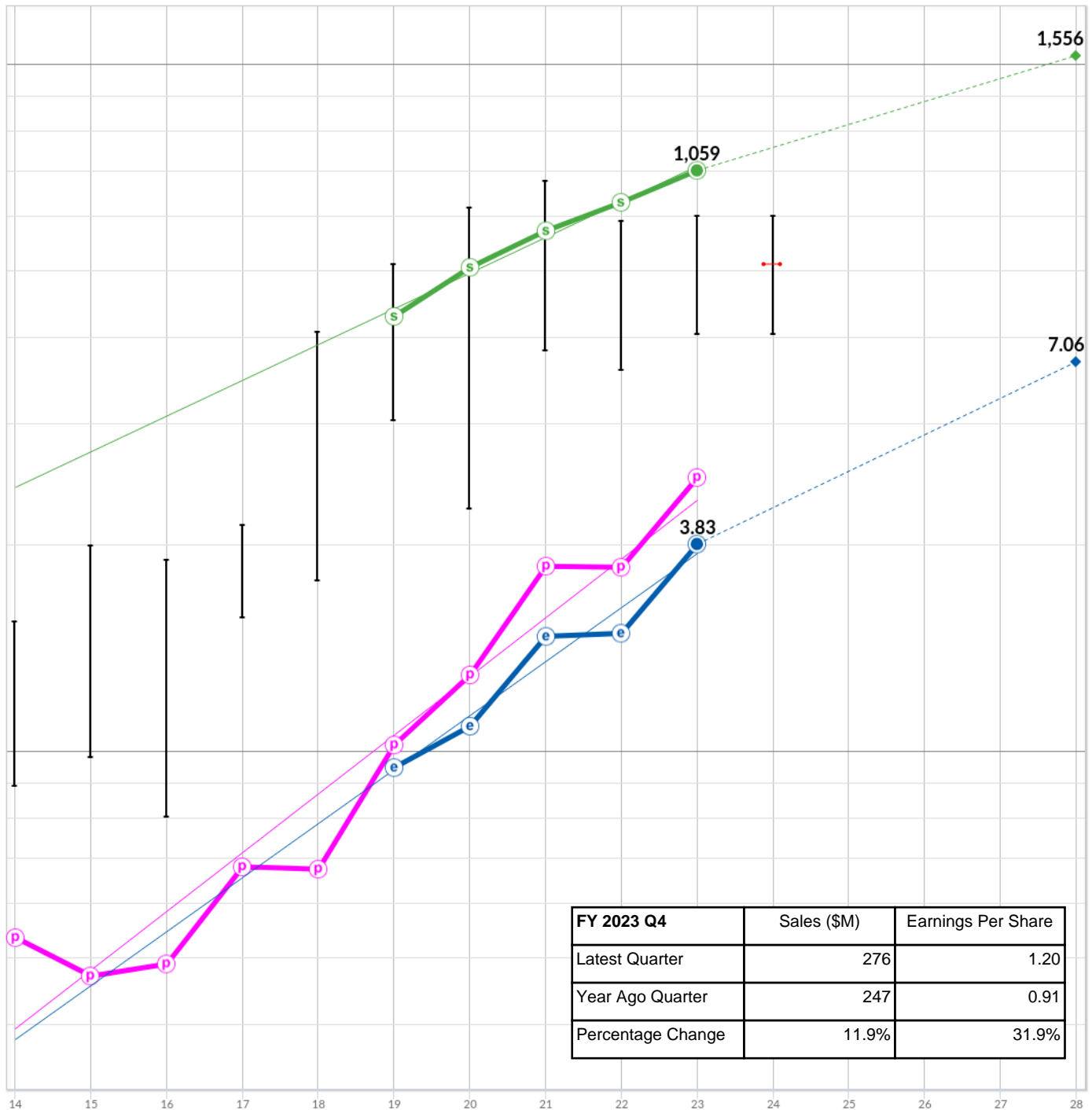


Stock Selection Guide

Company	Addus HomeCare		Date	03/05/24	
Prepared by	Ober		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Medical Care Facilities	
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	16.3	9.4	72.2		
Debt (\$M)	175.2	% to Tot Cap	19.9	% Pot Dil	1.9

