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 June 25, 2021

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
Preferred Stock Purchase Rights	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 July 26, 2021: 37,958,563

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 London Interbank Offered Rate (LIBOR), or the replacement of LIBOR with an alternative rate; 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 23, 2021 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. CONSOLIDATED FINANCIAL STATEMENTS

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

	June 25, 2021 (unaudited)	December 25, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 146,920	$ 193,281
Accounts receivable, net of allowance of $22,015 in 2021 and $24,027 in 2020	136,072	96,383
Inventories, net	122,936	82,519
Prepaid expenses and other current assets	33,654	33,479
Total current assets	439,582	405,662
Equipment, leasehold improvements and software, net	114,982	115,448
Operating lease right-of-use assets	107,736	115,224
Goodwill	220,575	214,864
Intangible assets, net	108,799	111,717
Deferred taxes, net	15,290	7,535
Other assets	3,634	3,875
Total assets	$ 1,010,598	$ 974,325
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 107,918	$ 57,515
Accrued liabilities	29,949	27,924
Short-term operating lease liabilities	17,121	17,167
Accrued compensation	15,051	9,401
Current portion of long-term debt	5,844	6,095
Total current liabilities	175,883	118,102
Long-term debt, net of current portion	395,543	398,084
Operating lease liabilities	101,906	109,133
Other liabilities and deferred credits	4,217	4,416
Total liabilities	677,549	629,735
Commitments and contingencies		
Stockholders' equity:		
Preferred Stock - $0.01 par value, 5,000,000 shares authorized, no shares issued and outstanding at June 25, 2021 and December 25, 2020	—	—
Common Stock, - $0.01 par value, 100,000,000 shares authorized, 37,961,863 and 37,274,768 shares issued and outstanding at June 25, 2021 and December 25, 2020, respectively	380	373
Additional paid in capital	308,852	303,734
Accumulated other comprehensive loss	(1,894)	(2,051)
Retained earnings	25,711	42,534
Total stockholders' equity	333,049	344,590
Total liabilities and stockholders' equity	$ 1,010,598	$ 974,325

See accompanying notes to the consolidated financial statements.

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Net sales	$ 422,968	$ 200,496	$ 703,185	$ 575,927
Cost of sales	327,094	157,070	548,364	447,013
Gross profit	95,874	43,426	154,821	128,914
Selling, general and administrative expenses	90,358	68,165	170,603	177,047
Other operating (income) expenses, net	857	670	(313)	(5,666)
Operating income (loss)	4,659	(25,409)	(15,469)	(42,467)
Interest expense	4,408	5,772	9,171	10,896
Income (loss) before income taxes	251	(31,181)	(24,640)	(53,363)
Provision for income tax benefit	(847)	(10,847)	(7,817)	(18,944)
Net income (loss)	$ 1,098	$ (20,334)	$ (16,823)	$ (34,419)
Other comprehensive income (loss):				
Foreign currency translation adjustments	76	117	157	(261)
Comprehensive income (loss)	$ 1,174	$ (20,217)	$ (16,666)	$ (34,680)
Net income (loss) per share:				
Basic	$ 0.03	$ (0.62)	$ (0.46)	$ (1.10)
Diluted	$ 0.03	$ (0.62)	$ (0.46)	$ (1.10)
Weighted average common shares outstanding:				
Basic	36,831,054	32,698,295	36,615,463	31,150,883
Diluted	37,081,186	32,698,295	36,615,463	31,150,883

See accompanying notes to the consolidated financial statements.

THE CHEFS' WAREHOUSE, INC.
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 25, 2020	**37,274,768**	**$ 373**	**$ 303,734**	**$ (2,051)**	**$ 42,534**	**$ 344,590**
Net loss	—	—	—	—	(17,921)	(17,921)
Stock compensation	673,430	6	2,452	—	—	2,458
Cumulative translation adjustment	—	—	—	81	—	81
Shares surrendered to pay tax withholding	(38,503)	—	(1,192)	—	—	(1,192)
Balance March 26, 2021	**37,909,695**	**$ 379**	**$ 304,994**	**$ (1,970)**	**$ 24,613**	**$ 328,016**
Net income	—	—	—	—	1,098	1,098
Stock compensation	69,245	1	3,279	—	—	3,280
Warrants issued for acquisitions	—	—	1,120	—	—	1,120
Cumulative translation adjustment	—	—	—	76	—	76
Shares surrendered to pay tax withholding	(17,077)	—	(541)	—	—	(541)
Balance June 25, 2021	**37,961,863**	**$ 380**	**$ 308,852**	**$ (1,894)**	**$ 25,711**	**$ 333,049**
Balance December 27, 2019	**30,341,941**	**$ 304**	**$ 212,240**	**$ (2,048)**	**$ 125,437**	**$ 335,933**
Net loss	—	—	—	—	(14,085)	(14,085)
Stock compensation	807,433	8	843	—	—	851
Cumulative translation adjustment	—	—	—	(378)	—	(378)
Shares surrendered to pay tax withholding	(159,632)	(2)	(2,702)	—	—	(2,704)
Balance March 27, 2020	**30,989,742**	**$ 310**	**$ 210,381**	**$ (2,426)**	**$ 111,352**	**$ 319,617**
Net loss	—	—	—	—	(20,334)	(20,334)
Stock compensation	176,037	2	1,997	—	—	1,999
Public offering of common stock	6,634,615	66	85,875	—	—	85,941
Cumulative translation adjustment	—	—	—	117	—	117
Shares surrendered to pay tax withholding	(1,846)	—	(23)	—	—	(23)
Balance June 26, 2020	**37,798,548**	**$ 378**	**$ 298,230**	**$ (2,309)**	**$ 91,018**	**$ 387,317**

See accompanying notes to the consolidated financial statements.

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

	Twenty-Six Weeks Ended	
	June 25, 2021	**June 26, 2020**
Cash flows from operating activities:		
Net loss	$ (16,823)	$ (34,419)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	10,660	9,675
Amortization of intangible assets	6,643	6,720
Provision for allowance for doubtful accounts	488	19,611
Non-cash operating lease expense	209	463
Benefit for deferred income taxes	(7,755)	(5,814)
Amortization of deferred financing fees	1,364	1,478
Stock compensation	5,738	2,850
Change in fair value of contingent earn-out liabilities	(1,420)	(6,649)
Intangible asset impairment	597	—
Loss on asset disposal	224	43
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(37,107)	70,483
Inventories	(39,347)	34,877
Prepaid expenses and other current assets	(101)	(9,460)
Accounts payable, accrued liabilities and accrued compensation	52,541	(43,398)
Other assets and liabilities	167	1,119
Net cash (used in) provided by operating activities	**(23,922)**	**47,579**
Cash flows from investing activities:		
Capital expenditures	(9,574)	(4,400)
Cash paid for acquisitions, net of cash received	(7,165)	(63,450)
Net cash used in investing activities	**(16,739)**	**(67,850)**
Cash flows from financing activities:		
Payment of debt, finance lease and other financing obligations	(34,372)	(37,439)
Proceeds from the issuance of common stock, net of issuance costs	—	85,941
Proceeds from debt issuance	51,750	—
Payment of deferred financing fees	(1,450)	(856)
Surrender of shares to pay withholding taxes	(1,487)	(2,727)
Cash paid for contingent earn-out liability	(83)	(2,927)
Borrowings under asset-based loan facility	—	100,000
Payments under asset-based loan facility	(20,000)	(60,000)
Net cash (used in) provided by financing activities	**(5,642)**	**81,992**
Effect of foreign currency on cash and cash equivalents	(58)	(130)
Net change in cash and cash equivalents	(46,361)	61,591
Cash and cash equivalents-beginning of period	193,281	140,233
Cash and cash equivalents-end of period	**$ 146,920**	**$ 201,824**

See accompanying notes to the consolidated financial statements.

