

# ModernGraham Valuation

## Company Name:

Company Ticker CMG  
Date of Analysis

Chipotle Mexican Grill, Inc.

11/9/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$18,791,781,430	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	4.39	Pass
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	616.64%	Pass
6. Moderate PEmg Ratio	PEmg < 20	46.60	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	8.00	Fail

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	4.39	Pass
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	0.00	Pass
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Fail
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$13.06
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$502.91</b>
MG Value based on 3% Growth	\$189.41
MG Value based on 0% Growth	\$111.03
Market Implied Growth Rate	19.05%

### MG Opinion

Current Price	\$608.77
% of Intrinsic Value	121.05%
<b>Opinion</b>	<b>Overvalued</b>

## Stage 3: Information for Further Research

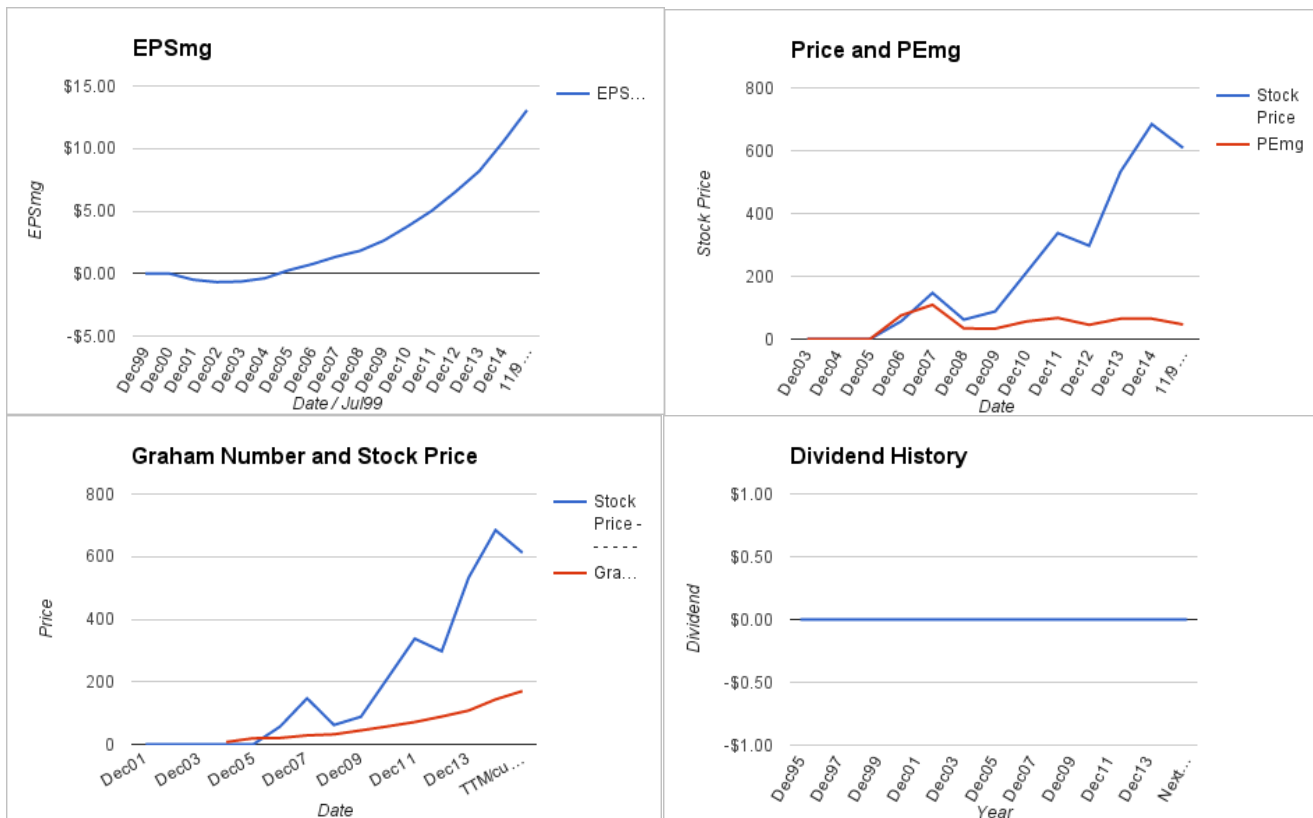
Net Current Asset Value (NCAV)	\$16.70
Graham Number	\$170.35
PEmg	46.60
Current Ratio	4.39
PB Ratio	8.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$16.75	Next Fiscal Year Estimate	\$13.06
Dec14	\$14.13	Dec14	\$10.53
Dec13	\$10.47	Dec13	\$8.19
Dec12	\$8.75	Dec12	\$6.53
Dec11	\$6.76	Dec11	\$5.00
Dec10	\$5.64	Dec10	\$3.77
Dec09	\$3.95	Dec09	\$2.64
Dec08	\$2.36	Dec08	\$1.82
Dec07	\$2.13	Dec07	\$1.35
Dec06	\$1.28	Dec06	\$0.75
Dec05	\$1.43	Dec05	\$0.26
Dec04	\$0.24	Dec04	-\$0.38
Dec03	-\$0.34	Dec03	-\$0.64
Dec02	-\$0.87	Dec02	-\$0.69
Dec01	-\$1.49	Dec01	-\$0.50
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	<b>Balance Sheet Information</b>	<b>Sep15</b>
Dec97	\$0.00	Total Current Assets	\$1,073,233,000
Dec96	\$0.00	Total Current Liabilities	\$244,244,000
Dec95	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,947,922,000
		Intangible Assets	\$21,939,000
		Total Liabilities	\$546,434,000
		Shares Outstanding (Diluted Average)	31,548,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

### Recommended Reading:

**Other ModernGraham posts about the company**

- [Chipotle Mexican Grill Inc. Analysis – August 2015 Update \\$CMG](#)
- [21 Companies in the Spotlight This Week – 5/9/15](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – May 2015 \\$CMG](#)
- [40 Companies in the Spotlight This Week – 2/21/15](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – February 2015 \\$CMG](#)

**Other ModernGraham posts about related companies**

- [Darden Restaurants Inc. Analysis – September 2015 Update \\$DRI](#)
- [Chipotle Mexican Grill Inc. Analysis – August 2015 Update \\$CMG](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – May 2015 \\$CMG](#)
- [Yum! Brands Inc. Annual Valuation – 2015 \\$YUM](#)
- [Starbucks Corporation Annual Valuation – 2015 \\$SBUX](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – February 2015 \\$CMG](#)
- [McDonald's Corporation Annual Valuation – 2014 \\$MCD](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – October 2014 \\$CMG](#)
- [Darden Restaurants Inc. Annual Valuation – 2014 \\$DRI](#)
- [Chipotle Mexican Grill Inc. Quarterly Valuation – May 2015 \\$CMG](#)