Krause Fund Research
Spring 2025

Analysts:
Jeremiah Pittman | jeremiah-pittman@uiowa.edu
Mason Vande Yacht | mason-vandeyacht@uiowa.edu

Company Overview:

Chipotle Mexican Grill, Inc. develops and operates restaurants offering a diverse menu of burritos, bowls, quesadillas, tacos, and salads, all made with fresh, high-quality ingredients. Founded by Steve Ells in 1993, the company is headquartered in Newport Beach, California.

Consumer Discretionary
Fast-Casual Restaurants

Chipotle Mexican Grill (CMG)

Stock Rating: Hold

Investment Thesis

We recommend a **HOLD** rating for Chipotle with a target price of $52.59, representing long-term upside supported by robust free cash flow, digital, innovation, and steady unit growth. Chipotle's premium brand positioning, operational efficiency, and early-stage international expansion through partners like Alsea will sustain above-industry earnings growth. While trading at a premium relative to peers, we believe the valuation is justified by its company-owned store model, strong balance sheet, and superior returns on asserts

Drivers of Thesis

- Sustained U.S. store growth and early international expansion through development agreements with Alesa and Alshaya position Chipotle to maintain 6-8% revenue growth through FY29.
- Strong digital integration, with digital sales accounting for 35% of FY24 revenue, enhances margins and customer loyalty while supporting throughput efficiency.
- Operational leverage and AI-driven automation will improve labor productivity and compress labor costs as a % of revenue, supporting projected margin expansion from 13.5% to over 15.5% in FY29.
- Resilient balance sheet and capitol allocation strategy, including $1B in share repurchases and no outstanding debt, support valuation and allow continued reinvestment without financing constraints

Risk to Thesis

- Rising labor and input costs, particularly from tariff exposure on avocados and protein inputs, may pressure margins if inflation persists
- High valuation multiples (P/E of 40.5x in FY25) reflect elevated investor expectations, leaving limited room for underperformance without repricing risk
- Slower-than-expected international adoption or cultural misalignment could delay global growth targets and recut expansion ROI
- Consumer resistance to price increases could reduce traffic and loyalty in a highly competitive industry with low switching costs

Earnings Estimates

Year	2022	2023	2024	2025E	2026E	2027E
Earnings ($Bn)	0.90	1.23	1.53	1.74	2.07	2.49
EPS	$ 0.65	$ 0.89	$ 1.12	$ 1.27	$ 1.51	$ 1.82
EPS Growth		*38.08%*	*25.56%*	*13.35%*	*18.91%*	*20.42%*

Target Price $52.65

DCF/EP Valuation	$52.59
DDM Valuation	$45.25
Relative P/E Valuation	$15.31 - $43.81

Price Data

Current Price	$51.36
52-week Range	$44.46 - $69.26
Beta Value	0.857
WACC	9.87%
Current P/E (TTM)	42.16x

Key Statistics

Market Cap (B)	65.66
Shares Outstanding (M)	1.368
EPS (FY24)	$1.12

Financial Metrics

2024 Revenue	$11.314M
2025E Revenue	$12.712M
2024 Net Income	$1.534M
2024 Profit Margin	13.56%
2025E Profit Margin	13.67%

Financial Ratios

2024 Quick Ratio	1.48
2024 Current Ratio	1.52

12 Month Performance

Company Profile

Chipotle Mexican Grill, Inc. is a leading fast-casual restaurant chain focused on serving customizable burritos, bowls, tacos, and salads made with fresh, sustainably sourced ingredients. Founded in 1993 and headquartered in Newport Beach, California [2], the company operates exclusively through corporate-owned restaurants [1, 2), allowing tight control over quality and customer experience. As of FY24, Chipotle has over 3,600 U.S. locations and 70 international stores 92], with most revenue derived from North America. The company operates within the Consumer Discretionary sector and is classified as Fast-Casual Restaurants.

Source: Chipotle Investor Room

Chipotle's digital transformation has been a major growth engine, with 35.1% of 2024 revenue generated through digital orders, reflecting strong consumer adoption of mobile ordering and delivery. The company's financials remain robust, reporting $192.2 million net increase in cash, no outstanding debt (disregarding operating leases), and $837.5 million reinvested into operations in FY24. Additionally, Chipotle repurchased $1 billion in common stock, signaling strong confidence in future growth.

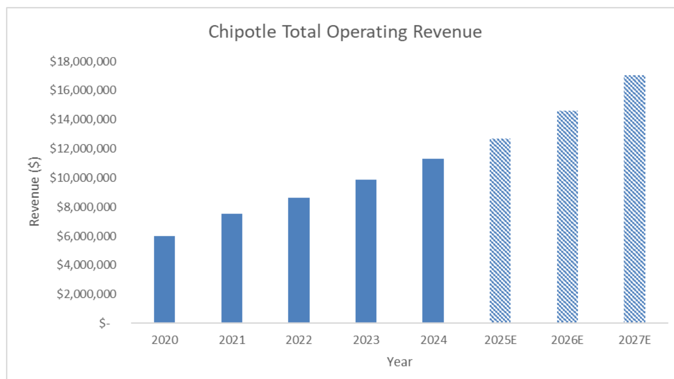
Chipotle Growth Model

Chipotle's growth strategy is centered around four core pillars: Digital Expansion, Restaurant Growth, Operational Excellence, and Supply Chain Resilience:

- **Digital Expansion**: Leveraging mobile ordering, delivery, loyalty programs, and AI-powered personalization to increase engagement and efficiency. Digital channels accounted for over a third of total revenue in FY24 [3].
- **Restaurant Growth**: With 289 new store openings in 2024, Chipotle continues its trend of 2.5–7% annual unit growth over the past five years [3]. This consistent expansion positions Chipotle to further strengthen its presence in North America while unlocking long-term growth potential through international market entry.
- **Operational Excellence**: Focused on maintaining quality through corporate-owned stores, reduced reliance on promotions and reinvesting cash flows into sustainable growth. Strong cash flow supports continued innovation and shareholder returns.
- **Supply Chain Resilience and Tariff Mitigation**: Chipotle's domestic sourcing strategy and adaptable cost structure provides a natural hedge against international trade volatility and tariffs for majority of products [7]. By maintaining cost control over key suppliers and cost inputs, the company can flexibly adjust pricing and absorb most short-term cost shocks without damaging brand loyalty.

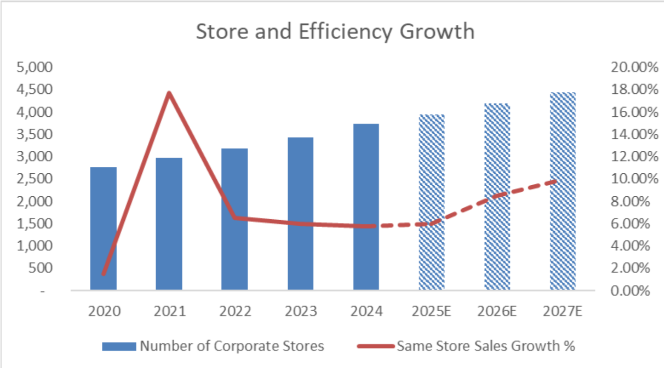
Revenue Decomposition

In FY24, Chipotle generated $11.3 billion in total operating revenue, marking another year of strong performance and compounding growth. This upward trend reflects a strategic balance of unit expansion, operational efficiency, and revenue optimization per location. Since 2020, Chipotle's revenue has grown at a compound annual rate of nearly 16%, accelerating significantly after the pandemic as both consumer demand and store productivity rebounded.



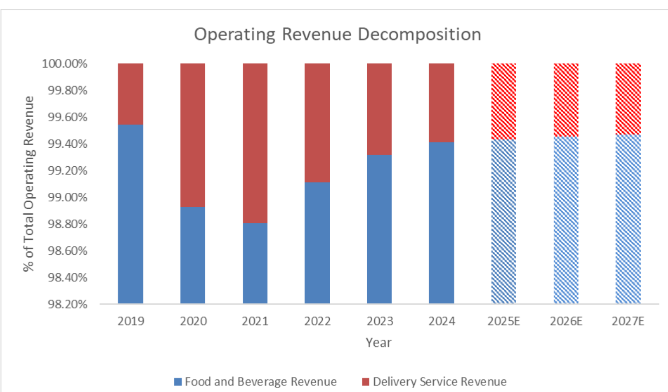
Source: Chipotle 10-K and Krause Fund Assumptions

The number of corporate-owned restaurants increased from 2,768 in 2020 to 3,726 in 2024, representing a store growth rate of approximately 7.75% in the most recent year. At the same time, revenue per store rose from $2.16 million in 2020 to over $3.03 million in 2024, driven by menu innovation, pricing power, and expanded digital ordering channels. Same-store sales growth also rebounded meaningfully after a brief shutdown, growing from 1.48% in 2020 to almost 6% in 2024 as digital and loyalty engagement matured.



Source: Chipotle 10-K and Krause Fund Assumptions

Since 2019, Chipotle's revenue composition has remained heavily in food and beverage sales, which accounted for 99.41% of total operating revenue in FY24. Delivery revenue, introduced in FY19, made up for the remaining 0.6% and is primarily generated through third-party platforms such as DoorDash and Uber Eats. Delivery revenue initially rose during the pandemic, peaking at 1.19% in 2021 as off-premises dining surged. However, as in-person dining returned and third-party delivery fees increased, delivery share has steadily declined to 0.59% in FY24. This shift reflects both evolving consumer preferences and Chipotle's focus on in-store and pickup channels, which offer better margins and customer experience control.



Source: Chipotle 10-K and Krause Fund Assumptions

Looking ahead, we expect Chipotle to experience a two-phase growth trajectory. Over the next five years (FY25-FY29), the company expects to maintain strong momentum through high-single-digit store growth and elevated same-store sales, supported by increased automation, AI-driven scheduling and food prep, and sustained customer engagement through loyalty programs. During this high-growth phase, food and beverages are projected to grow above 99.4% of sales, as delivery service will gradually decline until the saturation point of 0.49% in FY30, as consumers continue to move away from third-party delivery apps.

Beyond FY30, as Chipotle approaches domestic market saturation, we expect overall growth to moderate. Corporate store count growth is forecasted to slow to around 4.5% annually, while same-store sales are expected to stabilize near a sustainable 4.0%. Revenue per store should continue to grow modestly, supported by digital channel efficiency and output optimization, though constrained by increased competition and the limits of physical capacity in mature markets. Our long-term store count forecast aligns with management's stated target of operating 7,000 locations across the U.S. and Canada, up from just over 3,700 today.

From a geographic perspective, Chipotle remains overwhelmingly domestic, with 98.2% of revenue derived from the United States [3], which is divided into 10 operating regions. The remaining 1.8% comes from operations in Canada and Europe, though these currently fall below the threshold for separate segment reporting. However, Chipotle has recently signaled a more aggressive international strategy. On April 21, 2025, the company announced a development agreement with Alsea Group to launch its first restaurants in Mexico by early 2026 [6]. Alsea, a leading restaurant operator across Latin America and Europe, brings deep local market knowledge and scale, which could accelerate Chipotle's global growth ambitions. With its existing international presence in Canada, the U.K., France, Germany, and the Middle East (via partnership with Alshaya Group) [5], the company is positioned to benefit from international diversification, particularly in markets that already demonstrate strong cultural alignment with its core menu and brand identity.

Chipotle's regional operating model enables tailored strategy execution across U.S. markets while maintaining brand consistency and operational efficiency. As the company expands globally, leadership will need to evaluate how to adapt offerings to suit cultural preferences and local demand. This may unlock meaningful growth and innovation but could also introduce risks to brand uniformity, requiring a thoughtful balance between global consistency and regional customization.

Cost of Goods Sold and Operating Expenses

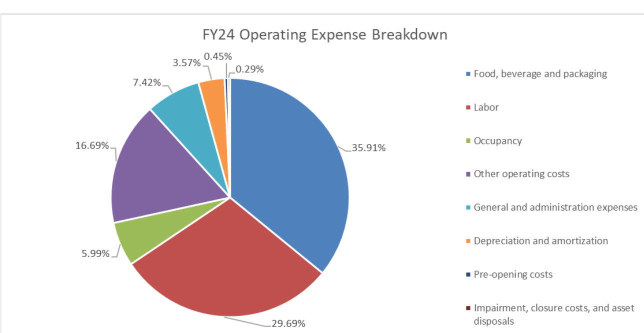
Chipotle reported total operating expenses of $9.4 billion in FY24. Most of these expenses fell into food, beverage, and packaging (35.9%), and labor (29.7%) of year-end revenue. These expense categories reflect the company's commitment to ingredient quality and customer service, which are central to its premium brand positioning. Despite ongoing global economic uncertainty and proposed U.S. tariffs on major trading partners, food and packaging costs are expected to remain relatively stable in the near term. In a March 2025 interview with NBC Nightly News, Chipotle CEO Scott Boatwright stated, "It is our intent as we sit here today to absorb those costs," emphasizing that the company does not plan to raise prices unless tariffs become a "significant headwind." He added, "We are fortunate to have such an extraordinary economic model at Chipotle that we can withstand those types of inflationary pressures and not have to pass those costs off to the consumer." [7].

Labor costs are expected to be a key area of future optimization as Chipotle expands its use of artificial intelligence and automation technology. The company has begun implementing AI-driven training tools aimed at streamlining onboarding, reducing training time, and improving employee productivity [4]. Over time, these efficiencies are expected to lower labor costs as a percentage of revenue while enhancing employee experience and retention. Chipotle is positioning itself to maintain high service standards while controlling wage-driven cost pressures, a growing concern across the foodservice industry.

