UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 September 29, 2023

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: 001-35249

THE CHEFS' WAREHOUSE, INC.

(Exact name of registrant as specified in its charter)

Delaware	20-3031526
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

100 East Ridge Road
Ridgefield, Connecticut 06877
(Address of principal executive offices)

Registrant's telephone number, including area code: (203) 894-1345

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01	CHEF	The NASDAQ Stock Market LLC

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit 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 ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if 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 ☒

Number of shares of common stock, par value $.01 per share, outstanding at November 1, 2023: 39,665,229

THE CHEFS' WAREHOUSE, INC.

FORM 10-Q

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Statements in this report regarding the business of The Chefs' Warehouse, Inc. (the "Company") 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. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The risks and uncertainties which could impact these statements include, but are not limited to the following: our sensitivity to general economic conditions, including disposable income levels and changes in consumer discretionary spending; our ability to expand our operations in our existing markets and to penetrate new markets through acquisitions; we may not achieve the benefits expected from our acquisitions, which could adversely impact our business and operating results; we may have difficulty managing and facilitating our future growth; conditions beyond our control could materially affect the cost and/or availability of our specialty food products or center-of-the-plate products and/or interrupt our distribution network; our increased distribution of center-of-the-plate products, like meat, poultry and seafood, involves increased exposure to price volatility experienced by those products; our business is a low-margin business and our profit margins may be sensitive to inflationary and deflationary pressures; because our foodservice distribution operations are concentrated in certain culinary markets, we are susceptible to economic and other developments, including adverse weather conditions, in these areas; fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations; our ability to raise capital in the future may be limited; we may be unable to obtain debt or other financing, including financing necessary to execute on our acquisition strategy, on favorable terms or at all; interest charged on our outstanding debt may be adversely affected by changes in the method of determining the Secured Overnight Financing Rate ("SOFR"); our business operations and future development could be significantly disrupted if we lose key members of our management team; and significant public health epidemics or pandemics, including the COVID-19 pandemic, may adversely affect our business, results of operations and financial condition. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, 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 28, 2023 and other reports, including this Quarterly Report on Form 10-Q, filed by the Company with the SEC since that date. The Company is not undertaking to update any information in the foregoing report until the effective date of its future reports required by applicable laws.

PART I FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THE CHEFS' WAREHOUSE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(Amounts in thousands, except share data)

	September 29, 2023	December 30, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 33,058	$ 158,800
Accounts receivable, net of allowance of $24,792 in 2023 and $20,733 in 2022	316,138	260,167
Inventories, net	312,222	245,693
Prepaid expenses and other current assets	60,199	56,200
Total current assets	721,617	720,860
Property and equipment, net	208,927	185,728
Operating lease right-of-use assets	177,092	156,629
Goodwill	344,526	287,120
Intangible assets, net	199,618	155,703
Other assets	6,262	3,256
Total assets	$ 1,658,042	$ 1,509,296
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 209,299	$ 163,397
Accrued liabilities	75,437	54,325
Short-term operating lease liabilities	22,765	19,428
Accrued compensation	30,747	34,167
Current portion of long-term debt	11,970	12,428
Total current liabilities	350,218	283,745
Long-term debt, net of current portion	689,207	653,504
Operating lease liabilities	171,207	151,406
Deferred taxes, net	9,317	6,098
Other liabilities and deferred credits	3,311	13,034
Total liabilities	1,223,260	1,107,787
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock - $0.01 par value, 5,000,000 shares authorized, no shares issued and outstanding at September 29, 2023 and December 30, 2022	—	—
Common Stock - $0.01 par value, 100,000,000 shares authorized, 39,667,165 and 38,599,390 shares issued and outstanding at September 29, 2023 and December 30, 2022, respectively	397	386
Additional paid-in capital	352,576	337,947
Accumulated other comprehensive loss	(2,142)	(2,185)
Retained earnings	83,951	65,361
Total stockholders' equity	434,782	401,509
Total liabilities and stockholders' equity	$ 1,658,042	$ 1,509,296

See accompanying notes to the condensed consolidated financial statements

THE CHEFS' WAREHOUSE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)
(Amounts in thousands, except share and per share amounts)

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Net sales	$ 881,825	$ 661,856	$ 2,483,290	$ 1,822,063
Cost of sales	674,127	504,068	1,897,440	1,390,758
Gross profit	207,698	157,788	585,850	431,305
Selling, general and administrative expenses	179,614	130,255	514,793	364,828
Other operating expenses, net	2,535	5,458	8,269	10,504
Operating income	25,549	22,075	62,788	55,973
Interest expense	11,379	10,737	33,391	19,567
Income before income taxes	14,170	11,338	29,397	36,406
Provision for income tax expense	6,848	3,061	10,807	9,829
Net income	$ 7,322	$ 8,277	$ 18,590	$ 26,577
Other comprehensive (loss) income:				
Foreign currency translation adjustments	(231)	(156)	43	(105)
Comprehensive income	$ 7,091	$ 8,121	$ 18,633	$ 26,472
Net income per share:				
Basic	$ 0.19	$ 0.22	$ 0.49	$ 0.72
Diluted	$ 0.19	$ 0.21	$ 0.49	$ 0.68
Weighted average common shares outstanding:				
Basic	37,692,588	37,120,926	37,611,179	37,047,653
Diluted	45,717,496	42,044,053	39,143,774	41,942,676

See accompanying notes to the condensed consolidated financial statements

THE CHEFS' WAREHOUSE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(Amounts in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares	Amount				
Balance December 30, 2022	**38,599,390**	**$ 386**	**$ 337,947**	**$ (2,185)**	**$ 65,361**	**$ 401,509**
Net income	—	—	—	—	1,401	1,401
Stock compensation	998,777	10	4,780	—	—	4,790
Cumulative translation adjustment	—	—	—	81	—	81
Shares surrendered to pay tax withholding	(54,036)	(1)	(1,828)	—	—	(1,829)
Balance March 31, 2023	**39,544,131**	**$ 395**	**$ 340,899**	**$ (2,104)**	**$ 66,762**	**$ 405,952**
Net income	—	—	—	—	9,867	9,867
Stock compensation	53,543	—	4,704	—	—	4,704
Shares issued for acquisitions	75,008	1	2,495	—	—	2,496
Cumulative translation adjustment	—	—	—	193	—	193
Shares surrendered to pay tax withholding	(6,991)	—	(237)	—	—	(237)
Balance June 30, 2023	**39,665,691**	**$ 396**	**$ 347,861**	**$ (1,911)**	**$ 76,629**	**$ 422,975**
Net income	—	—	—	—	7,322	7,322
Stock compensation	936	1	4,729	—	—	4,730
Exercise of stock options	2,705	—	55	—	—	55
Cumulative translation adjustment	—	—	—	(231)	—	(231)
Shares surrendered to pay tax withholding	(2,167)	—	(69)	—	—	(69)
Balance September 29, 2023	**39,667,165**	**$ 397**	**$ 352,576**	**$ (2,142)**	**$ 83,951**	**$ 434,782**