Note 1 - Operations and Basis of Presentation

Description of Business and Basis of Presentation

The financial statements include the 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. The Company's business consists of three operating segments: East Coast, Midwest and West Coast 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.

The COVID-19 Pandemic

Many of the Company's customers continue to be adversely impacted by the COVID-19 pandemic (the "Pandemic"), however there has been sequential improvement in the Company's business throughout the second quarter of fiscal 2021 which has contributed to organic sales growth of $212,610 compared to the prior year quarter.

The future impact of the Pandemic on the Company's business, operations and liquidity is difficult to predict at this time and is highly dependent on future developments including new information that may emerge on the severity of the disease, the extent of outbreaks, federal, state and local government responses, trends in infection rates, development of effective medical treatments for the disease, the pace of vaccination programs and future consumer spending behavior, among others.

Consolidation

The 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 consolidated financial statements and the related interim information contained within the notes to such unaudited 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 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 25, 2020 filed as part of the Company's Annual Report on Form 10-K, as filed with the SEC on February 23, 2021.

The unaudited 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 23, 2021, 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, the Pandemic and other factors, the results of operations for the thirteen and twenty-six weeks ended June 25, 2021 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.

Guidance Adopted in Fiscal 2021

Simplifying the Accounting for Income Taxes: In December 2019, the Financial Accounting Standards Board (the "FASB") issued guidance that eliminates certain exceptions related to the approach for intraperiod tax allocations, the methodology for calculating income taxes in an interim period and other simplifications and clarifications. As a result of the new guidance, the Company may recognize additional income tax benefits during interim periods in which interim losses exceed full year projections due to provisions in the guidance that remove loss limitation rules. This guidance was adopted on December 26, 2020 and adoption had an immaterial impact on the Company's consolidated financial statements.

Accounting for Convertible Instruments and Contracts in an Entity's Own Equity: In August 2020, the FASB issued guidance that simplifies the accounting models for financial instruments with characteristics of debt and equity. The amendments in the guidance result in fewer instances in which an embedded conversion feature must be accounted for separately from its host contract. This guidance will be effective for fiscal years beginning after December 15, 2021. This guidance was adopted on December 26, 2020 and adoption did not impact the Company's consolidated financial statements.

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 20 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 consolidated statements of operations. The Company offers certain sales incentives to customers in the form of rebates or discounts. These sales incentives are accounted 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				Twenty-Six Weeks Ended			
	June 25, 2021		June 26, 2020		June 25, 2021		June 26, 2020	
Center-of-the-Plate	$ 215,089	50.9 %	$ 115,834	57.8 %	$ 354,934	50.5 %	$ 279,654	48.6 %
Dry Goods	57,117	13.5 %	24,099	12.0 %	96,897	13.8 %	81,985	14.2 %
Pastry	41,312	9.8 %	15,548	7.8 %	70,110	10.0 %	64,809	11.3 %
Cheese and Charcuterie	34,303	8.1 %	15,594	7.8 %	57,402	8.2 %	50,667	8.8 %
Produce	30,558	7.2 %	12,048	6.0 %	51,149	7.3 %	36,068	6.3 %
Dairy and Eggs	18,902	4.5 %	7,495	3.7 %	31,483	4.5 %	29,641	5.1 %
Oils and Vinegars	16,881	4.0 %	5,436	2.7 %	26,355	3.7 %	21,595	3.7 %
Kitchen Supplies	8,806	2.0 %	4,442	2.2 %	14,855	2.0 %	11,508	2.0 %
Total	$ 422,968	100 %	$ 200,496	100 %	$ 703,185	100 %	$ 575,927	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.

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 $6,679 and $4,013 for the thirteen weeks ended June 25, 2021 and June 26, 2020, respectively, and $12,075 and $9,426 for the twenty-six weeks ended June 25, 2021 and June 26, 2020, respectively.

Note 3 – Net Income (Loss) per Share

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Net income (loss) per share:				
Basic	$ 0.03	$ (0.62)	$ (0.46)	$ (1.10)
Diluted	$ 0.03	$ (0.62)	$ (0.46)	$ (1.10)
Weighted average common shares:				
Basic	36,831,054	32,698,295	36,615,463	31,150,883
Diluted	37,081,186	32,698,295	36,615,463	31,150,883

Reconciliation of net income (loss) per common share:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Numerator:				
Net income (loss)	$ 1,098	$ (20,334)	$ (16,823)	$ (34,419)
Denominator:				
Weighted average basic common shares outstanding	36,831,054	32,698,295	36,615,463	31,150,883
Dilutive effect of stock options and unvested common shares	250,132	—	—	—
Weighted average diluted common shares outstanding	37,081,186	32,698,295	36,615,463	31,150,883

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

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Restricted share awards (“RSAs”)	—	773,988	349,389	613,905
Stock options	—	115,639	39,320	9,538
Warrants	103,226	—	52,459	—
Convertible notes	4,616,033	3,484,788	4,205,246	3,484,788

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 $2,278 and $2,556 as of June 25, 2021 and December 25, 2020, respectively, and are reflected as *other liabilities and deferred credits* on the consolidated balance sheets. The remaining short-term earn-out liabilities are reflected as *accrued liabilities* on the 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 (income)expenses, net* on the consolidated statements of operations.

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

	Fells Point	Bassian	Sid Wainer	Other Acquisitions	Total
Balance December 27, 2019	$ 4,544	$ 7,957	$ —	$ 2,197	$ 14,698
Acquisition value	—	—	2,081	1,383	3,464
Cash payments	—	(2,250)	—	(1,677)	(3,927)
Changes in fair value	(4,544)	(4,631)	(1,570)	(734)	(11,479)
Balance December 25, 2020	$ —	$ 1,076	$ 511	$ 1,169	$ 2,756
Acquisition value	—	—	—	3,400	3,400
Cash payments	—	—	—	(83)	(83)
Changes in fair value	—	22	(511)	(931)	(1,420)
Balance June 25, 2021	$ —	$ 1,098	$ —	$ 3,555	$ 4,653

Fair Value of Financial Instruments

The following table presents the carrying value and fair value of the Company's convertible notes. In estimating the fair value of the convertible notes, 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.

	June 25, 2021		December 25, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Convertible Senior Notes	$ 200,000	$ 203,115	$ 150,000	$ 163,204
Convertible Unsecured Note	$ 4,000	$ 4,063	$ 4,000	$ 4,290

Note 5 – Acquisitions

During the second quarter of fiscal 2021, the Company completed two acquisitions for an aggregate purchase price of approximately $8,285, consisting of $7,165 paid in cash at closing, subject to customary working capital adjustments, and common stock warrants of $1,120. The Company will also pay additional contingent consideration, if earned, in the form of earn-out amounts which could total $3,400 in aggregate. The Company is in the process of finalizing a valuation of the earn-out liabilities, and tangible and intangible assets as of the acquisition date. When applicable, these valuations require the use of Level 3 inputs. Goodwill for these acquisitions will be amortized over 15 years for tax purposes. The Company reflected net sales and loss before taxes of $9,038 and $94, respectively, during the thirteen and twenty-six weeks ended June 25, 2021 for these acquisitions in its consolidated statement of operations.

The table below sets forth the purchase price allocation of these acquisitions:

Current assets	$ 4,240
Customer relationships	2,110
Trademarks	2,140
Goodwill	5,663
Fixed assets	586
Right-of-use assets	761
Lease liabilities	(761)
Current liabilities	(3,054)
Earn-out liability	(3,400)
Issuance of warrants	(1,120)
Total consideration	$ 7,165

The Company recognized professional fees of $75 in operating expenses related to acquisitions in the second quarter of fiscal 2021.