Currently, Chipotle sources approximately 50% of its avocados from Mexico, with the remainder coming from Colombia, Peru, and the Dominican Republic. While the company estimates that potential tariffs could increase its cost of goods by roughly 60 basis points on a rolling basis, its diversified sourcing strategy and efficient operating model help mitigate broader inflationary risks. Moreover, Chipotle's strategic partnerships, including its recently announced development agreement with Alsea Group to launch restaurants in Mexico, may further support supply chain flexibility and long-term procurement resilience, especially in key produce markets.

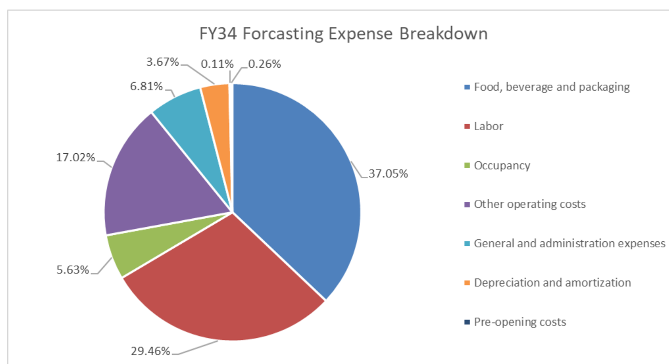
Occupancy costs have steadily declined over the past decade for Chipotle, reaching 4.98% in 2024, down from 7.55% in 2015, reflecting greater real estate efficiency and stronger same-store sales, which we project to continue in our forecasts.

General and administrative expenses (6.16%), depreciation (2.96%). And minor expense categories such as pre-opening (0.37%) and impairment/closures (0.24%) have remained consistent, highlighting Chipotle's disciplined cost control and strategic approach to expansion. Over time, we expect costs such as general and administrative expenses to decrease proportionate to growth, due to economies of scale.



Source: Chipotle 10-K

While our forward-looking model applies gradual changes in Chipotle's cost structure over the next decade, it is important to note that these trends are unlikely to follow a perfectly linear or predictable path. Certain expense categories may evolve in steps or plateau due to operational realities, policy shifts, or the timing of technology adoption. For example, food, beverage, and packaging costs are expected to decline modestly as supply chain efficiency and portion control tools mitigate inflationary pressures. Labor costs are projected to decrease gradually with the rollout of AI-driven scheduling and automation technologies, though wage dynamics may introduce volatility. Occupancy costs will likely fall in intervals, tied to lease renegotiations and the increasing efficiency of real estate per sales dollar. Other operating costs are expected to decline slightly with improved scale, but largely remain volume-driven. General and administrative expenses should benefit from economies of scale, decreasing relative to revenue as corporate infrastructure supports a broader footprint. Depreciation is expected to stabilize or decline modestly as capital investments normalize and unit-level efficiency improves. Pre-opening costs are projected to remain relatively flat, supported by more standardized and efficient store buildouts. Lastly, impairment and closure costs are assumed to stay low and stable, given Chipotle's improved site selection and operational maturity. These assumptions are grounded in recent trends and company strategy, but real-world outcomes may deviate in timing or magnitude due to macroeconomic and company-specific developments.

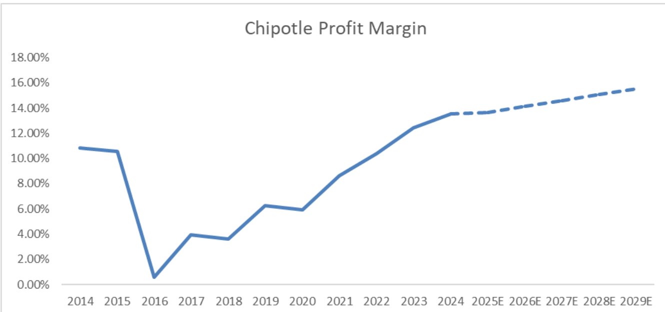


Source: Chipotle 10-K and Krause Fund Assumptions

Profit Analysis

Chipotle's profitability model, like many in the fast-casual and quick-service restaurant space, is built on high transaction volume and operational efficiency, as profit margins per order tend to be modest with high COGS. The company's ability to consistently grow revenue and control expenses is essential to maintaining healthy margins in a volume-driven business that is sensitive to seasonality, macroeconomic trends, and fluctuations in consumer spending.

In FY24, Chipotle managed to obtain a 13.5% operating profit margin [3], continuing a long-term trend of growth due to an increase in single-store sales growth, optimization of cost savings, and the ability to adapt to macroeconomic trends such as delivery service revenue to remain profitable through the COVID-19 pandemic. From FY24 to FY29, Chipotle's profit margin is projected to rise steadily from 13.56% to 15.53%, reflecting continued operating leverage driven by store growth, digital efficiencies, and cost structure optimization.



Source: Chipotle 10-K and Krause Fund Assumptions

While Chipotle has managed to improve profit margins over time through scale and cost control, its profitability remains exposed to cyclical risk, such as rising food costs, wage inflation, and shifting customer demands. However, with plans to open 315-345 new restaurants in 2025, the company is well-positioned to drive conditional revenue growth. Chipotle has also not been immune to pricing challenges. The company faced notable consumer pushbacks during recent price increases, which were made very public through social media. Management must tread carefully to avoid eroding customer loyalty or reducing transaction volume, and remain focused on maintaining perceived value and enhancing customer experiences that allow them to price at their current premium position.

Consensus EPS estimates from FactSet project Chipotle to earn $1.29 in 2025 and $1.41 in 2026, reflecting approximately 9.5% year-over-year growth. Our model closely aligns, forecasting EPS of $1.27 in 2025 and $1.51 in 2026 [18], reinforcing the broader market's confidence in Chipotle's long-term strategy focused on store expansion and operational efficiency.

Chipotle's valuation continues to reflect high investor expectations. Our model yields a forward P/E ratio of 40.5 for FY25 and 34.0 for FY26 [18], compared to consensus estimates of 37.78 and 21.74, respectively. While our projections assume stronger earnings growth, the company's premium valuation, significantly above the industry average of 21–22x, highlights the market's belief in its ability to execute. Going forward, Chipotle's capacity to preserve transaction volume while maintaining pricing power will be critical to justifying these elevated multiples.

Additional Company Analysis

Capital Expenditures

In FY24, Chipotle reported $1.58 billion in investing outflows [3], primarily driven by new restaurant development, store remodeling, and technology upgrades. The company spends an average of $1.5 million per new location, with $200,000 typically reimbursed by landlords to maintain the status of high-value, premium products being sold. Continuous reinvestment heavily fuels store count growth across North America.

While North American expansion remains a short-term opportunity, the pace of unit growth may begin to moderate as the market matures. To sustain long-term momentum, international expansion will likely become increasingly important. Additional investments in technology and restaurant modernization further position Chipotle for scalable, global growth.

Another key driver for expansion has been the introduction of Chipotlanes, drive-through pickup lanes for digital orders. This new product has consistently outperformed traditional units in sales and efficiency and is now central to Chipotle's growth strategy and digital integration [3]. As of 2024, over 1,000 Chipotlane locations (30% of restaurants) include Chipolanes. And as Chipotle continues to grow, with management targeting 80% of new locations including Chipotlanes [2].

Debt Obligations

Chipotle operates with no outstanding debt, maintaining a strong balance sheet supported by consistent cash flow. Its primary long-term commitments include $4.54 billion in operating lease liabilities, with an average remaining term of 13.9 years [1, 3]. While these fixed payments offer cost predictability, they limit flexibility.

Employee-related obligations remain modest. In FY24, Chipotle contributed $16.5 million to 401(k) matches, and future deferred compensation payouts total just $36.5 million through 2029, posing minimal financial strain relative to operations [3].

Share Repurchases and Dividends

Chipotle also repurchased $1 billion in common stock in 2024, reducing its share count by approximately 1.3%. While this reflects strong shareholder confidence the company has not signaled any plans to initiate a dividend [1]. Given the company's focus on reinvestment in expansion, especially with new Chipotlanes and international growth, dividends remain unlikely in the near term.

Industry Analysis

Industry description

The restaurant industry, a major segment of the Consumer Discretionary sector, includes both quick-service and full-service dining models. This diverse industry encompasses globally franchised giants and regionally focused casual dining chains. Industry players serve consumers through dine-in, takeout, drive-thru, and digital platforms, adapting rapidly to changes in consumer behavior and macroeconomic conditions.

Restaurants compete by offering efficient service, broad access, and differentiated menu offerings. With increasing digital adoption, the success of a brand often hinges on its investment in technology, supply chain efficiency, ability to scale, and, most importantly, ability to create a recognizable brand. Among the most notable companies in this space are McDonald's, Starbucks, Yum! Brands, Restaurant Brands International, Wendy's, Darden Restaurants, Cheesecake Factory, and Domino's. While these companies reflect different target audiences in the restaurant industry based on what food and brands they have created, they are benchmarks for understanding industry performance.

Recent Trends

Digital transformation is one of the most defining trends in the industry, as it is the new way to attract customers by being the most available option while maintaining a likeable brand. Mobile ordering, loyalty programs, and delivery partnerships have been critical to capturing customer spending and engagement

AI and automation are increasingly used for drive-thru order taking, labor scheduling, and kitchen operations. Menu innovation has also evolved, with a greater focus on health-conscious operations and globally inspired flavors, companies must market towards a healthier lifestyle and a healthier impact on the planet.

Real estate strategies have shifted towards smaller footprints and flexible formats like ghost kitchens and Chipotlanes, Labor pressures have led companies to automate tasks and enhance training efficiency, aiming to preserve margins despite wage increases

Restaurant Porter's Five Forces Analysis

Threat of New Entrants: Moderate to Low

Compared to other industries, the capital required to start a restaurant is relatively accessible, especially for franchise-based models where new operators can tap into an established brand and operational blueprint. However, meaningful threats for new entrants are limited due to high brand loyalty among customers and the dominance of existing players like Chipotle, McDonald's and Starbucks. A new entrant would struggle to differentiate meaningfully or scale effectively without a compelling value proposition. Additionally, navigating highly regulated health and safety requirements adds a new layer of complexity and raises the barrier to entry.

Bargaining Power of Suppliers: Low

Suppliers generally have limited bargaining power in the restaurant industry due to the wide availability of standard ingredients and the volume of purchasing power of large chains. While specialized or organic inputs can be more sensitive to supply disruptions and price volatility, most restaurants, especially at scale, mitigate these risks through long-term contracts, supply chain diversification, or even vertical integration. Price remains the primary consideration for many brands, and competition among suppliers keeps costs affordable.

Bargaining Power of Buyers: High

Consumers wield considerable power in this industry due to the abundance of dining options and their sensitivity to price and convenience. Even minor price increases can affect customer loyalty and traffic. In such a competitive space, firms must constantly deliver value, consistency, and speed, or risk losing customers to their competitors. That said, brand loyalty can partially buffer price sensitivity and drive repeat purchases. Brands must also invest resources into effective marketing of their products to increase awareness of their advantages.

Threat of Substitute Products: High

Substitutes are numerous and easily accessible. Consumers can switch between quick-service competitors with minimal effort, or even opt for grocery meals, meal kits, or convenience store offerings. Menu overlaps across chains (e.g., burritos, burgers, sandwiches) reduces differentiation. Additionally, full-service, fast casual, and even retail grocers continue to improve convenience and quality, amplifying the need for restaurant brands to innovate and maintain relevance.

Industry Rivalry: High

Competition in the restaurant industry is fierce, marked by constant battles over price, convenience, speed, and customer experience. With relatively low switching costs for consumers, brands must continuously invest in marketing, tech, and product innovation to protect their share. New entrants regularly join the market, and legacy players often refresh strategies to retain relevance. This rivalry forces companies like Chipotle to remain agile and continuously elevate their value proposition.

Conclusion

The five forces analysis of the quick-service and fast-casual restaurant industry reveals a competitive environment shaped by brand strength, cost structure, and scale efficiencies. Industry leaders such as McDonald's, Starbucks, and Yum! Brands act as price makers, leveraging their global footprint, diversified product offerings, and strong brand recognition to influence pricing and market trends. In contrast, smaller regional chains and newer entrants operate as price takers, often relying on discounts and limited differentiation to stay competitive.

Chipotle occupies a unique position, while not as globally scaled as the largest player, it has carved out a strong niche in the fast-casual space through focused branding, supply chain control, and digital innovation. This has enabled it to maintain pricing power relative to mid-tier competitors, though it still operates below the traditional quick-service giants. The industry's structure reflects clear tiers of competition, with dominant firms setting the pace and smaller brands adapting to survive. Understanding this hierarchy helps explain the strategic decisions around expansion, menu innovation, and pricing across peers.

Peer Comparisons

McDonald's is the global leader in quick-service restaurants with unmatched franchising efficiency and supply chain leverage. Their ability to rapidly scale and maintain operational consistency makes them a critical competitor and benchmark for fast-food chains like Chipotle. Starbucks offers a premium experience in the beverage category, excelling at customer loyalty and digital integration, two areas Chipotle prioritizes.

Yum! Brands, through Taco Bell, Pizza Hut, and KFC, presents strong competition due to its globally franchised model and adaptable brand portfolio. It demonstrates how diversified concepts can thrive under one umbrella, something Chipotle will have to consider if expanding into multi-brand or multi-regional operations. Restaurant Brands International, through Burger King, Popeyes, and Tim Hortons, represents another franchise-heavy model achieving international reach, important as Chipotle looks beyond North America.

Wendy's positions itself as a challenger brand with emphasis on quality and digital upgrades. Its competitive price point and focus on innovation make it a direct threat in the fast-casual overlapping space. Darden Restaurants, owner of Olive Garden and Longhorn Steakhouse, is one of the few fully operated company models beside Chipotle.

