



## The Chefs' Warehouse Reports First Quarter 2025 Financial Results

April 30, 2025

RIDGEFIELD, Conn., April 30, 2025 (GLOBE NEWSWIRE) -- The Chefs' Warehouse, Inc. (NASDAQ: CHEF) (the "Company" or "Chefs'"), a premier distributor of specialty food products in the United States, the Middle East, and Canada, today reported financial results for its first quarter ended March 28, 2025.

### Financial highlights for the first quarter of 2025:

- Net sales increased 8.7% to \$950.7 million for the first quarter of 2025 from \$874.5 million for the first quarter of 2024.
- GAAP net income was \$10.3 million, or \$0.25 per diluted share, for the first quarter of 2025 compared to \$1.9 million, or \$0.05 per diluted share, in the first quarter of 2024.
- Adjusted net income per share<sup>1</sup> was \$0.25 for the first quarter of 2025 compared to \$0.15 for the first quarter of 2024.
- Adjusted EBITDA<sup>1</sup> was \$47.5 million for the first quarter of 2025 compared to \$40.2 million for the first quarter of 2024.

"First quarter 2025 business activity displayed typical seasonal cadence as revenue trends coming out of January increased steadily into February and March. During the quarter, our business units, international and domestic, delivered strong growth in unique item placements and solid operating leverage versus the prior year first quarter", said Christopher Pappas, Chairman and Chief Executive of the Company. "As we entered the second quarter, revenue builds during the first few weeks of April continued to display typical seasonality. I would like to thank all our Chefs' Warehouse Teams, from sales and operations to all the supporting functions, for delivering a great start to 2025. I would also like to recognize our customer and supplier partners for their support and confidence in our people, quality and diversity of products, and our high-touch, flexible distribution platform."

### First Quarter Fiscal 2025 Results

Net sales for the first quarter of 2025 increased 8.7% to \$950.7 million from \$874.5 million in the first quarter of 2024. Organic case count increased approximately 5.7% in the Company's specialty category for the first quarter of 2025 with unique customers and placements increases at 4.5% and 7.7% respectively, compared to the first quarter of 2024. Organic pounds sold in the Company's center-of-the-plate category decreased approximately 1.3% for the first quarter of 2025 compared to the prior year quarter.

Gross profit increased 7.9% to \$226.0 million for the first quarter of 2025 from \$209.4 million for the first quarter of 2024. The increase in gross profit dollars was primarily as a result of increased sales and price inflation. Gross profit margins decreased approximately 18 basis points to 23.8%. Gross profit margins increased 6 basis points in the Company's specialty category and decreased 83 basis points in the center-of-the-plate category.

Selling, general and administrative expenses increased by approximately 6.5% to \$202.8 million for the first quarter of 2025 from \$190.3 million for the first quarter of 2024. The increase was primarily due to higher costs associated with compensation and benefits, facilities and distribution to support sales growth and higher depreciation driven by facility investments. As a percentage of net sales, selling, general and administrative expenses were 21.3% in the first quarter of 2025 compared to 21.8% in the first quarter of 2024 due to sales growth combined with certain benefits derived from our investments in our facility and distribution operations.

Other operating expenses, net was \$0.5 million for the first quarter of 2025 compared to \$3.1 million for the first quarter of 2024 primarily due to lower charges associated with employee severance during the first quarter of 2025 compared to the prior year quarter.

Operating income for the first quarter of 2025 was \$22.7 million compared to \$16.0 million for the first quarter of 2024. The increase in operating income was driven primarily by higher gross profit, partially offset by higher selling, general and administrative expenses, as discussed above. As a percentage of net sales, operating income was 2.4% in the first quarter of 2025 as compared to 1.7% in the first quarter of 2024.

The Company's effective tax rate was 17.6% and 30.0% for the first quarter of fiscal 2025 and 2024, respectively. The effective tax rate for the first quarter of fiscal 2025 includes a tax benefit from the vesting of stock awards during the period.