Symbol: ADUS

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2023 Q4	Sales (\$M)	Earnings Per Share
Latest Quarter	276	1.20
Year Ago Quarter	247	0.91
Percentage Change	11.9%	31.9%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 12.7% | (3) Historical Earnings Per Share Growth | 19.8% |
| (2) Estimated Future Sales Growth | 8.0% | (4) Estimated Future Earnings Per Share Growth | 13.0% |

2 EVALUATING Management

Addus HomeCare

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	5.6%	4.5%	4.0%	5.2%	4.2%	5.1%	5.5%	7.0%	6.3%	7.7%	6.3%
% Earned on Equity	9.7%	8.2%	8.0%	7.8%	6.9%	6.0%	6.5%	8.0%	7.5%	9.1%	7.4%
% Debt To Capital	2.8%	2.1%	13.6%	19.7%	5.9%	14.6%	31.6%	31.5%	21.9%	19.9%	23.9%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 97.90 (03/05/24)

52-WEEK HIGH 114.97

52-WEEK LOW 77.30

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	97.7	57.9	1.81	54.0	32.0	0.00	0.0	0.0
2020	118.0	43.1	2.08	56.7	20.7	0.00	0.0	0.0
2021	129.0	73.1	2.81	45.9	26.0	0.00	0.0	0.0
2022	112.9	68.6	2.84	39.8	24.1	0.00	0.0	0.0
2023	115.0	77.3	3.83	30.0	20.2	0.00	0.0	0.0
AVERAGE		64.0		45.3	24.6		0.0	
CURRENT/TTM			3.84	29.9	20.1	0.00	0.0	
AVERAGE PRICE EARNINGS RATIO: 34.9					CURRENT PRICE EARNINGS RATIO: 25.5			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 32.0 X Estimate High Earnings/Share 7.06 = Forecasted High Price \$ 225.8

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 20.0 X Estimate Low Earnings/Share 3.84 = Forecasted Low Price \$ 76.8

(b) Avg. Low Price of Last 5 Years 64.0

(c) Recent Market Low Price 68.6

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 76.8

C ZONING using 25%-50%-25%

Forecasted High Price 225.8 Minus Forecasted Low Price 76.8 = 149.0 Range. 25% of Range 37.3

Buy Zone 76.8 to 114.1

Hold Zone 114.1 to 188.6

Sell Zone 188.6 to 225.8

Present Market Price of 97.90 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price}} = \frac{225.8 - 97.90}{97.90} = 2.3065$
 $\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{225.8 - 97.90}{97.90 - 76.8} = 6.1$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{225.8 - 97.90}{97.90} = 2.3065$ X 100 = 230.65 - 100 = 130.7 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{97.90} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{32.00} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{26.00} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 18.2 %
 Average Yield 0.0 %
 Annualized Rate of Return 18.2 %


COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 13.4 %
 Average Yield 0.0 %
 Annualized Rate of Return 13.4 %

