

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): October 30, 2024

**THE CHEFS' WAREHOUSE, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction  
of Incorporation)

001-35249

(Commission  
File Number)

20-3031526

(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 October 30, 2024 (the “Press Release”), The Chefs’ Warehouse, Inc. (the “Company”) announced financial results for the Company’s thirteen and thirty-nine weeks ended September 27, 2024. 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 October 30, 2024.
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: October 30, 2024

## The Chefs' Warehouse Reports Third Quarter 2024 Financial Results

Ridgefield, CT, October 30, 2024 - The Chefs' Warehouse, Inc. (NASDAQ: CHEF) (the "Company" or "Chefs"), a premier distributor of specialty food products in the United States, the Middle East, and Canada, today reported financial results for its third quarter ended September 27, 2024.

### Financial highlights for the third quarter of 2024:

- Net sales increased 5.6% to \$931.5 million for the third quarter of 2024 from \$881.8 million for the third quarter of 2023.
- GAAP net income was \$14.1 million, or \$0.34 per diluted share, for the third quarter of 2024 compared to \$7.3 million, or \$0.19 per diluted share, in the third quarter of 2023.
- Adjusted net income per share<sup>1</sup> was \$0.36 for the third quarter of 2024 compared to \$0.33 for the third quarter of 2023.
- Adjusted EBITDA<sup>1</sup> was \$54.5 million for the third quarter of 2024 compared to \$50.3 million for the third quarter of 2023.

"Business and demand trends improved sequentially through the third quarter. Continued seasonal increase in international travel among the higher income demographic led to a slightly softer season in July and early August. Customer activity accelerated into the latter half of the quarter and momentum in demand continued into October. Our operating divisions across domestic and international markets delivered strong growth in gross profit dollars and margin; as well as continued progress increasing relevance with our customer base with strong year-over-year growth in unique item placements", said Christopher Pappas, Chairman and Chief Executive of the Company. "I would like thank the entire Chefs' Warehouse team for their dedication and commitment to delivering our diverse and high-quality product and service in partnership with our suppliers and customers and the communities we serve."

### Third Quarter Fiscal 2024 Results

Net sales for the third quarter of 2024 increased 5.6% to \$931.5 million from \$881.8 million in the third quarter of 2023. Organic case count increased approximately 3.1% in the Company's specialty category for the third quarter of 2024 with unique customers and placements increases at 4.7% and 10.8% respectively, compared to the third quarter of 2023. Organic pounds sold in the Company's center-of-the-plate category increased approximately 1.0% for the third quarter of 2024 compared to the third quarter of 2023.

Gross profit increased 8.2% to \$224.7 million for the third quarter of 2024 from \$207.7 million for the third quarter of 2023. The increase in gross profit dollars was primarily as a result of increased sales and price inflation. Gross profit margins increased approximately 58 basis points to 24.1%.

Selling, general and administrative expenses increased by approximately 7.4% to \$192.9 million for the third quarter of 2024 from \$179.6 million for the third quarter of 2023. The increase was primarily due to higher depreciation and amortization driven by facility investments, and higher costs associated with compensation and benefits, facilities and distribution to support sales growth. As a percentage of net sales, selling, general and administrative expenses were 20.7% in the third quarter of 2024 compared to 20.4% in the third quarter of 2023.

Other operating (income) expenses, net decreased by \$2.6 million primarily due non-cash charges of \$1.8 million recorded during the third quarter of 2023 for changes in the fair value of our contingent liabilities compared to non-cash credits of \$0.1 million recorded during the third quarter of 2024, as well

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

as lower third-party deal costs incurred in connection with business acquisitions and financing arrangements.

Operating income for the third quarter of 2024 was \$31.9 million compared to \$25.5 million for the third quarter of 2023. The increase in operating income was driven primarily by higher gross profit, partially offset by higher selling, general and administrative expense, as discussed above. As a percentage of net sales, operating income was 3.4% in the third quarter of 2024 as compared to 2.9% in the third quarter of 2023.