Note 6 – Inventories

Inventories consist primarily of finished product and are reflected net of adjustments for shrinkage, excess and obsolescence totaling $8,297 and $9,013 at June 25, 2021 and December 25, 2020, respectively.

Note 7 – Equipment, Leasehold Improvements and Software

Equipment, leasehold improvements and software as of June 25, 2021 and December 25, 2020 consisted of the following:

	Useful Lives	June 25, 2021	December 25, 2020
Land	Indefinite	$ 5,020	$ 5,020
Buildings	20 years	15,685	15,685
Machinery and equipment	5 - 10 years	24,931	24,900
Computers, data processing and other equipment	3 - 7 years	14,483	14,207
Software	3 - 7 years	39,657	33,063
Leasehold improvements	1 - 40 years	68,790	68,747
Furniture and fixtures	7 years	3,442	3,412
Vehicles	5 - 7 years	21,826	21,873
Other	7 years	88	88
Construction-in-process		10,892	8,115
		204,814	195,110
Less: accumulated depreciation and amortization		(89,832)	(79,662)
Equipment, leasehold improvements and software, net		$ 114,982	$ 115,448

Construction-in-process at June 25, 2021 related primarily to the build-outs of the Company's Los Angeles and New England distribution facilities. Construction-in-process at December 25, 2020 related primarily to the implementation of the Company's Enterprise Resource Planning system. The net book value of equipment financed under finance leases at June 25, 2021 and December 25, 2020 was $13,267 and $14,705, respectively.

The components of depreciation and amortization expense were as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Depreciation expense	$ 3,841	$ 3,663	$ 7,776	$ 7,231
Software amortization	$ 1,712	$ 1,250	$ 2,884	$ 2,444
	$ 5,553	$ 4,913	$ 10,660	$ 9,675

Note 8 – Goodwill and Other Intangible Assets

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

Carrying amount as of December 25, 2020	$ 214,864
Acquisitions	5,663
Foreign currency translation	48
Carrying amount as of June 25, 2021	$ 220,575

Other intangible assets as of June 25, 2021 and December 25, 2020 consisted of the following:

June 25, 2021	Weighted-Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	124 months	$ 143,821	$ (60,095)	$ 83,726
Non-compete agreements	32 months	8,579	(7,885)	694
Trademarks	182 months	46,103	(21,724)	24,379
Total		$ 198,503	$ (89,704)	$ 108,799

December 25, 2020	Weighted-Average Remaining Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Amount
Customer relationships	128 months	$ 141,679	$ (55,135)	$ 86,544
Non-compete agreements	37 months	8,579	(7,752)	827
Trademarks	209 months	44,520	(20,174)	24,346
Total		$ 194,778	$ (83,061)	$ 111,717

The Company occasionally makes small, tuck-in acquisitions that are immaterial, both individually and in the aggregate. Therefore, increases in goodwill and gross intangible assets per the above tables may not agree to the increases of these assets as shown for specific acquisitions in Note 5 "Acquisitions."

Amortization expense for other intangibles was $3,104 and $3,422 for the thirteen weeks ended June 25, 2021 and June 26, 2020, respectively, and $6,643 and $6,720 for the twenty-six weeks ended June 25, 2021 and June 26, 2020, respectively.

During the second quarter of fiscal 2021, the Company committed to a plan to shift its brand strategy to leverage its Allen Brothers brand in its New England region and determined its Cambridge trademark did not fit the Company's long-term strategic objectives. As a result, the Company recognized a $597 impairment charge to fully write-down the net book value of its Cambridge trademark.

Estimated amortization expense for other intangible assets for the remainder of the fiscal year ending December 24, 2021 and each of the next four fiscal years and thereafter is as follows:

2021	$ 6,280
2022	11,778
2023	10,748
2024	9,884
2025	9,465
Thereafter	60,644
Total	$ 108,799

Note 9 – Debt Obligations

Debt obligations as of June 25, 2021 and December 25, 2020 consisted of the following:

	June 25, 2021	December 25, 2020
Senior secured term loans	$ 169,531	$ 201,553
Convertible senior notes	200,000	150,000
Asset-based loan facility	20,000	40,000
Finance lease and other financing obligations	11,732	15,798
Convertible unsecured note	4,000	4,000
Deferred finance fees and original issue premium (discount)	(3,876)	(7,172)
Total debt obligations	401,387	404,179
Less: current installments	(5,844)	(6,095)
Total debt obligations excluding current installments	$ 395,543	$ 398,084

On March 1, 2021, the Company issued $50,000 aggregate principal amount of 1.875% Convertible Senior Notes at a premium which were offered as an additional issuance and under the same terms of the Company's $150,000 Convertible Senior Notes due 2024 initially issued on November 22, 2019. Net proceeds were used to repay all outstanding borrowings under the Company's 2022 tranche of senior secured term loans of $31,166 and repay a portion of borrowings outstanding under the Company's asset-based loan facility ("ABL Facility"). The Company incurred transaction costs of approximately $1,350 which were capitalized as deferred financing fees to be amortized over the term of the Convertible Senior Notes due 2024. At June 25, 2021, the effective interest rate charged on the Company's Convertible Senior Notes was approximately 2.3%.

The net carry value of the Company's Convertible Senior Notes as of June 25, 2021 and December 25, 2020 was:

	June 25, 2021	December 25, 2020
Principal amount outstanding	$ 200,000	$ 150,000
Unamortized deferred financing fees and premium	(3,590)	(4,999)
Net carry value	$ 203,590	$ 154,999

The components of interest expense on the Company's Convertible Senior Notes were as follows:

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Coupon interest	$ 938	$ 703	$ 1,719	$ 1,406
Amortization of deferred financing fees and premium	$ 224	$ 250	$ 465	$ 500
Total interest	$ 1,162	$ 953	$ 2,184	$ 1,906

The Company's senior secured term loan credit agreement requires the Company to maintain at least $35,000 of liquidity as of the last day of any fiscal quarter where EBITDA, as defined in the Credit Agreement, is less than $10,000. The Company had minimum liquidity, as defined in the Credit Agreement, of $253,386 as of June 25, 2021.

As of June 25, 2021, the Company was in compliance with all debt covenants and the Company had reserved $20,141 of the ABL Facility for the issuance of letters of credit. As of June 25, 2021, funds totaling $100,805 were available for borrowing under the ABL Facility. At June 25, 2021, the interest rate charged on the Company's senior secured term loan was approximately 5.6% and the interest rate charged on the Company's ABL Facility was approximately 1.6%.

Note 10 – Stockholders' Equity

Equity Awards

The following table reflects the activity of RSAs during the twenty-six weeks ended June 25, 2021:

	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 25, 2020	901,318	$ 16.14	—	$ —	26,952	$ 30.16
Granted	351,562	31.78	199,231	32.00	199,241	31.44
Vested	(582,804)	12.01	—	—	—	—
Forfeited	(7,359)	20.09	—	—	—	—
Unvested at June 25, 2021	662,717	$ 28.00	199,231	$ 32.00	226,193	$ 31.28

The Company granted 750,034 RSAs to its employees and directors at a weighted average grant date fair value of $31.74 during the twenty-six weeks ended June 25, 2021. 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 $3,280 and $1,999 on its RSAs during the thirteen weeks ended June 25, 2021 and June 26, 2020, respectively, and $5,738 and $2,850 during the twenty-six weeks ended June 25, 2021 and June 26, 2020, respectively.

At June 25, 2021, the total unrecognized compensation cost for unvested RSAs was $25,655 and the weighted-average remaining period was approximately 2.4 years. Of this total, $15,828 related to RSAs with time-based vesting provisions and $9,827 related to RSAs with performance-based vesting provisions. At June 25, 2021, the weighted-average remaining period for time-based vesting and performance-based vesting RSAs were approximately 2.2 years and 2.6 years, respectively.