Cheesecake Factory emphasizes premium casual dining and experiential value. While it differs from Chipotle's dining format, success in strong brand identity and creating premium brand pricing in a crowded market offers insight into customer loyalty. Dominos represents a leader in delivering innovation and operational simplicity. Its digital dominance, particularly in loyalty and mobile integration, makes it a valuable peer as Chipotle continues to optimize its online presence.

-	Market Cap ($mm)	Revenue ($mm)	Net Margin (%)	P/E	EV/EBITDA
McDonalds | MCD	$ 221,029	$ 25,920	32.72	25.45	17.45
Starbucks | SBUX	$ 91,735	$ 36,148	10.40	29.44	18.26
Yum! Brands | YUM	$ 39,706	$ 7,549	19.68	25.73	18.53
Restaurant Brand International | QSR	$ 39,579	$ 7,549	12.15	21.53	17.06
Wendy's | WEN	$ 2,526	$ 11,516	8.65	17.25	10.51
Darden Restaurants | DRI	$ 26,156	$ 2,246	9.05	17.35	10.54
Cheesecake Factory | CAKE	$ 2,525	$ 11,390	4.38	15.15	9.15
Domino's | DPZ	$ 15,847	$ 3,582	12.41	25.14	20.04
Peer Average	$ 54,888	$ 13,238	13.68	22.13	15.19
Chipotle | CMG	$ 65,165	$ 4,706	13.56	54.1	35.03

	Current Ratio	Quick Ratio	DSO	Inventory Turnover	ROA
McDonalds | MCD	1.19	1.18	32.3	208.05	14.77
Starbucks | SBUX	0.75	0.56	12.19	15.9	12.27
Yum! Brands | YUM	1.47	1.47	38.37	-	22.94
Restaurant Brand International | QSR	0.97	0.91	31.56	26.26	4.22
Wendy's | WEN	1.85	1.83	30.19	244.26	3.51
Darden Restaurants | DRI	0.38	0.24	2.55	32.62	8.38
Cheesecake Factory | CAKE	0.47	0.38	14.84	51.26	4.98
Domino's | DPZ	0.56	0.52	22.95	37.14	32.61
Peer Average	0.96	0.89	23.12	87.93	12.96
Chipotle | CMG	1.52	1.48	6.12	195.61	15.56

Source: FactSet

Chipotle's 2024 liquidity and operational efficiency metrics reinforce its reputation as one of the most financially disciplined and scalable brands in the restaurant industry. With a current ratio of 1.52 and a quick ratio of 1.48, Chipotle holds significantly more liquidity than the peer average (0.96 and 0.89, respectively), highlighting its ability to comfortably meet short-term obligations without relying on external financing. This is particularly impressive given its company-owned store model, which typically requires more working capital than franchised peers like Starbucks or Domino's.

Operationally, Chipotle stands out with exceptional efficiency. Its sales outstanding (DSO) are only 6.12, far below the industry average of 23.12, showing that Chipotle collects cash quickly and maintains minimal receivables. This is a direct advantage of its consumer-facing, cash-heavy model. Additionally, Chipotle's inventory turnover of 195.61 is among the highest in the group, second only to McDonald's. This metric illustrates how effectively the company manages its supply chain and minimizes waste—an important consideration for a brand built around fresh, perishable ingredients.

In terms of asset utilization, Chipotle posts a return on assets (ROA) of 15.56%, exceeding both the peer average (12.96%) and top players like McDonald's (14.77%) and Starbucks (12.27%) [9-16]. Achieving this level of asset efficiency is particularly notable given that Chipotle operates all its locations itself rather than franchising, which generally inflates a company's asset base. Overall, Chipotle's strong balance sheet, high cash efficiency, and strong returns on capital all signal that it is operating with a rare combination of growth momentum and operational maturity. These fundamentals provide strong support for its premium valuation and continued investor confidence.

	Number of Stores	Corporate Owned Stores	Franchised Stores	Corporate Owned Stores (%)	Franchise Stores (%)
McDonalds | MCD	43,477	2,045	41,432	4.70%	95.30%
Starbucks | SBUX	19,181	19,181	-	100.00%	0.00%
Yum! Brands | YUM	61,346	1,226	60,120	2.00%	98.00%
Restaurant Brand International | QSR	32,125	1,606	30,519	5.00%	95.00%
Wendy's | WEN	7,240	394	6,840	5.44%	94.48%
Darden Restaurants | DRI	2,181	2,035	146	93.31%	6.69%
Cheesecake Factory | CAKE	348	348	-	100.00%	0.00%
Domino's | DPZ	21,366	292	21,074	1.37%	98.63%
Peer Average	[redacted]			18.64%	81.35%
Chipotle | CMG	3,726	3,726	-	100.00%	0.00%

Source: Individual Company 10-K's

Chipotle's 100% company-owned store model sets it apart in an industry where the average competitor franchises over 80% of locations. While peers like McDonald's, Yum! Brands, and Domino's rely on franchising for rapid, capital-light expansion, Chipotle opts for full control over operations, customer experience, and quality.

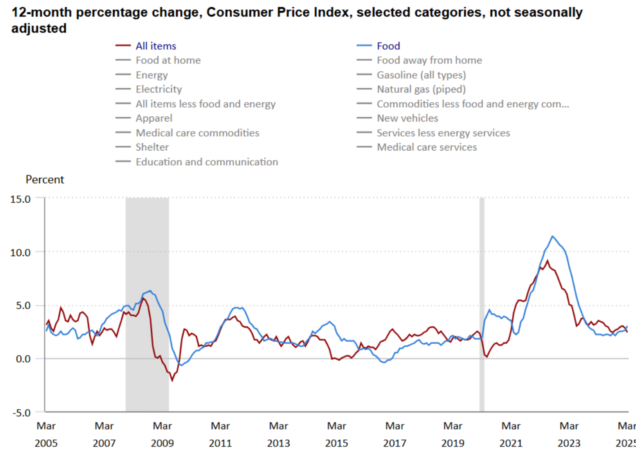
This model requires more upfront investment but allows Chipotle to retain all revenue and implement innovations, like Chipotlanes and digital ordering, uniformly across stores. Alongside Starbucks and Cheesecake Factory, it stands as one of the few major brands not to franchise. This approach supports Chipotle's strong brand consistency and operational discipline, key factors behind its premium valuation and investor confidence.

Macroeconomic Analysis

Inflation

Inflation, which measures the overall rise in price levels, has a two-sided impact on companies like Chipotle: rising input costs and shifting consumer demand. While broad inflation is currently increasing at an annualized rate of approximately 2.6% [19], Chipotle faces more concentrated exposure to commodity-specific inflation in items like beef, chicken, and avocados. In recent years, these ingredients have experienced volatility, particularly avocados imported from Mexico. During these periods, Chipotle implemented menu price increases, but faced customer resistance, signaling limited elasticity in its pricing strategy. In the short term, we estimate inflation to rise by 0.25% monthly, equating to a 3% annual rate, before declining to a slower rate over the next 2-3 years. Chipotle will likely focus on optimizing supply chain costs and leveraging digital efficiencies to manage margins during this time of price increases, as possible tariffs on imported goods have been threatened numerous times.

Sustained input inflation and potential tariffs will likely pressure margins, requiring Chipotle to improve supply chain efficiency and limit menu price hikes to maintain demand.

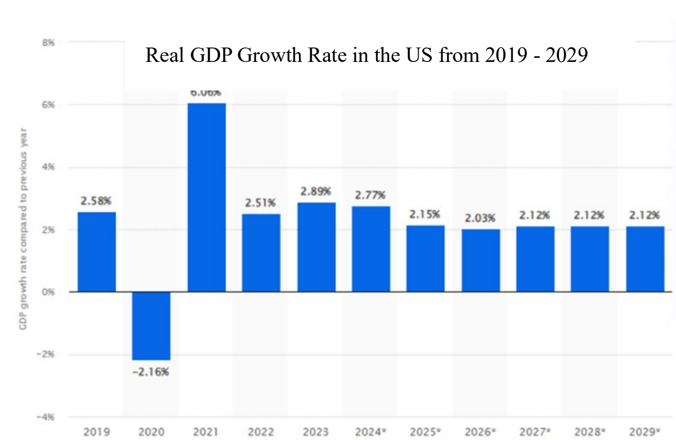


Source: U.S. Bureau of Labor Statistics

Real GDP Growth

Real Gross Domestic Product (GDP) measures the total inflation-adjusted economic output and is a key barometer of national economic activity. The consumer discretionary sector tends to outperform in periods of robust real GDP growth, as consumers become more confident and are willing to spend on non-essential goods and services. With real GDP projected to increase by 1.5% over the next six months and by 3.0% annually through 2026 [20], the sector is well-positioned to capitalize on increased economic activity. Key sub-industries like dining, apparel, and home improvement stand to benefit as consumers redirect income toward lifestyle and leisure spending.

Higher GDP growth supports stronger discretionary spending, which may increase customer traffic, same-store sales, and demand for fast-casual dining.



Source: Statista

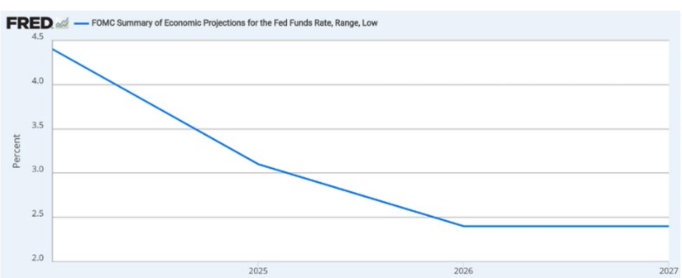
Interest Rates

Interest rates are a critical macroeconomic factor for consumer discretionary firms, influencing both consumer behavior and corporate financial strategy. The fed funds rate, currently in the 4.25-4.50 range [21], sets the tone for short-term lending conditions.

Source: FRED | Federal Funds Effective Rate

Long-term interest rates, such as the 10 and 30-year Treasury yields, more directly impact corporate borrowing costs, valuations, and CapEx plans. Higher rates increase the cost of financing new store development and infrastructure investments. This is particularly important for firms that operate corporate-owned stores, such as Chipotle, who do not franchise and must fund all expansion internally or through external financing. If long-term interest rates decline over the next 12-18 months, these companies may be better positioned to expand more affordably, improving capital efficiency and supporting long-term growth.

In conclusion, if interest rates decline, Chipotle will benefit from lower capital costs, allowing for more cost-effective expansion on its fully owned store base.



Source: FRED | FOMC Summary of Economic Projections for the Fed Funds Rate in the Fed Funds Rate, Range, Low

Unemployment Rate

The unemployment rate is a dual-force economic indicator, affecting both the supply of labor and consumer demand. Currently at 4.1% [24], the U.S. unemployment rate reflects a tight labor market, which has led to wage inflation and labor shortages in retail, hospitality, and foodservice. While high employment supports customer spending through wage growth, it also intensifies cost pressures on employers. If unemployment remains low, wage pressures may persist, but overall discretionary spending should remain strong.

Source: FRED | Unemployment Rate

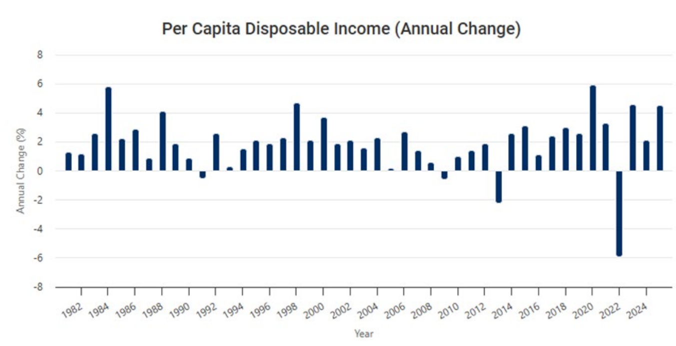
Looking forward, short-term unemployment is expected to rise slightly by 10-25 basis points due to external economic adjustments, including President Trump's recent executive [23] order freezing the hiring of new federal employees. In the longer term, projections suggest unemployment will stay below the 5% threshold, causing a major economic downturn. Additionally, evolving immigration policy could play a significant role in labor market trends. Stricter immigration enforcement may tighten the labor supply further, particularly in entry-level service roles. This will likely strain employers to increase wages and integrate other long-term benefits to retain enough workers to sustain operations.

A tight labor market and stricter immigration policy will likely increase wage pressure from Chipotle, forcing investment in employee benefits and operation efficiency.

Disposable Income

Per capita disposable income, the average amount of income available per person after taxes and inflation, is a critical measure of consumer spending power. This metric reflects the capacity of households to allocate earnings towards discretionary purchases such as dining out, travel, and luxury goods. As inflation moderates and wage growth remains steady, per capita disposable income is expected to increase by 2-3% annually [26]. Policy proposals aimed at reducing personal tax burdens could further enhance take-home pay across income brackets and prove stronger support for consumer discretionary sales.

Rising disposable income may increase customer willingness to spend on fast-casual options, supporting continued growth in transaction size and frequency.



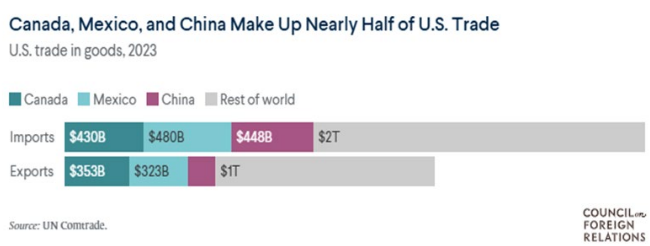
Source: IBIS

Tariffs

Tariffs have a variable but often significant impact on the consumer discretionary sector, particularly among companies reliant on imported raw materials or finished goods. Industries such as automotive and apparel are highly sensitive to shifts in trade policy, while service-based businesses may be less directly affected. Restaurant and foodservice companies may face selective exposure, such as Chipotle possibly having to absorb margin losses due to tariffs on avocados from Mexico [27].

