training and related costs are expected to continue throughout 2017. Borrowings related to acquisitions increased interest expense to \$1.9 million, from \$1.3 million in the prior year period.

Net cash from operating activities of \$7.0 million was generated in the first quarter of 2017. Accounts receivable days sales outstanding were 57 at the end of the first quarter of 2017, as compared to 56 days last year and 53 days at the end of the fourth quarter of 2016. Variations in days outstanding are largely attributable to delayed regulatory processing from asset acquisitions and the timing of Medicare claims processing.

The effective tax rate for the first quarter of 2017 and 2016 was 17.6% and 40.5%, respectively. The Company's lower effective income tax rate for the first quarter of 2017 was due to a change in accounting rules for excess tax benefits from the exercise of stock options and vesting of restricted shares as a result of the prospective adoption of Accounting Standards Update 2016-09 as of the first day of fiscal 2017. Under previous accounting rules these benefits were recorded in "additional paid-in capital" rather than in the current period tax provision. Future periods with option exercises or restricted stock vesting could lower or raise the Company's tax provision in those periods. Excluding this item, the Company expects its effective tax rate for 2017 to be 39.5%.

Increased average shares outstanding from the Company's late January sale of common shares reduced Adjusted EPS of \$0.55 for the first quarter of 2017 by \$0.13.

The Company noted that it will continue to pursue quality acquisitions of in-home health care service providers consistent with its stated strategy and the types of services its segments currently provide.

Matters Impacting Comparability and Presentation – CHS-JV and Segment Presentation

On the first day of 2017, the Company acquired an 80% controlling interest in the entity holding the home health and hospice assets of Community Health Systems, Inc. (NYSE: CYH) ("CHS-JV"). Community Health Systems, Inc. ("CHS"), one of the largest publicly-traded hospital companies in the United States and a leading operator of general acute care hospitals in communities across the country, retained the remaining 20%. With the completion of this transaction, the Company now operates 340 branches across 26 states including 15 hospice agencies across 7 states.

In the first quarter in 2017, the Company redefined its reporting segments to include a) Home Health (HH) formerly Visiting Nurse, b) Other Home-Based Services (OHBS) which includes all other home care services outside of Home Health services and c) the Healthcare Innovations (HCI) segment. The OHBS segment consists of the historical Personal Care ("Personal Care" or "PC") operations plus hospice services. Prior year segment information has been reclassified to conform to

its new segment definitions. In management's opinion, this approach provides investors clarity for the largest segment, Home Health, and best aligns with the Company's internal decision-making processes as viewed by the chief operating decision maker.

Financing Activities

On January 25, 2017, the Company completed a public offering of 3.5 million shares of its common stock for gross proceeds in excess of \$150 million. The net proceeds of \$144 million were applied to the Company's revolving credit facility, which increased credit available under the Facility from approximately \$78.6 million at December 30, 2016 to approximately \$204.1 million after the offering.

ALMOST FAMILY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (In thousands, except per share data)

| | Quarter ended | |
|--|-----------------|-----------------|
| | March 31, 2017 | April 1, 2016 |
| Net service revenues | \$ 201,312 | \$ 153,698 |
| Cost of service revenues (excluding depreciation & amortization) | 106,268 | 82,232 |
| Gross margin | 95,044 | 71,466 |
| General and administrative expenses: | | |
| Salaries and benefits | 56,033 | 41,676 |
| Other | 24,716 | 19,445 |
| Deal, transition & other costs | 7,231 | 2,609 |
| Total general and administrative expenses | 87,980 | 63,730 |
| Operating income | 7,064 | 7,736 |
| Interest expense, net | (1,897) | (1,332) |
| Income before noncontrolling interests and income taxes | 5,167 | 6,404 |
| Net loss (gain) - noncontrolling interests | (760) | 190 |
| Income before income tax expense | 4,407 | 6,594 |
| Income tax expense | (774) | (2,677) |
| Net income attributable to Almost Family, Inc. | <u>\$ 3,633</u> | <u>\$ 3,917</u> |
| Per share amounts-basic: | | |
| Average shares outstanding | 12,695 | 10,089 |
| Net income attributable to Almost Family, Inc. | <u>\$ 0.29</u> | <u>\$ 0.39</u> |
| Per share amounts-diluted: | | |
| Average shares outstanding | 12,937 | 10,260 |
| Net income attributable to Almost Family, Inc. | <u>\$ 0.28</u> | <u>\$ 0.38</u> |