No share-based compensation expense related to the Company's RSAs or stock options has been capitalized. As of June 25, 2021, there were 820,049 shares available for grant under the 2019 Omnibus Equity Incentive Plan.

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 and $123 during the thirteen weeks ended June 25, 2021 and June 26, 2020, respectively, and $246 and $241 during the twenty-six weeks ended June 25, 2021 and June 26, 2020, respectively.

Note 12 – Supplemental Disclosures of Cash Flow Information

	Twenty-Six Weeks Ended	
	June 25, 2021	**June 26, 2020**
Supplemental cash flow disclosures:		
Cash paid for income taxes, net of cash received	$ (208)	$ 334
Cash paid for interest, net of cash received	$ 7,766	$ 9,730
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 12,752	$ 13,476
Operating cash flows from finance leases	$ 282	$ 264
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$ 1,625	$ 5,744
Finance leases	$ 162	$ 13,980
Other non-cash investing and financing activities:		
Warrants issued for acquisitions	$ 1,200	$ —
Net working capital adjustment receivable	$ —	$ 3,013
Contingent earn-out liabilities for acquisitions	$ 3,400	$ 3,464

Note 13 – Coronavirus Aid, Relief, and Economic Security Act

In response to the Pandemic, the Coronavirus Aid, Relief, and Economic Security Act was signed into law on March 27, 2020. Among other provisions it allows for a refundable Employee Retention Tax Credit ("ETRC") to eligible employers equal to 50% of qualified wages paid to employees from March 12, 2020 to December 31, 2020, capped at $10 per employee. In December 2020, the Consolidated Appropriations Act of 2021 was passed, which expands the ETRC by increasing the credit to 70% of qualified wages paid from January 1, 2021 through June 30, 2021, capped at $10 per employee per quarter. During the second quarter of fiscal 2021, the Company recognized a receivable of $1,418 related to the ETRC which is presented within *prepaid expenses and other current assets* on the consolidated balance sheet and the related expense reduction is presented within *selling, general and administrative expenses* on the consolidated statements of operations

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 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 23, 2021. 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 nine of the leading culinary markets in the United States. We offer more than 50,000 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 34,000 customer locations, primarily located in our sixteen geographic markets across the United States and Canada, and the majority of our customers are independent restaurants and fine dining establishments. As a result of our acquisition of Allen Brothers, Inc. ("Allen Brothers") and our "Shop Like a Chef" online platform, we also sell certain of our products directly to consumers.

Effect of the COVID-19 Pandemic on our Business and Operations

Many of our customers continue to be adversely impacted by the COVID-19 pandemic (the "Pandemic"), however we have seen sequential improvement in our business throughout the second quarter of fiscal 2021 which has contributed to organic sales growth of $212.6 million compared to the prior year quarter. As a reminder, the Pandemic's impact on our net sales was the most significant at the inception of the Pandemic in the United States and Canada during the second quarter of 2020.

We closed the quarter with total cash and cash equivalents of $146.9 million, and approximately $100.8 million of remaining availability under our asset-based loan facility as of June 25, 2021.

The future impact of the Pandemic on our business, operations and liquidity is difficult to predict at this time and is highly dependent on future developments including new information that may emerge on the severity of the disease, the extent of outbreaks, federal, state and local government responses, trends in infection rates, development of effective medical treatments for the disease, the pace of vaccination programs and future consumer spending behavior, among others.

Recent Acquisitions

During the second quarter of fiscal 2021, we completed two acquisitions for an aggregate purchase price of approximately $8.3 million, consisting of $7.2 million paid in cash at closing, subject to customary working capital adjustments, and common stock warrants valued at approximately $1.1 million. We will also pay additional contingent consideration, if earned, in the form of earn-out amounts which could total $3.4 million in aggregate.

RESULTS OF OPERATIONS

	Thirteen Weeks Ended		Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020	June 25, 2021	June 26, 2020
Net sales	$ 422,968	$ 200,496	$ 703,185	$ 575,927
Cost of sales	327,094	157,070	548,364	447,013
Gross profit	95,874	43,426	154,821	128,914
Selling, general and administrative expenses	90,358	68,165	170,603	177,047
Other operating (income) expenses, net	857	670	(313)	(5,666)
Operating income (loss)	4,659	(25,409)	(15,469)	(42,467)
Interest expense	4,408	5,772	9,171	10,896
Income (loss) before income taxes	251	(31,181)	(24,640)	(53,363)
Provision for income tax benefit	(847)	(10,847)	(7,817)	(18,944)
Net income (loss)	$ 1,098	$ (20,334)	$ (16,823)	$ (34,419)

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 June 25, 2021 Compared to Thirteen Weeks Ended June 26, 2020

Net Sales

	2021	2020	$ Change	% Change
Net sales	$ 422,968	$ 200,496	$ 222,472	111.0 %

Organic growth contributed $212.6 million, or 106.1%, to sales growth and the remaining sales growth of $9.9 million, or 4.9%, resulted from acquisitions. Organic case count increased approximately 122.9% in our specialty category. In addition, specialty unique customers and placements increased 94.6% and 127.5%, respectively, compared to the prior year period. Organic pounds sold in our center-of-the-plate category increased 66.5% compared to the prior year. Estimated inflation was 10.6% in our specialty category and 12.1% in our center-of-the-plate category compared to the prior year period.

Gross Profit

	2021	2020	$ Change	% Change
Gross profit	95,874	43,426	52,448	120.8 %
Gross profit margin	22.7 %	21.7 %		

Gross profit increased primarily as a result of increased sales. Gross profit margin increased approximately 101 basis points. Gross profit margins increased 629 basis points in the Company’s specialty category and decreased 421 basis points in the Company’s center-of-the-plate category. Prior period results include a charge of approximately $5.5 million related to estimated inventory losses from obsolescence at the onset of the Pandemic.

Selling, General and Administrative Expenses

	2021	2020	$ Change	% Change
Selling, general and administrative expenses	90,358	68,165	22,193	32.6 %
Percentage of net sales	21.4 %	34.0 %		

The increase in selling, general and administrative expenses was primarily due to higher costs associated with compensation and benefits to support sales growth. Our ratio of selling, general and administrative expenses to net sales decreased predominately due to sales growth.

Other Operating (Income) Expenses, Net

	2021	2020	$ Change	% Change
Other operating expenses, net	857	670	187	27.9 %

The increase in net other operating expenses was primarily due to a $0.6 million impairment of Cambridge trademarks as a result of a shift in brand strategy to leverage our Allen Brothers brand in our New England region during the second quarter of fiscal 2021, partially offset by non-cash credits of $0.1 million for changes in the fair value of our contingent earn-out liabilities compared to non-cash charges of $0.2 million in the prior year period.

Interest Expense

	2021	2020	$ Change	% Change
Interest expense	4,408	5,772	(1,364)	(23.6)%

Interest expense decreased primarily due to $1.2 million one-time third-party costs incurred during the second quarter of 2020 in connection with the extension of a majority of our senior secured term loans.

Provision for Income Taxes

	2021	2020	$ Change	% Change
Provision for income tax benefit	(847)	(10,847)	10,000	(92.2)%
Effective tax rate	(337.5)%	34.8 %		

The negative effective tax rate in the current period is driven by a $1.5 million discrete permanent difference related to stock compensation expense. The higher effective tax rate in fiscal 2020 is primarily related to our net loss forecast for fiscal 2020 which allowed us to claim tax refunds against taxes paid in fiscal 2015 and 2017, both of which were at statutory tax rates of 35%.