In the short term, new tariffs raise input prices and contribute to inflationary pressures. In the long term, if the trade restrictions persist, companies may need to invest in supplier diversification or domestic sourcing infrastructure. However, this may be difficult and expensive if the product, in Chipotle's case, is avocados that require a very specific climate and lasting conditions to grow effectively to scale.

Persistent or new tariffs could significantly increase Chipotle's food costs, particularly for avocado-based menu items, making margin protection more difficult without price hikes.



Source: Council on Foreign Relations

Valuation

Our estimated valuation for Chipotle is based on three primary approaches: Discounted Cash Flow (DCF), Economic Profit (EP), Dividend Discount Model (DDM), and Relative Valuation. While each provides different insights, our final price targets place greater emphasis on the intrinsic value generated by long-term cash flows and returns on invested capital. All projections are built on a ten-year forecast horizon, with terminal value estimations in FY34. The forecasts were developed using formula-driven Excel models, incorporating Chipotle's unit growth plans, digital expansion, and cost optimization strategies, supported by management's public guidance and long-term growth targets.

Discounted Cash Flow and Economic Profit Model

Estimated Share Price: $52.59

The DCF and EP methods serve as the foundation of our valuation, offering the most comprehensive view of Chipotle's ability to generate long-term free cash flow and create value above its cost of capital. Given the company's rapid expansion, targeting 315-345 new locations in 2025, and margin gains through operational leverage and digital efficiencies, these models highlight Chipotle's capability for sustainable value creation. Additional reasoning and assumptions behind revenue and expense forecasts are included below.

Balance Sheet

For our most major balance sheet items, we were able to forecast them using historical averages as a percentage of sales for the following values: accounts receivable, investments, prepaid expenses, income tax receivable, and other operating assets. We did this similarly for liabilities as a proportion of sales for the following line items: accounts payable, accrued payroll and benefits, accrued liabilities, unearned revenue, current operating lease liabilities, LT operating lease liabilities, deferred income tax liabilities, and other liabilities. As management has not given any information on company or operational structure changes soon, we are confident in assuming historical trends will continue.

Other balance sheet line items were calculated differently. For example, we forecasted operating leases to increase proportionally to the number of stores that are projected to be created in the forecasting period; by creating an average operating lease per store, we can accurately estimate values in the future.

We forecasted Capex by looking at historical capex growth rates and averaging them out to continue in the future, adjusting for inflation

Cost of Equity and Debt

We estimated the cost of equity using the Capital Asset Pricing Model (CAPM). The risk-free rate was based on the 10-year U.S. Treasury yield as of April 16 (4.35%) [17], sourced from Bloomberg. We obtained the beta from Bloomberg as well, using the 6-month raw weekly beta [17] to reflect recent market volatility. To calculate the equity risk premium, we used Bloomberg's 15-year geometric average [17], which captures longer-term trends while smoothing short-term fluctuations. These inputs resulted in a cost of equity of 9.87%.

For the cost of debt, we used the same risk-free rate to estimate the implied default spread of 1.18%. We then referenced Bloomberg's YTM of Chipotle's 10-year corporate bond data to arrive at a pre-tax cost of debt of 5.53%. Applying a marginal tax rate of 24%, which aligns with the company's historical trend (down from 27% in 2018 to 24.75% in FY24), we calculated an after-tax cost of debt of 4.19%.

WACC

To calculate the WACC, we determined that equity comprises 93.93% of Chipotle's capital structure, while debt accounts for 6.07%. Applying the respective cost of equity (9.51%) and after-tax cost of debt (4.19%) yielded a WACC of 9.52% [17]. This rate was then used to discount projected free cash flows from 2025 to 2034, providing the present value of future cash flows for use in our DCF and EP valuations.

For the continuing value (CV), we assumed a NOPLAT growth rate of 5%, reflecting growth above inflation while remaining sustainable for long-term forecasting.

Relative Valuation to Peers

Estimated Share Price Range: $15.31 – 43.81

We identified McDonald's, Starbucks, Yum! Brands, Darden Restaurants, Cheesecake Factory, Wendy's, Domino's, and Restaurant Brands International as the most comparable peers for Chipotle based on their operations within the quick-service and fast-casual restaurant industry (see rationale above).

Using peer P/E ratios for 2025 and 2026, we calculated a high and low estimated share price range. However, due to significant differences in Chipotle's capital structure, pricing strategy, and long-term growth drivers, we determined that relative valuation is not a reliable method for accurately capturing the company's intrinsic value. Chipotle's consistently elevated P/E ratio reflects its unique positioning and premium market perception relative to its peers.

Dividend Discount Model

Estimated Share Price: $45.25

While the Dividend Discount Model (DDM) can offer insights into continuing value growth, it is not suitable for valuing Chipotle, as the company does not currently distribute dividends. Given the competitive dynamics of the quick-service industry and Chipotle's growth-oriented business model, we do not expect dividend payouts during the forecast period. Instead, the company is likely to continue reinvesting earnings into store expansion and operational improvements, making reinvestment-based valuation approaches more appropriate. Summary of key forecasts

Sensitivity Discussion

Beta vs. Risk-Free Rate

		Beta						
	52.59	0.70	0.75	0.80	0.857	0.90	0.95	1.00
Risk-Free Rate	4.90%	58.93	54.37	50.40	46.46	43.83	41.09	38.63
	4.70%	62.13	57.12	52.80	48.54	45.70	42.76	40.13
	4.50%	65.65	60.14	55.42	50.78	47.72	44.55	41.73
	4.35%	68.54	62.60	57.53	52.59	49.34	45.98	43.00
	4.10%	73.89	67.12	61.40	55.87	52.26	48.55	45.28
	3.90%	78.76	71.19	64.85	58.77	54.82	50.80	47.27
	3.70%	84.24	75.72	68.66	61.95	57.62	53.23	49.41

Our sensitivity analysis reveals that beta has a more pronounced impact on valuation than the risk-free rate, as it directly influences the equity risk premium within the CAPM formula. Holding the risk-free rate constant at 4.35%, increasing beta from 0.70 to 1.00 reduced valuation from $68.54 to $43.00. In contrast, holding beta at 0.857 and raising the risk-free rate from 3.70% to 4.90% lowered valuation from $61.95 to $46.46. Given Chipotle's highly equity-weighted capital structure, equity risk inputs like beta drive larger swings in WACC and discounted cash flows than risk-free rate changes alone.

Food, Beverage, Packaging Costs as a % of Sales vs. Labor Costs as a % of Sales

		Food, Beverage, Packaging costs as a % of sales (2025-2034)						
	52.59	26%	28%	30%	32%	34.0%	36.0%	38.0%
Labor Costs as a % of sales (2025-2034)	18%	67.11	62.84	58.57	54.30	50.03	45.75	41.48
	20%	62.84	58.57	54.30	50.03	45.75	41.48	37.21
	22%	58.57	54.30	50.03	45.75	41.48	37.21	32.94
	24%	54.30	50.03	45.75	41.48	37.21	32.94	28.67
	26%	50.03	45.75	41.48	37.21	32.94	28.67	24.40
	28%	45.75	41.48	37.21	32.94	28.67	24.40	20.13
	30%	41.48	37.21	32.94	28.67	24.40	20.13	15.86

Input cost assumptions play a major role in valuation outcomes. At a constant 30% cost ratio, valuation is as low as $15.86, but falls even further as costs rise, declining nearly 75% from $67.11 at 18% cost of sales to $15.86 at 38%. Chipotle's emphasis on fresh ingredients and in-store prep makes it especially sensitive to volatility in commodity and labor costs, underscoring how margin compression directly erodes valuation.

Labor cost variation has a similar effect on valuation. Increasing labor costs from 18% to 30% drops valuation from $67.11 to $15.86, mirroring the impact of total input cost inflation. Since Chipotle operates with a fully corporate-owned model (non-franchise), labor efficiency and wage inflation are particularly critical to long-term margin sustainability.

CV Growth of NOPLAT vs. WACC

		CV Growth of NOPLAT						
	$ 52.59	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%
WACC	9.20%	51.88	53.51	55.29	57.25	59.40	61.77	64.41
	9.30%	50.65	52.20	53.89	55.74	57.77	60.00	62.48
	9.40%	49.47	50.94	52.55	54.30	56.21	58.32	60.65
	9.52%	48.12	49.51	51.01	52.65	54.44	56.41	58.57
	9.60%	47.25	48.59	50.03	51.60	53.32	55.19	57.26
	9.70%	46.21	47.48	48.85	50.34	51.97	53.74	55.69
	9.80%	45.20	46.41	47.72	49.14	50.68	52.36	54.20

Small increases in continuing value (CV) growth assumptions lead to substantial valuation gains, especially when paired with lower discount rates. For instance, raising CV growth from 4.4% to 5.6% at a 9.20% WACC boosts valuation from $51.88 to $64.41. Conversely, holding CV growth at 5.0% and raising WACC from 9.20% to 9.80% reduces valuation from $57.25 to $49.14. This highlights the long-term compounding power of growth in driving enterprise value in Chipotle's model.

Inflation vs. WACC

		Inflation						
	$ 52.59	2%	3%	4%	5%	6%	7%	8%
WACC	9.20%	57.94	57.72	57.49	57.25	57.00	56.73	56.46
	9.30%	56.42	56.20	55.97	55.74	55.49	55.23	54.96
	9.40%	54.96	54.75	54.53	54.30	54.05	53.80	53.54
	9.52%	53.30	53.10	52.88	52.65	52.41	52.17	51.91
	9.60%	52.25	52.04	51.83	51.60	51.37	51.12	50.87
	9.70%	50.98	50.77	50.56	50.34	50.11	49.87	49.62
	9.80%	49.76	49.56	49.35	49.14	48.91	48.68	48.43

Inflationary pressure has a gradual impact, particularly as WACC increases. At a 9.20% WACC, increasing inflation from 2% to 8% causes a valuation decline from $57.94 to $56.46. The effect becomes more pronounced at higher discount rates, but overall, the valuation remains relatively stable. This suggests Chipotle's ability to pass through inflationary costs, via pricing power and brand equity, helps buffer the impact on long-term cash flows.

Depreciation Rate vs. Normal Cash Estimate

		Depreciation Rate						
	52.59	2.20%	2.40%	2.60%	2.80%	3.00%	3.20%	3.40%
Normal Cash Estimate	3.50%	52.91	52.66	52.41	52.15	51.90	51.64	51.39
	3.00%	53.06	52.81	52.55	52.30	52.04	51.79	51.54
	2.50%	53.21	52.95	52.70	52.44	52.19	51.94	51.68
	2.00%	53.35	53.10	52.84	52.59	52.33	52.08	51.83
	1.50%	53.50	53.24	52.99	52.73	52.48	52.23	51.97
	1.00%	53.64	53.39	53.13	52.88	52.63	52.37	52.12
	0.50%	53.79	53.53	53.28	53.03	52.77	52.52	52.26

Valuation is moderately responsive to changes in depreciation assumptions, with values ranging narrowly from $51.39 to $53.79 across the range of 2.2% to 3.4%. Similarly, adjustments to Normal cash as a % of sales move valuation incrementally by $1–$2, indicating these inputs are less material drivers. This stability is expected, as these assumptions influence non-cash components of FCF but do not drive top-line or margin expansion directly.

Store Growth Rate vs. Revenue Per Store

		Store Growth (Steady Growth)						
	52.59	5.25%	5.00%	4.75%	4.50%	4.25%	4.00%	3.75%
Revenue Per Store (Steady Growth)	4.60%	55.62	55.18	54.74	54.31	53.88	53.45	53.03
	4.40%	55.02	54.59	54.16	53.73	53.31	52.88	52.46
	4.20%	54.43	54.01	53.58	53.16	52.74	52.32	51.91
	4.00%	53.85	53.43	53.01	52.59	52.17	51.76	51.35
	3.80%	53.27	52.85	52.44	52.03	51.62	51.21	50.80
	3.60%	52.70	52.29	51.87	51.47	51.06	50.66	50.26
	3.40%	52.13	51.72	51.32	50.91	50.51	50.12	49.72

Operational performance is one of the strongest valuation levers. At a 4.6% revenue per store growth rate, raising the store count growth rate from 3.40% to 5.25% lifts valuation from $52.13 to $55.62. These metrics are central to Chipotle's expansion strategy, and even small shifts in assumptions around unit-level growth and productivity translate directly into $3–$5 swings in estimated value.

Conclusion

In conclusion, we recommend a **HOLD** rating for Chipotle, supported by the company's strong operational performance, digital expansion, and sustained store growth. Our valuation is backed by a DCF and Economic Profit target price of $52.59, reflecting Chipotle's ability to generate consistent free cash flow and long-term value creation. With a premium brand, robust balance sheet, and early-stage international expansion efforts, Chipotle is well-positioned to outperform peers and deliver continued upside for long-term investors.

