

Monday, November 7, 2011

Chefs' Warehouse (Outperform)

(CHEF-NASDAQ)

Enters Portland and Seattle Markets Through Acquisition

Flash:

Tonight, CHEF announced that it had acquired the assets of Provvista Specialty Foods, Inc., a specialty foods importer and distributor that serves the Portland, Oregon, and Seattle, Washington, markets.

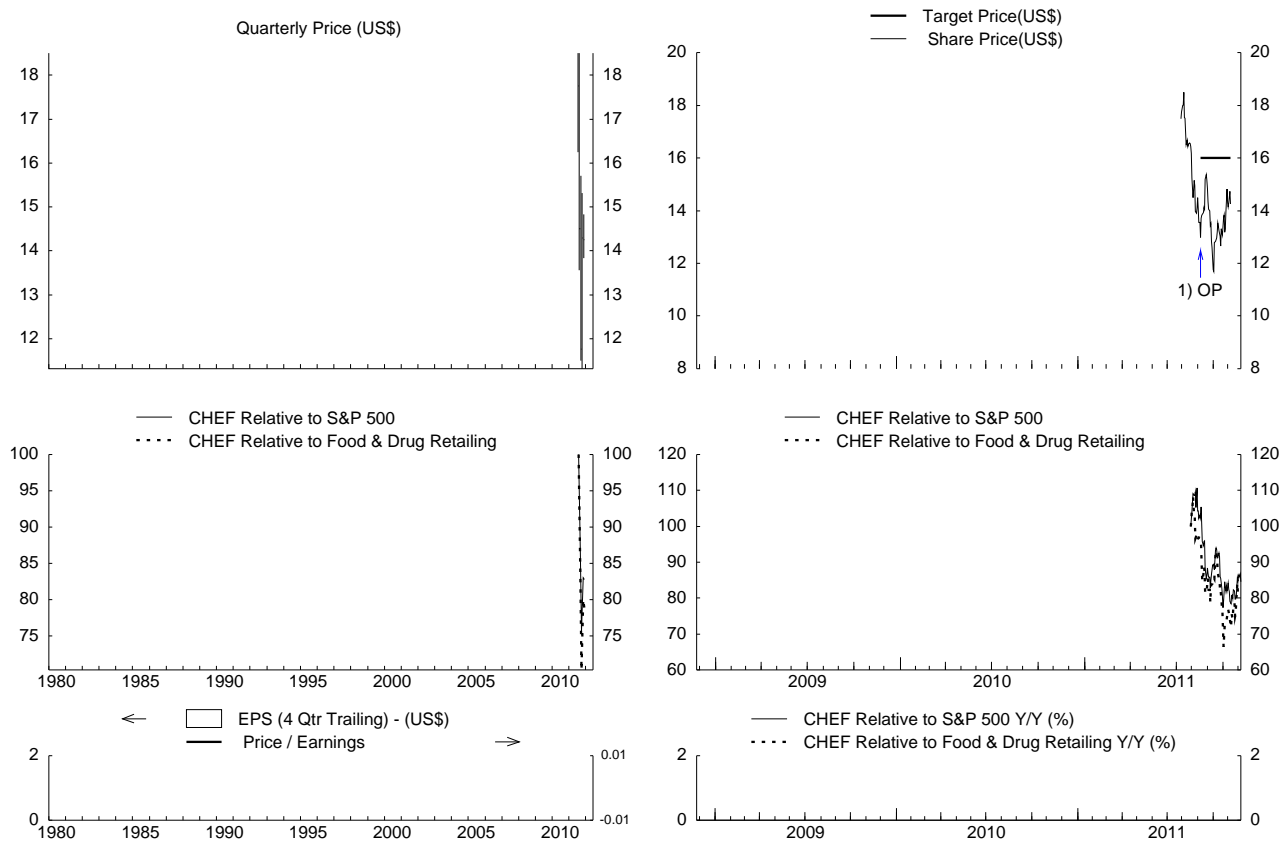
Our View:

- * The acquisition represents a new market opportunity for CHEF and will be the seventh market that the company serves. Sales at Provvista were \$17 million in CY2010, making it almost double the size of CHEF's two smallest existing markets, Las Vegas and Miami.
- * We view this acquisition favorably – it supports our thesis that CHEF is well positioned to play a significant role in industry consolidation. We maintain our **OUTPERFORM** rating and will update our estimates as more information becomes available.

Company:	Chefs' Warehouse (CHEF)
Price/Rating/Target:	\$14.08/Outperform/\$16.00
Sector Name:	Food Retail
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Please refer to pages 2 to 5 for Disclosure Statements, including the Analyst's Certification.

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: November 4, 2011

Important Disclosures

Analyst's Certification

I, Karen Short, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities or issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Methodology and Risks to Our Price Target

Methodology: Our target price values CHEF at an FY 12 EV/EBITDA of xx and P/E of xx.

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 (September 30, 2011)

Rating Category	BMO Rating	BMOCM US Universe*	BMOCM US IB Clients**	BMOCM US IB Clients***	BMOCM Universe****	BMOCM IB Clients*****	Starmine Universe
Buy	Outperform	39.2%	12.6%	38.8%	42.5%	48.1%	57.2%
Hold	Market Perform	58.9%	13.2%	61.2%	54.6%	50.9%	38.5%
Sell	Underperform	1.9%	0.0%	0.0%	2.9%	0.9%	4.3%

* Reflects rating distribution of all companies covered by BMO Capital Markets Corp. equity research analysts.

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OP = Outperform - Forecast to outperform the market;

Mkt = Market Perform - Forecast to perform roughly in line with the market;

Und = Underperform - Forecast to underperform the market;

(S) = speculative investment;

NR = No rating at this time;

R = Restricted – Dissemination of research is currently restricted.

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