

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 02, 2023

**THE CHEFS' WAREHOUSE, INC.**

(Exact name of registrant as specified in its charter)

|   |                             |                                      |
|---|-----------------------------|--------------------------------------|
| Delaware  | 001-35249                   | 20-3031526                           |
| (State or Other Jurisdiction<br>of Incorporation) | (Commission<br>File Number) | (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

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u>     | <u>Trading Symbol(s)</u> | <u>Name of each exchange on which registered</u> |
|--------------------------------|--------------------------|--|
| Common Stock, par value \$0.01 | CHEF                     | The NASDAQ Stock Market LLC                      |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the 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.

**Item 2.02.****Results of Operations and Financial Condition.**

In a press release dated August 2, 2023 (the “Press Release”), The Chefs’ Warehouse, Inc. (the “Company”) announced financial results for the Company’s thirteen and twenty-six weeks ended June 30, 2023. The full text of the Press Release is furnished herewith as Exhibit 99.1 to this report.

The information contained in Item 2.02 of this Current Report on Form 8-K (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

**Item 9.01.****Financial Statements and Exhibits.**

(d) *Exhibits.*

| <b>Exhibit No.</b>   | <b>Description</b>   |
|----------------------|--|
| <a href="#">99.1</a> | Press Release of The Chefs’ Warehouse, Inc. dated August 2, 2023.  |
| 104                  | Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document |

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**THE CHEFS' WAREHOUSE, INC.**

By: /s/ James Leddy  
Name: James Leddy  
Title: Chief Financial Officer

Date: August 2, 2023

## The Chefs' Warehouse Reports Second Quarter 2023 Financial Results

Ridgefield, CT, August 2, 2023 - The Chefs' Warehouse, Inc. (NASDAQ: CHEF) (the "Company" or "Chefs"), a premier distributor of specialty food products in the United States, Middle East, and Canada, today reported financial results for its second quarter ended June 30, 2023.

### Financial highlights for the second quarter of 2023:

- Net sales increased 36.1% to \$881.8 million for the second quarter of 2023 from \$648.1 million for the second quarter of 2022.
- GAAP net income was \$9.9 million, or \$0.25 per diluted share, for the second quarter of 2023 compared to \$16.9 million, or \$0.42 per diluted share, in the second quarter of 2022.
- Adjusted net income per share<sup>1</sup> was \$0.35 for the second quarter of 2023 compared to \$0.51 for the second quarter of 2022.
- Adjusted EBITDA<sup>1</sup> was \$51.1 million for the second quarter of 2023 compared to \$45.3 million for the second quarter of 2022.

"As we noted during our first quarter earnings report, the strong snap-back in demand coming out of Omicron variant of the COVID-19 pandemic in the second quarter of 2022 provides a difficult year-over-year comparison to the second quarter of 2023. As we had anticipated, for the first time since the onset of the COVID-19 pandemic, second quarter business activity returned to more normal seasonal trends", said Christopher Pappas, Chairman and Chief Executive Officer of the Company. "While April and May were strong months and came in as expected, in June we did experience impact from the air quality issues from the Canadian wildfires extreme heat and severe weather across many of our markets. In addition, volatility in certain protein categories resulted in moderate gross profit dollar pressure. Overall, for the quarter, our team delivered strong year-over-year organic revenue growth and adjusted EBITDA and our recent acquisitions performed well."

### Second Quarter Fiscal 2023 Results

Net sales for the second fiscal quarter of 2023 which ended June 30, 2023 increased 36.1% to \$881.8 million from \$648.1 million for the second fiscal quarter of 2022 which ended June 24, 2022. Organic sales increased \$52.6 million, or 8.1% versus the prior year quarter. Sales growth of \$181.1 million, or 28.0%, resulted from acquisitions. Organic case count increased approximately 10.0% in the Company's specialty category with unique customers and placements increases at 8.7% and 11.9%, respectively, compared to the prior year quarter. Organic pounds sold in the Company's center-of-the-plate category increased approximately 5.9% compared to the prior year quarter. Estimated inflation was 5.7% in the Company's specialty categories and 1.1% in the center-of-the-plate categories compared to the prior year quarter.

Gross profit increased approximately 33.6% to \$208.4 million for the second quarter of 2023 from \$156.0 million for the second quarter of 2022. Gross profit margin decreased approximately 43 basis points to 23.6% from 24.1%. Gross margin in the Company's specialty category decreased 70 basis points and gross margin decreased 174 basis points in the Company's center-of-the-plate category compared to the prior year quarter.