Net income for the first quarter of 2025 was \$10.3 million, or \$0.25 per diluted share, compared to \$1.9 million, or \$0.05 per diluted share, for the first quarter of 2024.

Adjusted EBITDA<sup>1</sup> was \$47.5 million for the first quarter of 2025 compared to \$40.2 million for the first quarter of 2024. For the first quarter of 2025, adjusted net income<sup>1</sup> was \$10.2 million, or \$0.25 per diluted share compared to adjusted net income of \$5.9 million, or \$0.15 per diluted share for the first quarter of 2024.

### 2025 Guidance

We are providing fiscal 2025 full year financial guidance as follows:

- Net sales in the range of \$3.96 billion to \$4.04 billion,
- Gross profit to be between \$954 million and \$976 million and
- Adjusted EBITDA to be between \$234 million and \$246 million.

### First Quarter 2025 Earnings Conference Call

The Company will host a conference call to discuss first quarter 2025 financial results today at 8:30 a.m. EDT. Hosting the call will be Chris Pappas,

chairman and chief executive officer, and Jim Leddy, chief financial officer. The conference call will be webcast live from the Company's investor relations website at <http://investors.chefswarehouse.com>. An online archive of the webcast will be available on the Company's investor relations website.

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

We present EBITDA, adjusted EBITDA, adjusted net income and adjusted net income per share, as well as forecasted EBITDA and adjusted EBITDA ranges, which are not measurements determined in accordance with the U.S. Generally Accepted Accounting Principles ("GAAP"), because we believe these measures provide additional metrics to evaluate our operations and our forecasted results and which we believe, when considered with both our GAAP results and the reconciliation to net income and net income available to common shareholders, provide a more complete understanding of our business than could be obtained absent this disclosure. We use EBITDA, adjusted EBITDA, adjusted net income and adjusted net income per share together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. The use of EBITDA, adjusted EBITDA, adjusted net income and adjusted net income per share as performance measures permits a comparative assessment of our operating performance relative to our GAAP performance while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.

Other companies may calculate these non-GAAP financial measures differently, and therefore our measures may not be comparable to similarly titled measures of other companies. These non-GAAP financial measures should only be used as supplemental measures of our operating performance.

Please see the schedules accompanying this earnings release for a reconciliation of EBITDA, adjusted EBITDA, adjusted net income and adjusted net income per share to these measures' most directly comparable GAAP measure.