Net income for the third quarter of 2024 was \$14.1 million, or \$0.34 per diluted share, compared to \$7.3 million, or \$0.19 per diluted share, for the third quarter of 2023.

Adjusted EBITDA<sup>1</sup> was \$54.5 million for the third quarter of 2024 compared to \$50.3 million for the third quarter of 2023. For the third quarter of 2024, adjusted net income<sup>1</sup> was \$15.4 million, or \$0.36 per diluted share compared to adjusted net income of \$13.7 million, or \$0.33 per diluted share for the third quarter of 2023.

## **2024 Guidance**

We are providing fiscal 2024 full year financial guidance as follows:

- Net sales in the range of \$3.710 billion to \$3.775 billion,
- Gross profit to be between \$890.0 million and \$906.0 million and
- Adjusted EBITDA to be between \$210.0 million and \$219.0 million.

## **Third Quarter 2024 Earnings Conference Call**

The Company will host a conference call to discuss third quarter 2024 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 success depends to a significant extent upon general economic conditions, including disposable income levels and changes in consumer discretionary spending; the relatively low margins of our business, which are sensitive to inflationary and deflationary pressures and intense competition; the effects of rising costs for and/or decreases in supply of commodities, ingredients, packaging, other raw materials, distribution and labor; crude oil prices and their impact on distribution, packaging and energy costs; our continued ability to promote our brand successfully, to anticipate and respond to new customer demands, and to develop new products and markets to compete effectively; our ability and the ability of our supply chain partners to continue to operate distribution centers and other work locations without material disruption, and to procure ingredients, packaging and other raw materials when needed despite disruptions in the supply chain or labor shortages; risks associated with the expansion of our business; our possible inability to identify new acquisitions or to integrate recent or future acquisitions, or our failure to realize anticipated revenue enhancements, cost savings or other synergies from recent or future acquisitions; other factors that affect the food industry generally, including: recalls if products become adulterated or misbranded, liability if

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

product consumption causes injury, ingredient disclosure and labeling laws and regulations and the possibility that customers could lose confidence in the safety and quality of certain food products; new information or attitudes regarding diet and health or adverse opinions about the health effects of the products we distribute; changes in disposable income levels and consumer purchasing habits; competitors' pricing practices and promotional spending levels; fluctuations in the level of our customers' inventories and credit and other related business risks; and the risks associated with third-party suppliers, including the risk that any failure by one or more of our third-party suppliers to comply with food safety or other laws and regulations may disrupt our supply of raw materials or certain products or injure our reputation; our ability to recruit and retain senior management and a highly skilled and diverse workforce; unanticipated expenses, including, without limitation, litigation or legal settlement expenses; the cost and adequacy of our insurance policies; the impact and effects of public health crises, pandemics and epidemics, such as the outbreak of COVID-19, and the adverse impact thereof on our business, financial condition, and results of operations; significant governmental regulation and any potential failure to comply with such regulations; federal, state, provincial and local tax rules in the United States and the foreign countries in which we operate, including tax reform and legislation; risks relating to our substantial indebtedness; our ability to raise additional capital and/or obtain debt or other financing, on commercially reasonable terms or at all; our ability to meet future cash requirements, including the ability to access financial markets effectively and maintain sufficient liquidity; the effects of currency movements in the jurisdictions in which we operate as compared to the U.S. dollar; changes in the method of determining Secured Overnight Financing Rate ("SOFR"), or the replacement of SOFR with an alternative rate; and the effects of international trade disputes, tariffs, quotas and other import or export restrictions on our international procurement, sales and operations. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. A more detailed description of these and other risk factors is contained in the Company's most recent annual report on Form 10-K filed with the SEC on February 27, 2024 and other reports filed by the Company with the SEC since that date. The Company is not undertaking to update any information until required by applicable laws. Any projections of future results of operations are based on a number of assumptions, many of which are outside the Company's control and should not be construed in any manner as a guarantee that such results will in fact occur. These projections are subject to change and could differ materially from final reported results. The Company may from time to time update these publicly announced projections, but it is not obligated to do so.