Selling, general and administrative expenses increased by approximately 43.8% to \$179.0 million for the second quarter of 2023 from \$124.5 million for the second quarter of 2022. The increase was primarily due to higher costs associated with compensation and benefits, facility costs and distribution costs to support sales growth in the current quarter. As a percentage of net sales, operating expenses were 20.3% in the second quarter of 2023 compared to 19.2% in the second quarter of 2022.

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

Operating income for the second quarter of 2023 was \$25.3 million compared to \$27.6 million for the second quarter of 2022. The decrease in operating income was driven primarily by higher selling, general and administrative expense, partially offset by higher gross profit and lower other operating expense, as discussed above. As a percentage of net sales, operating income was 2.8% in the second quarter of 2023 as compared to operating income of 4.3% in the second quarter of 2022.

Total interest expense increased to \$12.0 million for the second quarter of 2023 compared to \$4.5 million for the second quarter of 2022. The increase was primarily driven by higher principal amounts of outstanding debt due to our 2028 convertible notes issued on December 13, 2022, our term loan refinancing on August 23, 2022, an increase in amounts drawn on our ABL facility and higher rates of interest charged on the variable rate portion of our outstanding debt.

Net income for the second quarter of 2023 was \$9.9 million, or \$0.25 per diluted share, compared to net income of \$16.9 million, or \$0.42 per diluted share, for the second quarter of 2022.

Adjusted EBITDA<sup>1</sup> was \$51.1 million for the second quarter of 2023 compared to \$45.3 million for the second quarter of 2022. For the second quarter of 2023, adjusted net income<sup>1</sup> was \$14.4 million, or \$0.35 per diluted share compared to adjusted net income of \$20.9 million, or \$0.51 per diluted share for the second quarter of 2022.

### **Full Year 2023 Guidance**

Based on current trends in the business, the Company is providing full year financial guidance as follows:

- Estimated net sales for the full year of 2023 will be in the range of \$3.25 billion to \$3.35 billion;
- Gross profit to be between \$774.0 million and \$797.0 million and
- Adjusted EBITDA to be between \$199.0 million and \$207.0 million

### **Second Quarter 2023 Earnings Conference Call**

The Company will host a conference call to discuss second quarter 2023 financial results today at 8:30 a.m. EDT. Hosting the call will be Chris Pappas, chairman and chief executive officer, and Jim Leddy, chief financial officer. The conference call will be webcast live from the Company's investor relations website at <http://investors.chefswarehouse.com>. An online archive of the webcast will be available on the Company's investor relations website.

### **Forward-Looking Statements**

Statements in this press release regarding the Company's business that are not historical facts are "forward-looking statements" that involve risks and uncertainties and are based on current expectations and management estimates; actual results may differ materially. The risks and uncertainties which could impact these statements include, but are not limited to the following: our 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 distribution of center-of-the-plate products, like meat, poultry and seafood, involves exposure to price volatility experienced by those products; our business is a low-margin business and our profit margins may be

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

sensitive to inflationary and deflationary pressures; because our foodservice distribution operations are concentrated in certain culinary markets, we are susceptible to economic and other developments, including adverse weather conditions, in these areas; fuel cost volatility may have a material adverse effect on our business, financial condition or results of operations; our ability to raise capital in the future may be limited; we may be unable to obtain debt or other financing, including financing necessary to execute on our acquisition strategy, on favorable terms or at all; interest charged on our outstanding debt may be adversely affected by changes in the method of determining the Secured Overnight Financing Rate (“SOFR”); our business operations and future development could be significantly disrupted if we lose key members of our management team; and significant public health epidemics or pandemics, including COVID-19, 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 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 SEC on February 28, 2023 and other reports filed by the Company with the SEC since that date. The Company is not undertaking to update any information until required by applicable laws. Any projections of future results of operations are based on a number of assumptions, many of which are outside the Company’s control and should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced projections, but it is not obligated to do so.

### **About The Chefs’ Warehouse**

The Chefs’ Warehouse, Inc. (<http://www.chefswarehouse.com>) is a premier distributor of specialty food products in the United States and Canada focused on serving the specific needs of chefs who own and/or operate some of the nation’s leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. The Chefs’ Warehouse, Inc. carries and distributes more than 55,000 products to more than 40,000 customer locations throughout the United States and Canada.

