BMO Capital Markets

March 19, 2012

Chefs' Warehouse

(CHEF-NASDAQ)

Stock Rating: **Outperform**
Industry Rating: **Market Perform**

Food Retail

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Dreaming Big: Maintain Our OUTPERFORM Rating

Event

We are raising our price target to $26 and maintaining our **OUTPERFORM** rating on Chefs' Warehouse following our recent meetings with management. Our revised price target values CHEF on a FY13 EV/EBITDA of 12.0x on our upwardly revised FY13 EBITDA. Our rating is based on the following: 1) we view FY12 as somewhat of a transitory year (for EPS) given several one-time cost pressures so prefer to value CHEF on FY13; 2) we had previously published an industry ranking based on a wide range of metrics – and CHEF ranks #2 in our universe due to the strong balance sheet, high ROIC, strong top-line growth and respectable free cash flow yield; 3) we see continued top line momentum in FY12 and beyond as CHEF continues to grow both organically and through acquisitions; 4) we believe CHEF has a significant competitive advantage in the specialty space and believe the lead will only widen – leading to sustainable top-line growth for the foreseeable future; and 5) we believe management's longer-term vision for Chefs' Warehouse is to build a brand – stretching well beyond the current specialty distribution model – and we believe this vision is attainable.

Impact

Themes from the meetings included growth and acquisition opportunities, initiatives to drive greater efficiencies, the transition to the new facility in New York, fuel surcharges, and cost pressures in FY12.

Forecasts

We are raising our FY13 EPS to $1.17 from $1.13 and our EBITDA to $45.1 million from $43 million. Consensus is at $1.12 and $45.1 million, respectively. Our FY12 estimates are unchanged.

Valuation

CHEF is trading at a FY13 EV/EBITDA of 10.5x and a P/E of 19.3x.

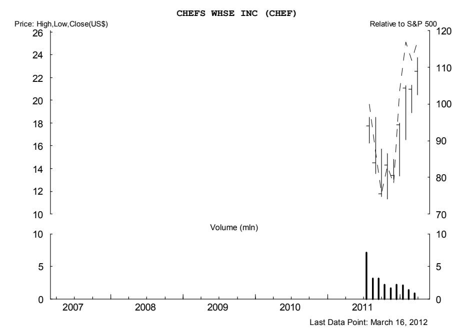
Recommendation

We maintain our **OUTPERFORM** rating.

Securities Info

Price (16-Mar)	**$22.57**	**Target Price**	**$26 ↑**
52-Wk High/Low	$24/$11	Dividend	--
Mkt Cap (mm)	$470	Yield	--
Shs O/S (mm, BASIC)	20.8	Float O/S (mm)	10.0
Options O/S (mm)	na	ADVol (30-day, 000s)	69

Price Performance



Valuation/Financial Data

(FY-Dec.)	2010A	2011A	2012E	2013E
EPS Pro Forma	$0.76	$0.77	$0.96	$1.17↑
P/E			23.5x	19.3x
First Call Cons.			*$0.95*	*$1.12*
EPS GAAP	$0.76	$0.77	$0.96	$1.17
FCF	na	na	na	na
P/FCF			na	na
EBITDA ($mm)	$24	$30	$38	$45
EV/EBITDA			13.3x	11.2x
Rev. ($mm)	$330	$400	$457	$507
EV/Rev			1.1x	1.0x

Quarterly EPS	**1Q**	**2Q**	**3Q**	**4Q**
2011A	$0.13	$0.20	$0.19	$0.26
2012E	$0.14	$0.26	$0.25	$0.31

Quarterly EBITDA	**1Q**	**2Q**	**3Q**	**4Q**
2011A	$4.7	$7.6	$7.5	$10.2
2012E	$5.9	$10.1	$9.8	$12.1

Balance Sheet Data (31-Dec)

Net Debt ($mm)	$35	TotalDebt/EBITDA	na
Total Debt ($mm)	na	EBITDA/IntExp	na
Net Debt/Cap.	na	Price/Book	25.6x

Notes: All values in US$.