References

1. Chipotle Business Model
2. Chipotle Investor Room
3. Chipotle 10-K
4. CHIPOTLE'S CULTIVATE NEXT FUND INVESTS IN AI SUPPLY CHAIN SOLUTION AND EMERGING FAST-CASUAL CONCEPT
5. CHIPOTLE ACCELERATES INTERNATIONAL EXPANSION THROUGH FIRST-EVER DEVELOPMENT AGREEMENT WITH ALSHAYA GROUP IN MIDDLE EAST
6. CHIPOTLE SIGNS DEVELOPMENT AGREEMENT WITH ALSEA TO OPEN RESTAURANTS IN MEXICO FOR THE FIRST TIME
7. NBC News | Chipotle CEO says company will absorb any cost increases from tariffs
8. Yahoo Finance
9. McDonalds 10-K
10. Starbucks 10-K
11. Yum! Brands 10-K
12. Restaurant Brand International 10-K
13. Wendy's 10-K
14. Darden Restaurants 10-K
15. Cheesecake Factory 10-K

16. Domino's 10-K
17. Bloomberg
18. FactSet
19. U.S Bureau of Labor Statistics | 12-month percentage change, Consumer Price Index, selected categories
20. Statista | Real gross domestic product growth rate in the United States from 2019 to 2029
21. FRED | Federal Funds Effective Rate
22. FRED | FOMC Summary of Economic Projections for the Fed Funds Rate, Range, Low
23. Congressional Budget Office | The Budget and Economic Outlook: 2025 to 2035
24. FRED | Unemployment Rate
25. Policy to reduce personal tax burdens
26. IBIS | World Per Capita Disposable Income
27. Council on Foreign Relations

Important Disclaimer

Chipotle Mexican Grill Inc

Income Statement

(in thousands, except per share data)

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Food and beverage revenue	$ 8,558,001	$ 9,804,124	$ 11,247,384	$ 12,640,175	$ 14,539,740	$ 16,949,665	$ 19,945,002	$ 21,991,311	$ 24,247,413	$ 26,356,485	$ 28,644,228	$ 31,130,547	$ 33,832,679
Delivery service revenue	76,651	67,525	66,469	72,071	79,984	89,960	102,134	108,652	115,585	121,222	131,744	143,179	155,607
Total Revenue	8,634,652	9,871,649	11,313,853	12,712,245	14,619,724	17,039,625	20,047,136	22,099,963	24,362,999	26,477,707	28,775,972	31,273,726	33,988,286
Restaurant operating cost (exlusive of depreciation and amortization shown separately below)													
Food, beverage and packaging	2,602,245	2,912,564	3,374,516	3,772,202	4,315,907	5,004,280	5,856,940	6,422,957	7,043,480	7,614,438	8,231,448	8,898,201	9,618,685
Labor	2,197,958	2,440,982	2,789,789	3,107,172	3,541,853	4,091,336	4,770,196	5,210,969	5,691,993	6,128,914	6,598,801	7,104,082	7,647,364
Occupancy	460,425	503,264	563,374	624,369	708,122	813,754	943,760	1,025,384	1,113,828	1,192,517	1,276,474	1,366,021	1,461,496
Other operating costs	1,311,905	1,428,747	1,568,482	1,751,371	2,001,543	2,318,133	2,709,977	2,968,398	3,251,328	3,510,683	3,790,565	4,092,585	4,418,477
General and administration expenses	564,191	633,584	697,483	771,426	873,073	1,001,146	1,158,507	1,255,815	1,360,903	1,453,482	1,551,880	1,656,408	1,767,391
Depreciation and amortization	286,826	319,394	335,030	374,390	428,210	496,341	580,714	636,616	697,877	754,183	815,007	880,707	951,672
Pre-opening costs	29,560	36,931	41,897	24,306	25,764	27,310	28,949	30,686	32,527	25,859	27,022	28,238	29,509
Impairment, closure costs, and asset disposals	21,139	38,370	26,949	29,794	33,707	38,635	44,688	48,420	52,448	55,989	59,750	63,742	67,977
Total operating expenses	7,474,249	8,313,836	9,397,520	10,455,030	11,928,178	13,790,935	16,093,731	17,599,244	19,244,383	20,736,066	22,350,947	24,089,985	25,962,571
Income from Operations	1,160,403	1,557,813	1,916,333	2,257,215	2,691,546	3,248,690	3,953,405	4,500,718	5,118,615	5,741,641	6,425,025	7,183,741	8,025,715
Interest and other income, net	21,128	62,693	93,897	62,851	67,250	71,958	76,995	82,384	88,151	94,322	100,924	107,989	115,548
Income before income taxes	1,181,531	1,620,506	2,010,230	2,320,066	2,758,796	3,320,648	4,030,400	4,583,103	5,206,767	5,835,963	6,525,950	7,291,730	8,141,263
Provision for income taxes	282,430	391,769	476,120	582,811	692,927	832,729	1,010,955	1,149,985	1,306,649	1,464,682	1,637,602	1,829,481	2,042,796
Net income	$ 899,101	$ 1,228,737	$ 1,534,110	1,737,255	2,065,868	2,487,919	3,019,444	3,433,118	3,900,118	4,371,282	4,888,348	5,462,250	6,098,467
Earnings per share:													
Basic	$ 0.65	$ 0.89	$ 1.12	1.27	1.51	1.82	2.21	2.51	2.85	3.19	3.57	3.99	4.46
Weighted-average common shares outstanding:													
Basic	1,392,550	1,377,750	1,368,343	1,368,424	1,368,504	1,368,585	1,368,633	1,368,633	1,368,633	1,368,633	1,368,633	1,368,633	1,368,633

Chipotle Mexican Grill Inc

Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets													
Current assets:													
Cash and cash equivalents	$ 384,000	$ 560,609	$ 748,537	$ 2,214,136	$ 4,094,690	$ 6,461,756	$ 9,442,173	$ 12,783,490	$ 16,622,715	$ 20,927,338	$ 25,773,383	$ 31,220,572	$ 37,334,953
Accounts receivable, net	106,880	115,535	143,963	150,341	172,934	201,598	237,224	261,562	288,396	313,481	340,692	370,264	402,402
Inventory	35,668	39,309	48,942	51,323	59,035	68,820	80,982	89,291	98,451	107,015	116,304	126,399	137,370
Prepaid expenses and other current assets	86,412	19,792	97,538	106,556	122,569	142,885	168,135	185,385	204,404	222,183	241,469	262,428	285,207
Income tax receivable	47,741	52,960	67,229	181,339	215,601	259,099	314,553	357,812	406,557	455,728	509,531	569,233	635,605
Investments	515,136	734,838	674,378	721,584	721,584	721,584	721,584	721,584	721,584	721,584	721,584	721,584	721,584
Total current assets	1,175,837	1,620,713	1,780,587	3,425,278	5,386,414	7,855,742	10,964,652	14,399,124	18,342,108	22,747,329	27,702,963	33,270,480	39,517,123
Leasehold improvements, property and equipment, net	1,951,147	2,170,038	2,390,126	2,683,081	2,955,583	3,194,989	3,386,810	3,561,357	3,715,200	3,855,322	3,979,337	4,084,603	4,168,202
Long-term investments	388,055	564,488	868,025	928,787	993,802	1,063,368	1,137,804	1,217,450	1,302,671	1,393,858	1,491,429	1,595,829	1,707,537
Restricted cash	24,966	25,554	29,842	31,931	34,166	36,558	39,117	41,855	44,785	47,920	51,274	54,863	58,704
Operating lease assets	3,302,402	3,578,548	4,000,127	4,069,069	4,313,213	4,572,006	4,846,326	5,137,106	5,445,332	5,690,372	5,946,439	6,214,029	6,493,660
Other assets	63,158	63,082	113,728	97,198	111,782	130,285	153,280	168,976	186,279	202,448	220,021	239,119	259,874
Goodwill	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939	21,939
Total assets	$ 6,927,504	$ 8,044,362	$ 9,204,374	11,257,283	13,816,899	16,874,887	20,549,929	24,547,807	29,058,315	33,959,190	39,413,401	45,480,861	52,227,038
Liabilities and shareholders' equity													
Current liabilities													
Accounts payable	$ 184,566	$ 197,646	$ 210,695	$ 258,608	$ 297,412	$ 346,641	$ 407,824	$ 449,585	$ 495,622	$ 538,642	$ 585,396	$ 636,209	$ 691,432
Accrued payroll and benefits	170,456	227,537	261,913	$ 279,398	$ 321,322	$ 374,508	$ 440,609	$ 485,728	$ 535,466	$ 581,945	$ 632,457	$ 687,355	$ 747,017
Accrued liabilities	147,539	147,688	179,747	$ 322,302	$ 370,663	$ 432,017	$ 508,268	$ 560,315	$ 617,691	$ 671,307	$ 729,576	$ 792,903	$ 861,727
Unearned revenue	183,071	209,680	238,577	$ 174,310	$ 200,465	$ 233,646	$ 274,885	$ 303,033	$ 334,064	$ 363,061	$ 394,574	$ 428,823	$ 466,045
Current operating lease liabilities	236,248	248,074	277,836	$ 362,795	$ 417,233	$ 486,294	$ 572,126	$ 630,712	$ 695,296	$ 755,648	$ 821,238	$ 892,522	$ 969,993
Total current liabilities	921,880	1,030,625	1,168,768	$ 1,397,413	$ 1,607,095	$ 1,873,107	$ 2,203,712	$ 2,429,372	$ 2,678,140	$ 2,910,602	$ 3,163,242	$ 3,437,812	$ 3,736,214
Commitments and contingencies													
Long-term operating lease liabilities	3,495,162	3,803,551	4,262,782	4,327,027	4,586,648	4,861,847	5,153,558	5,462,771	5,790,538	6,051,112	6,323,412	6,607,965	6,905,324
Deferrred income tax liabilities	98,623	89,109	46,208	56,562	67,249	80,817	98,114	111,607	126,812	142,149	158,931	177,553	198,256
Other liabilities	43,816	58,870	71,070	80,856	91,989	104,655	119,065	135,459	154,110	175,330	199,471	226,936	258,183
Total liabilities	4,559,481	4,982,155	5,548,828	$ 5,861,858	$ 6,352,982	$ 6,920,426	$ 7,574,449	$ 8,139,209	$ 8,749,599	$ 9,279,193	$ 9,845,056	$ 10,450,267	$ 11,097,976
Shareholders' equity:													
Common Equity	1,829,677	1,956,535	2,091,596	2,094,220	2,096,845	2,099,469	2,101,043	2,101,043	2,101,043	2,101,043	2,101,043	2,101,043	2,101,043
Treasury stock, at cost	4,282,014	4,944,656	-	-	-	-	-	-	-	-	-	-	-
Accumulated and other comprehensive loss	(7,888)	(6,657)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)	(10,282)
Retained earnings	4,828,248	6,056,985	1,574,232	3,311,487	5,377,355	7,865,274	10,884,719	14,317,836	18,217,954	22,589,236	27,477,584	32,939,833	39,038,300
Total shareholders' equity	2,368,023	3,062,207	3,655,546	5,395,425	7,463,918	9,954,461	12,975,480	16,408,598	20,308,715	24,679,997	29,568,345	35,030,595	41,129,061
Total liabilities and shareholders' equity	$ 6,927,504	$ 8,044,362	$ 9,204,374	$ 11,257,283	$ 13,816,899	$ 16,874,887	$ 20,549,929	$ 24,547,807	$ 29,058,315	$ 33,959,190	$ 39,413,401	$ 45,480,861	$ 52,227,038

Chipotle Mexican Grill Inc

Forecasted Cash Flow Statement

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Net Income	1,737,255	2,065,868	2,487,919	3,019,444	3,433,118	3,900,118	4,371,282	4,888,348	5,462,250	6,098,467
Adjustments to reconcile net income to cash from operating asets										
Depreciation and Amoritization	374,390	428,210	496,341	580,714	636,616	697,877	754,183	815,007	880,707	951,672
Change in deferred taxes	10,354	10,687	13,568	17,297	13,493	15,204	15,337	16,782	18,622	20,703
Change in working capital accounts										
Change in operating lease assets	(68,942)	(244,144)	(258,793)	(274,320)	(290,780)	(308,226)	(245,040)	(256,067)	(267,590)	(279,631)
Change in Accounts Receivable	(6,378)	(22,593)	(28,663)	(35,626)	(24,339)	(26,834)	(25,085)	(27,210)	(29,572)	(32,139)
Change in Inventory	(2,381)	(7,713)	(9,785)	(12,162)	(8,309)	(9,160)	(8,563)	(9,289)	(10,095)	(10,971)
Change in Prepeaid Expenses and other current liabilities	(9,018)	(16,013)	(20,316)	(25,250)	(17,250)	(19,019)	(17,779)	(19,286)	(20,959)	(22,779)
Change in Accounts Payables	47,913	38,804	49,229	61,182	41,761	46,037	43,020	46,754	50,812	55,223
Change in Accrueed Payroll and Benefits	17,485	41,924	53,186	66,101	45,118	49,739	46,478	50,513	54,897	59,662
Change in Accrued liabilities	142,555	48,362	61,353	76,251	52,047	57,376	53,616	58,269	63,327	68,824
Change in Unearned Revenue	(64,267)	26,155	33,182	41,239	28,148	31,031	28,997	31,514	34,249	37,222
Change in current operating lease liabilites	84,959	54,438	69,062	85,831	58,586	64,585	60,352	65,590	71,283	77,471
Change in income tax receivable	(114,110)	(34,262)	(43,498)	(55,454)	(43,258)	(48,745)	(49,171)	(53,803)	(59,702)	(66,372)
Net cash provided by operating activities	2,149,816	2,389,722	2,902,785	3,545,247	3,924,951	4,449,982	5,027,626	5,607,123	6,248,229	6,957,351
Cash from investing activities										
Increase/ Decrease in short term investments	(47,206)	-	-	-	-	-	-	-	-	-
Increase/ Decrease in long term investments	(60,762)	(65,015)	(69,566)	(74,436)	(79,646)	(85,221)	(91,187)	(97,570)	(104,400)	(111,708)
Capital Expenditures	(667,345)	(700,712)	(735,748)	(772,535)	(811,162)	(851,720)	(894,306)	(939,021)	(985,972)	(1,035,271)
Restricted Cash	(2,089)	(2,235)	(2,392)	(2,559)	(2,738)	(2,930)	(3,135)	(3,354)	(3,589)	(3,840)
Other assets	16,530	(14,585)	(18,503)	(22,995)	(15,696)	(17,303)	(16,169)	(17,573)	(19,098)	(20,755)
Net cash used for Investing activities	(760,872)	(782,547)	(826,208)	(872,525)	(909,242)	(957,174)	(1,004,797)	(1,057,518)	(1,113,059)	(1,171,575)
Cash from Financing Activities										
Long term Operating lease Liabilities	64,245	259,622	275,199	291,711	309,213	327,766	260,574	272,300	284,554	297,358
Proceeds from issuance of common stock	2,624	2,624	2,624	1,575	-	-	-	-	-	-
Other Liabilities	9,786	11,133	12,666	14,410	16,394	18,651	21,219	24,141	27,465	31,247
Net cash provided by financing activities	76,654	273,379	290,489	307,695	325,608	346,418	281,794	296,441	312,019	328,605
Change in cash	1,465,599	1,880,554	2,367,066	2,980,417	3,341,316	3,839,225	4,304,623	4,846,046	5,447,189	6,114,381
Cash at beginning of the year	748,537	2,214,136	4,094,690	6,461,756	9,442,173	12,783,490	16,622,715	20,927,338	25,773,383	31,220,572
Cash at the end of the year	2,214,136	4,094,690	6,461,756	9,442,173	12,783,490	16,622,715	20,927,338	25,773,383	31,220,572	37,334,953