### **Contact:**

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

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

|  | Thirteen Weeks Ended |               | Twenty-six Weeks Ended |               |
|--|----------------------|---------------|------------------------|---------------|
|  | June 30, 2023        | June 24, 2022 | June 30, 2023          | June 24, 2022 |
| Net sales                                    | \$ 881,820           | \$ 648,104    | \$ 1,601,465           | \$ 1,160,207  |
| Cost of sales                                | 673,376              | 492,100       | 1,223,313              | 886,690       |
| Gross profit                                 | 208,444              | 156,004       | 378,152                | 273,517       |
| Selling, general and administrative expenses | 179,042              | 124,487       | 335,179                | 234,573       |
| Other operating expenses, net                | 4,062                | 3,883         | 5,734                  | 5,046         |
| Operating income                             | 25,340               | 27,634        | 37,239                 | 33,898        |
| Interest expense                             | 12,006               | 4,465         | 22,012                 | 8,830         |
| Income before income taxes                   | 13,334               | 23,169        | 15,227                 | 25,068        |
| Provision for income tax expense             | 3,467                | 6,254         | 3,959                  | 6,768         |
| Net income                                   | \$ 9,867             | \$ 16,915     | \$ 11,268              | \$ 18,300     |
| Net income per share:                        |                      |               |                        |               |
| Basic  | \$ 0.26              | \$ 0.46       | \$ 0.30                | \$ 0.49       |
| Diluted                                      | \$ 0.25              | \$ 0.42       | \$ 0.29                | \$ 0.47       |
| Weighted average common shares outstanding:  |                      |               |                        |               |
| Basic  | 37,634,127           | 37,100,968    | 37,570,595             | 37,018,044    |
| Diluted                                      | 45,604,297           | 42,053,453    | 38,201,408             | 41,896,379    |

**THE CHEFS' WAREHOUSE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF JUNE 30, 2023 AND DECEMBER 30, 2022**  
(unaudited; in thousands)

|  | <b>June 30, 2023</b> | <b>December 30, 2022</b> |
|--|----------------------|--------------------------|
| Cash and cash equivalents                          | \$ 59,592            | \$ 158,800               |
| Accounts receivable, net                           | 301,375              | 260,167                  |
| Inventories, net                                   | 291,917              | 245,693                  |
| Prepaid expenses and other current assets          | 60,735               | 56,200                   |
| <b>Total current assets</b>                        | <b>713,619</b>       | <b>720,860</b>           |
| Property and equipment, net                        | 205,535              | 185,728                  |
| Operating lease right-of-use assets                | 182,215              | 156,629                  |
| Goodwill   | 348,951              | 287,120                  |
| Intangible assets, net                             | 195,785              | 155,703                  |
| Other assets                                       | 4,884                | 3,256                    |
| <b>Total assets</b>                                | <b>\$ 1,650,989</b>  | <b>\$ 1,509,296</b>      |
| Accounts payable                                   | \$ 198,087           | \$ 163,397               |
| Accrued liabilities                                | 71,739               | 54,325                   |
| Short-term operating lease liabilities             | 23,104               | 19,428                   |
| Accrued compensation                               | 28,486               | 34,167                   |
| Current portion of long-term debt                  | 12,017               | 12,428                   |
| <b>Total current liabilities</b>                   | <b>333,433</b>       | <b>283,745</b>           |
| Long-term debt, net of current portion             | 709,073              | 653,504                  |
| Operating lease liabilities                        | 175,142              | 151,406                  |
| Deferred taxes, net                                | 7,294                | 6,098                    |
| Other liabilities                                  | 3,072                | 13,034                   |
| <b>Total liabilities</b>                           | <b>1,228,014</b>     | <b>1,107,787</b>         |
| Common stock                                       | 396                  | 386                      |
| Additional paid in capital                         | 347,861              | 337,947                  |
| Cumulative foreign currency translation adjustment | (1,911)              | (2,185)                  |
| Retained earnings                                  | 76,629               | 65,361                   |
| Stockholders' equity                               | 422,975              | 401,509                  |
| <b>Total liabilities and stockholders' equity</b>  | <b>\$ 1,650,989</b>  | <b>\$ 1,509,296</b>      |