Source: BMO Capital Markets estimates, Bloomberg, FactSet, Global Insight, Reuters, and Thomson Financial.

Changes	**Annual EPS**	**Target**
	2013E $1.13 to $1.17	$16.00 to $26.00

Please refer to pages 7 to 9 for Important Disclosures, including the Analyst's Certification.

Valuation

We are raising our price target to $26, 15% upside from Friday's close. Our new price target values CHEF on a FY13 EV/EBITDA of 12.0x. We believe valuing CHEF on FY13 is more appropriate given several one-time cost headwinds in FY12. The FY13 multiple may appear generous on the surface, but given the significant opportunities to continue growing share, gain efficiencies, and grow earnings, we believe the multiple is warranted.

Exhibit 1. CHEF Current Valuation

Chefs' Warehouse Price Target Valuation				
	2012E	2013E	2014E	2015E
Net Income	$19.98	$24.35	[redacted]	[redacted]
EPS	$0.96	$1.17	[redacted]	[redacted]
EBITDA	$38	$45	[redacted]	[redacted]
EBITDAR	$47	$54	$64	$74
Net Forward Debt	$21	$2	-$23	-$53
Price Target	$26.00	$26.00	$26.00	$26.00
Market Cap	$542	$542	$542	$542
EV	$562	$544	$519	$489
P/E	27.1x	22.2x	17.9x	14.9x
EV/EBITDA	14.8x	12.0x	9.5x	7.5x
EV/EBITDAR	13.5x	11.4x	9.3x	7.6x
EPS Growth	23.8%	21.9%	24.1%	20.4%

Source: Company reports, BMO Capital Markets estimates.

I. Several headwinds should abate in FY13 – leading us to raise our EPS estimate by $0.04. In FY12, we are looking for a 24% increase in EPS despite approximately $0.09 in incremental costs associated with 1) an estimated 20% increase in diesel costs ($0.02 with diesel remaining at current levels), 2) incremental costs associated with SOX compliance ($0.05), and 3) a 41% tax rate versus the 39.5% reported in FY11 ($0.02). (The company will also incur costs associated with duplicate rent with no corresponding revenue at the second facility of $0.03 but these costs are excluded from our FY12 EPS.) Excluding these "one-times," we would have been looking for a 36% increase in EPS. In FY13, while diesel costs are likely to remain high, it seems unlikely diesel will increase as much as the increase experienced in the first part of this year, costs associated with SOX compliance are likely to linger but not increase, the second facility in New York will come on line and will generate incremental revenues and efficiency savings, and the tax rate will remain flat at 41% – so EPS will no longer be pressured by these headwinds. As a result, our upwardly revised EPS of $1.17 – up 22% from FY12 – appears conservative relative to the company's core EPS growth in FY12.

II. In our industry ranking report – most recently published in January 2012, CHEF – although excluded from the published report (because we were restricted on the name at the time) – ranked #2 in our coverage universe. Our rankings looked at a wide range of metrics including Debt/EBITDAR, top-line growth, EBITDA margins, ROIC, valuation and free cash flow yield. The company with the best metric in each category received 14 points, the worst received one point and the results were tallied. CHEF received a total of 57 points, and ranked #2 behind Sysco (60 points). CHEF's top-line and margin structure are superior to SYY, but on ROIC, leverage, and free cash flow yield, CHEF ranked slightly below SYY. CHEF's valuation is also richer than SYY and this metric hurt CHEF's ranking.

Exhibit 2. Universe Ranking

Rank	Ticker	Debt/ EBITDAR	Total Sales (ex Fuel)	EBITDA Margins	ROIC	CY2013 EV/EBITDAR	FCF Yield Before Div.	Final Score
1	SYY	14	6	9	14	8	9	60
2	CHEF	12	9	12	13	3	8	57
3	TFM	9	14	13	12	1	3	52
4	VSI	5	11	14	9	5	7	51
4	WFM	13	12	11	8	2	5	51
6	CASY	10	13	6	11	6	2	48
7	SPTN	7	3	5	6	13	11	45
8	SWY	4	5	8	3	12	12	44
9	RDK	8	8	10	4	9	4	43
10	KR	6	4	4	7	11	10	42
11	SVU	3	1	7	2	14	14	41
12	UNFI	11	10	3	5	4	6	39
13	PTRY	1	2	2	1	10	13	29
14	SUSS	2	7	1	10	7	1	28

Source: Company reports, BMO Capital Markets estimates.