ALMOST FAMILY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
 (In thousands)

| | (Unaudited) | |
|---|-------------------|-------------------|
| | March 31, 2017 | December 30, 2016 |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 13,891 | \$ 10,110 |
| Accounts receivable - net | 126,205 | 99,212 |
| Prepaid expenses and other current assets | 13,054 | 11,432 |
| TOTAL CURRENT ASSETS | 153,150 | 120,754 |
| PROPERTY AND EQUIPMENT - NET | 13,598 | 10,732 |
| GOODWILL | 427,868 | 305,476 |
| OTHER INTANGIBLE ASSETS - NET | 113,387 | 85,063 |
| TRANSACTION DEPOSIT | — | 128,930 |
| OTHER ASSETS | 8,274 | 7,757 |
| TOTAL ASSETS | \$ 716,277 | \$ 658,712 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | \$ 15,665 | \$ 12,122 |
| Accrued other liabilities | 57,006 | 39,728 |
| TOTAL CURRENT LIABILITIES | 72,671 | 51,850 |
| LONG-TERM LIABILITIES: | | |
| Revolving credit facility | 117,226 | 262,456 |
| Deferred tax liabilities | 22,604 | 21,145 |
| Seller notes | 12,500 | 12,500 |
| Other liabilities | 6,851 | 6,581 |
| TOTAL LONG-TERM LIABILITIES | 159,181 | 302,682 |
| TOTAL LIABILITIES | 231,852 | 354,532 |
| NONCONTROLLING INTEREST - REDEEMABLE - | | |
| HEALTHCARE INNOVATIONS | 2,256 | 2,256 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock, par value \$0.05; authorized 2,000 shares; none issued or outstanding | — | — |
| Common stock, par value \$0.10; authorized 25,000; 13,938 and 10,504 issued and outstanding | 1,410 | 1,051 |
| Treasury stock, at cost, 160 and 117 shares | (5,293) | (3,258) |
| Additional paid-in capital | 286,666 | 141,233 |
| Retained earnings | 167,287 | 163,763 |
| Almost Family, Inc. stockholders' equity | 450,070 | 302,789 |
| Noncontrolling interests - nonredeemable | 32,099 | (865) |
| TOTAL STOCKHOLDERS' EQUITY | 482,169 | 301,924 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 716,277 | \$ 658,712 |

ALMOST FAMILY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

| | Quarter ended | |
|---|----------------|---------------|
| | March 31, 2017 | April 1, 2016 |
| Cash flows from operating activities: | | |
| Net income attributable to Almost Family, Inc. | \$ 3,633 | \$ 3,917 |
| Net (gain) loss attributable to noncontrolling interests | (760) | 190 |
| Income before non-controlling interests | 4,393 | 3,727 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,533 | 985 |
| Provision for uncollectible accounts | 3,564 | 3,845 |
| Stock-based compensation | 767 | 717 |
| Loan costs amortization | 250 | 65 |
| Deferred income taxes | 1,458 | 2,166 |
| | 11,965 | 11,505 |
| Change in certain net assets and liabilities, net of the effects of acquisitions: | | |
| Accounts receivable | (9,536) | (3,571) |
| Prepaid expenses and other current assets | (1,009) | (257) |
| Other assets | (721) | (334) |
| Accounts payable and accrued expenses | 6,332 | (1,735) |
| Net cash provided by operating activities | 7,031 | 5,608 |
| Cash flows of investing activities: | | |
| Capital expenditures | (895) | (969) |
| Transaction deposit | 128,930 | - |
| Acquisitions, net of cash acquired | (129,144) | (24,229) |
| Net cash used in investing activities | (1,109) | (25,198) |
| Cash flows of financing activities: | | |
| Credit facility borrowings | 55,276 | 78,011 |
| Credit facility repayments, net | (200,461) | (58,626) |
| Proceeds from stock offering, net | 143,937 | - |
| Proceeds from stock option exercises | 1,143 | - |
| Purchase of common stock in connection with share awards | (2,036) | (396) |
| Tax impact of share awards | - | 214 |
| Net cash (used in) provided by financing activities | (2,141) | 19,203 |
| Net change in cash and cash equivalents | 3,781 | (387) |
| Cash and cash equivalents at beginning of period | 10,110 | 7,522 |
| Cash and cash equivalents at end of period | \$ 13,891 | \$ 7,135 |