**THE CHEFS' WAREHOUSE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE TWENTY-SIX WEEKS ENDED JUNE 30, 2023 AND JUNE 24, 2022**  
**(unaudited; in thousands)**

|  | <u>June 30, 2023</u> | <u>June 24, 2022</u> |
|--|----------------------|----------------------|
| <b>Cash flows from operating activities:</b>   |                      |                      |
| Net income   | \$ 11,268            | \$ 18,300            |
| <b>Adjustments to reconcile net income to net cash provided by operating activities:</b> |                      |                      |
| Depreciation and amortization  | 15,682               | 11,755               |
| Amortization of intangible assets  | 10,456               | 6,819                |
| Provision for allowance for doubtful accounts  | 3,311                | 1,817                |
| Non-cash operating lease expense   | 1,812                | 1,076                |
| Deferred income tax provision  | 990                  | 5,004                |
| Amortization of deferred financing fees  | 1,813                | 1,009                |
| Stock compensation   | 10,581               | 5,982                |
| Change in fair value of contingent earn-out liabilities                                  | 1,092                | 3,628                |
| Intangible asset impairment  | 1,838                | —                    |
| Loss on asset disposal   | 22                   | 17                   |
| <b>Changes in assets and liabilities, net of acquisitions:</b>                           |                      |                      |
| Accounts receivable  | (9,854)              | (24,659)             |
| Inventories  | (35,450)             | (30,569)             |
| Prepaid expenses and other current assets  | (2,435)              | 106                  |
| Accounts payable, accrued liabilities and accrued compensation                           | 453                  | 19,733               |
| Other assets and liabilities   | (796)                | (237)                |
| <b>Net cash provided by operating activities</b>   | <u>10,783</u>        | <u>19,781</u>        |
| <b>Cash flows from investing activities:</b>   |                      |                      |
| Capital expenditures   | (23,155)             | (23,490)             |
| Cash paid for acquisitions   | (119,580)            | (52,007)             |
| <b>Net cash used in investing activities</b>   | <u>(142,735)</u>     | <u>(75,497)</u>      |
| <b>Cash flows from financing activities:</b>   |                      |                      |
| Payment of debt, finance lease and other financing obligations                           | (11,680)             | (2,769)              |
| Payment of deferred financing fees   | —                    | (406)                |
| Surrender of shares to pay withholding taxes   | (2,115)              | (2,558)              |
| Cash paid for contingent earn-out liabilities  | (3,210)              | (2,000)              |
| Borrowings under asset based loan facility   | 50,000               | —                    |
| <b>Net cash provided by (used in) financing activities</b>                               | <u>32,995</u>        | <u>(7,733)</u>       |
| Effect of foreign currency translation on cash and cash equivalents                      | (251)                | 100                  |
| <b>Net change in cash and cash equivalents</b>   | (99,208)             | (63,349)             |
| Cash and cash equivalents at beginning of period   | 158,800              | 115,155              |
| <b>Cash and cash equivalents at end of period</b>  | <u>\$ 59,592</u>     | <u>\$ 51,806</u>     |

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

|  | Thirteen Weeks Ended |                   | Twenty-six Weeks Ended |                   |
|--|----------------------|-------------------|------------------------|-------------------|
|  | June 30, 2023        | June 24, 2022     | June 30, 2023          | June 24, 2022     |
| <b>Numerator:</b>                                  |                      |                   |                        |                   |
| Net income   | \$ 9,867             | \$ 16,915         | \$ 11,268              | \$ 18,300         |
| Add effect of dilutive securities:                 |                      |                   |                        |                   |
| Interest on convertible notes, net of tax          | 1,397                | 719               | —                      | 1,365             |
| Net income available to common shareholders        | <u>\$ 11,264</u>     | <u>\$ 17,634</u>  | <u>\$ 11,268</u>       | <u>\$ 19,665</u>  |
| <b>Denominator:</b>                                |                      |                   |                        |                   |
| Weighted average basic common shares outstanding   | 37,634,127           | 37,100,968        | 37,570,595             | 37,018,044        |
| Dilutive effect of unvested common shares          | 521,102              | 263,071           | 564,119                | 296,538           |
| Dilutive effect of options and warrants            | 56,251               | 73,381            | 66,694                 | 56,817            |
| Dilutive effect of convertible notes               | 7,392,817            | 4,616,033         | —                      | 4,524,980         |
| Weighted average diluted common shares outstanding | <u>45,604,297</u>    | <u>42,053,453</u> | <u>38,201,408</u>      | <u>41,896,379</u> |
| <b>Net income per share:</b>                       |                      |                   |                        |                   |
| Basic  | \$ 0.26              | \$ 0.46           | \$ 0.30                | \$ 0.49           |
| Diluted  | \$ 0.25              | \$ 0.42           | \$ 0.29                | \$ 0.47           |