Twenty-Six Weeks Ended June 25, 2021 Compared to Twenty-Six Weeks Ended June 26, 2020

Net Sales

	2021	2020	$ Change	% Change
Net sales	$ 703,185	$ 575,927	$ 127,258	22.1 %

Organic growth contributed $108.4 million, or 18.8%, to sales growth and the remaining sales growth of $18.9 million, or 3.3%, resulted from acquisitions. Organic case count increased approximately 7.1% in our specialty category. In addition, specialty unique customers and placements increased 16.0% and 11.6%, respectively, compared to the prior year period. Organic pounds sold in our center-of-the-plate category increased 7.1% compared to the prior year. Estimated inflation was 7.6% in our specialty category and inflation was 11.0% in our center-of-the-plate category compared to the prior year period.

Gross Profit

	2021	2020	$ Change	% Change
Gross profit	154,821	128,914	25,907	20.1 %
Gross profit margin	22.0 %	22.4 %		

Gross profit increased primarily as a result of sales growth. Gross profit margin decreased approximately 37 basis points. Gross profit margins increased 261 basis points in the Company’s specialty category and decreased 316 basis points in the Company’s center-of-the-plate category. Our prior year gross profit results include a charge of approximately $8.8 million related to estimated inventory losses from obsolescence at the onset of the Pandemic.

Selling, General and Administrative Expenses

	2021	2020	$ Change	% Change
Selling, general and administrative expenses	170,603	177,047	(6,444)	(3.6)%
Percentage of net sales	24.3 %	30.7 %		

The decrease in selling, general and administrative expense relates primarily to an estimated non-cash charge of approximately $15.8 million recorded in the prior year related to incremental bad debt expense at the onset of the Pandemic, partially offset by higher operating expenses to support sales growth. Our ratio of selling, general and administrative expenses to net sales was lower as a result sales growth and of the Pandemic's adverse impacts to our sales growth and a 98 basis point decrease in non-cash charges related to bad debt expense.

Other Operating (Income) Expenses, Net

	2021	2020	$ Change	% Change
Other operating income, net	(313)	(5,666)	5,353	(94.5)%

The decrease in net other operating income relates primarily to non-cash credits of $1.4 million for changes in the fair value of our contingent earn-out liabilities compared to non-cash credits of $6.6 million in the prior year period and a $0.6 million impairment of Cambridge trademarks as a result of a shift in brand strategy to leverage our Allen Brothers brand in our New England region during the second quarter of fiscal 2021.

Interest Expense

	2021	2020	$ Change	% Change
Interest expense	9,171	10,896	(1,725)	(15.8)%

Interest expense decreased primarily due to $1.2 million in one-time third-party costs incurred during the second quarter of 2020 in connection with the extension of a majority of our senior secured term loans.

Provision for Income Taxes

	2021	2020	$ Change	% Change
Provision for income tax benefit	(7,817)	(18,944)	11,127	(58.7)%
Effective tax rate	31.7 %	35.5 %		

The current period effective tax rate includes the impact of a $1.5 million discrete permanent difference related to stock compensation expense. The higher effective tax rate in the prior period is primarily related to our net loss forecast for fiscal 2020 which allowed us to claim tax refunds against taxes paid in fiscal 2015 and 2017, both of which were at statutory tax rates of 35%.

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):

	June 25, 2021	December 25, 2020
Senior secured term loan	$ 169,531	$ 201,553
Total convertible debt	204,000	154,000
Borrowings outstanding on asset-based loan facility	20,000	40,000
Finance leases and other financing obligations	11,732	15,798
Total	$ 405,263	$ 411,351

As of June 25, 2021, we have various floating- and fixed-rate debt instruments with varying maturities for an aggregate principal amount of $393.5 million.

On March 1, 2021, the we issued $50.0 million aggregate principal amount of 1.875% Convertible Senior Notes at a premium which were offered as an additional issuance of our $150.0 million Convertible Senior Notes due 2024 issued on November 22, 2019. Net proceeds were used to repay all outstanding borrowings under the our 2022 tranche of senior secured term loans of $31.2 million and repay a portion of borrowings outstanding under our asset-based loan facility. We incurred transaction costs of approximately $1.4 million which were capitalized as deferred financing fees to be amortized over the term of the underlying debt.

Liquidity

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

	June 25, 2021	December 25, 2020
Cash and cash equivalents	$ 146,920	$ 193,281
Working capital, excluding cash and cash equivalents	116,779	94,279
Availability under asset-based loan facility	100,805	50,282
Total	$ 364,504	$ 337,842

We are not providing guidance on our capital expenditures for fiscal 2021 due to the continued uncertainty with regards to the pace of the economic recovery and the duration of the Pandemic related restrictions on our customers. 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):

	Twenty-Six Weeks Ended	
	June 25, 2021	June 26, 2020
Net loss	$ (16,823)	$ (34,419)
Non-cash charges	$ 16,748	$ 28,377
Changes in working capital	$ (23,847)	$ 53,621
Cash (used in) provided by operating activities	$ (23,922)	$ 47,579
Cash used in investing activities	$ (16,739)	$ (67,850)
Cash (used in) provided by financing activities	$ (5,642)	$ 81,992

Net cash used in operations was $23.9 million for the twenty-six weeks ended June 25, 2021 consisting of a net loss of $16.8 million offset by $16.7 million of non-cash charges and cash generated from working capital of $23.8 million. Non-cash charges decreased $11.6 million primarily due to a $15.8 million charge incurred in the prior year quarter related to incremental bad debt expense due to the onset of the Pandemic. The cash generated from working capital decrease of $77.5 million is primarily driven by the Company’s reinvestment in working capital to support sales growth.

Net cash used in investing activities was $16.7 million for the twenty-six weeks ended June 25, 2021, driven by capital expenditures of $9.6 million which included the build-outs of our Los Angeles and New England distribution facilities and $7.2 million in cash paid for acquisitions.

Net cash used in financing activities was $5.6 million for the twenty-six weeks ended June 25, 2021, driven by $34.4 million of payments made on senior term loans and finance lease obligations and a $20.0 million payment on our asset-based loan facility, partially offset by $51.8 million of proceeds from the issuance of additional convertible senior notes.

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.

The Pandemic has had a material impact on our business and operations and those of our customers. Our net sales were most significantly impacted during the second quarter of fiscal 2020 when, in an effort to limit the spread of the virus, federal, state and local governments began implementing various restrictions that resulted in the closure of non-essential businesses in many of the markets we serve, which forced our customers in those markets to either transition their establishments to take-out service, delivery service or temporarily cease operations.

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.

Off-Balance Sheet Arrangements

As of June 25, 2021, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

Critical Accounting Policies and Estimates

The preparation of the Company's 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 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 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 23, 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

As of June 25, 2021, we had an aggregate $189.5 million of indebtedness outstanding under the Term Loan and ABL Facility that bore interest at variable rates. A 100 basis point increase in market interest rates would decrease our after tax earnings by approximately $2.4 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 June 25, 2021.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 25, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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 consolidated financial statements, and no material amounts have been accrued in our consolidated financial statements with respect to these matters.

ITEM 1A. RISK FACTORS

Except as stated below, 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 25, 2020 filed with the SEC on February 23, 2021. 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
March 27, 2021 to April 23, 2021	8,006	$ 30.80	—	—
April 24, 2021 to May 21, 2021	1,735	30.92	—	—
May 22, 2021 to June 25, 2021	7,336	32.41	—	—
Total	17,077	$ 31.50	—	—

(1) During the thirteen weeks ended June 25, 2021, we withheld 17,077 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.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
10.1*	2021 Form of Restricted Share Award Agreement (Directors)
10.2*	2021 Non-Employee Director Deferral Plan
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.

* Management Contract or Compensatory Plan or Arrangement

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 July 28, 2021.