Balance December 24, 2021	**37,887,675**	**$ 380**	**$ 314,242**	**$ (2,022)**	**$ 37,611**	**$ 350,211**
Net income	—	—	—	—	1,385	1,385
Stock compensation	433,115	4	3,039	—	—	3,043
Warrants issued for acquisitions	—	—	1,701	—	—	1,701
Cumulative translation adjustment	—	—	—	125	—	125
Shares surrendered to pay tax withholding	(64,329)	(1)	(2,039)	—	—	(2,040)
Balance March 25, 2022	**38,256,461**	**$ 383**	**$ 316,943**	**$ (1,897)**	**$ 38,996**	**$ 354,425**
Net income	—	—	—	—	16,915	16,915
Stock compensation	16,131	—	2,939	—	—	2,939
Cumulative translation adjustment	—	—	—	(74)	—	(74)
Shares surrendered to pay tax withholding	(15,137)	—	(518)	—	—	(518)
Balance June 24, 2022	**38,257,455**	**$ 383**	**$ 319,364**	**$ (1,971)**	**$ 55,911**	**$ 373,687**
Net income	—	—	—	—	8,277	8,277
Stock compensation	9,986	—	3,099	—	—	3,099
Exercise of stock options	3,407	—	69	—	—	69
Cumulative translation adjustment	—	—	—	(156)	—	(156)
Shares surrendered to pay tax withholding	(741)	—	(27)	—	—	(27)
Balance September 23, 2022	**38,270,107**	**$ 383**	**$ 322,505**	**$ (2,127)**	**$ 64,188**	**$ 384,949**

See accompanying notes to the condensed consolidated financial statements

THE CHEFS' WAREHOUSE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Amounts in thousands)

	Thirty-Nine Weeks Ended	
	September 29, 2023	**September 23, 2022**
Cash flows from operating activities:		
Net income	$ 18,590	$ 26,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	24,167	17,667
Amortization of intangible assets	16,924	10,289
Provision for allowance for doubtful accounts	5,216	3,138
Non-cash operating lease expense	2,663	1,329
Provision for deferred income taxes	3,018	7,121
Amortization of deferred financing fees	3,421	1,621
Loss on debt extinguishment	—	142
Stock compensation	15,855	9,081
Change in fair value of contingent earn-out liabilities	2,850	8,358
Intangible asset impairment	1,838	—
(Gain) loss on asset disposal	(44)	17
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(27,387)	(25,402)
Inventories	(56,350)	(40,519)
Prepaid expenses and other current assets	(3,460)	(9,848)
Accounts payable, accrued liabilities and accrued compensation	18,740	21,938
Other assets and liabilities	(5,996)	238
Net cash provided by operating activities	**20,045**	**31,747**
Cash flows from investing activities:		
Capital expenditures	(35,130)	(31,666)
Cash paid for acquisitions, net of cash acquired	(120,600)	(62,007)
Net cash used in investing activities	**(155,730)**	**(93,673)**
Cash flows from financing activities:		
Payment of debt, finance lease and other financing obligations	(33,444)	(171,434)
Proceeds from debt issuance	—	300,000
Payment of deferred financing fees	(354)	(11,258)
Proceeds from exercise of stock options	55	69
Surrender of shares to pay withholding taxes	(2,134)	(2,584)
Cash paid for contingent earn-out liability	(3,650)	(2,538)
Borrowings under asset-based loan facility	50,000	—
Payments under asset-based loan facility	—	(20,000)
Net cash provided by financing activities	**10,473**	**92,255**
Effect of foreign currency on cash and cash equivalents	(530)	(59)
Net change in cash and cash equivalents	(125,742)	30,270
Cash and cash equivalents-beginning of period	158,800	115,155
Cash and cash equivalents-end of period	**$ 33,058**	**$ 145,425**

See accompanying notes to the condensed consolidated financial statements

Note 1 - Operations and Basis of Presentation

Description of Business and Basis of Presentation

The financial statements include the condensed consolidated accounts of The Chefs' Warehouse, Inc. (the "Company"), and its wholly-owned subsidiaries. The Company's quarterly periods end on the thirteenth Friday of each quarter. Every six to seven years, the Company will add a fourteenth week to its fourth quarter to more closely align its year-end to the calendar year. Fiscal 2022 contained a fourteenth week in the fourth quarter. The Company's business consists of three operating segments: East, Midwest and West that aggregate into one reportable segment, foodservice distribution, which is concentrated primarily in the United States. The Company's customer base consists primarily of menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos, specialty food stores, grocers and warehouse clubs.

Consolidation

The unaudited condensed consolidated financial statements include all the accounts of the Company and its direct and indirect wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated.

Unaudited Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements and the related interim information contained within the notes to such unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the applicable rules of the Securities and Exchange Commission ("SEC") for interim information and quarterly reports on Form 10-Q. Accordingly, they do not include all the information and disclosures required by GAAP for complete financial statements. These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the fiscal year ended December 30, 2022 filed as part of the Company's Annual Report on Form 10-K, as filed with the SEC on February 28, 2023.

The unaudited condensed consolidated financial statements appearing in this Form 10-Q have been prepared on the same basis as the audited consolidated financial statements included in the Company's Annual Report on Form 10-K, as filed with the SEC on February 28, 2023, and in the opinion of management, include all normal recurring adjustments that are necessary for the fair statement of the Company's interim period results. The year-end consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by GAAP. Due to seasonal fluctuations and other factors, the results of operations for the thirteen and thirty-nine weeks ended September 29, 2023 are not necessarily indicative of the results to be expected for the full year.

The preparation of financial statements in conformity with GAAP requires management to make significant estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's estimates.

Note 2 – Summary of Significant Accounting Policies

Revenue Recognition

Revenues from product sales are recognized at the point at which control of each product is transferred to the customer. The Company's contracts contain performance obligations which are satisfied when customers have physical possession of each product. The majority of customer orders are fulfilled within a day and customer payment terms are typically 14 to 60 days from delivery. Shipping and handling activities are costs to fulfill the Company's performance obligations. These costs are expensed as incurred and presented within *selling, general and administrative expenses* on the condensed consolidated statements of operations. The Company offers certain sales incentives to customers in the form of rebates or discounts. These sales incentives are accounted for as variable consideration. The Company estimates these amounts based on the expected amount to be provided to customers and records a corresponding reduction in revenue. The Company does not expect a significant reversal in the amount of cumulative revenue recognized. Sales tax billed to customers is not included in revenue but rather recorded as a liability owed to the respective taxing authorities at the time the sale is recognized.

The following table presents the Company’s net sales disaggregated by principal product category:

	Thirteen Weeks Ended				Thirty-Nine Weeks Ended			
	September 29, 2023		September 23, 2022		September 29, 2023		September 23, 2022	
Center-of-the-Plate	$ 333,809	37.9 %	$ 280,272	42.3 %	$ 980,120	39.5 %	$ 803,334	44.1 %
Specialty:								
Dry Goods	134,398	15.2 %	97,323	14.7 %	395,723	15.9 %	257,971	14.2 %
Pastry	102,562	11.6 %	71,145	10.7 %	300,814	12.1 %	188,948	10.4 %
Cheese and Charcuterie	64,639	7.3 %	54,989	8.3 %	185,303	7.5 %	146,155	8.0 %
Produce	137,760	15.6 %	74,379	11.2 %	310,313	12.5 %	204,422	11.2 %
Dairy and Eggs	56,849	6.4 %	38,719	5.9 %	163,600	6.6 %	102,405	5.6 %
Oils and Vinegars	34,097	3.9 %	29,778	4.5 %	96,607	3.9 %	78,645	4.3 %
Kitchen Supplies	17,711	2.1 %	15,251	2.4 %	50,810	2.0 %	40,183	2.2 %
Total Specialty	$ 548,016	62.1 %	$ 381,584	57.7 %	$ 1,503,170	60.5 %	$ 1,018,729	55.9 %
Total net sales	$ 881,825	100 %	$ 661,856	100 %	$ 2,483,290	100 %	$ 1,822,063	100 %

The Company determines its product category classification based on how the Company currently markets its products to its customers. The Company’s definition of its principal product categories may differ from the way in which other companies present similar information. Net sales by product category includes estimates of product mix for certain locations that are not yet fully integrated into the Company’s information technology systems as of the reporting date. The table above includes the correction of an immaterial error to revise the Specialty principal product category revenue for the thirteen weeks ended September 23, 2022 and the thirty-nine weeks ended September 23, 2022 related to its Capital Seaboard acquisition. Total Specialty revenue was not impacted but aggregate revenue of $35,077 and $100,009 was adjusted from other Specialty product categories to Produce for the thirteen weeks ended September 23, 2022 and the thirty-nine weeks ended September 23, 2022, respectively.