Exhibit 3. Metrics

Ticker	Debt/ EBITDAR	Total Sales (ex Fuel)	EBITDA Margins	ROIC	CY2013 EV/EBITDAR	FCF Yield Before Div.
CASY	1.8x	11.7%	4.4%	12.4%	7.1x	0.2%
CHEF	1.4x	9.0%	9.1%	17.6%	10.2x	4.6%
KR	3.1x	3.2%	4.0%	10.1%	5.5x	7.4%
PTRY	4.7x	0.4%	2.8%	6.6%	5.6x	28.7%
RDK	2.1x	7.6%	8.1%	9.2%	6.0x	2.7%
SPTN	2.3x	1.6%	4.3%	9.8%	4.7x	8.8%
SUSS	4.5x	7.5%	2.4%	11.0%	7.1x	n/a
SVU	4.0x	0.2%	5.1%	8.0%	4.2x	37.3%
SWY	3.2x	4.0%	5.5%	8.1%	4.8x	10.6%
SYY	0.7x	5.0%	6.0%	19.8%	7.0x	6.5%
TFM	1.8x	14.9%	11.4%	15.1%	12.5x	1.5%
UNFI	1.5x	10.0%	3.9%	9.3%	8.8x	4.0%
VSI	3.2x	10.5%	12.1%	10.8%	8.7x	4.3%
WFM	1.2x	10.6%	8.9%	10.2%	11.6x	2.8%

Source: Company reports, BMO Capital Markets estimates.

Themes from the meetings included: top-line growth both organically and through acquisitions, initiatives to drive greater efficiencies, the transition to the new facility in New York, fuel surcharges, and cost pressures in FY12.

I. Top-line growth both organically and through acquisitions: we continue to see significant areas of opportunity to gain share both organically and through acquisitions.

a) **Several initiatives are underway to continue to gain share organically**. These initiatives include expanding the sales force, targeting a wider range of restaurant formats, and partnering with vendors to increase product penetration in specific categories. As indicated on the 4Q call, the company is currently focused on expanding the sales force (a 15% increase in FY12) in order to increase penetration with existing accounts (penetration of 1,000 SKUs per customer is considered underpenetrated) as well as gain traction with new accounts. In addition, the company's goal is to assign each sales person 65 accounts. Today, the number skews considerably higher – leading to a less effective selling effort. With the expanded sales force, the company should gain more traction on gaining a greater share of wallet with both new and existing customers. In addition, we believe CHEF will continue to evolve and refine its definition of the "target market" as the industry evolves. As an example, the company had previously focused primarily on the $15 or higher "plate" – but the trend to offer smaller plates (or Tappas) has recently accelerated (in part due to persistent inflation in protein) and CHEF recognizes that this format represents a significant growth opportunity. Lastly, more recently, the company began partnering with select (smaller) specialty vendors to meet with existing customers in an effort to increase penetration of a particular product category. These vendors lack the ability to scale up to sell their product with an internally developed sales force (i.e., small producers in Europe), so by partnering with CHEF, the vendor is introduced to a national customer base through CHEF relationships. In exchange for the "introduction," the vendor provides (and pays for) both a representative and the inventory – and both the vendor representative and the CHEF sales representative will meet with a wide range of accounts to introduce the product. This initiative (while in the early stages) has been extremely successful so far because the vendor specialist provides more immediate credibility on the quality of a particular product, as a result, the effort has, so far, resulted in both an uptick in initial sales as well as higher order retention.