ALMOST FAMILY, INC. AND SUBSIDIARIES
RESULTS OF OPERATIONS
 (Unaudited)
 (In thousands)

| | Quarter ended | | | | | |
|--|-----------------|---------|-----------------|---------|-----------------|---------|
| | March 31, 2017 | | April 1, 2016 | | Change | |
| | Amount | % Rev | Amount | % Rev | Amount | % |
| Net service revenues: | | | | | | |
| Home Health | \$ 151,155 | 75.1 % | \$ 109,422 | 71.2 % | \$ 41,733 | 38.1 % |
| Other Home-Based Services | 45,598 | 22.7 % | 39,884 | 25.9 % | 5,714 | 14.3 % |
| Healthcare Innovations | 4,559 | 2.3 % | 4,392 | 2.9 % | 167 | 3.8 % |
| | <u>201,312</u> | 100.0 % | <u>153,698</u> | 100.0 % | <u>47,614</u> | 31.0 % |
| Operating income before corporate expenses: | | | | | | |
| Home Health | 19,882 | 13.2 % | 15,041 | 13.7 % | 4,841 | 32.2 % |
| Other Home-Based Services | 3,814 | 8.4 % | 3,671 | 9.2 % | 143 | 3.9 % |
| Healthcare Innovations | (343) | (7.5)% | (673) | (15.3)% | 330 | (49.0)% |
| | <u>23,353</u> | 11.6 % | <u>18,039</u> | 11.7 % | <u>5,314</u> | 29.5 % |
| Corporate expenses | 9,058 | 4.5 % | 7,694 | 5.0 % | 1,364 | 17.7 % |
| Deal, transition and other costs | 7,231 | 3.6 % | 2,609 | 1.7 % | 4,622 | NM |
| Operating income | <u>7,064</u> | 3.5 % | <u>7,736</u> | 5.0 % | (672) | (8.7)% |
| Interest expense, net | (1,897) | (0.9)% | (1,332) | (0.9)% | (565) | 42.4 % |
| Net (gain) loss - noncontrolling interests | (760) | (0.4)% | 190 | 0.1 % | (950) | NM |
| Net income before income taxes | 4,407 | 2.2 % | 6,594 | 4.3 % | (2,187) | (33.2)% |
| Income tax expense | (774) | (0.4)% | (2,677) | (1.7)% | 1,903 | (71.1)% |
| Net income attributable to Almost Family, Inc. | <u>\$ 3,633</u> | 1.8 % | <u>\$ 3,917</u> | 2.5 % | <u>\$ (284)</u> | (7.3)% |
| | | | | | | |
| Adjusted EBITDA (1) | \$ 16,595 | 8.2 % | \$ 12,047 | 7.8 % | \$ 4,548 | 37.8 % |
| Adjusted net income (1) | \$ 7,091 | 3.5 % | \$ 5,469 | 3.6 % | \$ 1,622 | 29.6 % |

(1) See Non-GAAP Financial Measures below.