	THE CHEFS' WAREHOUSE, INC. **(Registrant)**
Date: July 28, 2021	/s/ James Leddy James Leddy Chief Financial Officer (Principal Financial Officer)
Date: July 28, 2021	/s/ Timothy McCauley Timothy McCauley Chief Accounting Officer (Principal Accounting Officer)

THE CHEFS' WAREHOUSE, INC.
RESTRICTED SHARE UNIT AWARD AGREEMENT
(Directors)

THIS RESTRICTED SHARE UNIT AWARD AGREEMENT (this "Agreement") is made and entered into as of the [ ] day of [ ] 20[ ] (the "Grant Date"), between The Chefs' Warehouse, Inc., a Delaware corporation (together with its Subsidiaries, the "Company"), and [ ] (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of Restricted Share Unit ("RSU") awards covering shares of the Company's common stock, par value $0.01 per share (the "Shares"); and

WHEREAS, pursuant to the Plan, the Committee responsible for administering the Plan has granted an award of RSUs to the Grantee as provided herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Grant of Restricted Share Units.

(a) The Company hereby grants to the Grantee an award (the "Award") of [ ] RSUs on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Each RSU represents the right to a future payment of one Share.

(b) The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the date on which the restrictions shall lapse in accordance with Section 2 hereof.

2. Vesting.

(a) Except as provided herein and subject to such other exceptions as may be determined by the Committee in its discretion, the RSUs shall vest on the earliest to occur of the following: (i) the first anniversary of the Grant Date, (ii) the date of the next annual meeting of the Company's stockholders at which any directors are elected, (iii) a Change in Control, or (iv) the termination of the Grantee's service as a director of the Company resulting from the Grantee's death or Disability (the "Vesting Date"). The "Restricted Period" is the period beginning on the Grant Date and ending on the Vesting Date.

(b) Except as otherwise determined by the Committee at or after the grant of the Award hereunder, if, prior to the end of the Restricted Period, the Grantee ceases to be a director of the Company (or otherwise terminates service with the Company) for any reason other than death or Disability, all RSUs not then vested shall be immediately forfeited without any consideration. Upon forfeiture, all of the Grantee's rights with respect to the RSUs shall immediately cease and terminate without any further obligations on the part of the Company.

3. Settlement of Restricted Share Units. Subject to the terms of the Plan and this Agreement, Grantee shall be entitled to receive (and the Company shall deliver to Grantee) the Shares in settlement of the RSUs, which become vested pursuant to Section 2 hereof, as soon as administratively practicable and in any event no later than March 15 of the calendar year following the calendar year in which such vesting occurs. Notwithstanding the foregoing, in the event the Grantee makes a valid deferral election in accordance with Section 4 below, Shares shall instead be delivered in accordance with the provisions of the applicable deferral election and Section 4.

4. Deferral Election. The Grantee may elect to defer delivery of the Shares that are otherwise due to the Grantee at or around the Vesting Date by completing a prescribed deferral election form, which shall be distributed separately, and returning it to the Company according to the instructions on the deferral election form. Any Shares deferred in accordance with the deferral election form shall be subject to the terms and conditions of such deferral election form and The Chefs' Warehouse, Inc. Non-Employee Director Deferral Plan.

5. Restrictions. The Grantee shall have no rights or privileges of a stockholder as to the RSUs until the RSUs vest and settle in accordance with Section 3 above, except for the right to receive dividend equivalents in accordance with Section 6 hereof. Except as otherwise provided in the Plan, the Grantee may not sell, transfer, assign, pledge or otherwise encumber or dispose of the RSUs before the Vesting Date.

6. Dividends and Dividend Equivalents. To the extent dividends or dividend equivalents are paid on Shares while the RSUs remain outstanding and prior to the Settlement Date, and if the RSUs are deferred pursuant to Section 4 above, during the deferral period, the Grantee shall be entitled to receive a cash payment in an amount equivalent to the dividends or dividend equivalents with respect to the number of Shares covered by the RSUs; provided, however, that no dividends or dividend equivalents shall be payable with respect to any RSUs forfeited on or prior to the applicable dividend record date and no payment in respect of unvested RSUs will be made prior to the Vesting Date. In the event the Grantee makes a valid deferral election in accordance with Section 4 above, the cash payment shall be paid in accordance with the provisions of the applicable deferral election and Section 4 with respect to any deferral period.

7. Tax Requirements. The Grantee shall be liable for any and all taxes arising out of this Agreement, including in connection with the vesting and settlement of the RSUs.

8. No Right to Continued Service. This Agreement shall not be construed as giving Grantee the right to continue to serve as a director of the Company, and the Company

may at any time dismiss Grantee from service as a director, free from any liability or any claim under the Plan.

9. Adjustments. The Committee may make equitable and proportionate adjustments in the terms and conditions of, and the criteria included in, this Award in recognition of unusual or nonrecurring events (and shall make adjustments for the events described in Section 4.2 of the Plan) affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations, or accounting principles in accordance with the Plan whenever the Committee determines that such events affect the RSUs. Any such adjustments shall be effected in a manner that precludes the material enlargement of rights and benefits under this Award.

10. Amendment to Award. Subject to the restrictions contained in the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate the Award, prospectively or retroactively; provided that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of the Grantee or any holder or beneficiary of the Award shall not to that extent be effective without the consent of the Grantee, holder or beneficiary affected.

11. Plan Governs. The Grantee hereby acknowledges receipt of a copy of (or electronic link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern.

12. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

13. Recoupment. All Awards granted under the Plan and any payment made under the Plan shall be subject to recoupment in accordance with Section 14.6 of the Plan.

14. Section 409A. This Agreement is intended to be exempt from or compliant with the requirements of Section 409A of the Code and shall at all times be interpreted in accordance with such intent. Notwithstanding the foregoing, the Company makes no representations, warranties, or guarantees regarding the tax treatment of this Agreement under

Section 409A of the Code or otherwise, and has advised the Grantee to obtain his or her own tax advisor regarding this Agreement.

15. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein, to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: The Chefs' Warehouse, Inc.
100 East Ridge Road
Ridgefield, CT 06877
Attn: Corporate Secretary

To the Grantee: The address then maintained with respect to the Grantee in the Company's records.

16. Governing Law. The validity, construction and effect of this Agreement shall be determined in accordance with the laws of the State of Delaware without giving effect to conflicts of laws principles.

17. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

18. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

(*remainder of page left blank intentionally*)

IN WITNESS WHEREOF, the parties have caused this Restricted Share Award Agreement to be duly executed effective as of the day and year first above written.

THE CHEFS' WAREHOUSE, INC.

By: __

GRANTEE:

____

THE CHEFS' WAREHOUSE, INC.
NON-EMPLOYEE DIRECTOR DEFERRAL PLAN

Section 1. General.

a. *Purpose*. The purpose of the Non-Employee Director Deferral Plan (the "Deferral Plan") is to attract and retain the services of experienced Non-Employee Directors by providing them with opportunities to defer income taxes on their compensation and encouraging them to acquire additional Shares, thereby furthering the best interests of The Chefs' Warehouse, Inc. (the "Company") and its stockholders.

b. *Relationship to the 2019 Plan*. The Deferral Plan does not authorize or contemplate any additional Shares beyond the Share Reserve authorized under The Chefs' Warehouse, Inc. 2019 Omnibus Equity Incentive Plan (the "2019 Plan"), and the Deferral Plan incorporates by reference herein the terms of the 2019 Plan.

c. *Eligibility*. Except as otherwise determined by the Board, each Non-Employee Director is eligible to participate in the Deferral Plan.

Section 2. Definitions.