Notes: ADUS New Stock Mar 2024

Date	Subject	Description	Type
12/31/23	Analysts' projections	<p>Analyst 1 yr sales 1 yr earnings recommendation other comments</p> <p>Member sentiment (mean) 9.30% 12% 141 studies done less 62 outliers MarketWatch 15 - 15.5% Buy 12 mo target price \$110.43 Nasdaq 8.9 - 9.79% Seeking Alpha 7.27% 9.39% Yahoo 7.60% 8.90% Strong buy 5 yrs annual sales est = 15% Zacks 7.25% 8.72% 3 - Hold 5 yr sales est = 13.2% CRFA/TD Ameritrade 7.28% 9.46% Strong buy median price target for 12 mo = \$107.6 13.1% CNN 8.60% 11.40% Buy median price target for 12 mo = \$105 13.1%</p> <p>My estimates (5yr) 8% 10%</p> <p>The next earnings report is 3/24/24</p>	Community
08/18/23	Proposed Medicaid Rules Changes	<p>Rules changes proposed in April 2023 could impact future payments to ADUS. Will wait for clarity as to how they may or may not affect the company's future profitability.</p>	Community
09/12/22	ADUS	<p>Historical Sales Forecast: 8.5% There isn't a lot of information for ADUS prediction sales growth rate. Historical data shows ranges between 13% and 19.8%. The SSG predicted 8.5%, Yahoo and CFRA 7.6%. Member sentiment is 9.8%. I decided to go with the SSG prediction.</p> <p>Historical EPS Forecast: 12.0% I chose this number because Value Line predicts 11.9%, historical EPS growth rate is 12.4% and SSG Analysts estimate 15%. Member sentiment is 12%. Yahoo predicts \$4.16 for 2023.</p> <p>Projected High P/E: I chose 37 because of the unpredictable economy, however, 37.6 is the average PE for the last 5 years. Member sentiment is 39.53 with a price of \$192.75</p> <p>Low P/E: I chose 25.0 because the 5 year average is 25.7. Value Line predicts a lower PE ratio for 23/24 so I am playing it safe.</p>	Community
05/14/22	Stock Research Form	<p>FORECASTS ON THE SSG (SUMMARY) - Forecast Rationale</p> <p>Sales Growth Rate (%) 10% This value represents Yahoo and Zacks current year and next year's analysis projections and supported by the stable historical growth trends over the past 9 years. Addus has provides guidance of revenue growth of at least 10% annually</p> <p>EPS Growth Rate (%) 12% This value reflects the lower end of the long-term analyst estimates. Net income has increased higher than the rate of increase for shares outstanding with slightly higher profit margins Average</p> <p>High P/E 45 A value modestly below the 5 year average high PE was selected, which is supported by the research. Average</p> <p>Low P/E 20 A value modestly below the 5-year average low PE was selected Low Price \$56.00 The 4B(a) value is at least 20% below the current price, so it is a reasonable selection</p> <p>% Payout ADUS doesn't pay a dividend.</p>	Community

Study Audit: ADUS New Stock Mar 2024

Review Advised	Category	Explanation
	Future P/Es	Do you want to rely upon investors paying more than 30 times earnings for this stock in order for you to make money? Average High P/E Forecast: 32.0

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
12/23	1.20	31.9	25.4	9.2	38.7	276.4	11.9	22.8	3.84	81.3	7.7	1,058.7	18.8	23.1	34.7	35.2	11.3
09/23	0.95	33.8	20.2	7.5	33.7	270.7	12.6	23.8	3.55	74.2	7.2	1,029.4	16.5	22.2	29.1	24.3	10.8
06/23	0.91	30.0	19.5	7.5	29.9	260.0	9.7	23.8	3.31	69.2	6.9	999.1	15.3	22.2	19.9	14.5	10.4
03/23	0.78	47.2	16.3	6.5	38.3	251.6	11.0	22.0	3.10	64.7	6.6	976.1	14.6	22.5	11.5	5.7	10.2
12/22	0.91	12.3	18.3	7.4	2.6	247.1	10.0	19.2	2.85	60.2	6.3	951.1	14.4	24.0	1.8	-0.4	10.0
09/22	0.71	-1.4	15.1	6.3	-4.2	240.5	11.0	23.7	2.75	59.7	6.4	928.7	15.4	25.9	9.1	11.7	11.1
06/22	0.70	-2.8	15.0	6.3	-5.1	236.9	8.7	25.1	2.76	60.4	6.7	904.9	16.1	26.6	16.5	21.7	11.3