Chipotle Mexican Grill Inc

Historical Cash Flow Statement

(in thousands, except per share data)

Fiscal Years Ending Dec. 31	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating activities										
Net income	$ 475,602	$ 22,938	$ 176,253	$ 176,553	$ 350,158	$ 355,766	$ 652,984	$ 899,101	$ 1,228,737	$ 1,534,110
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation and amortization	130,368	146,368	163,348	201,979	212,778	238,534	254,657	286,826	319,394	335,030
Deferred income tax provision	11,666	(14,207)	(18,026)	10,585	29,962	108,350	(12,357)	(43,195)	(9,505)	(42,937)
Impairment, closure costs, and asset disposals	-	23,877	13,345	61,987	15,402	28,874	17,086	20,738	37,025	24,582
Provision for credit losses	(23)	(262)	214	125	33	164	493	(760)	1,570	215
Stock-based compensation expense	57,911	64,166	65,255	69,164	91,396	82,626	176,392	98,030	124,016	131,730
Other	(73,680)	(1,924)	(218)	(2,918)	(10,592)	3,643	(4,599)	(16,202)	(13,080)	(3,472)
Changing in operating assets and liabilities:										
Accounts Receivable	(3,504)	(1,923)	(140)	(8,298)	(2,630)	3,010	(1,687)	(14,026)	(11,216)	(29,274)
Inventory	262	(91)	(5,250)	(1,722)	(4,530)	(394)	(6,392)	(3,011)	(3,649)	(9,797)
Prepaid expenses & other current assets	(5,259)	(4,259)	(6,710)	(3,811)	(23,066)	(11,442)	(26,826)	(14,660)	(39,211)	9,244
Operating lease assets	-	-	-	-	-	-	223,837	234,273	254,241	285,587
Other assets	(5,619)	(4,855)	(2,587)	(2,005)	2,818	(26,577)	3,993	(346)	4,204	(17,690)
Accounts payable	19,525	(6,734)	10,908	32,080	(973)	(3,859)	21,440	18,208	5,313	8,467
Accrued payroll & benefits	-	-	-	29,568	11,759	76,683	(44,555)	9,864	57,048	34,857
Accrued liabilities	(7,440)	33,491	38,574	14,831	36,543	5,596	10,997	(27,964)	3,188	27,284
Unearned revenue	32,911	45,413	34,203	28,126	30,400	36,958	34,387	33,374	35,685	46,139
Income tax payable/receivable	32,756	54,340	(4,173)	14,439	(32,083)	(255,251)	193,379	46,262	(5,237)	(14,363)
Operating lease liabilities	-	-	-	-	(151,557)	(165,154)	(207,164)	(207,186)	(214,477)	(217,894)
Other long-term liabilities	4,826	1,287	6,316	869	1,862	1,782	(3,984)	3,853	9,431	3,258
Net cash flows from operating activities	683,316	349,242	467,105	621,552	721,632	663,847	1,282,081	1,323,179	1,783,477	2,105,076
Investing Activities										
Purchases of leasehold improvements, property & equipment	(257,418)	(258,842)	(216,777)	(287,390)	(333,912)	(373,352)	(442,475)	(479,164)	(560,731)	(593,603)
Purchases of investments	(559,372)	-	(199,801)	(485,188)	(448,754)	(468,418)	(429,350)	(614,416)	(1,115,131)	(986,673)
Maturities of investments	352,650	45,000	330,000	385,000	476,723	419,078	345,748	263,548		
Proceeds from sale of equipment	-	-	-	-	13,969	-	4,035	-	-	20,113
Acquisitions of equity method investments	-	-	-	-	-	(10,025)	-	-	-	-
Proceeds from sale of investments	-	540,648	-	-	-	-	-	-	729,853	722,637
Net cash flows from investing activities	(464,140)	326,806	(86,578)	(387,578)	(291,974)	(432,717)	(522,042)	(830,032)	(946,009)	(837,526)
Financing Activities										
Repurchase of common stock	(460,675)	(837,655)	(285,920)	(160,937)	(190,617)	(54,401)	(466,462)	(830,140)	(592,349)	(1,001,559)
Tax withholding on stock-based compensation awards	-	-	-	-	-	(1,895)	(2,274)	(294)	(69,146)	(74,229)
Other Financing Payments	74,235	1,372	26	(5,598)	(11,118)	(48,555)	(79,870)	(98,970)	843	2,089
Net cash flows from financing activities	(386,440)	(836,283)	(285,894)	(166,535)	(201,735)	(104,851)	(548,606)	(929,404)	(660,652)	(1,073,699)
Effect of exchange rate changes on cash, cash equivalents & restricted cash	(4,196)	110	2,056	(1,457)	406	1,076	(1,039)	(1,007)	381	(1,635)
Net change in cash, cash equivalents, & restricted cash	(171,460)	(160,125)	96,689	65,982	228,329	127,355	210,394	(437,264)	177,197	192,216
Cash, cash equivalents, & restricted cash at beginning of year	419,465	248,005	87,880	214,170	280,152	508,481	635,836	846,230	408,966	586,163
Cash, cash equivalents, & restricted cash at end of year	$ 248,005	$ 87,880	$ 184,569	$ 280,152	$ 508,481	$ 635,836	$ 846,230	$ 408,966	$ 586,163	$ 778,379

Chipotle Mexican Grill Inc

Common Size Income Statement

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Food and beverage revenue	99.11%	99.32%	99.41%	99.43%	99.45%	99.47%	99.49%	99.51%	99.53%	99.54%	99.54%	99.54%	99.54%
Delivery service revenue	0.89%	0.68%	0.59%	0.57%	0.55%	0.53%	0.51%	0.49%	0.47%	0.46%	0.46%	0.46%	0.46%
Total Revenue	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Restaurant operating cost (exlusive of depreciation and amortization shown separately below)													
Food, beverage and packaging	30.14%	29.50%	29.83%	29.67%	29.52%	29.37%	29.22%	29.06%	28.91%	28.76%	28.61%	28.45%	28.30%
Labor	25.46%	24.73%	24.66%	24.44%	24.23%	24.01%	23.79%	23.58%	23.36%	23.15%	22.93%	22.72%	22.50%
Occupancy	5.33%	5.10%	4.98%	4.91%	4.84%	4.78%	4.71%	4.64%	4.57%	4.50%	4.44%	4.37%	4.30%
Other operating costs	15.19%	14.47%	13.86%	13.78%	13.69%	13.60%	13.52%	13.43%	13.35%	13.26%	13.17%	13.09%	13.00%
General and administration expenses	6.53%	6.42%	6.16%	6.07%	5.97%	5.88%	5.78%	5.68%	5.59%	5.49%	5.39%	5.30%	5.20%
Depreciation and amortization	3.32%	3.24%	2.96%	2.95%	2.93%	2.91%	2.90%	2.88%	2.86%	2.85%	2.83%	2.82%	2.80%
Pre-opening costs	0.34%	0.37%	0.37%	0.19%	0.18%	0.16%	0.14%	0.14%	0.13%	0.10%	0.09%	0.09%	0.09%
Impairment, closure costs, and asset disposals	0.24%	0.39%	0.24%	0.23%	0.23%	0.23%	0.22%	0.22%	0.22%	0.21%	0.21%	0.20%	0.20%
Total operating expenses	86.56%	84.22%	83.06%	82.24%	81.59%	80.93%	80.28%	79.63%	78.99%	78.32%	77.67%	77.03%	76.39%
Income from Operations	13.44%	15.78%	16.94%	17.76%	18.41%	19.07%	19.72%	20.37%	21.01%	21.68%	22.33%	22.97%	23.61%
Interest and other income, net	0.24%	0.64%	0.83%	0.49%	0.46%	0.42%	0.38%	0.37%	0.36%	0.36%	0.35%	0.35%	0.34%
Income before income taxes	13.68%	16.42%	17.77%	18.25%	18.87%	19.49%	20.10%	20.74%	21.37%	22.04%	22.68%	23.32%	23.95%
Provision for income taxes	3.27%	3.97%	4.21%	4.58%	4.74%	4.89%	5.04%	5.20%	5.36%	5.53%	5.69%	5.85%	6.01%
Net income	10.41%	12.45%	13.56%	13.67%	14.13%	14.60%	15.06%	15.53%	16.01%	16.51%	16.99%	17.47%	17.94%

Chipotle Mexican Grill Inc

Common Size Balance Sheet

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Assets													
Current assets:													
Cash and cash equivalents	4.45%	5.68%	6.62%	17.42%	28.01%	37.92%	47.10%	57.84%	68.23%	79.04%	89.57%	99.83%	109.85%
Accounts receivable, net	1.24%	1.17%	1.27%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%
Inventory	0.41%	0.40%	0.43%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%
Prepaid expenses and other current assets	1.00%	0.20%	0.86%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Income tax receivable	0.55%	0.54%	0.59%	1.43%	1.47%	1.52%	1.57%	1.62%	1.67%	1.72%	1.77%	1.82%	1.87%
Investments	5.97%	7.44%	5.96%	5.68%	4.94%	4.23%	3.60%	3.27%	2.96%	2.73%	2.51%	2.31%	2.12%
Total current assets	13.62%	16.42%	15.74%	26.94%	36.84%	46.10%	54.69%	65.15%	75.29%	85.91%	96.27%	106.38%	116.27%
Leasehold improvements, property and equipment, net	22.60%	21.98%	21.13%	21.11%	20.22%	18.75%	16.89%	16.11%	15.25%	14.56%	13.83%	13.06%	12.26%
Long-term investments	4.49%	5.72%	7.67%	7.31%	6.80%	6.24%	5.68%	5.51%	5.35%	5.26%	5.18%	5.10%	5.02%
Restricted cash	0.29%	0.26%	0.26%	0.25%	0.23%	0.21%	0.20%	0.19%	0.18%	0.18%	0.18%	0.18%	0.17%
Operating lease assets	38.25%	36.25%	35.36%	32.01%	29.50%	26.83%	24.17%	23.24%	22.35%	21.49%	20.66%	19.87%	19.11%
Other assets	0.73%	0.64%	1.01%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%	0.76%
Goodwill	0.25%	0.22%	0.19%	0.17%	0.15%	0.13%	0.11%	0.10%	0.09%	0.08%	0.08%	0.07%	0.06%
Total assets	80.23%	81.49%	81.35%	88.55%	94.51%	99.03%	102.51%	111.08%	119.27%	128.26%	136.97%	145.43%	153.66%
Liabilities and shareholders' equity													
Current liabilities													
Accounts payable	2.14%	2.00%	1.86%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%	2.03%
Accrued payroll and benefits	1.97%	2.30%	2.31%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
Accrued liabilities	1.71%	1.50%	1.59%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%	2.54%
Unearned revenue	2.12%	2.12%	2.11%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%
Current operating lease liabilities	2.74%	2.51%	2.46%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
Total current liabilities	10.68%	10.44%	10.33%	10.99%	10.99%	10.99%	10.99%	10.99%	10.99%	10.99%	10.99%	10.99%	10.99%
Commitments and contingencies													
Long-tem operating lease liabilities	77.65%	84.50%	94.70%	34.04%	31.37%	28.53%	25.71%	24.72%	23.77%	22.85%	21.97%	21.13%	20.32%
Deferrred income tax liabilities	2.19%	1.98%	1.03%	0.44%	0.46%	0.47%	0.49%	0.51%	0.52%	0.54%	0.55%	0.57%	0.58%
Other liabilities	0.97%	1.31%	1.58%	0.64%	0.63%	0.61%	0.59%	0.61%	0.63%	0.66%	0.69%	0.73%	0.76%
Total liabilities	101.29%	110.68%	123.27%	46.11%	43.45%	40.61%	37.78%	36.83%	35.91%	35.05%	34.21%	33.42%	32.65%
Shareholders' equity:													
Common equity	20.03%	18.53%	17.29%	16.45%	14.32%	12.31%	10.47%	9.51%	8.62%	7.94%	7.30%	6.72%	6.18%
Accumulated and other comprehensive loss	-0.18%	-0.15%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%	-0.23%
Retained earnings	107.27%	134.56%	34.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total shareholders' equity	52.61%	68.03%	81.21%	-0.08%	-0.07%	-0.06%	-0.05%	-0.05%	-0.04%	-0.04%	-0.04%	-0.03%	-0.03%
Total liabilities and shareholders' equity	153.90%	178.72%	204.49%	26.05%	36.78%	46.16%	54.30%	64.79%	74.78%	85.31%	95.49%	105.33%	114.86%