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

|                                   | Thirteen Weeks Ended |               | Twenty-six Weeks Ended |               |
|-----------------------------------|----------------------|---------------|------------------------|---------------|
|                                   | June 30, 2023        | June 24, 2022 | June 30, 2023          | June 24, 2022 |
| Net income                        | \$ 9,867             | \$ 16,915     | \$ 11,268              | \$ 18,300     |
| Interest expense                  | 12,006               | 4,465         | 22,012                 | 8,830         |
| Depreciation                      | 8,671                | 5,866         | 15,682                 | 11,755        |
| Amortization                      | 5,759                | 3,463         | 10,456                 | 6,819         |
| Provision for income tax expense  | 3,467                | 6,254         | 3,959                  | 6,768         |
| EBITDA (1)                        | 39,770               | 36,963        | 63,377                 | 52,472        |
| Adjustments:                      |                      |               |                        |               |
| Stock compensation (2)            | 5,247                | 2,939         | 10,581                 | 5,982         |
| Other operating expenses, net (3) | 4,063                | 3,883         | 5,735                  | 5,046         |
| Duplicate rent (4)                | 1,851                | 1,550         | 4,060                  | 3,286         |
| Moving expenses (5)               | 186                  | —             | 186                    | —             |
| Adjusted EBITDA (1)               | \$ 51,117            | \$ 45,335     | \$ 83,939              | \$ 66,786     |

1. We are presenting EBITDA and Adjusted EBITDA, which are not measurements determined in accordance with the U.S. generally accepted accounting principles, or GAAP, because we believe these measures provide additional metrics to evaluate our operations and which we believe, when considered with both our GAAP results and the reconciliation to net income, provide a more complete understanding of our business than could be obtained absent this disclosure. We use EBITDA and Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. The use of EBITDA and Adjusted EBITDA as performance measures permits a comparative assessment of our operating performance relative to our performance based upon GAAP results while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.
2. Represents non-cash stock compensation expense associated with awards of restricted shares of our common stock and stock options to our key employees and our independent directors.
3. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.
4. Represents duplicate rent and occupancy costs for our Richmond, CA, Miami, FL, Portland, OR and Gibbstown NJ facilities.
5. Represents moving expenses for the consolidation and expansion of our Miami, FL facilities.

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

|  | Thirteen Weeks Ended |                  | Twenty-six Weeks Ended |                  |
|--|----------------------|------------------|------------------------|------------------|
|  | June 30, 2023        | June 24, 2022    | June 30, 2023          | June 24, 2022    |
| Net income   | \$ 9,867             | \$ 16,915        | \$ 11,268              | \$ 18,300        |
| Adjustments to reconcile net income to adjusted net income (1):                            |                      |                  |                        |                  |
| Other operating expenses, net (2)  | 4,063                | 3,883            | 5,735                  | 5,046            |
| Duplicate rent (3)   | 1,851                | 1,550            | 4,060                  | 3,286            |
| Moving expenses (4)  | 186                  | —                | 186                    | —                |
| Write-off of unamortized deferred financing fees and other third party financing costs (5) | —                    | —                | 376                    | 69               |
| Tax effect of adjustments (6)  | (1,586)              | (1,467)          | (2,693)                | (2,268)          |
| Total adjustments  | 4,514                | 3,966            | 7,664                  | 6,133            |
| Adjusted net income  | <u>\$ 14,381</u>     | <u>\$ 20,881</u> | <u>\$ 18,932</u>       | <u>\$ 24,433</u> |
| Diluted adjusted net income per common share   | \$ 0.35              | \$ 0.51          | \$ 0.48                | \$ 0.62          |
| Diluted shares outstanding - adjusted  | 45,604,297           | 42,053,453       | 45,594,225             | 41,896,379       |

1. We are presenting adjusted net income and adjusted net income per share, which are not measurements determined in accordance with U.S. generally accepted accounting principles, or GAAP, because we believe these measures provide additional metrics to evaluate our operations and which we believe, when considered with both our GAAP results and the reconciliation to net income available to common stockholders, provide a more complete understanding of our business than could be obtained absent this disclosure. We use adjusted net income available to common stockholders and adjusted net income per share, together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our core operating performance. The use of adjusted net income available to common stockholders and adjusted net income per share as performance measures permits a comparative assessment of our operating performance relative to our performance based upon our GAAP results while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.
2. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.
3. Represents duplicate rent and occupancy costs for our Richmond, CA, Miami, FL, Portland, OR and Gibbstown, NJ facilities.
4. Represents moving expenses for the consolidation and expansion of our Miami, FL facilities.
5. Represents interest expense related to write-off of certain deferred financing fees and other third party costs related to our credit agreements.
6. Represents the tax effect of items 2 through 5 above.