HOME HEALTH OPERATING METRICS

| | Quarter ended | | | | Change | |
|------------------------|----------------|--------|---------------|--------|-----------|--------|
| | March 31, 2017 | | April 1, 2016 | | Amount | % |
| | Amount | % Rev | Amount | % Rev | | |
| Locations | 240 | | 163 | | 77 | 47.2 % |
| All payors: | | | | | | |
| Admissions | 41,457 | | 28,432 | | 13,025 | 45.8 % |
| Census | 31,333 | | 23,092 | | 8,241 | 35.7 % |
| Visits | 969,354 | | 736,159 | | 233,195 | 31.7 % |
| Cost per visit | \$ 76 | | \$ 71 | | \$ 5 | 6.4 % |
| G&A expense per census | \$ 1,843 | | \$ 1,815 | | \$ 28 | 1.5 % |
| Episodic: | | | | | | |
| Admissions | 31,290 | | 21,612 | | 9,678 | 44.8 % |
| Census | 24,148 | | 17,695 | | 6,453 | 36.5 % |
| Episodes | 45,891 | | 32,540 | | 13,351 | 41.0 % |
| Visits | 768,012 | | 587,692 | | 180,320 | 30.7 % |
| Revenue | \$ 130,069 | 86.0 % | \$ 95,432 | 87.2 % | \$ 34,637 | 36.3 % |
| Revenue per episode | \$ 2,834 | | 2,933 | | \$ (98) | (3.4)% |
| Visits per episode | 16.7 | | 18.1 | | (1.3) | (7.3)% |
| Non-episodic: | | | | | | |
| Admissions | 10,167 | | 6,820 | | 3,347 | 49.1 % |
| Census | 7,185 | | 5,397 | | 1,788 | 33.1 % |
| Visits | 201,342 | | 148,467 | | 52,875 | 35.6 % |
| Revenue | \$ 21,086 | 14.0 % | \$ 13,990 | 12.8 % | \$ 7,096 | 50.7 % |
| Revenue per visit | \$ 105 | | \$ 94 | | \$ 11 | 11.7 % |
| Visits per admission | 19.8 | | 21.8 | | (2.0) | (9.0)% |

OTHER HOME-BASED SERVICES OPERATING METRICS

| | Quarter ended | | Change | |
|----------------------------|----------------|---------------|------------|---------|
| | March 31, 2017 | April 1, 2016 | Amount | % |
| | Amount | Amount | Amount | % |
| Personal care locations | 82 | 72 | 10 | 13.9 % |
| Hospice locations | 16 | 1 | 15 | NM |
| Personal Care: | | | | |
| Admissions | 2,341 | 2,446 | (105) | (4.3)% |
| Census | 12,826 | 12,545 | 281 | 2.2 % |
| Hours of service | 1,829,542 | 1,848,209 | (18,667) | (1.0)% |
| Hours per patient per week | 10.9 | 11.3 | (0.4) | (3.5)% |
| Revenue | \$ 38,554 | \$ 39,693 | \$ (1,139) | (2.9)% |
| Operating income (loss) | \$ 2,348 | \$ 3,737 | \$ (1,389) | (37.2)% |
| Revenue per hour | \$ 21.07 | \$ 21.48 | \$ (0.40) | (1.9)% |
| Cost per hour | \$ 12.93 | \$ 12.97 | \$ (0.04) | (0.3)% |
| Hospice: | | | | |
| Admissions | 758 | 23 | 735 | NM |
| Census | 465 | 15 | 450 | NM |
| Length of stay | 58 | 30 | 28 | NM |
| Revenue | \$ 7,044 | \$ 191 | \$ 6,853 | NM |
| Operating income (loss) | \$ 1,466 | \$ (66) | \$ 1,532 | NM |
| Revenue per day | \$ 166 | \$ 140 | \$ 26 | NM |

HEALTHCARE INNOVATIONS SUPPLEMENTAL DATA

| | Quarter ended | | Change | |
|---|----------------|---------------|----------|----------|
| | March 31, 2017 | April 1, 2016 | Amount | % |
| | Amount | Amount | Amount | % |
| ACO Management: | | | | |
| Medicare ACO enrollees under management | 141,556 | 121,881 | 19,675 | (16.1)% |
| ACOs under contract | 15 | 14 | 1 | (7.1)% |
| Revenue | \$ 543 | \$ 171 | \$ 372 | (217.5)% |
| Operating income (loss) | \$ (389) | \$ (392) | \$ 3 | 0.8 % |
| Assessment Services | | | | |
| Assessments | 15,212 | 15,575 | (363) | 2.3 % |
| Revenue | \$ 4,016 | \$ 4,221 | \$ (205) | 4.9 % |
| Operating income (loss) | \$ 46 | \$ (281) | \$ 327 | 116.4 % |

Non-GAAP Financial Measures

The information provided in some of the tables in this release includes certain non-GAAP financial measures as defined under SEC rules. In accordance with SEC rules, the Company has provided, in the supplemental information, a reconciliation of those measures to the most directly comparable GAAP measures.

Adjusted Net Income and Adjusted Earnings Per Share

Adjusted net income and adjusted earnings per share is not a measure of financial performance under accounting principles generally accepted in the United States of America. It should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating, investing or financing activities, or any other measure calculated in accordance with generally accepted accounting principles. The presentation of adjusted net income and adjusted earnings per share provides investors with pertinent information to enable comparison of financial performance between periods by excluding certain items that the Company believes are not representative of its ongoing operations due to the nature of the items.