Food Processing Costs

Food processing costs include but are not limited to direct labor and benefits, applicable overhead and depreciation of equipment and facilities used in food processing activities. Food processing costs included in cost of sales were $19,081 and $10,089 for the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and $47,370 and $28,523 for the thirty-nine weeks ended September 29, 2023 and September 23, 2022, respectively.

Immaterial Correction of Prior Period Errors and Disclosures

During the third quarter of fiscal 2023, immaterial errors were identified in the calculation of the *provision for income tax expense (benefit)* for fiscal 2022, 2021 and 2020. The Company recorded an out of period adjustment of $2,135 to the *provision for income tax expense* during the thirteen and thirty-nine weeks ended September 29, 2023. The impact of these errors on prior periods would be to increase the *provision for income tax expense* by $1,308 for fiscal 2022 and to reduce the *provision for income tax benefit* by $719 and $108 for fiscal 2021 and 2020, respectively.

During the first quarter of fiscal 2023 and subsequent to the issuance of the fiscal year 2022 consolidated financial statements, immaterial errors were identified in the weighted average remaining amortization period of intangible assets, the intangible asset amortization schedule and the debt maturity schedule. The weighted average remaining amortization period for customer relationships, non-compete agreements and trademarks were previously disclosed as 232 months, 73 months and 250 months instead of 117 months, 25 months and 165 months, respectively. This had a corresponding immaterial impact on the intangible asset amortization schedule.

In addition, the debt maturity schedule previously included the $40,000 due upon maturity of the asset-based loan facility in the thereafter total instead of in the 2027 total. Further, the Company omitted that the asset-based loan facility and term loan are classified as Level 2 within the fair value hierarchy. These immaterial errors and omissions have been corrected in Note 4 “Fair Value Measurements”, Note 8 “Goodwill and Other Intangible Assets” and Note 9 “Debt Obligations”, within these condensed consolidated financial statements.

Note 3 – Net Income per Share

The following table sets forth the computation of basic and diluted net income per common share:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Net income per share:				
Basic	$ 0.19	$ 0.22	$ 0.49	$ 0.72
Diluted	$ 0.19	$ 0.21	$ 0.49	$ 0.68
Weighted average common shares:				
Basic	37,692,588	37,120,926	37,611,179	37,047,653
Diluted	45,717,496	42,044,053	39,143,774	41,942,676

Reconciliation of net income per common share:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Numerator:				
Net income	$ 7,322	$ 8,277	$ 18,590	$ 26,577
Add effect of dilutive securities				
Interest on convertible notes, net of tax	1,369	683	403	2,048
Net income available to common shareholders	$ 8,691	$ 8,960	$ 18,993	$ 28,625
Denominator:				
Weighted average basic common shares outstanding	37,692,588	37,120,926	37,611,179	37,047,653
Dilutive effect of unvested common shares	594,416	316,358	580,675	304,391
Dilutive effect of stock options and warrants	37,675	81,789	54,073	65,652
Dilutive effect of convertible notes	7,392,817	4,524,980	897,847	4,524,980
Weighted average diluted common shares outstanding	45,717,496	42,044,053	39,143,774	41,942,676

Potentially dilutive securities that have been excluded from the calculation of diluted net income per common share because the effect is anti-dilutive are as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Restricted share awards (“RSAs”)	292,778	80,844	37,236	68,784
Stock options and warrants	300,000	—	—	—
Convertible notes	—	91,053	6,494,970	91,053

Note 4 – Fair Value Measurements

Assets and Liabilities Measured at Fair Value

The Company’s contingent earn-out liabilities are measured at fair value. These liabilities were estimated using Level 3 inputs. Long-term earn-out liabilities were $1,757 and $10,483 as of September 29, 2023 and December 30, 2022, respectively, and are reflected as *other liabilities and deferred credits* on the condensed consolidated balance sheets. The remaining short-term earn-out liabilities are reflected as *accrued liabilities* on the condensed consolidated balance sheets. The fair value of contingent consideration was determined based on a probability-based approach which includes projected results, percentage probability of occurrence and the application of a discount rate to present value the payments. A significant change in projected results, discount rate, or probabilities of occurrence could result in a significantly higher or lower fair value measurement. Changes in the fair value of contingent earn-out liabilities are reflected in *other operating expenses, net* on the condensed consolidated statements of operations.

The following table presents the changes in Level 3 contingent earn-out liabilities:

	Total
Balance December 30, 2022	$ 17,294
Acquisition value	5,765
Cash payments	(4,625)
Changes in fair value	2,850
Balance September 29, 2023	$ 21,284

Fair Value of Financial Instruments

The carrying amounts reported in the Company's condensed consolidated balance sheets for accounts receivable and accounts payable approximate fair value due to the immediate to short-term nature of these financial instruments. The fair values of the asset-based loan facility and term loan approximated their book values as of September 29, 2023 and December 30, 2022 as these instruments had variable interest rates that reflected current market rates available to the Company and are classified as Level 2 fair value measurements.

The following table presents the carrying value and fair value of the Company's convertible notes and GreenLeaf Note. The fair value of the Company's 2028 Convertible Senior Notes was based on Level 1 inputs. In estimating the fair value of its 2024 Convertible Senior Notes and Convertible Unsecured Note, the Company utilized Level 3 inputs including prevailing market interest rates to estimate the debt portion of the instrument and a Black Scholes valuation model to estimate the fair value of the conversion option. The Black Scholes model utilizes the market price of the Company's common stock, estimates of the stock's volatility and the prevailing risk-free interest rate in calculating the fair value estimate. The fair value of the GreenLeaf Note was determined based upon observable market prices of similar debt instruments. The Convertible Unsecured Note matured on June 29, 2023 and was repaid in full.

		September 29, 2023		December 30, 2022	
	Fair Value Hierarchy	Carrying Value	Fair Value	Carrying Value	Fair Value
2028 Convertible Senior Notes	Level 1	$ 287,500	$ 233,421	$ 287,500	$ 292,531
2024 Convertible Senior Notes	Level 3	$ 39,684	$ 37,270	$ 41,684	$ 43,723
GreenLeaf Note	Level 2	$ 10,000	$ 9,821	$ —	$ —
Convertible Unsecured Note	Level 3	$ —	$ —	$ 4,000	$ 4,345

Note 5 – Acquisitions

GreenLeaf

On May 1, 2023, the Company entered into a stock purchase agreement to acquire substantially all of the equity interests of Oakville Produce Partners, LLC ("GreenLeaf"), a leading produce and specialty food distributor in Northern California. The final purchase price was $86,124 consisting of $72,157 paid in cash at closing, $1,471 paid upon settlement of a net working capital true-up, the issuance of a $10,000 unsecured note and 75,008 shares of the Company's common stock with an approximate value of $2,496 based on the trading price of the Company's common stock on the date of acquisition. The acquisition was partially funded by a $40,000 incremental draw on the Company's asset-based loan facility. The Company's purchase price allocation is preliminary and is subject to revision pending the valuation of goodwill and intangible assets acquired. This valuation is incomplete as of September 29, 2023 as the Company is currently in the process of completing its assessment of valuation inputs and assumptions. When applicable, these valuations require the use of Level 3 inputs. All goodwill for the GreenLeaf acquisition will be amortized over 15 years for tax purposes. The goodwill recorded primarily reflects the value of acquiring an established specialty produce distributor to leverage the Company's existing products in the markets served by GreenLeaf and any intangible assets that do not qualify for separate recognition, including assembled workforce. The intangible assets acquired consisted of customer relationships, trademarks and non-compete agreements valued at $38,900, $1,500, and $400 respectively, as of the acquisition date. The customer relationships are being amortized over an average of 7.5 years, the trademarks are being amortized over 5 years and the non-compete agreements are being amortized over 2 years.