### **Forward-Looking Statements**

Statements in this press release regarding the Company's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. The risks and uncertainties which could impact these statements include, but are not limited to the following: our success depends to a significant extent upon general economic conditions, including disposable income levels and changes in consumer discretionary spending; the relatively low margins of our business, which are sensitive to inflationary and deflationary pressures and intense competition; changes in our credit profile and any effect they may have on our relationships with suppliers; the effects of rising costs for and/or decreases in supply of commodities, ingredients, packaging, other raw materials, distribution and labor; price reductions by our manufacturers of products that we sell which could cause the value of our inventory to decline or our customers to demand lower sales prices; fuel cost volatility and its impact on distribution, packaging and energy costs; our continued ability to promote our brand successfully, to anticipate and respond to new customer demands, and to develop new products and markets to compete effectively; our ability and the ability of our supply chain partners to continue to operate distribution centers and other work locations without material disruption, and to procure ingredients, packaging and other raw materials when needed despite disruptions in the supply chain or labor shortages; risks associated with the expansion of our business; our possible inability to identify new acquisitions or to integrate recent or future acquisitions, or our failure to realize anticipated revenue enhancements, cost savings or other synergies from recent or future acquisitions; other factors that affect the food industry generally, including: recalls if products become adulterated or misbranded, liability if product consumption causes injury, ingredient disclosure and labeling laws and regulations and the possibility that customers could lose confidence in the safety and quality of certain food products; new information or attitudes regarding diet and health or adverse opinions about the health effects of the products we distribute; dependence on independent certifications for products; changes in disposable income levels and consumer purchasing habits; competitors' pricing practices and promotional spending levels; fluctuations in the level of our customers' inventories and credit and other related business risks; and the risks associated with third-party suppliers, including the risk that any failure by one or more of our third-party suppliers to comply with food safety or other laws and regulations may disrupt our supply of raw materials or certain products or injure our reputation; our ability to recruit and retain senior management and a highly skilled and diverse workforce; unanticipated expenses, including, without limitation, litigation or legal settlement expenses, adverse judgments, or impairment charges; the cost and adequacy of our insurance policies; the impact and effects of public health crises, pandemics and epidemics and the adverse impact thereof on our business, financial condition, and results of operations; economic and other developments, or events, including adverse weather conditions, in the culinary markets in which we operate; information technology system failures, cybersecurity incidents, or other disruptions to our use of technology and networks; our ability to realize the benefits we anticipate from investments in information technology; our ability to protect our intellectual property; significant governmental regulation and any potential failure to comply with such regulations; changing rules, public disclosure regulations and stakeholder expectations on ESG-related matters; federal, state, provincial and local tax rules in the United States and the foreign countries in which we operate, including tax reform and legislation; climate change, or the legal, regulatory or market measures being implemented to address climate change; the concentration of ownership among our existing executive officers, directors and their affiliates which may prevent new investors from influencing significant corporate decisions; risks relating to our substantial indebtedness; our ability to raise additional capital and/or obtain debt or other financing, on commercially reasonable terms or at all; our ability to meet future cash requirements, including the ability to access financial markets effectively and maintain sufficient liquidity; the effects of currency movements in the jurisdictions in which we operate as compared to the U.S. dollar; and the effects of international trade disputes, tariffs, quotas and other import or export restrictions on our international procurement, sales and operations. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. A more detailed description of these and other risk factors is contained in the Company's most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 25, 2025 and other reports filed by the Company with the SEC since that date. The Company is not undertaking to update any information until required by applicable laws. Any projections of future results of operations are based on a number of assumptions, many of which are outside the Company's control and should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced projections, but it is not obligated to do so.

### **About The Chefs' Warehouse**

The Chefs' Warehouse, Inc. (<http://www.chefswarehouse.com>) is a premier distributor of specialty food products in the United States, the Middle East and Canada focused on serving the specific needs of chefs who own and/or operate some of the nation's leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. The Chefs' Warehouse, Inc. carries and distributes more than 88,000 products to more than 50,000 customer locations throughout the United States, the Middle East and Canada.

**Contact:**

Investor Relations  
 Jim Leddy, CFO, (718) 684-8415

<sup>1</sup> EBITDA, Adjusted EBITDA, adjusted net income and adjusted net income per share are non-GAAP measures. Please see the schedules accompanying this earnings release for a reconciliation of EBITDA, Adjusted EBITDA, adjusted net income and adjusted net income per share to these measures' most directly comparable GAAP measure.

**THE CHEFS' WAREHOUSE, INC.****CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****(unaudited; in thousands except share amounts and per share data)**

	<b>Thirteen Weeks Ended</b>	
	<b>March 28, 2025</b>	<b>March 29, 2024</b>
Net sales	\$ 950,748	\$ 874,488
Cost of sales	724,753	665,052
Gross profit	225,995	209,436
Selling, general and administrative expenses	202,763	190,321
Other operating expenses, net	497	3,112
Operating income	22,735	16,003
Interest expense	10,253	13,244
Income before income taxes	12,482	2,759
Provision for income tax expense	2,194	828
Net income	<u>\$ 10,288</u>	<u>\$ 1,931</u>
Net income per share:		
Basic	\$ 0.27	\$ 0.05
Diluted	\$ 0.25	\$ 0.05
Numerator:		
Net income	\$ 10,288	\$ 1,931
Add effect of dilutive securities:		
Interest on convertible notes, net of tax	1,212	—
Net income available to common shareholders	<u>\$ 11,500</u>	<u>\$ 1,931</u>
Denominator:		
Weighted average basic common shares outstanding	38,695,791	37,820,725
Dilutive effect of unvested common shares, stock options and warrants	900,680	806,160
Dilutive effect of convertible notes	6,494,970	—
Weighted average diluted common shares outstanding	<u>46,091,441</u>	<u>38,626,885</u>