b) Acquisitions remain a significant area of focus (although our FY13 estimates do not reflect incremental revenues associated with acquisitions) – and we continue to see significant opportunities to gain share through select, accretive acquisitions of specialty distributors in both existing and new geographies (e.g., Boston, Chicago, Dallas, Atlanta). We also believe product line extensions (focusing initially on protein, followed by produce) represent a significant area of opportunity once the company gains excess capacity at the new facility in New York. We believe management is generally agnostic on product category versus geographic expansion – as long as both are accretive. The goal is to build the brand and gain share.

c) Longer term, we believe the "CW" brand could ultimately encompasses a: "Chefs' Warehouse Protein" division (with separate invoices and credit terms), a Chef "Direct" division for online purchases, a Chef "Outlet" – similar to the Restaurant Depot concept – but with CHEF's emphasis on specialty, gourmet and import (Restaurant Depot tends to skew more towards basic food products as well as sundry and equipment), and even the potential to develop product line extensions for some of the company's more established restaurant chains (and chefs). Some of these goals are clearly long term in nature but they all speak to management's commitment to build a brand and become a dominant force in the specialty distribution space.

II. Initiatives to drive greater efficiencies include the following:

a) Transitioning to the new facility in New York. This will drive significant cost savings because under the current configuration the company operates two facilities. The existing facilities are extremely inefficient due to capacity constraints and both facilities incur rent and general overhead expenses. With the new facility, total rent expense should remain more or less unchanged (because the new facility is larger, and lease rates will likely be higher), utility expenses should decline, but the company should gain significant cost savings due to improved efficiency.

b) Once the transition is complete, the company should be able to implement more effective labor management tools at the new facility. The current facility is too antiquated and strained to fully utilize the tools associated with the roll-out of the system.

c) In 3Q11, the company introduced a price optimization tool to the sales force – this should help improve the company's selling efforts and also preserve (or improve) product margins.

III. The transition to the new facility in New York should be completed by mid 2013. The company then plans to sublease the current, larger facility for the duration of the lease (expiring in 2014). The lease on CHEF's smaller facility expires mid 2013. Higher depreciation associated with the facility could impact EPS by $0.02-$0.035 ($~12 million depreciated over the initial life of the lease – excluding renewal options) – but the new facility will dramatically improve efficiencies and reduce significant duplicate costs (largely rent and utilities) – more than offsetting the negative earnings impact from higher depreciation. Execution risk with the transition will be low, in our view, given the new facility's proximity to the existing facilities – and this proximity (resulting in ease of transition) was one of the company's primary considerations in remaining in New York.

IV. Higher fuel costs will likely impact EPS by $0.02 in FY12 assuming fuel remains near current levels. The negative impact to EPS reflects a slight delay in passing on fuel surcharges in the early part of the fiscal year. Inbound freight costs should also increase but will likely have no impact to earnings because product costs are "fully landed" – so inventory costs already reflect inbound transportation costs. Going forward, if fuel continues to rise, we believe management will be more proactive on immediately increasing the surcharge in order to mitigate an additional impact to EPS**.**