The following table sets forth a reconciliation of net income attributable to Almost Family, Inc. to adjusted net income:

ALMOST FAMILY, INC. AND SUBSIDIARIES

RECONCILIATION OF ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE (In thousands)

| (in thousands) | Quarter ended | |
|--|-----------------|-----------------|
| | March 31, 2017 | April 1, 2016 |
| Net income attributable to Almost Family, Inc. | \$ 3,633 | \$ 3,917 |
| Addbacks: | | |
| Deal, transition and other, net of tax | 3,458 | 1,552 |
| Adjusted net income attributable to Almost Family, Inc. | <u>\$ 7,091</u> | <u>\$ 5,469</u> |
| Per share amounts-diluted: | | |
| Average shares outstanding | 12,937 | 10,260 |
| Net income attributable to Almost Family, Inc. | \$ 0.28 | \$ 0.38 |
| Addbacks: | | |
| Deal, transition and other, net of tax | 0.27 | 0.15 |
| Adjusted net income attributable to Almost Family, Inc. | <u>\$ 0.55</u> | <u>\$ 0.53</u> |

Adjusted EBITDA

Adjusted earnings before interest, income tax, depreciation and amortization, amortization of stock-based compensation, deal, transition and other (Adjusted EBITDA) is not a measure of financial performance under accounting principles generally accepted in the United States of America. It should not be considered in isolation or as a substitute for net income, operating income, cash flows from operating, investing or financing activities, or any other measure calculated in accordance with generally accepted accounting principles. The items excluded from Adjusted EBITDA Operations

are significant components in understanding and evaluating financial performance and liquidity. Management routinely calculates and communicates Adjusted EBITDA Operations and believes that it is useful to investors because it provides a common analytical indicator within its industry to evaluate performance, measure leverage capacity and debt service ability, and to estimate current or prospective enterprise value. Adjusted EBITDA is also used in certain covenants contained in the Company's credit agreement.

The following table sets forth a reconciliation of net income to Adjusted EBITDA:

ALMOST FAMILY, INC. AND SUBSIDIARIES
RECONCILIATION OF ADJUSTED EBITDA
 (In thousands)

| (in thousands) | Quarter ended | |
|--|------------------|------------------|
| | March 31, 2017 | April 1, 2016 |
| Net income | \$ 3,633 | \$ 3,917 |
| Add back: | | |
| Net (loss) gain - noncontrolling interests | 760 | (190) |
| Interest expense | 1,897 | 1,332 |
| Income tax expense | 774 | 2,677 |
| Depreciation and amortization | 1,533 | 985 |
| Stock-based compensation | 767 | 717 |
| Deal, transition and other costs | 7,231 | 2,609 |
| Adjusted EBITDA | <u>\$ 16,595</u> | <u>\$ 12,047</u> |

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, including statements related to the offering and the expected use of the net proceeds. These forward-looking statements are based on current plans, expectations, projections, forecasts and assumptions about future events that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “could,” “would,” “estimate,” “project,” “forecast,” “intend,” “expect,” “plan,” “anticipate,” “believe,” “target,” or similar terms, variations of those terms or the negative of those terms. While forward-looking statements reflect good faith beliefs, assumptions and expectations, they are not guarantees of future performance, and the Company undertakes no obligation to update or revise its forward-looking statements. The forward-looking statements in this news release are based on a variety of assumptions that may not be realized and that are subject to significant risks and uncertainties, including that the offering may not be completed. For a more complete discussion regarding other factors which could affect the Company's financial performance, refer to the Company's various filings with the Securities and Exchange Commission, including its filing on Form 10-K for the year ended January 1, 2016, in particular information under the headings "Special Caution Regarding Forward-Looking Statements" and "Risk Factors."

About Almost Family, Inc.

Almost Family, Inc., founded in 1976, is a leading national provider of home healthcare services, with 340 branch locations in 26 states, including its joint venture with Community Health Systems, Inc. (CHS) (NYSE: CYH). Almost Family, Inc. and its subsidiaries operate Home Health, Other Home-Based Services and HealthCare Innovations segments.

####