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

The Chefs' Warehouse, Inc. (<http://www.chefswarehouse.com>) is a premier distributor of specialty food products in the United States, the Middle East and Canada focused on serving the specific needs of chefs who own and/or operate some of the nation's leading menu-driven independent restaurants, fine dining establishments, country clubs, hotels, caterers, culinary schools, bakeries, patisseries, chocolateries, cruise lines, casinos and specialty food stores. The Chefs' Warehouse, Inc. carries and distributes more than 70,000 products to more than 44,000 customer locations throughout the United States, the Middle East 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		Thirty-Nine Weeks Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Net sales	\$ 931,452	\$ 881,825	\$ 2,760,644	\$ 2,483,290
Cost of sales	706,704	674,127	2,097,458	1,897,440
Gross profit	224,748	207,698	663,186	585,850
Selling, general and administrative expenses	192,894	179,614	578,049	514,793
Other operating (income) expenses, net	(28)	2,535	3,385	8,269
Operating income	31,882	25,549	81,752	62,788
Interest expense	11,743	11,379	36,677	33,391
Income before income taxes	20,139	14,170	45,075	29,397
Provision for income tax expense	6,041	6,848	13,522	10,807
Net income	\$ 14,098	\$ 7,322	\$ 31,553	\$ 18,590
Net income per share:				
Basic	\$ 0.37	\$ 0.19	\$ 0.83	\$ 0.49
Diluted	\$ 0.34	\$ 0.19	\$ 0.77	\$ 0.49
Weighted average common shares outstanding:				
Basic	37,863,580	37,692,588	37,868,675	37,611,179
Diluted	45,941,315	45,717,496	45,888,029	39,143,774

**THE CHEFS' WAREHOUSE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 27, 2024 AND DECEMBER 29, 2023**  
(unaudited; in thousands)

	<b>September 27, 2024</b>	<b>December 29, 2023</b>
Cash and cash equivalents	\$ 50,705	\$ 49,878
Accounts receivable, net	334,362	334,015
Inventories	336,289	284,528
Prepaid expenses and other current assets	70,958	62,522
<b>Total current assets</b>	<b>792,314</b>	<b>730,943</b>
Property and equipment, net	269,890	234,793
Operating lease right-of-use assets	181,689	192,307
Goodwill	356,591	356,021
Intangible assets, net	166,635	184,863
Other assets	6,507	6,379
<b>Total assets</b>	<b>\$ 1,773,626</b>	<b>\$ 1,705,306</b>
Accounts payable	\$ 232,153	\$ 200,547
Accrued liabilities	66,153	70,728
Short-term operating lease liabilities	23,045	24,246
Accrued compensation	43,046	37,071
Current portion of long-term debt	64,716	53,185
<b>Total current liabilities</b>	<b>429,113</b>	<b>385,777</b>
Long-term debt, net of current portion	666,558	664,802
Operating lease liabilities	174,991	184,034
Deferred taxes, net	19,829	14,418
Other liabilities	2,790	1,603
<b>Total liabilities</b>	<b>1,293,281</b>	<b>1,250,634</b>
Common stock	396	396
Additional paid in capital	358,647	356,157
Accumulated other comprehensive loss	(2,564)	(1,832)
Retained earnings	123,866	99,951
<b>Stockholders' equity</b>	<b>480,345</b>	<b>454,672</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,773,626</b>	<b>\$ 1,705,306</b>



**THE CHEFS' WAREHOUSE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THIRTY-NINE WEEKS ENDED SEPTEMBER 27, 2024 AND SEPTEMBER 29, 2023**  
(unaudited; in thousands)