Hardie's Fresh Foods

On March 20, 2023, pursuant to an asset purchase agreement, the Company acquired substantially all of the assets of Hardie's F&V, LLC ("Hardie's Fresh Foods"), a specialty produce distributor with operations in Texas. The final purchase price was approximately $42,000, consisting of $38,000 paid in cash at closing, subject to customary net working capital adjustments, and an earn-out liability valued at approximately $4,000 as of the acquisition date. If earned, the earn-out liability could total up to $10,000 over a two-year period. The payment of the earn-out liability is subject to the successful achievement of certain EBITDA targets. The Company's purchase price allocation is preliminary and is subject to revision pending the valuation of goodwill and intangible assets acquired. The valuation of tangible and intangible assets acquired is incomplete as of September 29, 2023. All goodwill for the Hardie's Fresh Foods acquisition will be amortized over 15 years for tax purposes. The goodwill recorded primarily reflects the value of acquiring an established specialty produce distributor to leverage the Company's existing products in the markets served by Hardie's Fresh Foods and any intangible assets that do not qualify for separate recognition, including assembled workforce. The intangible assets acquired consisted of customer relationships and trademarks valued at $14,000 and $3,600, respectively, as of the acquisition date. The customer relationships and trademarks are being amortized over 10 years and 5 years, respectively.

Other Fiscal 2023 Acquisitions

During the thirty-nine weeks ended September 29, 2023, the Company completed three other acquisitions for an aggregate initial purchase price of approximately $17,744, consisting of $12,971 paid in cash at closing, $893 paid upon settlement of a net working capital adjustment, earn-out liabilities valued at approximately of $1,665 as of the dates of acquisition, and $2,215 of deferred payments. If earned, these earn-out liabilities could total up to $2,562 in the aggregate. The Company's aggregate purchase price allocations are preliminary and is subject to revision pending the valuations of goodwill and intangible assets acquired. This valuation is incomplete as of September 29, 2023 as the Company is currently in the process of completing its assessment of valuation inputs and assumptions as well as opening working capital. When applicable, these valuations require the use of Level 3 inputs. All goodwill of $6,933 will be amortized over 15 years for tax purposes. The intangible assets acquired consisted of customer relationships valued at $4,276 as of the acquisition dates. The customer relationships are being amortized over 10 years.

The Company reflected net sales and income before income taxes in its condensed consolidated statement of operations related to the fiscal 2023 acquisitions as follows:

	Thirteen Weeks Ended September 29, 2023	Thirty-Nine Weeks Ended September 29, 2023
Net sales	$ 109,973	$ 230,376
Income before income taxes	$ 4,164	$ 10,528

Chef Middle East

On November 1, 2022, pursuant to a share sale and purchase agreement, the Company acquired substantially all of the shares of Chef Middle East LLC ("CME"), a specialty food distributor with operations in the United Arab Emirates, Qatar and Oman. The final purchase price was approximately $116,515, consisting of $108,749 paid in cash at closing, $166 paid upon settlement of a net working capital true-up, and an earn-out liability valued at $7,600 as of the date of acquisition. If earned, the earn-out liability could total up to $10,000 over a two-year period. The measurement period adjustments recorded through the second quarter of fiscal 2023 resulted in a goodwill increase of $735, a decrease in inventories of $735, an increase in the earn-out liability of $100, an increase in accrued liabilities of $313, a decrease in other assets of $82, and a decrease in deferred tax liabilities of $35. The valuation of tangible and intangible assets acquired has been completed as of September 29, 2023. The intangible assets acquired consisted of customer relationships, trademarks and non-compete agreements valued at $25,800, $11,400, and $320, respectively, as of the acquisition date. The customer relationships, trademarks and non-compete agreements are being amortized over 10, 15 and 3 years, respectively.

The table below sets forth the total assets acquired and liabilities assumed:

	Chef Middle East	Hardie's Fresh Foods	GreenLeaf	Other Acquisitions
Current assets	$ 84,076	$ 26,475	$ 16,069	$ 9,697
Customer relationships	25,800	14,000	38,900	4,276
Trademarks	11,400	3,600	1,500	—
Non-compete agreements	320	—	400	—
Goodwill	24,548	12,346	36,155	6,933
Fixed assets	16,953	4,986	2,231	434
Other assets	859	146	109	—
Deferred tax liability	(3,600)	—	—	(241)
Right-of-use assets	5,321	13,303	2,026	3,258
Lease liabilities	(5,321)	(13,303)	(2,026)	(3,258)
Current liabilities	(43,841)	(19,553)	(9,240)	(3,336)
Other long-term liabilities	—	—	—	(19)
Total	$ 116,515	$ 42,000	$ 86,124	$ 17,744

The Company recognized professional fees related to acquisition activities of $710 and $728 during the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and $3,338 and $1,747 during the thirty-nine weeks ended September 29, 2023 and September 23, 2022, respectively, presented within *other operating expenses, net* on the condensed consolidated statements of operations.

Unaudited Pro forma Financial Information

The table below presents unaudited pro forma condensed consolidated income statement information of the Company as if the GreenLeaf and Hardie's Fresh Foods acquisitions had occurred on December 25, 2021, and the CME acquisition had occurred on December 26, 2020. The pro forma results were prepared from financial information obtained from the sellers of the business, as well as information obtained during the due diligence process associated with the acquisitions. The pro forma information is not necessarily indicative of the Company's results of operations had the acquisitions been completed on the above date, nor is it necessarily indicative of the Company's future results. The pro forma information does not reflect any cost savings from operating efficiencies or synergies that could result from the acquisitions, any incremental costs for transitioning to become a public company, and also does not reflect additional revenue opportunities following the acquisitions. The pro forma information reflects amortization and depreciation of the acquisitions at their respective fair value. The pro forma information also reflects additional interest expense that would have been incurred by the Company to finance the acquisitions. Pro forma interest expense was estimated based on the prevailing interest rates charged on the Company's senior secured term loan during fiscal 2022. CME did not have a pro forma impact during the thirteen and thirty-nine weeks ended September 29, 2023 as it was included in the condensed consolidated results of operations for the entire period.

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Net sales	$ 881,825	$ 800,158	$ 2,577,474	$ 2,238,390
Income before income taxes	$ 14,170	$ 12,752	$ 30,479	$ 45,836

Note 6 – Inventories

Inventories consist primarily of finished product and are reflected net of adjustments for shrinkage, excess and obsolescence to approximate their net realizable value totaling $10,415 and $9,198 at September 29, 2023 and December 30, 2022, respectively.