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil		%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit
03/22	0.53	-3.6	11.8	5.2	7.1	226.6	10.4	27.9	2.78	61.2	6.9	885.8	16.5	27.0	33.7	42.8	13.6
12/21	0.81	52.8	17.8	7.9	63.7	224.6	14.6	26.7	2.80	60.4	7.0	864.5	15.0	24.8	35.3	44.0	13.0
09/21	0.72	26.3	15.8	7.3	32.3	216.7	11.7	26.7	2.52	53.5	6.4	835.9	12.7	23.7	15.1	21.3	10.2
06/21	0.72	67.4	15.8	7.3	74.9	217.9	18.1	26.7	2.37	49.6	6.1	813.2	11.4	22.9	18.5	26.1	10.7
03/21	0.55	1.9	11.0	5.3	8.8	205.3	7.9	19.0	2.08	42.8	5.5	779.9	9.5	22.1	5.1	14.5	11.4
12/20	0.53	-18.5	10.9	5.6	-16.3	196.0	3.1	22.4	2.07	41.9	5.5	764.8	8.8	20.9	15.0	26.4	17.9
09/20	0.57	50.0	11.9	6.1	65.7	194.0	14.2	23.6	2.19	44.1	5.8	758.8	9.3	21.1	46.0	69.1	26.8
06/20	0.43	4.9	9.0	4.9	26.8	184.6	23.3	23.6	2.00	39.3	5.4	734.6	8.4	21.3	42.9	68.6	29.7
03/20	0.54	50.0	10.1	5.3	72.7	190.2	36.6	14.2	1.98	37.4	5.3	699.8	7.9	21.1	46.7	72.1	27.7
12/19	0.65	85.7	13.0	6.8	120.9	190.0	35.9	23.2	1.80	33.2	5.1	648.8	7.2	21.7	27.7	51.6	25.2
09/19	0.38	35.7	7.2	4.2	61.0	169.8	23.4	24.4	1.50	26.1	4.4	598.6	5.5	21.1	13.1	14.5	22.1
06/19	0.41	13.9	7.1	4.8	28.6	149.7	14.1	22.6	1.40	23.3	4.1	566.4	4.7	20.2	4.8	0.0	22.8
03/19	0.36	-14.3	5.8	4.2	-2.2	139.3	27.2	16.8	1.35	21.7	4.0	547.9	4.4	20.1	11.9	0.4	26.4
12/18	0.35	31.6	5.9	4.2	-13.1	139.8	24.9	20.6	1.41	21.9	4.2	518.1	4.5	20.6	22.0	-0.8	21.7
09/18	0.28	-3.4	4.5	3.2	-11.1	137.6	26.7	20.7	1.33	22.8	4.6	490.3	6.6	29.0	-13.8	-9.8	17.5
06/18	0.36	56.5	5.5	4.2	43.2	131.2	26.7	22.5	1.34	23.3	5.1	461.2	7.4	31.9	-4.4	5.1	11.9
03/18	0.42	13.5	6.0	5.5	-6.3	109.4	7.7	18.7	1.21	21.7	5.0	433.6	7.3	33.9	-13.7	-1.9	5.8
12/17	0.27	-59.0	6.8	6.1	-32.0	112.0	8.0	54.3	1.16	22.1	5.2	425.7	8.3	37.5	11.4	38.5	6.2
09/17	0.29	93.3	5.0	4.6	152.9	108.6	4.9	32.3	1.54	25.2	6.0	417.4	7.6	30.2	133.0	189.0	9.3
06/17	0.23	0.0	3.9	3.7	3.7	103.6	2.6	30.2	1.40	22.2	5.4	412.3	5.7	25.8	81.6	104.3	13.7
03/17	0.37	3,600.0	6.4	6.3	2,623.9	101.6	9.7	33.2	1.40	22.1	5.4	409.7	5.7	25.8	68.4	82.9	17.9
12/16	0.65	140.0	10.0	9.6	258.4	103.7	22.3	25.0	1.04	15.9	4.0	400.7	4.1	25.7	2.8	4.2	19.0
09/16	0.15	-42.3	2.0	1.9	-51.7	103.5	22.7	14.6	0.66	8.7	2.3	381.8	1.5	17.0	-38.3	-50.2	14.1
06/16	0.23	-20.7	3.7	3.7	-24.3	100.9	17.6	30.3	0.77	10.9	3.0	362.6	2.3	20.9	-30.0	-40.3	9.2
03/16	0.01	-94.7	0.2	0.3	-93.2	92.6	13.0	32.9	0.83	12.1	3.5	347.5	2.6	21.8	-21.7	-30.0	7.5
12/15	0.27	-18.2	2.8	3.3	-44.9	84.8	2.6	-9.7	1.01	15.3	4.5	336.8	3.5	22.9	-6.5	-12.1	7.6
09/15	0.26	-10.3	4.1	4.9	-13.8	84.3	3.3	29.9	1.07	17.6	5.2	334.7	5.7	32.3			
06/15	0.29	16.0	4.9	5.7	24.9	85.8	11.5	34.0	1.10	18.2	5.5	332.0	6.0	32.9			
03/15	0.19	-9.5	3.5	4.2	-4.5	81.9	14.3	37.4	1.06	17.2	5.3	323.2	5.5	32.1			
12/14	0.33		5.0	6.1		82.6		27.8									
09/14	0.29		4.8	5.9		81.7		32.3									

Quarterly Growth Trend Data

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
06/14	0.25		3.9	5.1		77.0		30.9									
03/14	0.21		3.6	5.0		71.7		34.9									