	<b>Thirty-Nine Weeks Ended</b>	
	<b>September 27, 2024</b>	<b>September 29, 2023</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 31,553	\$ 18,590
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	29,361	24,167
Amortization of intangible assets	18,216	16,924
Provision for allowance for doubtful accounts	8,228	5,216
Deferred income tax provision	5,416	3,018
Loss on debt extinguishment	512	—
Stock compensation	13,177	15,855
Change in fair value of contingent earn-out liabilities	(683)	2,850
Intangible asset impairment	—	1,838
Non-cash interest and other operating activities	3,233	6,040
Loss on asset disposal		
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(8,708)	(27,387)
Inventories	(51,786)	(56,350)
Prepaid expenses and other current assets	(5,899)	(3,460)
Accounts payable, accrued liabilities and accrued compensation	40,938	18,740
Other assets and liabilities	(3,501)	(5,996)
<b>Net cash provided by operating activities</b>	<b>80,057</b>	<b>20,045</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures	(41,131)	(35,130)
Cash paid for acquisitions	(315)	(120,600)
<b>Net cash used in investing activities</b>	<b>(41,446)</b>	<b>(155,730)</b>
<b>Cash flows from financing activities:</b>		
Payment of debt and other financing obligations	(18,500)	(30,448)
Payment of finance leases	(5,001)	(2,996)
Common stock repurchases	(10,004)	—
Payment of deferred financing fees	—	(354)
Proceeds from exercise of stock options	55	55
Surrender of shares to pay withholding taxes	(7,377)	(2,134)
Cash paid for contingent earn-out liabilities	(3,800)	(3,650)
Borrowings under asset based loan facility and revolving credit facilities	6,801	50,000
<b>Net cash (used in) provided by financing activities</b>	<b>(37,826)</b>	<b>10,473</b>
Effect of foreign currency translation on cash and cash equivalents	42	(530)
<b>Net change in cash and cash equivalents</b>	<b>827</b>	<b>(125,742)</b>
Cash and cash equivalents at beginning of period	49,878	158,800
<b>Cash and cash equivalents at end of period</b>	<b>\$ 50,705</b>	<b>\$ 33,058</b>

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
<b>Numerator:</b>				
Net income	\$ 14,098	\$ 7,322	\$ 31,553	\$ 18,590
Add effect of dilutive securities:				
Interest on convertible notes, net of tax	1,322	1,369	3,950	403
Net income available to common shareholders	<u>\$ 15,420</u>	<u>\$ 8,691</u>	<u>\$ 35,503</u>	<u>\$ 18,993</u>
<b>Denominator:</b>				
Weighted average basic common shares outstanding	37,863,580	37,692,588	37,868,675	37,611,179
Dilutive effect of unvested common shares	621,999	594,416	570,736	580,675
Dilutive effect of stock options and warrants	62,919	37,675	55,801	54,073
Dilutive effect of convertible notes	7,392,817	7,392,817	7,392,817	897,847
Weighted average diluted common shares outstanding	<u>45,941,315</u>	<u>45,717,496</u>	<u>45,888,029</u>	<u>39,143,774</u>
<b>Net income per share:</b>				
Basic	\$ 0.37	\$ 0.19	\$ 0.83	\$ 0.49
Diluted	\$ 0.34	\$ 0.19	\$ 0.77	\$ 0.49

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Net income	\$ 14,098	\$ 7,322	\$ 31,553	\$ 18,590
Interest expense	11,743	11,379	36,677	33,391
Depreciation and amortization	10,590	8,485	29,361	24,167
Amortization of intangible assets	5,874	6,468	18,216	16,924
Provision for income tax expense	6,041	6,848	13,522	10,807
EBITDA (1)	48,346	40,502	129,329	103,879
Adjustments:				
Stock compensation (2)	4,423	5,274	13,177	15,855
Other operating (income) expenses, net (3)	(28)	2,534	3,385	8,269
Duplicate rent (4)	851	1,959	3,295	6,019
Moving expenses (5)	865	10	1,611	196
Adjusted EBITDA (1)	\$ 54,457	\$ 50,279	\$ 150,797	\$ 134,218