Note 7 – Property and Equipment

Property and equipment as of September 29, 2023 and December 30, 2022 consisted of the following:

	Useful Lives	September 29, 2023	December 30, 2022
Land	Indefinite	$ 5,542	$ 5,542
Buildings	20 years	40,695	39,893
Machinery and equipment	5 - 10 years	36,655	32,107
Computers, data processing and other equipment	3 - 7 years	21,547	18,475
Software	3 - 7 years	48,814	42,609
Leasehold improvements	1 - 40 years	129,845	94,245
Furniture and fixtures	7 years	4,097	3,825
Vehicles	5 - 10 years	34,665	31,462
Construction-in-process		24,050	36,583
		345,910	304,741
Less: accumulated depreciation and amortization		(136,983)	(119,013)
Property and equipment, net		$ 208,927	$ 185,728

Construction-in-process at September 29, 2023 related primarily to the build-out of the Company's Richmond, CA and Miami, FL distribution facilities and at December 30, 2022 related primarily to the build-out of the Company's Miami, Dallas and Richmond, CA distribution facilities and the implementation of the Company's Enterprise Resource Planning system. The net book value of equipment financed under finance leases at September 29, 2023 and December 30, 2022 was $11,821 and $11,579, respectively.

The components of depreciation and amortization expense were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Depreciation expense	$ 7,017	$ 4,455	$ 19,691	$ 13,255
Software amortization	$ 1,468	$ 1,457	$ 4,476	$ 4,412
	$ 8,485	$ 5,912	$ 24,167	$ 17,667

Note 8 – Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill are presented as follows:

Carrying amount as of December 30, 2022	$ 287,120
Goodwill adjustments [1]	1,986
Acquisitions	55,434
Foreign currency translation	(14)
Carrying amount as of September 29, 2023	$ 344,526

(1) The goodwill adjustments represent measurement period adjustments related to certain acquisitions completed in the current and prior year.

Other intangible assets as of September 29, 2023 and December 30, 2022 consisted of the following:

September 29, 2023	**Weighted-Average Remaining Amortization Period**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
Customer relationships	103 months	$ 260,948	$ (98,590)	$ 162,358
Trademarks	148 months	56,236	(19,640)	36,596
Non-compete agreements	20 months	9,299	(8,635)	664
Total		$ 326,483	$ (126,865)	$ 199,618

December 30, 2022	**Weighted-Average Remaining Amortization Period**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Amount**
Customer relationships	117 months	$ 205,608	$ (85,447)	$ 120,161
Trademarks	165 months	51,137	(16,201)	34,936
Non-compete agreements	25 months	8,899	(8,293)	606
Total		$ 265,644	$ (109,941)	$ 155,703

Amortization expense for other intangibles was $6,468 and $3,470 for the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and $16,924 and $10,289 for the thirty-nine weeks ended September 29, 2023 and September 23, 2022, respectively.

The Company recognized a customer relationships intangible asset impairment charge of $1,838 related to the loss of a significant Hardie's Fresh Foods customer post acquisition. The Company's valuation of the Hardie's Fresh Foods' customer list intangible asset as of the acquisition date, a Level 3 measurement, was based on an income approach using the excess earnings method which requires significant assumptions including future sales forecasts and a discount rate. The impairment charge was measured by reducing its assumption of future sales for the significant customer lost post-acquisition to zero.The impairment charge is presented within *other operating expenses, net* on the condensed consolidated statements of operations.

Estimated amortization expense for other intangible assets for the remainder of the fiscal year ending December 29, 2023 and each of the next four fiscal years and thereafter is as follows:

2023	$ 6,289
2024	24,939
2025	24,400
2026	24,204
2027	23,635
Thereafter	96,151
Total	$ 199,618

Note 9 – Debt Obligations

Debt obligations as of September 29, 2023 and December 30, 2022 consisted of the following:

	Weighted Average Effective Interest Rate at September 29, 2023	Maturity	September 29, 2023	December 30, 2022
Senior secured term loans	10.83 %	August 2029	$ 277,000	$ 299,250
2028 Convertible senior notes	2.77 %	December 2028	287,500	287,500
2024 Convertible senior notes	2.34 %	December 2024	39,684	41,684
Asset-based loan facility	7.25 %	March 2027	90,000	40,000
Finance leases and other financing obligations	5.44 %	Various	23,779	13,548
Convertible unsecured note	— %	June 2023	—	4,000
Unamortized deferred costs and premium			(16,786)	(20,050)
Total debt obligations			701,177	665,932
Less: current installments			(11,970)	(12,428)
Total debt obligations excluding current installments			$ 689,207	$ 653,504

In connection with the GreenLeaf acquisition, the Company issued a $10,000 unsecured note bearing interest of 4.47%. The principal on the unsecured note is due in two equal installments on April 30, 2024 and 2025 and is presented under the caption “Finance leases and other financing obligations” in the table above. The convertible unsecured note matured on June 29, 2023 and was repaid in full, including all accrued interest, for $4,049 in cash.

On July 7, 2023, the Company entered into a sixth amendment to the ABL Credit Agreement which increased the aggregate commitments to $300,000, up from $200,000, maturing on March 11, 2027. The sixth amendment to the ABL was accounted for as a debt modification. The Company incurred transaction costs of $354 which were capitalized as deferred financing fees to be amortized over the term of the ABL, presented in *other non-current assets* in the Company’s consolidated balance sheet.

On August 31, 2023, the Company made a voluntary prepayment of $20,000 towards the senior secured term loan. In connection with the prepayment the Company wrote off unamortized deferred financing fees of $770 which are included in *interest expense* within the statement of operations.

Maturities of the Company’s debt, excluding finance leases, for the remainder of the fiscal year ending December 29, 2023 and each of the next four fiscal years and thereafter is as follows:

2023	$ 750
2024	47,684
2025	8,000
2026	3,000
2027	93,000
Thereafter	551,750
Total	$ 704,184

The net carrying value of the Company's convertible notes as of September 29, 2023 and December 30, 2022 was:

	September 29, 2023			December 30, 2022		
	Principal Amount	Unamortized Deferred Costs and Premium	Net Amount	Principal Amount	Unamortized Deferred Costs and Premium	Net Amount
2028 Convertible Senior Notes	$ 287,500	$ (6,016)	$ 281,484	$ 287,500	$ (6,876)	$ 280,624
2024 Convertible Senior Notes	39,684	(232)	39,452	41,684	(373)	41,311
Convertible Unsecured Note	—	—	—	4,000	—	4,000
Total	$ 327,184	$ (6,248)	$ 320,936	$ 333,184	$ (7,249)	$ 325,935

The components of interest expense on the Company's convertible notes were as follows:

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Coupon interest	$ 1,893	$ 938	$ 5,685	$ 2,813
Amortization of deferred costs and premium	333	224	1,001	672
Total interest	$ 2,226	$ 1,162	$ 6,686	$ 3,485

As of September 29, 2023, the Company had reserved $27,970 of the asset-based loan facility for the issuance of letters of credit and funds totaling $149,757 were available for borrowing.

Note 10 – Stockholders' Equity

Equity Awards

The following table reflects the activity of RSAs during the thirty-nine weeks ended September 29, 2023:

	Time-based		Performance-based		Market-based	
	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value	Shares	Weighted Average Grant Date Fair Value
Unvested at December 30, 2022	464,972	$ 31.74	335,425	$ 32.25	333,114	$ 30.30
Granted	234,070	32.23	742,744	33.17	87,942	28.84
Vested	(215,726)	31.84	—	—	—	—
Forfeited	(11,500)	34.31	—	—	—	—
Unvested at September 29, 2023	471,816	$ 31.87	1,078,169	$ 32.88	421,056	$ 30.00

The Company granted 1,064,756 RSAs to its employees at a weighted average grant date fair value of $32.60 during the thirty-nine weeks ended September 29, 2023. These awards are a mix of time-, market- and performance-based grants that generally vest over a range of periods up to five years. The Company recognized expense totaling $4,730 and $3,099 on its RSAs during the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and $14,224 and $9,081 during the thirty-nine weeks ended September 29, 2023 and September 23, 2022, respectively.