Chipotle Mexican Grill Inc
Value Driver Estimation
(in thousands $)

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
NOPLAT:													
Food and beverage revenue	$ 8,558,001	$ 9,804,124	$ 11,247,384	$ 12,640,175	$ 14,539,740	$ 16,949,665	$ 19,945,002	$ 21,991,311	$ 24,247,413	$ 26,356,485	$ 28,644,228	$ 31,130,547	$ 33,832,679
Delivery service revenue	$ 76,651	$ 67,525	$ 66,469	$ 72,071	$ 79,984	$ 89,960	$ 102,134	$ 108,652	$ 115,585	$ 121,222	$ 131,744	$ 143,179	$ 155,607
Total Revenue	$ 8,634,652	$ 9,871,649	$ 11,313,853	$ 12,712,245	$ 14,619,724	$ 17,039,625	$ 20,047,136	$ 22,099,963	$ 24,362,999	$ 26,477,707	$ 28,775,972	$ 31,273,726	$ 33,988,286
Operating Costs													
-COGS+Other	(5,260,628)	(5,856,810)	(6,727,679)	(7,503,743)	(8,565,881)	(9,909,370)	(11,570,896)	(12,659,310)	(13,849,301)	(14,935,869)	(16,106,722)	(17,368,304)	(18,727,546)
-SG&A	(564,191)	(633,584)	(697,483)	(771,426)	(873,073)	(1,001,146)	(1,158,507)	(1,255,815)	(1,360,903)	(1,453,482)	(1,551,880)	(1,656,408)	(1,767,391)
-Depreciation and Amortization	(286,826)	(319,394)	(335,030)	(374,390)	(428,210)	(496,341)	(580,714)	(636,616)	(697,877)	(754,183)	(815,007)	(880,707)	(951,672)
-Pre-opening costs	(29,560)	(36,931)	(41,897)	(24,306)	(25,764)	(27,310)	(28,949)	(30,686)	(32,527)	(25,859)	(27,022)	(28,238)	(29,509)
-Other Operating Expenses	(1,311,905)	(1,428,747)	(1,568,482)	(1,751,371)	(2,001,543)	(2,318,133)	(2,709,977)	(2,968,398)	(3,251,328)	(3,510,683)	(3,790,565)	(4,092,585)	(4,418,477)
+ Implied Interest on Operating Leases	172,442	182,623	197,894	221,207	225,020	238,521	252,832	268,002	284,082	301,127	314,678	328,838	343,636
EBIT	$ 1,353,984	$ 1,778,806	$ 2,141,176	$ 2,508,216	$ 2,950,272	$ 3,525,846	$ 4,250,925	$ 4,817,141	$ 5,455,145	$ 6,098,758	$ 6,799,453	$ 7,576,321	$ 8,437,327
Less: Adjusted taxes													
Income Tax Expense	282,430	391,769	476,120	582,811	692,927	832,729	1,010,955	1,149,985	1,306,649	1,464,682	1,637,602	1,829,481	2,042,796
+Tax shield on lease interest	42,820	45,787	49,041	55,568	56,518	59,815	63,418	67,247	71,291	75,575	78,964	82,505	86,225
+Impairment, closure costs, and asset disposals	5,249	9,620	6,678	7,484	8,466	9,689	11,209	12,150	13,162	14,052	14,994	15,993	17,057
-Tax on interest income	(1,942)	(5,297)	(15,536)	(23,587)	(15,786)	(16,865)	(18,049)	(19,319)	(20,675)	(22,124)	(23,669)	(25,322)	(27,097)
Total Adjusted Taxes	328,557	441,879	516,303	622,276	742,125	885,367	1,067,534	1,210,062	1,370,427	1,532,185	1,707,891	1,902,657	2,118,981
Plus: Change in deferred taxes													
Current Year Net deferred tax liability	50,882	36,149	(21,021)	(124,776)	(148,351)	(178,282)	(216,439)	(246,205)	(279,745)	(313,579)	(350,600)	(391,680)	(437,350)
Prior Year net deferred tax liability	47,701	50,882	36,149	(21,021)	(124,776)	(148,351)	(178,282)	(216,439)	(246,205)	(279,745)	(313,579)	(350,600)	(391,680)
NOPLAT	$ 1,028,607	$ 1,322,194	$ 1,567,703	$ 1,782,185	$ 2,184,571	$ 2,610,548	$ 3,145,234	$ 3,577,313	$ 4,051,177	$ 4,532,739	$ 5,054,541	$ 5,632,584	$ 6,272,676
Invested Capital (IC):													
Net Operating Working Capital													
Normal Cash	172,693	197,433	226,277	254,245	292,394	340,793	400,943	441,999	487,260	529,554	575,519	625,475	679,766
+Accounts recievable	106,880	115,535	143,963	150,341	172,934	201,598	237,224	261,562	288,396	313,481	340,692	370,264	402,402
+Inventory	35,668	39,309	48,942	51,323	59,035	68,820	80,982	89,291	98,451	107,015	116,304	126,399	137,370
+Prepaid Expenses	86,412	19,792	97,538	106,556	122,569	142,885	168,135	185,385	204,404	222,183	241,469	262,428	285,207
+Income tax recievable	47,741	52,960	67,229	181,339	215,601	259,099	314,553	357,812	406,557	455,728	509,531	569,233	635,605
Operating Current Assets	449,394	425,029	583,949	743,803	862,534	1,013,194	1,201,837	1,336,050	1,485,069	1,627,962	1,783,515	1,953,799	2,140,351
-Accounts Payable	(184,566)	(197,646)	(210,695)	(258,608)	(297,412)	(346,641)	(407,824)	(449,585)	(495,622)	(538,642)	(585,396)	(636,209)	(691,432)
-Accrued payroll and benefits	(170,456)	(227,537)	(261,913)	(279,398)	(321,322)	(374,508)	(440,609)	(485,728)	(535,466)	(581,945)	(632,457)	(687,355)	(747,017)
-Accrued liabilities	(147,539)	(147,688)	(179,747)	(322,302)	(370,663)	(432,017)	(508,268)	(560,315)	(617,691)	(671,307)	(729,576)	(792,903)	(861,727)
-Unearned revenue	(183,071)	(209,680)	(238,577)	(174,310)	(200,465)	(233,646)	(274,885)	(303,033)	(334,064)	(363,061)	(394,574)	(428,823)	(466,045)
Total operating working capital	(236,238)	(357,522)	(306,983)	(290,815)	(327,329)	(373,618)	(429,749)	(462,611)	(497,775)	(526,993)	(558,490)	(591,492)	(625,870)
+Net PPE	1,951,147	2,170,038	2,390,126	2,683,081	2,955,583	3,194,989	3,386,810	3,561,357	3,715,200	3,855,322	3,979,337	4,084,603	4,168,202
+Operating lease ROU Asset	3,302,402	3,578,548	4,000,127	4,069,069	4,313,213	4,572,006	4,846,326	5,137,106	5,445,332	5,690,372	5,946,439	6,214,029	6,493,660
+Other assets	63,158	63,082	113,728	97,198	111,782	130,285	153,280	168,976	186,279	202,448	220,021	239,119	259,874
-Other liabilities	(43,816)	(58,870)	(71,070)	(80,856)	(91,989)	(104,655)	(119,065)	(135,459)	(154,110)	(175,330)	(199,471)	(226,936)	(258,183)
Total Invested Capital	5,036,653	5,395,276	6,125,928	6,477,677	6,961,261	7,419,007	7,837,604	8,269,369	8,694,927	9,045,821	9,387,837	9,719,322	10,037,682
Free Cash Flow (FCF):													
NOPLAT	$ 1,028,607	$ 1,322,194	$ 1,567,703	$ 1,782,185	$ 2,184,571	$ 2,610,548	$ 3,145,234	$ 3,577,313	$ 4,051,177	$ 4,532,739	$ 5,054,541	$ 5,632,584	$ 6,272,676
Change in IC	$ 329,684	$ 358,623	$ 730,652	$ 351,749	$ 483,584	$ 457,746	$ 418,596	$ 431,766	$ 425,557	$ 350,894	$ 342,016	$ 331,486	$ 318,360
FCF	**$ 698,923**	**$ 963,571**	**$ 837,051**	**$ 1,430,436**	**$ 1,700,987**	**$ 2,152,801**	**$ 2,726,638**	**$ 3,145,547**	**$ 3,625,620**	**$ 4,181,844**	**$ 4,712,526**	**$ 5,301,099**	**$ 5,954,316**
Return on Invested Capital (ROIC):													
NOPLAT	$ 1,028,607	$ 1,322,194	$ 1,567,703	$ 1,782,185	$ 2,184,571	$ 2,610,548	$ 3,145,234	$ 3,577,313	$ 4,051,177	$ 4,532,739	$ 5,054,541	$ 5,632,584	$ 6,272,676
Beginning IC	$ 4,706,969	$ 5,036,653	$ 5,395,276	$ 6,125,928	$ 6,477,677	$ 6,961,261	$ 7,419,007	$ 7,837,604	$ 8,269,369	$ 8,694,927	$ 9,045,821	$ 9,387,837	$ 9,719,322
ROIC	**21.85%**	**26.25%**	**29.06%**	**29.09%**	**33.72%**	**37.50%**	**42.39%**	**45.64%**	**48.99%**	**52.13%**	**55.88%**	**60.00%**	**64.54%**
Economic Profit (EP):													
Beginning IC	$ 4,706,969	$ 5,036,653	$ 5,395,276	$ 6,125,928	$ 6,477,677	$ 6,961,261	$ 7,419,007	$ 7,837,604	$ 8,269,369	$ 8,694,927	$ 9,045,821	$ 9,387,837	$ 9,719,322
x (ROIC - WACC)	12.33%	16.73%	19.53%	19.57%	24.20%	27.98%	32.87%	36.12%	39.47%	42.61%	46.35%	50.47%	55.01%
EP	**580,282.52**	**842,468.22**	**1,053,818.92**	**1,198,708.90**	**1,567,591.63**	**1,947,508.55**	**2,438,596.27**	**2,830,804.96**	**3,263,544.81**	**3,704,572.95**	**4,192,954.18**	**4,738,421.21**	**5,346,939.97**

Chipotle Mexican Grill Inc

Weighted Average Cost of Capital (WACC) Estimation

Cost of Equity:		*ASSUMPTIONS:*	
Risk-Free Rate	4.35%	*10 year treasury bod as of April 16, 2025*	
Beta	0.86	*6 month weekly beta imported from bloomberg*	
Equity Risk Premium	6.44%	*15 year geometric mean imported from bloomberg*	
Cost of Equity	**9.87%**		
Cost of Debt:			
Risk-Free Rate	4.35%	*10 year treasury bod as of April 16, 2025*	
Implied Default Premium	1.18%		
Pre-Tax Cost of Debt	5.53%	*YTM of Chipotle's 10-year corporate bond*	
Marginal Tax Rate	24%		
After-Tax Cost of Debt	**4.19%**		

Market Value of Common Equity:		**MV Weights**
Total Shares Outstanding	1,368,343	
Current Stock Price	$51.36	
MV of Equity	**$ 70,278,096.48**	93.93%
Market Value of Debt:		
Current Operating Lease Liabilities	277,836.00	
Long-term Operating Lease Liabilities	4,262,782.00	
MV of Total Debt	**4,540,618.00**	6.07%
Market Value of the Firm	**74,818,714.48**	100.00%

Estimated WACC	**9.52%**

Chipotle Mexican Grill Inc

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	5.00%
CV Year ROIC	64.54%
WACC	9.52%
Cost of Equity	9.87%

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
DCF Model:										
Free Cash Flow (FCF)	$ 1,430,436	$ 1,700,987	$ 2,152,801	$ 2,726,638	$ 3,145,547	$ 3,625,620	$ 4,181,844	$ 4,712,526	$ 5,301,099	$ 5,954,316
Continuing Value (CV)										$ 127,891,579
PV of FCF	$ 1,306,040	$ 1,418,002	$ 1,638,580	$ 1,894,869	$ 1,995,887	$ 2,100,438	$ 2,211,991	$ 2,275,921	$ 2,337,530	$ 56,394,052
Value of Operating Assets:	$ 73,573,311									
Non-Operating Adjustments										
PLUS: Excess Cash	522,260									
PLUS: Investments-Available for Sale	674,378									
PLUS: Long-term Investments	868,025									
PLUS: Restricted Cash	29,842									
PLUS: Other Assets	113,728									
LESS: Operating Lease	(4,540,618)									
LESS: PV of ESOP	(290,422)									
Value of Equity	$ 70,950,503									
Shares Outstanding	1,368,424									
Intrinsic Value of Last FYE	$ 51.85									
Implied Price as of Today	$ 52.59									
EP Model:										
Economic Profit (EP)	$ 1,198,709	$ 1,567,592	$ 1,947,509	$ 2,438,596	$ 2,830,805	$ 3,263,545	$ 3,704,573	$ 4,192,954	$ 4,738,421	$ 5,346,940
Continuing Value (CV)										$ 118,172,257
PV of EP	$ 1,094,464	$ 1,306,799	$ 1,482,324	$ 1,694,695	$ 1,796,179	$ 1,890,676	$ 1,959,538	$ 2,024,993	$ 2,089,416	$ 52,108,297
Total PV of EP	$ 67,447,383									
Invested Capital (last FYE)	$ 6,125,928									
Value of Operating Assets:	$ 73,573,311									
Non-Operating Adjustments										
PLUS: Excess Cash	522,260									
PLUS: Investments-Available for Sale	674,378									
PLUS: Long-term Investments	868,025									
PLUS: Restricted Cash	29,842									
PLUS: Other Assets	113,728									
LESS: PV Operating Lease	(4,540,618)									
LESS: PV of ESOP	(290,422)									
Value of Equity	$ 70,950,503									
Shares Outstanding	1,368,424									
Intrinsic Value of Last FYE	51.85									
Implied Price as of Today	$ 52.59									