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 rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
5. Represents moving expenses for the consolidation and expansion of several of our distribution facilities.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
Net income	\$ 14,098	\$ 7,322	\$ 31,553	\$ 18,590
Adjustments to reconcile net income to adjusted net income (1):				
Other operating (income) expenses, net (2)	(28)	2,534	3,385	8,269
Duplicate rent (3)	851	1,959	3,295	6,019
Moving expenses (4)	865	10	1,611	196
Debt modification and extinguishment expenses (5)	146	770	1,287	1,146
Tax effect of adjustments (6)	(550)	1,112	(2,873)	(2,476)
Total adjustments	1,284	6,385	6,705	13,154
Adjusted net income	\$ 15,382	\$ 13,707	\$ 38,258	\$ 31,744
Diluted adjusted net income per common share	\$ 0.36	\$ 0.33	\$ 0.92	\$ 0.79
Diluted shares outstanding - adjusted	45,941,315	45,717,496	45,888,029	45,638,744

- 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 reconciliations to net income and 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 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 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.
- 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.
- Represents rent and occupancy costs expected to be incurred in connection with our facility consolidations while we are unable to use those facilities.
- Represents moving expenses for the consolidation and expansion of several of our distribution facilities.
- Represents debt modification costs, extinguishment costs and interest expense related to the write-off of certain deferred financing fees related to our credit agreements.
- Represents the adjustments to the tax provision values to a normalized annual effective tax rate on adjusted pretax earnings to 30.0% and 26.0% for the third quarters and year-to-date periods of 2024 and 2023, respectively.

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

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	September 27, 2024	September 29, 2023	September 27, 2024	September 29, 2023
<b>Numerator:</b>				
Adjusted net income	\$ 15,382	\$ 13,707	\$ 38,258	\$ 31,744
Add effect of dilutive securities:				
Interest on convertible notes, net of tax	1,322	1,369	3,950	4,106
Adjusted net income available to common shareholders	<u>\$ 16,704</u>	<u>\$ 15,076</u>	<u>\$ 42,208</u>	<u>\$ 35,850</u>
<b>Denominator:</b>				
Weighted average basic common shares outstanding	37,863,580	37,692,588	37,868,675	37,611,179
Dilutive effect of unvested common shares	621,999	594,416	570,736	580,675
Dilutive effect of stock options and warrants	62,919	37,675	55,801	54,073
Dilutive effect of convertible notes	7,392,817	7,392,817	7,392,817	7,392,817
Weighted average diluted common shares outstanding	<u>45,941,315</u>	<u>45,717,496</u>	<u>45,888,029</u>	<u>45,638,744</u>
Adjusted net income per share:				
Diluted	\$ 0.36	\$ 0.33	\$ 0.92	\$ 0.79

**THE CHEFS' WAREHOUSE, INC.**  
**RECONCILIATION OF ADJUSTED EBITDA GUIDANCE FOR FISCAL 2024**  
**(unaudited; in thousands)**

	<b>Low-End Guidance</b>	<b>High-End Guidance</b>
Net Income:	\$ 52,000	\$ 52,500
Provision for income tax expense	21,800	22,300
Depreciation & amortization	62,000	65,000
Interest expense	48,000	52,000
EBITDA (1)	183,800	191,800
Adjustments:		
Stock compensation (2)	17,000	18,000
Duplicate rent (3)	4,000	4,000
Other operating expenses (4)	3,500	3,500
Moving expenses (5)	1,700	1,700
Adjusted EBITDA (1)	<u>\$ 210,000</u>	<u>\$ 219,000</u>

1. We are presenting estimated EBITDA and Adjusted EBITDA for fiscal 2024, 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 several of our distribution facilities.