At September 29, 2023, the total unrecognized compensation cost for unvested RSAs was $30,006 and the weighted-average remaining period was approximately 2.5 years. Of this total, $10,915 related to RSAs with time-based vesting provisions and $19,091 related to RSAs with performance- and market-based vesting provisions. At September 29, 2023, the weighted-average remaining period for time-based vesting and performance-based vesting RSAs were approximately 2.2 years and 2.7 years, respectively.

No share-based compensation expense related to the Company’s RSAs or stock options has been capitalized. As of September 29, 2023, there were 1,087,180 shares available for grant under the 2019 Omnibus Equity Incentive Plan.

The following table summarizes stock option activity during the thirty-nine weeks ended September 29, 2023:

	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Weighted Average Remaining Contractual Term (in years)
Outstanding December 30, 2022	112,232	$ 20.23	$ 1,465	3.2
Exercised	(2,705)	20.23		
Outstanding September 29, 2023	109,527	$ 20.23	$ 104	2.4
Exercisable at September 29, 2023	109,527	20.23	$ 104	2.4

In connection with the CME acquisition, the Company issued stock awards to certain members of the CME management team which were classified as liabilities. These awards vest over a period of up to 4 years. Stock-based compensation expense for these awards was $544 and $0 during the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and $1,631 and $0 during the thirty-nine weeks ended September 29, 2023 and September 23, 2022, respectively. The fair value of these awards was $1,994 and $362 as of September 29, 2023 and December 30, 2022, respectively, and is presented within *Other liabilities and deferred credits* on the Company’s condensed consolidated balance sheets.

Note 11 – Related Parties

The Chefs’ Warehouse Mid-Atlantic, LLC, a subsidiary of the Company, leases a distribution facility that is 100% owned by entities controlled by Christopher Pappas, the Company’s Chairman, President and Chief Executive Officer, and John Pappas, the Company’s Vice Chairman and one of its directors, and are deemed to be affiliates of these individuals. Expense related to this facility totaled $123 during the thirteen weeks ended September 29, 2023 and September 23, 2022, and $369 during the thirty-nine weeks ended September 29, 2023 and September 23, 2022.

Note 12 – Income Taxes

The Company’s effective tax rate was 48.3% and 27.0% for the thirteen weeks ended September 29, 2023 and September 23, 2022, respectively, and 36.8% and 27.0% for the thirty-nine weeks-ended September 29, 2023 and September 23, 2022, respectively. The higher effective tax rate for the thirteen and thirty-nine weeks ended September 29, 2023 is primarily due to a discrete $2,135 charge in the current period for return-to-provision adjustments related to certain nondeductible costs identified in the completion of the Company’s fiscal 2022 tax return and the impact of those adjustments on the fiscal 2023 estimated annual effective tax rate. The effective tax rate otherwise varies from the 21% statutory rate primarily due to state taxes.

The Company’s income tax provision reflects the impact of an expected income tax refund receivable of $22,475 as of September 29, 2023 which is reflected in *prepaid expenses and other current assets* on the Company’s consolidated balance sheet.

Note 13 – Supplemental Disclosures of Cash Flow Information

	Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022
Supplemental cash flow disclosures:		
Cash paid for income taxes	$ 17,574	$ 3,483
Cash paid for interest, net of cash received	$ 28,339	$ 17,636
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 28,203	$ 20,835
Operating cash flows from finance leases	$ 524	$ 325
Other non-cash investing and financing activities		
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 42,991	$ 21,779
Finance leases	$ 3,963	$ 791
Other non-cash investing and financing activities:		
Warrants issued for acquisitions	$ —	$ 1,701
Common stock issued for acquisitions	$ 2,496	$ —
Unsecured notes issued for acquisitions	$ 10,000	$ —
Contingent earn-out liabilities for acquisitions	$ 5,765	$ 1,200

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) is provided as a supplement to the accompanying condensed consolidated financial statements and footnotes to help provide an understanding of our financial condition, changes in our financial condition and results of operations. The following discussion should be read in conjunction with information included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 28, 2023. Unless otherwise indicated, the terms “Company”, “Chefs’ Warehouse”, “we”, “us” and “our” refer to The Chefs’ Warehouse, Inc. and its subsidiaries.

Business Overview

We are a premier distributor of specialty foods in the leading culinary markets in the United States, Middle East and Canada. We offer more than 55,000 stock-keeping units (“SKUs”), ranging from high-quality specialty foods and ingredients to basic ingredients and staples and center-of-the-plate proteins. We serve more than 40,000 customer locations, primarily located in our 23 geographic markets across the United States, Middle East and Canada, and the majority of our customers are independent restaurants and fine dining establishments. We also sell certain of our products directly to consumers through our Allen Brothers and “Shop Like a Chef” retail channels.

Recent Acquisitions

On May 1, 2023, the Company entered into a stock purchase agreement to acquire substantially all of the equity interests of Oakville Produce Partners, LLC (“GreenLeaf”), a leading produce and specialty food distributor in Northern California. The final purchase price was $86.1 million consisting of $72.2 million paid in cash at closing, $1.5 million paid upon settlement of a net working capital true-up, the issuance of a $10.0 million unsecured note, and 75,008 shares of the Company’s common stock with an approximate value of $2.5 million.

On March 20, 2023, pursuant to an asset purchase agreement, we acquired substantially all of the assets of Hardie’s F&V, LLC (“Hardie’s Fresh Foods”), a specialty produce distributor with operations in Texas. The final purchase price was approximately $42.0 million, consisting of $38.0 million paid in cash at closing, subject to customary working capital adjustments, and an earn-out liability valued at approximately $4.0 million as of the acquisition date. If earned, the earn-out liability could total up to $10.0 million over a two-year period.

During the thirty-nine weeks ended September 29, 2023 , the Company completed three other acquisitions for an aggregate purchase price of approximately $17.7 million, consisting of $13.0 million paid in cash at closing, $0.9 million paid upon settlement of a net working capital adjustment, earn-out liabilities valued at approximately of $1.7 million as of the dates of acquisition, and $2.2 million of deferred payments. If earned, the earn-out liabilities could total up to $2.6 million in the aggregate.

RESULTS OF OPERATIONS

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022	September 29, 2023	September 23, 2022
Net sales	$ 881,825	$ 661,856	$ 2,483,290	$ 1,822,063
Cost of sales	674,127	504,068	1,897,440	1,390,758
Gross profit	207,698	157,788	585,850	431,305
Selling, general and administrative expenses	179,614	130,255	514,793	364,828
Other operating expenses, net	2,535	5,458	8,269	10,504
Operating income	25,549	22,075	62,788	55,973
Interest expense	11,379	10,737	33,391	19,567
Income before income taxes	14,170	11,338	29,397	36,406
Provision for income tax expense	6,848	3,061	10,807	9,829
Net income	$ 7,322	$ 8,277	$ 18,590	$ 26,577

Management evaluates the results of operations and cash flows using a variety of key performance indicators, including net sales compared to prior periods and internal forecasts, costs of our products and results of our cost-control initiatives, and use of operating cash. These indicators are discussed throughout the “Results of Operations” and “Liquidity and Capital Resources” sections of this MD&A.

Thirteen Weeks Ended September 29, 2023 Compared to Thirteen Weeks Ended September 23, 2022

Net Sales

	2023	2022	$ Change	% Change
Net sales	$ 881,825	$ 661,856	$ 219,969	33.2 %

Organic growth contributed $46.9 million, or 7.1%, to sales growth and the remaining sales growth of $172.9 million, or 26.1%, resulted from acquisitions. Organic case count increased approximately 9.1% in our specialty category. In addition, specialty unique customers and placements increased 10.8% and 14.2%, respectively, compared to the prior year period. Organic pounds sold in our center-of-the-plate category increased 6.6% compared to the prior year. Estimated inflation was 1.6% in our specialty category and 3.1% in our center-of-the-plate category compared to the prior year period.