Unless otherwise defined in the Deferral Plan, capitalized terms used in the Deferral Plan shall have the meanings assigned to them in the 2019 Plan.

a. "Deferral" means a Deferred Retainer or a Deferred RSU.

b. "Deferral Date" means (x) with respect to a Non-Employee Director's Deferred Retainer, the date on which the corresponding Retainer was scheduled to be paid to such Non-Employee Director, or (y) with respect to a Non-Employee Director's Deferred RSU, the date on which the Shares covered by the corresponding RSU were scheduled to be issued to such Non-Employee Director, in either case had such Non-Employee Director not deferred such Retainer or RSU.

c. "Deferred Retainer" means a Retainer that is deferred by a Non-Employee Director pursuant to Section 4.

d. "Deferred RSU" means an RSU that is deferred by a Non-Employee Director pursuant to Section 4.

e. "Non-Employee Director" means a member of the Board who is not an officer or employee of the Company or any Subsidiary or Affiliate.

f. "Retainer" means a cash retainer payable to a Non-Employee Director for service on the Board.

g. "RSU" means a Restricted Share Unit Award granted to a Non-Employee Director pursuant to Section 10.1 of the 2019 Plan.

Section 3. Administration.

a. *Authority of the Board*. The Deferral Plan shall be administered by the Board. Subject to the terms of the Deferral Plan and applicable law, and in addition to other express powers and authorizations conferred on the Board by the Deferral Plan, the Board shall have full power and authority in its discretion (and in accordance with Section 409A of the Code with respect to Awards subject thereto) to:

(i)determine any limits on Deferrals, including whether to allow Deferrals of Retainers or RSUs at any time;

(ii)make and enforce such rules, regulations, and procedures, consistent with the terms of the Deferral Plan, as the Board deems necessary or proper for the efficient administration of the Deferral Plan;

(iii)interpret the terms and provisions of the Deferral Plan and to decide any and all questions arising under the Deferral Plan, including, without limitation, the right to remedy possible ambiguities, inconsistencies, or omissions by a general rule or particular decision;

(iv)determine the amounts to be distributed to any Non-Employee Director or beneficiary in accordance with the terms of the Deferral Plan and determine the Person or Persons to whom such amounts will be distributed;

(v)to allocate or delegate its powers to other Persons; and

(vi)to appoint Persons to carry out administrative and recordkeeping functions with respect to the Deferral Plan.

b. *Finality of Board Determinations*. Unless otherwise expressly provided in the Deferral Plan or the 2019 Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Deferral Plan or any Award shall be within the sole discretion of the Board, may be made at any time and shall be final, conclusive, and binding upon all Persons, including the Company, any Subsidiary or Affiliate, any Participant and any holder or beneficiary of any Award. A Participant or other holder of an Award may contest a decision or action by the Board with respect to such Person or Award only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Board's decision or action was arbitrary or capricious or was unlawful.

c. *No Liability*. No member of the Board or Committee shall be liable for any action taken or determination made in good faith with respect to the Deferral Plan or any Award deferred hereunder.

d. *Right to Suspend Benefits and Correct Errors*. To the extent consistent with Section 409A of the Code, the Board or its designee may delay any payment until satisfied as to the correctness of the payment or the Person to receive the payment or to allow filing in any court of competent jurisdiction for a legal determination of the benefits to be paid and the Person to receive them. The Board specifically reserves the right to correct errors of every sort, and each Non-Employee Director hereby agrees, on his or her own behalf and on behalf of any beneficiary, to any method of error correction specified by the Board or its designee. The Board is authorized to recover any payment made in error.

Section 4. Deferral Elections.

a. *Election Forms*.

(i)A Non-Employee Director may elect to defer receipt of a Retainer or RSU pursuant to a form approved by the Board and filed with the Secretary of the Company (an "Election Form"). Each Election Form will remain in effect until superseded or revoked pursuant to Section 4.3 or Section 4.4.

(ii)An Election Form may provide for a Non-Employee Director to elect to receive distribution of such Non-Employee Director's Deferral at the following times or such other times as are determined by the Board and consistent with Section 409A of the Code (but in no event earlier than the applicable Deferral Date): (x) a specified date, (y) cessation of such Non-Employee Director's service on the Board or (z) the earlier or the later of a specified date or cessation of such Non-Employee Director's service on the Board.

b. *Initial Elections*.

(i)An Election Form shall apply to any Retainer that is paid or any RSU that is granted to a Non-Employee Director for any period of service that commences following the calendar year in which such Election Form is filed.

(ii)Notwithstanding Section 4.2(a), a Non-Employee Director who first becomes eligible to participate in the Deferral Plan (including any other plan that is required to be treated as a single plan with the Deferral Plan under Section 409A of the Code) may file an Election Form during the first 30 days of such eligibility; provided that such Election Form shall apply only to any Retainer that is paid or any RSU that is granted to such Non-Employee Director for any period of service that commences after the date that such Election Form is filed.

c. *Adjusting Elections*. A Non-Employee Director who has an Election Form on file with the Company may file with the Secretary of the Company a subsequent Election Form at any time permitted by Section 409A of the Code to adjust the terms of the Non-Employee Director's Deferral. Such Election Form adjusting the terms of the Non-Employee Director's Deferral shall apply to any Retainer that is paid or any RSU that is granted to such Non-Employee Director for any period of service that commences following

the calendar year in which such Election Form adjusting the terms of the Non-Employee Director's Deferral is filed.

d. *Revoking Elections*. A Non-Employee Director may revoke an Election Form at any time by providing written notice to the Secretary of the Company. Such revocation shall apply to any Retainer that is paid or any RSU that is granted to such Non-Employee Director for any period of service that commences following the calendar year in which such revocation is filed.

e. *Redeferrals*. Not less than 12 months prior to the date on which a Deferral is scheduled to be distributed to a Non-Employee Director, such Non-Employee Director may elect to redefer such Deferral to a date that is not less than five years after the scheduled distribution date. Such redeferral election shall be made in an Election Form approved by the Board and filed with the Secretary of the Company.

f. *Vesting*. Each Deferred Retainer shall be fully vested and non-forfeitable at all times from the Deferral Date and each Deferred RSU shall vest in accordance with the terms of the 2019 Plan and any applicable Award Agreement.

Section 5. Distributions.

a. *Regular Distribution Date*. Subject to this Section 5, distribution with respect to a Non-Employee Director's Deferral shall be made to such Non-Employee Director in a lump sum payment at the time specified in the applicable Election Form.

b. *Change in Control, Death and Disability*. All of a Non-Employee Director's Deferrals shall be distributed to such Non-Employee Director on a Change in Control or such Non-Employee Director's death or Disability.

c. *Unforeseeable Emergency*. The Board, in its sole discretion, may accelerate the distribution of a Non-Employee Director's Deferral (but in no event to a date prior to the applicable Deferral Date) if such Non-Employee Director experiences an unforeseeable emergency; provided that such distribution complies with Section 409A of the Code. To request such a distribution, a Non-Employee Director must file an application with the Board and furnish such supporting documentation as the Board may require. Such application shall specify the basis for the distribution and the amount to be distributed. If such request is approved by the Board, distribution shall be made in a lump sum payment as soon as administratively practicable, but not more than 30 days, following such approval.

d. *Specified Employees*. If the Board considers a Non-Employee Director to be one of the Company's "specified employees" under Section 409A of the Code at the time of such Non-Employee Director's cessation of service on the Board, any distribution that otherwise would be made to such Non-Employee Director with respect to a Deferral as a result of such cessation of service shall not be made until the date that is six months after such cessation of service, except to the extent that earlier distribution would not result in

such Non-Employee Director's incurring interest or additional tax under Section 409A of the Code.