Food Retail	Rating	16-Mar Price	Target	EPS 2011E	EPS 2012E	EPS 2013E	P/E 2011E	P/E 2012E	P/E 2013E	Div	Yld	Book	Mkt Cap ($mm)
Casey's General Store (CASY)	Market Perform	$52.20	$55	$2.65	$3.16	$3.43	19.7	16.5	15.2	$0.60	1.1%	$12.43	1,987
Chefs' Warehouse (CHEF)	Outperform	$22.57	$26	$0.77	$0.96	$1.17	29.3	23.5	19.3	$0.00	0.0%	$0.88	470
GNC Holdings (GNC)	Restricted	$33.71	na	$1.50	na	na	22.5	na	na	$0.00	0.0%	$9.26	3,593
Kroger (KR)	Market Perform	$24.37	$25	$2.01	$2.31	$2.39	12.1	10.5	10.2	$0.46	1.9%	$8.58	14,007
Pantry (PTRY)	Market Perform	$12.44	$12	$0.75	$0.43	$0.70	16.6	28.9	17.8	$0.00	0.0%	$14.06	280
Ruddick (RDK)	Outperform	$41.30	$50	$2.33	$2.40	$2.84	17.7	17.2	14.5	$0.52	1.3%	$19.72	2,035
Safeway (SWY)	Market Perform	$22.17	$25	$1.80	$2.01	$2.31	12.3	11.0	9.6	$0.58	2.6%	$12.42	7,536
Spartan Stores (SPTN)	Outperform	$17.64	$20	$1.36	$1.40	$1.45	13.0	12.6	12.2	$0.26	1.5%	$14.06	403