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

|  | Thirteen Weeks Ended |                   | Twenty-six Weeks Ended |                   |
|--|----------------------|-------------------|------------------------|-------------------|
|  | June 30, 2023        | June 24, 2022     | June 30, 2023          | June 24, 2022     |
| <b>Numerator:</b>                                    |                      |                   |                        |                   |
| Adjusted net income                                  | \$ 14,381            | \$ 20,881         | \$ 18,932              | \$ 24,433         |
| Add effect of dilutive securities:                   |                      |                   |                        |                   |
| Interest on convertible notes, net of tax            | 1,397                | 719               | 2,794                  | 1,365             |
| Adjusted net income available to common shareholders | <u>\$ 15,778</u>     | <u>\$ 21,600</u>  | <u>\$ 21,726</u>       | <u>\$ 25,798</u>  |
| <b>Denominator:</b>                                  |                      |                   |                        |                   |
| Weighted average basic common shares outstanding     | 37,634,127           | 37,100,968        | 37,570,595             | 37,018,044        |
| Dilutive effect of unvested common shares            | 521,102              | 263,071           | 564,119                | 296,538           |
| Dilutive effect of options and warrants              | 56,251               | 73,381            | 66,694                 | —                 |
| Dilutive effect of convertible notes                 | 7,392,817            | 4,616,033         | 7,392,817              | 4,524,980         |
| Weighted average diluted common shares outstanding   | <u>45,604,297</u>    | <u>42,053,453</u> | <u>45,594,225</u>      | <u>41,896,379</u> |
| Adjusted net income per share:                       |                      |                   |                        |                   |
| Diluted  | \$ 0.35              | \$ 0.51           | \$ 0.48                | \$ 0.62           |

**THE CHEFS' WAREHOUSE, INC.**  
**RECONCILIATION OF ADJUSTED EBITDA GUIDANCE FOR FISCAL 2023**  
**(unaudited; in thousands)**

|                                  | <b>Low-End<br/>Guidance</b> | <b>High-End<br/>Guidance</b> |
|----------------------------------|-----------------------------|------------------------------|
| Net Income:                      | \$ 46,700                   | \$ 50,400                    |
| Provision for income tax expense | 16,400                      | 17,700                       |
| Depreciation & amortization      | 55,000                      | 58,000                       |
| Interest expense                 | 47,000                      | 47,000                       |
| EBITDA (1)                       | 165,100                     | 173,100                      |
| <b>Adjustments:</b>              |                             |                              |
| Stock compensation (2)           | 21,200                      | 21,200                       |
| Duplicate rent (3)               | 6,000                       | 6,000                        |
| Other operating expenses (4)     | 6,500                       | 6,500                        |
| Moving expenses (5)              | 200                         | 200                          |
| Adjusted EBITDA (1)              | <u>\$ 199,000</u>           | <u>\$ 207,000</u>            |

1. We are presenting estimated EBITDA and Adjusted EBITDA, which are not measurements determined in accordance with the U.S. generally accepted accounting principles, or GAAP, because we believe these measures provide additional metrics to evaluate our currently estimated results and which we believe, when considered with both our estimated GAAP results and the reconciliation to our estimated net income, provide a more complete understanding of our business than could be obtained absent this disclosure. We use EBITDA and Adjusted EBITDA, together with financial measures prepared in accordance with GAAP, such as revenue and cash flows from operations, to assess our historical and prospective operating performance and to enhance our understanding of our performance relative to our performance based upon GAAP results while isolating the effects of some items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies.
2. Represents non-cash stock compensation expense associated with awards of restricted shares of our common stock and stock options to our key employees and our independent directors.
3. Represents rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
4. Represents non-cash changes in the fair value of contingent earn-out liabilities related to our acquisitions, non-cash charges related to asset disposals, asset impairments, including intangible asset impairment charges, certain third-party deal costs incurred in connection with our acquisitions or financing arrangements and certain other costs.
5. Represents moving expenses for the consolidation and expansion of our Miami, FL facilities.