**THE CHEFS' WAREHOUSE, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS****AS OF MARCH 28, 2025 AND DECEMBER 27, 2024****(unaudited; in thousands)**

	<b>March 28, 2025</b>	<b>December 27, 2024</b>
Cash and cash equivalents	\$ 116,530	\$ 114,655
Accounts receivable, net	335,846	366,311
Inventories	316,849	316,014
Prepaid expenses and other current assets	65,791	71,063
Total current assets	835,016	868,043
Property and equipment, net	294,255	275,781
Operating lease right-of-use assets	192,357	191,423
Goodwill	356,343	356,298
Intangible assets, net	154,302	160,383

Other assets	6,303	6,763
Total assets	<u>\$ 1,838,576</u>	<u>\$ 1,858,691</u>
Accounts payable	\$ 249,545	\$ 266,775
Accrued liabilities	73,897	68,538
Short-term operating lease liabilities	21,898	21,965
Accrued compensation	41,651	50,078
Current portion of long-term debt	20,269	18,040
Total current liabilities	<u>407,260</u>	<u>425,396</u>
Long-term debt, net of current portion	681,078	688,744
Operating lease liabilities	188,647	187,079
Deferred taxes, net	16,066	15,891
Other liabilities	3,885	3,935
Total liabilities	<u>1,296,936</u>	<u>1,321,045</u>
Common stock	406	402
Additional paid in capital	392,636	399,111
Accumulated other comprehensive loss	(3,630)	(3,807)
Retained earnings	152,228	141,940
Stockholders' equity	<u>541,640</u>	<u>537,646</u>
Total liabilities and stockholders' equity	<u>\$ 1,838,576</u>	<u>\$ 1,858,691</u>

**THE CHEFS' WAREHOUSE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited; in thousands)

	<b>Thirteen Weeks Ended</b>	
	<b>March 28, 2025</b>	<b>March 29, 2024</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 10,288	\$ 1,931
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,244	9,234
Amortization of intangible assets	6,094	6,171
Provision for allowance for credit losses	2,702	4,361
Deferred income tax provision	205	334
Loss on debt extinguishment	—	289
Stock compensation	4,763	4,199
Change in fair value of contingent earn-out liabilities	—	(613)
Non-cash interest and other operating activities	1,316	1,578
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	27,826	16,411
Inventories	(774)	13,148
Prepaid expenses and other current assets	4,115	(454)
Accounts payable, accrued liabilities and accrued compensation	(19,591)	(22,914)
Other assets and liabilities	378	(2,775)
<b>Net cash provided by operating activities</b>	<u>49,566</u>	<u>30,900</u>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(12,344)	(17,066)
Cash paid for acquisitions	—	(315)
<b>Net cash used in investing activities</b>	<u>(12,344)</u>	<u>(17,381)</u>
<b>Cash flows from financing activities:</b>		
Payment of debt and other financing obligations	(750)	(6,750)
Payment of finance leases	(3,253)	(1,125)
Common stock repurchases	—	(5,004)
Surrender of shares to pay withholding taxes	(11,409)	(7,073)

Cash paid for contingent earn-out liabilities	—	(1,300)
Payments under asset-based loan facility	(20,000)	—
<b>Net cash used in financing activities</b>	<u>(35,412)</u>	<u>(21,252)</u>
Effect of foreign currency translation on cash and cash equivalents	65	121
<b>Net change in cash and cash equivalents</b>	1,875	(7,612)
Cash and cash equivalents at beginning of period	114,655	49,878
<b>Cash and cash equivalents at end of period</b>	<u>\$ 116,530</u>	<u>\$ 42,266</u>

**THE CHEFS' WAREHOUSE, INC.**  
**RECONCILIATION OF NET INCOME TO EBITDA AND ADJUSTED EBITDA**  
**(unaudited; in thousands)**