SUPERVALU (SVU)	Market Perform	$6.33	$8	$1.36	$1.29	$1.30	4.7	4.9	4.9	$0.35	5.5%	$7.07	1,343
Susser Holdings (SUSS)	Market Perform	$25.21	$25	$2.75	$1.42	$1.83	9.2	17.8	13.8	$0.00	0.0%	$14.80	524
Sysco (SYY)	Market Perform	$29.63	$28	$1.96	$1.87	$2.07	15.1	15.8	14.3	$1.08	3.6%	$7.92	17,364
The Fresh Market (TFM)	Market Perform	$48.35	$46	$1.06	$1.27	$1.56	45.6	38.1	31.0	$0.00	0.0%	$2.23	2,322
United Natural Foods (UNFI)	Outperform	$46.45	$53	$1.68	$1.91	$2.24	27.6	24.3	20.7	$0.00	0.0%	$18.20	2,265
Vitamin Shoppe (VSI)	Market Perform	$42.39	$45	$1.61	$1.80	$2.08	26.3	23.6	20.4	$0.00	0.0%	$11.82	1,238
Whole Foods Market (WFM)	Outperform	$85.15	$90	$1.93	$2.33	$2.63	44.1	36.5	32.4	$0.56	0.7%	$16.72	15,284

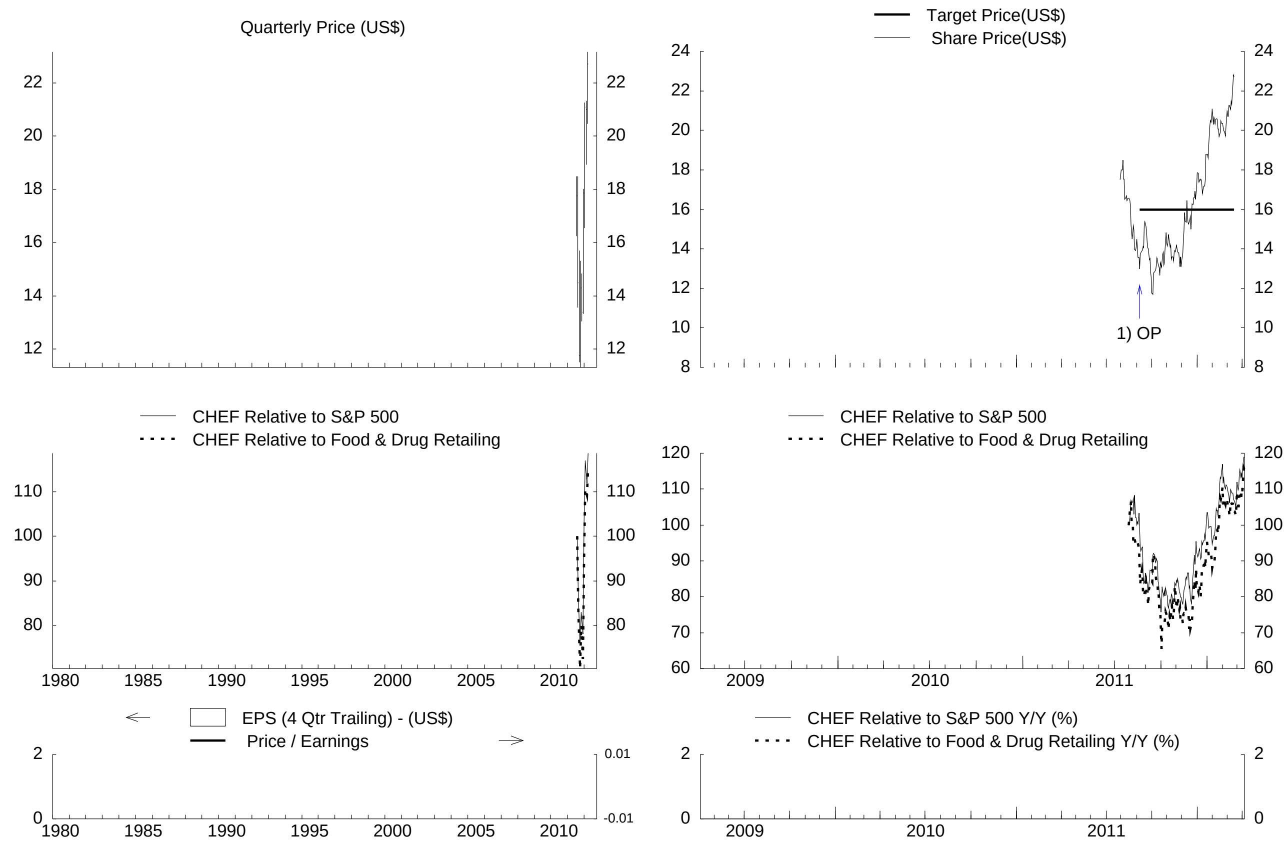
Source: BMO Capital Markets estimates and company reports.