Gross Profit

	2023	2022	$ Change	% Change
Gross profit	$ 207,698	$ 157,788	$ 49,910	31.6 %
Gross profit margin	23.6 %	23.8 %		

Gross profit dollars increased primarily as a result of increased sales and price inflation. Gross profit margin decreased approximately 29 basis points. Gross profit margins decreased 84 basis points in the Company’s specialty category and decreased 104 basis points in the Company’s center-of-the-plate category. Estimated inflation was 1.6% in the Company’s specialty category and 3.1% in the center-of-the-plate category compared to the prior year period. Gross profit margins were slightly lower due to a softer summer season in 2023 versus 2022.

Selling, General and Administrative Expenses

	2023	2022	$ Change	% Change
Selling, general and administrative expenses	$ 179,614	$ 130,255	$ 49,359	37.9 %
Percentage of net sales	20.4 %	19.7 %		

The increase in selling, general and administrative expenses was primarily due to higher depreciation and amortization driven primarily by acquisitions and higher costs associated with compensation and benefits, facilities costs and distribution costs to support sales growth. Our ratio of selling, general and administrative expenses to net sales increased 70 basis points due to increased near-term costs associated with our investments in facilities and acquisitions.

Other Operating Expenses, Net

	2023	2022	$ Change	% Change
Other operating expenses, net	$ 2,535	$ 5,458	$ (2,923)	(53.6)%

Other operating expenses decreased by approximately $2.9 million primarily due to non-cash charges of $1.8 million for changes in the fair value of our contingent earn-out liabilities compared to non-cash charges of $4.7 million in the prior year period.

Interest Expense

	2023	2022	$ Change	% Change
Interest expense	$ 11,379	$ 10,737	$ 642	6.0 %

Interest expense increased primarily driven by higher principal amounts of outstanding debt due to our 2028 convertible notes issued on December 13, 2022, our term loan refinancing on August 23, 2022, an increase in amounts drawn on our asset-based loan facility and higher rates of interest charged on the variable rate portion of our outstanding debt.

Provision for Income Taxes

	2023	2022	$ Change	% Change
Provision for income tax expense	$ 6,848	$ 3,061	$ 3,787	123.7 %
Effective tax rate	48.3 %	27.0 %		

The higher effective tax rate for the thirteen weeks ended September 29, 2023 was primarily driven by a $2.1 million charge in the current period for return-to-provision adjustments identified in the completion of our fiscal 2022 tax return and the impact of those adjustments on the fiscal 2023 estimated annual effective tax rate.

Thirty-Nine Weeks Ended September 29, 2023 Compared to Thirty-Nine Weeks Ended September 23, 2022

Net Sales

	2023	2022	$ Change	% Change
Net sales	$ 2,483,290	$ 1,822,063	$ 661,227	36.3 %

Organic growth contributed $187.5 million, or 10.3%, to sales growth and the remaining sales growth of $473.7 million, or 26.0%, resulted from acquisitions. Organic case count increased approximately 11.6% in our specialty category. In addition, specialty unique customers and placements increased 13.1% and 14.3%, respectively, compared to the prior year period. Organic pounds sold in our center-of-the-plate category increased 8.7% compared to the prior year. Estimated inflation was 4.1% in our specialty category and 2.4% in our center-of-the-plate category compared to the prior year period.

Gross Profit

	2023	2022	$ Change	% Change
Gross profit	585,850	431,305	154,545	35.8 %
Gross profit margin	23.6 %	23.7 %		

Gross profit dollars increased primarily as a result of sales growth and price inflation. Gross profit margin decreased approximately 8 basis points. Gross profit margins decreased 39 basis points in the Company’s specialty category and decreased 118 basis points in the Company’s center-of-the-plate category. Estimated inflation was 4.1% in our specialty category and 2.4% in our center-of-the-plate category compared to the prior year period. Our gross margins were relatively consistent with the prior year period.

Selling, General and Administrative Expenses

	2023	2022	$ Change	% Change
Selling, general and administrative expenses	514,793	364,828	149,965	41.1 %
Percentage of net sales	20.7 %	20.0 %		

The increase in selling, general and administrative expenses was primarily due to higher depreciation and amortization and higher costs associated with compensation and benefits and facilities costs to support sales growth. Our ratio of selling, general and administrative expenses to net sales increased by 70 basis points due to increased near-term costs associated with our investments in facilities and acquisitions.

Other Operating Expenses, Net

	2023	2022	$ Change	% Change
Other operating expenses, net	8,269	10,504	(2,235)	(21.3)%

The decrease in net other operating expense relates primarily to non-cash charges of $2.9 million for changes in the fair value of our contingent earn-out liabilities in the current period compared to non-cash charges of $8.4 million in the prior year period, partially offset by an impairment on customer relationship intangible assets of $1.8 million related to the loss of a significant Hardie’s Fresh Foods customer post acquisition and a $1.5 million increase in third-party deal costs incurred in connection with business acquisitions and financing arrangements.

Interest Expense

	2023	2022	$ Change	% Change
Interest expense	33,391	19,567	13,824	70.6 %

Interest expense increased primarily driven by higher principal amounts of outstanding debt due to our 2028 convertible notes issued on December 13, 2022, our term loan refinancing on August 23, 2022, an increase in amounts drawn on our asset-based loan facility and higher rates of interest charged on the variable rate portion of our outstanding debt.

Provision for Income Taxes

	2023	2022	$ Change	% Change
Provision for income tax expense	10,807	9,829	978	10.0 %
Effective tax rate	36.8 %	27.0 %		

The higher effective tax rate for the thirty-nine weeks ended September 29, 2023 was primarily driven by a $2.1 million charge in the current period for return-to-provision adjustments identified in the completion of our fiscal 2022 tax return and the impact of those adjustments on the fiscal 2023 estimated annual effective tax rate.

LIQUIDITY AND CAPITAL RESOURCES

We finance our day-to-day operations and growth primarily with cash flows from operations, borrowings under our senior secured credit facilities and other indebtedness, operating leases, trade payables and equity financing.

Indebtedness

The following table presents selected financial information on our indebtedness (in thousands):

	September 29, 2023	December 30, 2022
Senior secured term loan	$ 277,000	$ 299,250
Total convertible debt	327,184	333,184
Borrowings outstanding on asset-based loan facility	90,000	40,000
Finance leases and other financing obligations	23,779	13,548
Total	$ 717,963	$ 685,982

As of September 29, 2023, we have various floating- and fixed-rate debt instruments with varying maturities for an aggregate principal amount of $704.2 million.

In connection with the GreenLeaf acquisition, we issued a $10.0 million unsecured note which bears interest of 4.47%. The principal on the unsecured note is due in two equal installments on April 30, 2024 and 2025.

On June 29, 2023, the Company's convertible unsecured note matured and was repaid in full, including all accrued interest, for $4.0 million in cash.

On July 7, 2023 we entered into a sixth amendment to the ABL Credit Agreement which increased the aggregate commitments to $300.0 million, up from $200.0 million, maturing on March 11, 2027. The sixth amendment to the ABL was accounted for as a debt modification. The Company incurred transaction costs of $0.4 million which were capitalized as deferred financing fees to be amortized over the term of the ABL.

On August 31, 2023, the Company made a voluntary prepayment of $20.0 million towards the senior secured term loan. In connection with the prepayment the Company wrote off unamortized deferred financing fees of $0.8 million.