	<b>Thirteen Weeks Ended</b>	
	<b>March 28, 2025</b>	<b>March 29, 2024</b>
Net income	\$ 10,288	\$ 1,931
Interest expense	10,253	13,244
Depreciation and amortization	12,244	9,234
Amortization of intangible assets	6,094	6,171
Provision for income tax expense	2,194	828
EBITDA (1)	<u>41,073</u>	<u>31,408</u>
Adjustments:		
Stock compensation (2)	4,763	4,199
Other operating expenses, net (3)	497	3,112
Duplicate rent (4)	953	1,362
Moving expenses (5)	197	79
Adjusted EBITDA (1)	<u>\$ 47,483</u>	<u>\$ 40,160</u>

1. See the "Non-GAAP Financial Measures" section of the press release.
2. Represents non-cash stock compensation expense associated with awards of restricted shares of our common stock and stock options to our key employees and our independent directors.
3. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.
4. Represents rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
5. Represents moving expenses for the consolidation and expansion of several of our distribution facilities.

**THE CHEFS' WAREHOUSE, INC.**  
**RECONCILIATION OF NET INCOME TO ADJUSTED NET INCOME AND**  
**ADJUSTED NET INCOME PER SHARE**  
**(unaudited; in thousands except share amounts and per share data)**

	<b>Thirteen Weeks Ended</b>	
	<b>March 28, 2025</b>	<b>March 29, 2024</b>
Net income	\$ 10,288	\$ 1,931
Adjustments to reconcile net income to adjusted net income (1):		
Other operating expenses, net (2)	497	3,112
Duplicate rent (3)	953	1,362
Moving expenses (4)	197	79
Debt modification and extinguishment expenses (5)	—	1,064
Tax effect of adjustments (6)	(1,762)	(1,685)
Total adjustments	<u>(115)</u>	<u>3,932</u>

Adjusted net income (1)	\$ 10,173	\$ 5,863
Diluted adjusted net income per common share (1)	\$ 0.25	\$ 0.15
Numerator:		
Adjusted net income (1)	\$ 10,173	\$ 5,863
Add effect of dilutive securities:		
Interest on convertible notes, net of tax	1,212	128
Adjusted net income available to common shareholders	\$ 11,385	\$ 5,991
Denominator:		
Weighted average basic common shares outstanding	38,695,791	37,820,725
Dilutive effect of unvested common shares, stock options and warrants	900,680	806,160
Dilutive effect of convertible notes	6,494,970	897,847
Weighted average diluted common shares outstanding	46,091,441	39,524,732

1. See the "Non-GAAP Financial Measures" section of the press release.
2. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.
3. Represents rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
4. Represents moving expenses for the consolidation and expansion of several of our distribution facilities.
5. Represents debt modification costs, extinguishment costs and interest expense related to the write-off of certain deferred financing fees related to our credit agreements.
6. Represents the adjustments to the tax provision values to a normalized annual effective tax rate on adjusted pretax earnings to 28.0% and 30.0% for the first quarters of 2025 and 2024, respectively.

**THE CHEFS' WAREHOUSE, INC.**  
**RECONCILIATION OF ADJUSTED EBITDA GUIDANCE FOR FISCAL 2025**  
(unaudited; in thousands)

	<u>Low-End Guidance</u>	<u>High-End Guidance</u>
Net income:	\$ 71,500	\$ 75,500
Provision for income tax expense	26,000	27,500
Depreciation and amortization	74,000	76,000
Interest expense	42,000	44,000
EBITDA (1)	213,500	223,000
Adjustments:		
Stock compensation (2)	17,500	18,500
Duplicate rent (3)	2,000	2,500
Other operating expenses (4)	1,000	2,000
Adjusted EBITDA (1)	\$ 234,000	\$ 246,000

1. See the "Non-GAAP Financial Measures" section of the press release.
2. Represents non-cash stock compensation expense associated with awards of restricted shares of our common stock and stock options to our key employees and our independent directors.
3. Represents rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
4. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.



Source: The Chefs' Warehouse, Inc.