Chefs' Warehouse Income Statement

	52 weeks 12/28/2007 2007	52 weeks 12/26/2008 2008	52 weeks 12/25/2009 2009	52 weeks 12/24/2010 2010	3/25/2011 1Q11	6/24/2011 2Q11	3Q11	4Q11	53 weeks 12/30/2011 2011E	1Q12E	2Q12E	3Q12E	4Q12E	2012E	2013E
Revenues	**$256.13**	**$281.70**	**$271.07**	**$330.12**	**$82.90**	**$99.26**	**$101.68**	**$116.51**	**$400.35**	**$99.48**	**$119.11**	**$115.92**	**$122.61**	**$457.11**	**$507.39**
Cost of Goods	$190.79	$211.39	$199.76	$244.34	$61.50	$73.00	$75.05	$85.50	$295.05	$73.20	$86.89	$84.86	$89.24	$334.19	$369.68
Gross Profit	**$65.35**	**$70.32**	**$71.31**	**$85.78**	**$21.40**	**$26.26**	**$26.63**	**$31.01**	**$105.30**	**$26.28**	**$32.22**	**$31.05**	**$33.37**	**$122.92**	**$137.71**
D&A	$1.94	$1.99	$1.92	$2.10	$0.60	$0.39	$0.43	$0.51	$1.93	$0.61	$0.61	$0.61	$0.61	$2.44	$2.44
Total Operating Expenses (Ex. D&A)	$57.45	$58.33	$56.06	$62.10	$16.70	$18.66	$19.14	$20.81	$75.31	$20.34	$22.15	$21.24	$21.28	$85.01	$92.59
Total Operating Expenses (Incl. D&A)	**$59.39**	**$60.31**	**$57.98**	**$64.21**	**$17.30**	**$19.05**	**$19.57**	**$21.32**	**$77.24**	**$20.95**	**$22.76**	**$21.85**	**$21.89**	**$87.45**	**$95.03**
Operating Income	**$5.96**	**$10.00**	**$13.33**	**$21.57**	**$4.10**	**$7.20**	**$7.06**	**$9.70**	**$28.06**	**$5.33**	**$9.46**	**$9.20**	**$11.48**	**$35.47**	**$42.69**
EBITDA	**$7.90**	**$11.99**	**$15.25**	**$23.68**	**$4.70**	**$7.60**	**$7.491**	**$10.207**	**$29.99**	**$5.94**	**$10.07**	**$9.81**	**$12.09**	**$37.91**	**$45.13**
Interest	$3.52	$3.24	$2.82	$4.04	$0.40	$0.42	$0.51	$0.53	$1.85	$0.40	$0.40	$0.40	$0.40	$1.60	$1.48
Gain on Settlement	$1.10														
Gain/Loss on Interest Rate Swap	-$0.62	-$1.12	$0.66	$0.91	$0.40	$0.00	$0.00	$0.00	$0.40	$0.00	$0.00	$0.00	$0.00	$0.00	$0.07
Other					$0.00			$0.00							
Income Before Tax	**$2.92**	**$5.65**	**$11.17**	**$18.44**	**$4.10**	**$6.79**	**$6.56**	**$9.17**	**$26.61**	**$4.93**	**$9.06**	**$8.80**	**$11.08**	**$33.87**	**$41.28**
Taxes	$0.79	$3.45	$2.21	$2.57	$1.50	$2.69	$2.56	$3.76	$10.50	$2.02	$3.71	$3.61	$4.54	$13.89	$16.92
Net Income	**$2.14**	**$2.20**	**$8.96**	**$15.87**	**$2.60**	**$4.10**	**$4.00**	**$5.41**	**$16.11**	**$2.91**	**$5.34**	**$5.19**	**$6.54**	**$19.98**	**$24.35**
Tax Rate	26.9%	61.1%	19.8%	13.9%	36.6%	39.6%	39.0%	41.0%	39.5%	41.0%	41.0%	41.0%	41.0%	41.0%	41.0%
Diluted EPS	**$0.10**	**$0.11**	**$0.43**	**$0.76**	**$0.13**	**$0.20**	**$0.19**	**$0.26**	**$0.77**	**$0.14**	**$0.26**	**$0.25**	**$0.31**	**$0.96**	**$1.17**
Diluted	20.77	20.77	20.77	20.77	20.67	20.83	20.83	20.84	20.79	20.84	20.84	20.84	20.84	20.84	20.84
Consensus EPS								$0.25	$0.77	$0.16	$0.26	$0.25	$0.30	$0.95	$1.12
Growth															
Sales		10.0%	-3.8%	21.8%	18.4%	18.7%	19.7%	27.2%	21.3%	20.0%	20.0%	14.0%	14.0%	14.2%	11.0%
Organic Sales growth		4.2%	-6.2%	10.9%	10.9%	13.0%	10.6%	8.8%	11.4%	9%	9%	9%	9%		8%
Inflation - contribution to sales		n/a	-0.6%	7.8%	4.9%	3.3%	2.7%	1.1%	2.2%	1%	1%	1%	1%		3%
Acquisitions - contribution to sales		5.8%	3.0%	3.1%	3.0%	2.0%	6.4%	10.0%	5.7%	10%	10%	4%	4%		0%
Impact of extra week - contribution to sales								7.2%	2.0%						
Operating Expenses (Ex. D&A)		1.5%	-3.9%	10.8%	15.3%	19.3%	24.3%	25.5%	21.3%	21.8%	18.7%	11.0%	2.3%	12.9%	8.9%