Liquidity

The following table presents selected financial information on liquidity (in thousands):

	September 29, 2023	December 30, 2022
Cash and cash equivalents	$ 33,058	$ 158,800
Working capital, excluding cash and cash equivalents	338,341	278,315
Availability under asset-based loan facility	149,757	135,827
Total	$ 521,156	$ 572,942

We expect our capital expenditures, excluding cash paid for acquisitions, for fiscal 2023 will be approximately $45.0 million to $55.0 million. We believe our existing balances of cash and cash equivalents, working capital and the availability under our asset-based loan facility, are sufficient to satisfy our working capital needs, capital expenditures, debt service and other liquidity requirements associated with our current operations over the next 12 months.

Cash Flows

The following table presents selected financial information on cash flows (in thousands):

	Thirty-Nine Weeks Ended	
	September 29, 2023	September 23, 2022
Net income	$ 18,590	$ 26,577
Non-cash charges	$ 75,908	$ 58,763
Changes in working capital	$ (74,453)	$ (53,593)
Net cash provided by operating activities	$ 20,045	$ 31,747
Net cash used in investing activities	$ (155,730)	$ (93,673)
Net cash provided by financing activities	$ 10,473	$ 92,255

Net cash provided by operations was $20.0 million for the thirty-nine weeks ended September 29, 2023 compared to net cash provided by operating activities of $31.7 million for the thirty-nine weeks ended September 23, 2022. The decrease in cash provided by operating activities was primarily due to the working capital growth of $20.9 million versus the prior year period which was driven by a strategic decision to pull forward inventory purchases of certain product categories during the first half of fiscal 2023. We expect our inventory levels to normalize during the remainder of the year. The increase in cash used for working capital growth was partially offset by increased net income, net of non-cash charges, in the current year of $94.5 million compared to $85.3 million in the prior year period.

Net cash used in investing activities was $155.7 million for the thirty-nine weeks ended September 29, 2023, driven by $120.6 million in cash paid for acquisitions and capital expenditures of $35.1 million.

Net cash provided by financing activities was $10.5 million for the thirty-nine weeks ended September 29, 2023 driven by $50.0 million of net borrowings on our ABL facility, partially offset by $33.4 million of payments of debt and other financing obligations, including finance leases, $3.7 million of earn-out payments classified as financing activities and $2.1 million paid for shares surrendered to pay tax withholding related to the vesting of equity incentive plan awards.

Seasonality

Excluding our direct-to-consumer business, we generally do not experience any material seasonality. However, our sales and operating results may vary from quarter to quarter due to factors such as changes in our operating expenses, management's ability to execute our operating and growth strategies, personnel changes, demand for our products, supply shortages, weather patterns and general economic conditions.

Our direct-to-consumer business is subject to seasonal fluctuations, with direct-to-consumer center-of-the-plate protein sales typically higher during the holiday season in our fourth quarter; accordingly, a disproportionate amount of operating cash flows from this portion of our business is generated by our direct-to-consumer business in the fourth quarter of our fiscal year. Despite a significant portion of these sales occurring in the fourth quarter, there are operating expenses, principally advertising and promotional expenses, throughout the year.

Inflation

Our profitability is dependent on, among other things, our ability to anticipate and react to changes in the costs of key operating resources, including food and other raw materials, labor, energy and other supplies and services. Substantial increases in costs and expenses could impact our operating results to the extent that such increases cannot be passed along to our customers. The impact of inflation and deflation on food, labor, energy and occupancy costs can significantly affect the profitability of our operations.

Critical Accounting Policies and Estimates

The preparation of the Company's condensed consolidated financial statements requires it to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. The SEC has defined critical accounting policies and estimates as those that are both most important to the portrayal of the Company's financial condition and results and require its most difficult, complex or subjective judgments or estimates. Based on this definition, we believe our critical accounting policies and estimates include the following: (i) determining our allowance for doubtful accounts, (ii) inventory valuation, with regard to determining inventory balance adjustments for excess and obsolete inventory, (iii) business combinations, (iv) valuing goodwill and intangible assets, (v) self-insurance reserves, (vi) accounting for income taxes and (vii) contingent earn-out liabilities. Our critical accounting policies and estimates are described in the Form 10-K filed with the SEC on February 28, 2023.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Our exposure to interest rate market risk relates primarily to our long-term debt. As of September 29, 2023, we had aggregate indebtedness outstanding of $367.0 million that bore interest at variable rates. A 100 basis point increase in market interest rates would decrease our after tax earnings by approximately $2.7 million per annum, holding other variables constant.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company, under the supervision and with the participation of its management, including the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's "disclosure controls and procedures" (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 29, 2023.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting that occurred during the quarter ended September 29, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. The Company is currently integrating CME and fiscal 2023 acquisitions into its overall system of internal control over financial reporting and, if necessary, will make appropriate changes as it integrates CME and fiscal 2023 acquisitions into the Company's overall internal control over financial reporting process.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in legal proceedings, claims and litigation arising out of the ordinary conduct of our business. Although we cannot assure the outcome, management presently believes that the result of such legal proceedings, either individually or in the aggregate, will not have a material adverse effect on our condensed consolidated financial statements, and no material amounts have been accrued in our condensed consolidated financial statements with respect to these matters.

ITEM 1A. RISK FACTORS

There have been no material changes to our risk factors as previously disclosed in Part I, Item 1A. included in our Annual Report on Form 10-K for the year ended December 30, 2022 filed with the SEC on February 28, 2023. In addition to the information contained herein, you should consider the risk factors disclosed in our Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

	Total Number of Shares Repurchased(1)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased Under the Plans or Programs
July 1, 2023 to July 28, 2023	—	$ —	—	—
July 29, 2023 to August 25, 2023	—	—	—	—
August 26, 2023 to September 29, 2023	2,167	30.01	—	—
Total	2,167	$ 30.01	—	—

(1) During the thirty-nine weeks ended September 29, 2023, we withheld 2,167 shares of our common stock to satisfy tax withholding requirements related to restricted shares of our common stock awarded to our officers and key employees

resulting from either elections under 83(b) of the Internal Revenue Code of 1986, as amended, or upon vesting of such awards.

Shares Issued for Acquisitions

On May 1, 2023, the Company issued 75,008 shares of their common stock in connection with the GreenLeaf acquisition, with an approximate value of $2,496 based on the trading price of the Company's common stock on the date of acquisition. The shares were issued pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, to the sellers as partial consideration for the Company's acquisition of GreenLeaf.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 7. EXHIBITS

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document – the instance document does not appear on the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on November 3, 2023.

	THE CHEFS' WAREHOUSE, INC. **(Registrant)**
Date: November 3, 2023	/s/ James Leddy
	James Leddy Chief Financial Officer (Principal Financial Officer)
Date: November 3, 2023	/s/ Timothy McCauley
	Timothy McCauley Chief Accounting Officer (Principal Accounting Officer)

Exhibit 31.1

CERTIFICATIONS

I, Christopher Pappas, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Chefs' Warehouse, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and Rule 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2023

/s/ Christopher Pappas

By: Christopher Pappas
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, James Leddy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Chefs' Warehouse, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and Rule 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 3, 2023

/s/ James Leddy

By: James Leddy
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Chefs' Warehouse, Inc. (the "Company") on Form 10-Q for the quarter ended September 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher Pappas, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023	By:	/s/ Christopher Pappas
		Christopher Pappas
		Chairman, President and Chief Executive Officer
		(Principal Executive Officer)

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

<u>Exhibit 32.2</u>

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of The Chefs’ Warehouse, Inc. (the “Company”) on Form 10-Q for the quarter ended September 29, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James Leddy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 3, 2023	By:	/s/ James Leddy
		James Leddy
		Chief Financial Officer
		(Principal Financial Officer)

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.