Section 6. Amount of Distribution.

a. Each Deferral shall be allocated to a separate bookkeeping account (an "<u>Account</u>") established and maintained by the Board to record how such Deferral is notionally invested.

b. With respect to the period beginning on the Deferral Date applicable to a Non-Employee Director's Deferral and ending on the distribution date applicable to such Deferral, to the extent a Deferral is notionally invested in Shares, such Non-Employee Director shall receive a cash payment with respect to any cash dividend that would have been paid on a number of outstanding Shares equal to the number of notional Shares credited to the applicable Account as of the applicable dividend record date. Each such payment shall be made on the date on which the applicable dividend is paid to holders of Shares generally or such other date as is determined by the Board.

c. In the event that the Board shall determine that any dividend or other distribution (whether in the form of cash, Shares or other securities), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, issuance of warrants or other rights to purchase Shares or other securities of the Company, or other similar corporate transaction or event constitutes an equity restructuring transaction, as that term is defined in Accounting Standards Codification Topic 718 (or any successor thereto), or otherwise affects the Shares, then the Board shall adjust the number and type of securities or other property (including cash) payable with respect to outstanding Deferrals in a manner that is determined by the Board to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Deferral Plan.

d. On the distribution date applicable to a Non-Employee Director's Deferral, such Non-Employee Director shall receive cash with respect to any amount credited to the applicable Account and not notionally invested in Shares and that number of Shares equal to the number of notional Shares credited to the applicable Account as of such distribution date; <u>provided</u> that cash shall be distributed in lieu of any fractional Shares and that no Shares shall be distributed other than as authorized by the 2019 Plan.

Section 7. General Provisions Applicable to Deferrals.

a. Except as provided by the Board, no Deferral and no right under any Deferral, shall be assignable, alienable, saleable or transferable by a Non-Employee Director otherwise than by will or by the laws of descent and distribution; provided, however, that, if so determined by the Board, a Non-Employee Director may, in the manner established by the Board, designate a beneficiary or beneficiaries to exercise the rights of the Non-Employee Director with respect to a Deferral on the death of the Non-

Employee Director. Each Deferral, and each right under any Deferral, shall be exercisable, during the Non-Employee Director's lifetime, only by the Non-Employee Director or, if permissible under applicable law, by the Non-Employee Director's guardian or legal representative. No Deferral, and no right under any Deferral, may be pledged, alienated, attached or otherwise encumbered, and any purported pledge, alienation, attachment or encumbrance thereof shall be void and unenforceable against the Company or any Affiliate.

b. All Shares or other securities delivered under the Deferral Plan shall be subject to such stop transfer orders and other restrictions as the Board may deem advisable under the Deferral Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange on which such Shares or other securities are then listed, and any applicable federal, state or local securities laws, and the Board may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

Section 8. Amendments and Termination.

a. The Board, in its sole discretion, may amend, suspend or discontinue the Deferral Plan or any Deferral at any time; provided that no such amendment, suspension or discontinuance shall reduce the accrued benefit of any Non-Employee Director except to the extent necessary to comply with any provision of federal, state or other applicable law. The Board further has the right, without a Non-Employee Director's consent, to amend or modify the terms of the Deferral Plan and such Non-Employee Director's Deferrals to the extent that the Board deems it necessary to avoid adverse or unintended tax consequences to such Non-Employee Director under Section 409A of the Code.

b. The Board, in its sole discretion, may terminate the Deferral Plan at any time, as long as such termination complies with then applicable tax and other requirements. Distributions of Deferrals outstanding under the Deferral Plan as of the date on which the Deferral Plan is terminated will be made in a lump sum payment 12 months after such termination (except in instances of a termination in connection with a Change in Control under Section 409A of the Code), unless the right to receive a distribution in accordance with the terms of the Deferral Plan would occur before the end of such 12-month period, in which case distribution will be made in accordance with the terms of the Deferral Plan.

c. Such other changes to Deferrals shall be permitted and honored under the Deferral Plan to the extent authorized by the Board and consistent with Section 409A of the Code.

Section 9. Miscellaneous.

a. *No Rights to Participation*. No Non-Employee Director or other Person shall have any claim to be entitled to make a deferral under the Deferral Plan, and there is no obligation for uniformity of treatment of Non-Employee Directors or beneficiaries under

the Deferral Plan. The terms and conditions of deferrals under the Deferral Plan need not be the same with respect to each Non-Employee Director.

b. *Tax Withholding*. The Company or any Subsidiary shall be authorized to withhold from any Deferral the amount (in cash, Shares or other securities) of taxes required or permitted to be withheld (up to the maximum statutory tax rate in the relevant jurisdiction) in respect of such Deferral and to take such other action as may be necessary or appropriate in the opinion of the Company or Subsidiary to satisfy withholding taxes.

c. *No Limit on Other Compensation Arrangements*. Nothing contained in the Deferral Plan shall prevent the Company or any Subsidiary or Affiliate from adopting or continuing in effect other or additional compensation arrangements.

d. *No Right to Continued Service*. The opportunity to make a Deferral under the Deferral Plan shall not be construed as giving a Non-Employee Director the right to be retained in the service of the Board or the Company. A Non-Employee Director's Deferral under the Deferral Plan is not intended to confer any rights on such Non-Employee Director except as set forth in the Deferral Plan. The Company expressly reserves the right at any time to replace or to not nominate a Non-Employee Director without any liability for any claim against the Company for any payment or distribution except to the extent provided for in the Deferral Plan.

e. *No Rights as a Stockholder*. A Non-Employee Director will have no rights as a stockholder unless and until Shares are issued hereunder and such Non-Employee Director becomes the holder of record of such Shares.

f. *Governing Law*. The validity, construction and effect of the Deferral Plan and any rules and regulations relating to the Deferral Plan shall be determined in accordance with the laws of the State of Delaware without giving effect to conflict of laws principles.

g. *Severability*. If any provision of the Deferral Plan or any Election Form is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction, or as to any Person, or would disqualify the Deferral Plan or any Deferral under any law deemed applicable by the Board, such provision shall be construed or deemed amended to conform to applicable laws, or if it cannot be so construed or deemed amended without, in the determination of the Board, materially altering the intent of the Deferral Plan or such Deferral, such provision shall be stricken as to such jurisdiction, Person or Deferral, and the remainder of the Deferral Plan and such Election Form shall remain in full force and effect.

h. *Unfunded Plan*. The Deferral Plan is unfunded. The Deferral Plan, together with the applicable Election Form, shall represent at all times an unfunded and unsecured contractual obligation of the Company. Each Non-Employee Director and beneficiary will be an unsecured creditor of the Company with respect to all obligations owed to them under the Deferral Plan. Amounts payable under the Deferral Plan will be satisfied solely out of the general assets of the Company subject to the claims of its creditors. No Non-

Employee Director or beneficiary will have any interest in any fund or in any specific asset of the Company of any kind, nor shall any Non-Employee Director or beneficiary or any other Person have any right to receive any payment or distribution under the Deferral Plan except as, and to the extent, expressly provided in the Deferral Plan and the applicable Election Form. The Company will not segregate any funds or assets to provide for any distribution under the Deferral Plan. Any reserve or other asset that the Company may establish or acquire to assure itself of the funds to provide payments required under the Deferral Plan shall not serve in any way as security to any Non-Employee Director or beneficiary for the Company's performance under the Deferral Plan.

i. ***Headings*****. Headings are given to the Sections and subsections of the Deferral Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Deferral Plan or any provision thereof.**

j. ***Section 409A of the Code*****. The Deferral Plan is intended to comply with the requirements of Section 409A of the Code, and the provisions of the Deferral Plan and any Election Form shall be interpreted in a manner that satisfies the requirements of Section 409A of the Code, and the Deferral Plan shall be operated accordingly. If any provision of the Deferral Plan or any Election Form would otherwise frustrate or conflict with this intent, such provision will be interpreted and deemed amended so as to avoid such conflict.**

Section 10. Term of the Deferral Plan.

a. ***Effective Date of the Deferral Plan*****. The Deferral Plan shall be effective as of the date on which the Deferral Plan is adopted by the Board.**

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: July 28, 2021

/s/ Christopher Pappas

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

<u>Exhibit 31.2</u>

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: July 28, 2021

/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 June 25, 2021, 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: July 28, 2021	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.

Exhibit 32.2

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 June 25, 2021, 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: July 28, 2021	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.