Operating Expenses (Incl. D&A)		1.6%	-3.9%	10.7%	15.7%	18.1%	23.8%	23.2%	20.3%	21.1%	19.5%	11.7%	2.7%	13.2%	8.7%
Operating Income		67.9%	33.3%	61.8%	35.3%	24.1%	12.9%	49.6%	30.1%	30.0%	31.3%	30.3%	18.4%	26.4%	20.3%
EBITDA		51.7%	27.2%	55.3%	34.5%	20.4%	12.5%	41.5%	26.7%	26.3%	32.5%	31.0%	18.4%	26.4%	19.0%
Net Income		2.8%	308.1%	77.1%	69.0%	-8.7%	-9.3%	-0.6%	1.5%	12.0%	30.4%	29.9%	20.9%	24.1%	21.9%
EPS			308.1%	77.1%					1.4%					23.8%	21.9%
Margins															
Gross	25.5%	25.0%	26.3%	26.0%	25.8%	26.45%	26.19%	26.62%	26.30%	26.41%	27.05%	26.79%	27.22%	26.89%	27.1%
D&A	0.8%	0.7%	0.7%	0.6%	0.7%	0.4%	0.4%	0.4%	0.5%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
Operating Expenses (Ex. D&A)				18.8%	20.1%	18.8%	18.8%	17.9%	18.8%	20.4%	18.6%	18.3%	17.4%	18.6%	18.2%
Operating Expenses (Incl. D&A)	23.2%	21.4%	21.4%	19.4%	20.9%	19.2%	19.2%	18.3%	19.3%	21.1%	19.1%	18.8%	17.9%	19.1%	18.7%
Operating Income	2.3%	3.6%	4.9%	6.5%	4.9%	7.3%	6.9%	8.3%	7.0%	5.4%	7.9%	7.9%	9.4%	7.8%	8.4%
EBITDA	3.1%	4.3%	5.6%	7.2%	5.7%	7.7%	7.4%	8.8%	7.5%	6.0%	8.5%	8.5%	9.9%	8.3%	8.9%
Tax	26.9%	61.1%	19.8%	13.9%	36.6%	39.6%	39.0%	41.0%	39.5%	41.0%	41.0%	41.0%	41.0%	41.0%	41.0%
Net	0.8%	0.8%	3.3%	4.8%	3.1%	4.1%	3.9%	4.6%	4.0%	2.9%	4.5%	4.5%	5.3%	4.4%	4.8%
Change in Margins															
Gross		-55bp	134bp	-32bp	12bp	21bp	21bp	64bp	32bp	60bp	60bp	60bp	60bp	59bp	25bp
D&A		-5bp	0bp	-7bp	6bp	-20bp	-6bp	-36bp	-15bp	-11bp	12bp	10bp	6bp	5bp	-5bp
Operating Expenses (Ex. D&A)					-55bp	10bp	69bp	-24bp	0bp	30bp	-20bp	-50bp	-50bp	-21bp	-35bp
Operating Expenses (Incl. D&A)		-178bp	-2bp	-194bp	-49bp	-11bp	63bp	-60bp	-16bp	19bp	-8bp	-40bp	-44bp	-16bp	-40bp
Operating Income		122bp	137bp	162bp	62bp	31bp	-42bp	124bp	47bp	41bp	68bp	100bp	104bp	75bp	65bp
EBITDA		117bp	137bp	155bp	68bp	11bp	-47bp	88bp	32bp	30bp	80bp	110bp	110bp	80bp	60bp
Net		-5bp	253bp	150bp	94bp	-124bp	-126bp	-130bp	-78bp	-21bp	36bp	55bp	69bp	35bp	43bp

Source: Company reports, BMO Capital Markets estimates.

CHEFS WHSE INC (CHEF)



CHEF - Rating as of 28-Jul-11 = NR

	Date	Rating Change	Share Price
1	6-Sep-11	NR to OP	$13.56

Last Daily Data Point: March 14, 2012

Important Disclosures

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Disclosure 9: BMO Capital Markets makes a market in this security.

Methodology and Risks to Our Price Target/Valuation

Methodology: Our target price values CHEF at an FY13 EV/EBITDA of 12.0x and P/E of 22.2x.
Risks: Key risks to our CHEF price target include increased competition from traditional broadline operators or consolidation among other regional specialty distributors, deterioration in the national or New York economy as it relates to discretionary spending at restaurants, the success and completion of future acquisitions at fair prices, significant increases in raw material costs, and tainted product or product recall which could tarnish the company's image.

Distribution of Ratings (December 30, 2011)

Rating Category	BMO Rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	Starmine Universe
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Hold	Market Perform	60.3%	9.6%	59.6%	56.3%	52.2%	39.4%
Sell	Underperform	1.7%	0.0%	0.0%	3.0%	1.6%	4.4%

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