Chipotle Mexican Grill Inc

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

Fiscal Years Ending	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
EPS	$ 1.27	$ 1.51	$ 1.82	$ 2.21	$ 2.51	$ 2.85	$ 3.19	$ 3.57	$ 3.99	$ 4.46
Key Assumptions										
CV growth of EPS	6.50%									
CV Year ROE	32.20%									
Cost of Equity	9.87%									
Future Cash Flows										
P/E Multiple (CV Year)										23.69
EPS (CV Year)										$ 4.46
Future Stock Price										$ 105.56
Dividends Per Share	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
Discounted Cash Flows	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45.25
Intrinsic Value as of Last FYE	$ 45.25									
Implied Price as of Today	**$ 45.90**									

Chipotle Mexican Grill Inc

Relative Valuation Models

Ticker	Company	Price	EPS 2025E	EPS 2026E	P/E 25	P/E 26
SBUX	Starbucks	$85.03	$2.93	$3.59	29.02	23.69
MCD	McDonald's	$314.75	$12.31	$13.32	25.57	23.63
YUM	Yum! Brands	$145.43	$6.01	$6.71	24.20	21.67
DRI	Darden Restaurants	$189.64	$9.49	$10.72	19.98	17.69
CAKE	Cheesecake Factory	$44.63	$3.70	$4.13	12.06	10.81
WEN	Wendy's Co	$13.24	$1.01	$1.13	13.11	11.72
DPZ	Domino's Pizza Inc.	$471.61	$17.48	$19.34	26.98	24.39
QSR	Restaurant Brands Int.	$62.44	$3.73	$4.06	16.74	15.38
				Average	**20.96**	**18.62**
CMG	Chipotle Mexican Grill Inc	$51.36	$1.27	$1.51	40.5	34.0

Chipotle Mexican Grill Inc
Key Management Ratios

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Liquidity Ratios:													
Current ratio: a company's ability to pay off short term debt	1.28	1.57	1.52	2.45	3.35	4.19	4.98	5.93	6.85	7.82	8.76	9.68	10.58
Quick ratio: test on liquifity that does not include inventory	1.24	1.53	1.48	2.41	3.31	4.16	4.94	5.89	6.81	7.78	8.72	9.64	10.54
Cash ratio: liquidity ratio that only includes cash and cash equivalents	0.42	0.54	0.64	1.58	2.55	3.45	4.28	5.26	6.21	7.19	8.15	9.08	9.99
Asset-Management Ratios:													
Inventory turnover ratio: COGS/average assets	0.97	0.97	0.96	0.90	0.84	0.80	0.76	0.69	0.64	0.59	0.54	0.51	0.47
Asset Turnover ratio: net sales/average assets	1.27	1.32	1.31	1.24	1.17	1.11	1.07	0.98	0.91	0.84	0.78	0.74	0.70
Total assset to sales ratio: total assets/sales	0.80	0.81	0.81	0.89	0.95	0.99	1.03	1.11	1.19	1.28	1.37	1.45	1.54
Financial Leverage Ratios:													
Debt to Equity: total debt/shareholder's equity	1.93	1.63	1.52	1.09	0.85	0.70	0.58	0.50	0.43	0.38	0.33	0.30	0.27
Debt to Assets: total debt/assets	0.66	0.62	0.60	0.52	0.46	0.41	0.37	0.33	0.30	0.27	0.25	0.23	0.21
Debt to EBITDA: total debt/EBITA	3.37	2.80	2.59	2.34	2.15	1.96	1.78	1.69	1.60	1.52	1.45	1.38	1.32
Profitability Ratios:													
Return on Equity (NI/Beg TSE)	39.14%	51.89%	50.10%	47.52%	38.29%	33.33%	30.33%	26.46%	23.77%	21.52%	19.81%	18.47%	17.41%
Return on Assets: net income/average total assets	13.24%	16.41%	17.79%	16.98%	16.48%	16.21%	16.14%	15.23%	14.55%	13.87%	13.32%	12.87%	12.48%
Operating Profit Margin: EBIT/total revenue	15.68%	18.02%	18.93%	19.73%	20.18%	20.69%	21.20%	21.80%	22.39%	23.03%	23.63%	24.23%	24.82%
Payout Policy Ratios:													
Dividend Payout Ratio (Dividend/EPS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Payout Ratio ((Divs. + Repurchases)/NI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ROE	0.38	0.40	0.42	0.32	0.28	0.25	0.23	0.21	0.19	0.18	0.17	0.16	0.15

Chipotle Mexican Grill Inc

Sensitivity Tables

Beta (rows: Risk-Free Rate)

52.59	0.70	0.75	0.80	0.857	0.90	0.95	1.00
4.90%	58.93	54.37	50.40	46.46	43.83	41.09	38.63
4.70%	62.13	57.12	52.80	48.54	45.70	42.76	40.13
4.50%	65.65	60.14	55.42	50.78	47.72	44.55	41.73
4.35%	68.54	62.60	57.53	52.59	49.34	45.98	43.00
4.10%	73.89	67.12	61.40	55.87	52.26	48.55	45.28
3.90%	78.76	71.19	64.85	58.77	54.82	50.80	47.27
3.70%	84.24	75.72	68.66	61.95	57.62	53.23	49.41

Food, Beverage, Packaging costs as a % of sales (2025-2034) (rows: Labor Costs as a % of sales (2025-2034))

52.59	26%	28%	30%	32%	34.0%	36.0%	38.0%
18%	67.11	62.84	58.57	54.30	50.03	45.75	41.48
20%	62.84	58.57	54.30	50.03	45.75	41.48	37.21
22%	58.57	54.30	50.03	45.75	41.48	37.21	32.94
24%	54.30	50.03	45.75	41.48	37.21	32.94	28.67
26%	50.03	45.75	41.48	37.21	32.94	28.67	24.40
28%	45.75	41.48	37.21	32.94	28.67	24.40	20.13
30%	41.48	37.21	32.94	28.67	24.40	20.13	15.86

CV Growth of NOPLAT (rows: WACC)

$ 52.59	4.4%	4.6%	4.8%	5.0%	5.2%	5.4%	5.6%
9.20%	51.88	53.51	55.29	57.25	59.40	61.77	64.41
9.30%	50.65	52.20	53.89	55.74	57.77	60.00	62.48
9.40%	49.47	50.94	52.55	54.30	56.21	58.32	60.65
9.52%	48.12	49.51	51.01	52.65	54.44	56.41	58.57
9.60%	47.25	48.59	50.03	51.60	53.32	55.19	57.26
9.70%	46.21	47.48	48.85	50.34	51.97	53.74	55.69
9.80%	45.20	46.41	47.72	49.14	50.68	52.36	54.20

Depreciation Rate (rows: Normal Cash Estimate)

52.59	2.20%	2.40%	2.60%	2.80%	3.00%	3.20%	3.40%
3.50%	52.91	52.66	52.41	52.15	51.90	51.64	51.39
3.00%	53.06	52.81	52.55	52.30	52.04	51.79	51.54
2.50%	53.21	52.95	52.70	52.44	52.19	51.94	51.68
2.00%	53.35	53.10	52.84	52.59	52.33	52.08	51.83
1.50%	53.50	53.24	52.99	52.73	52.48	52.23	51.97
1.00%	53.64	53.39	53.13	52.88	52.63	52.37	52.12
0.50%	53.79	53.53	53.28	53.03	52.77	52.52	52.26

Inflation (rows: WACC)

$ 52.59	2%	3%	4%	5%	6%	7%	8%
9.20%	57.94	57.72	57.49	57.25	57.00	56.73	56.46
9.30%	56.42	56.20	55.97	55.74	55.49	55.23	54.96
9.40%	54.96	54.75	54.53	54.30	54.05	53.80	53.54
9.52%	53.30	53.10	52.88	52.65	52.41	52.17	51.91
9.60%	52.25	52.04	51.83	51.60	51.37	51.12	50.87
9.70%	50.98	50.77	50.56	50.34	50.11	49.87	49.62
9.80%	49.76	49.56	49.35	49.14	48.91	48.68	48.43

Store Growth (Steady Growth) (rows: Revenue Per Store (Steady Growth))

52.59	5.25%	5.00%	4.75%	4.50%	4.25%	4.00%	3.75%
4.60%	55.62	55.18	54.74	54.31	53.88	53.45	53.03
4.40%	55.02	54.59	54.16	53.73	53.31	52.88	52.46
4.20%	54.43	54.01	53.58	53.16	52.74	52.32	51.91
4.00%	53.85	53.43	53.01	52.59	52.17	51.76	51.35
3.80%	53.27	52.85	52.44	52.03	51.62	51.21	50.80
3.60%	52.70	52.29	51.87	51.47	51.06	50.66	50.26
3.40%	52.13	51.72	51.32	50.91	50.51	50.12	49.72

Chipotle Mexican Grill Inc

Revenue Decomposition

(in thousands, except number of corporate stores)

Fiscal Years Ending Dec. 31	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Food and Beverage Revenue	$ 8,558,001	$ 9,804,124	$ 11,247,384	$ 12,640,175	$ 14,539,740	$ 16,949,665	$ 19,945,002	$ 21,991,311	$ 24,247,413	$ 26,356,485	$ 28,644,228	$ 31,130,547	$ 33,832,679
% growth	14.76%	14.56%	14.72%	12.38%	15.03%	16.57%	17.67%	10.26%	10.26%	8.70%	8.68%	8.68%	8.68%
Delivery Revenue	$ 76,651	$ 67,525	$ 66,469	$ 72,071	$ 79,984	$ 89,960	$ 102,134	$ 108,652	$ 115,585	$ 121,222	$ 131,744	$ 143,179	$ 155,607
% growth	*-14.73%*	*-11.91%*	*-1.56%*	*7.77%*	*9.89%*	*11.09%*	*11.92%*	*6.00%*	*6.00%*	*4.65%*	*7.99%*	*7.99%*	*7.99%*
Total Revenue	$ 8,634,652	$ 9,871,649	$ 11,313,853	$ 12,712,245	$ 14,619,724	$ 17,039,625	$ 20,047,136	$ 22,099,963	$ 24,362,999	$ 26,477,707	$ 28,775,972	$ 31,273,726	$ 33,988,286
% growth	*14.41%*	*14.33%*	*14.61%*	*12.36%*	*15.01%*	*16.55%*	*17.65%*	*10.24%*	*10.24%*	*8.68%*	*8.68%*	*8.68%*	*8.68%*
Number of Corporate Stores	3,187	3,437	3,726	3,950	4,187	4,438	4,704	4,986	5,285	5,523	5,772	6,032	6,303
Increase in Store Count	221	250	289	224	237	251	266	282	299	238	249	260	271
Store growth %	6.93%	7.27%	7.76%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	4.50%	4.50%	4.50%	4.50%
Revenue per Store	$ 2,709.34	$ 2,872.17	$ 3,036.46	$ 3,218.65	$ 3,492.08	$ 3,839.72	$ 4,261.73	$ 4,432.20	$ 4,609.49	$ 4,793.87	$ 4,985.62	$ 5,185.05	$ 5,392.45
Same Store Sales % growth	6.48%	6.01%	5.72%	6.00%	8.50%	9.96%	10.99%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revnue Breakdown %													
Food and Beverage Revenue	99.11%	99.32%	99.41%	99.43%	99.45%	99.47%	99.49%	99.51%	99.53%	99.54%	99.54%	99.54%	99.54%
Delivery Revenue	0.89%	0.68%	0.59%	0.57%	0.55%	0.53%	0.51%	0.49%	0.47%	0.46%	0.46%	0.46%	0.46%

Chipotle Mexican Grill Inc

Valuation of Options Granted under ESOP

Current Stock Price	$51.36
Risk Free Rate	4.35%
Current Dividend Yield	0.00%
Annualized St. Dev. of Stock Returns	40.00%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	10,414	32.53	4.20	$ 27.89	$ 290,422
Total	10,414	$ 32.53	4.20	$ 27.89	**$ 290,422**

Chipotle Mexican Grill Inc

Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding

Number of Options Outstanding (shares):	290
Average Time to Maturity (years):	3.60
Expected Annual Number of Options Exercised:	81
Current Average Strike Price:	$ 32.53
Cost of Equity:	9.87%
Current Stock Price:	$51.36

Fiscal Years Ending Dec. 31	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Increase in Shares Outstanding:	81	81	81	48						
Average Strike Price:	$ 32.53	$ 32.53	$ 32.53	$ 32.53						
Increase in Common Stock Account:	**2,624**	**2,624**	**2,624**	**1,575**						
Share Repurchases ($)	0	0	0	0	0	0	0	0	0	0
Expected Price of Repurchased Shares:	$ 51.36	$ 56.43	$ 62.00	$ 68.12	$ 74.84	$ 82.22	$ 90.34	$ 99.26	$ 109.05	$ 119.81
Number of Shares Repurchased:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shares Outstanding (beginning of the year)	1,368,343	1,368,424	1,368,504	1,368,585	1,368,633	1,368,633	1,368,633	1,368,633	1,368,633	1,368,633
Plus: Shares Issued Through ESOP	81	81	81	48	0	0	0	0	0	0
Less: Shares Repurchased in Treasury	-	-	-	-	-	-	-	-	-	-
Shares Outstanding (end of the year)	**1,368,424**	**1,368,504**	**1,368,585**	**1,368,633**	**1,368,633**	**1,368,633**	**1,368,633**	**1,368,633**	**1,368,633**	**1,368,633**