

ModernGraham Valuation

Company Name:

Company Ticker CMG

Date of Analysis

8/25/2016

Chipotle Mexican Grill, Inc.



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	\$12,006,600,079	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.40	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	272.87%	Pass
5. Earnings Growth	PEmg < 20	42.33	Fail
6. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	8.01	Fail
7. Moderate Price to Assets			

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	1.40	Fail
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

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	\$9.58
MG Growth Estimate	7.00%
MG Value	\$215.49
MG Value based on 3% Growth	\$138.89
MG Value based on 0% Growth	\$81.42
Market Implied Growth Rate	16.92%

MG Opinion

Current Price	\$405.48
% of Intrinsic Value	188.16%
Opinion	Overvalued
MG Grade	F

Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$7.77
Graham Number	\$50.69
PEmg	42.33
Current Ratio	1.40
PB Ratio	8.01
Current Dividend	\$0.00
Dividend Yield	0.00%
Number of Consecutive Years of Dividend Growth	0

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$2.24	Next Fiscal Year Estimate	\$9.58
Dec2015	\$15.10	Dec2015	\$12.51
Dec2014	\$14.13	Dec2014	\$10.53
Dec2013	\$10.47	Dec2013	\$8.19
Dec2012	\$8.75	Dec2012	\$6.53
Dec2011	\$6.76	Dec2011	\$5.00
Dec2010	\$5.64	Dec2010	\$3.77
Dec2009	\$3.95	Dec2009	\$2.64
Dec2008	\$2.36	Dec2008	\$1.82
Dec2007	\$2.13	Dec2007	\$1.35
Dec2006	\$1.28	Dec2006	\$0.75
Dec2005	\$1.43	Dec2005	\$0.26
Dec2004	\$0.24	Dec2004	-\$0.38
Dec2003	-\$0.34	Dec2003	-\$0.64
Dec2002	-\$0.87	Dec2002	-\$0.69
Dec2001	-\$1.49	Dec2001	-\$0.50
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Total Current Assets	\$387,707,000
Dec1997	\$0.00	Total Current Liabilities	\$276,528,000
Dec1996	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,101,800,000
		Intangible Assets	\$21,939,000
		Total Liabilities	\$615,757,000
		Shares Outstanding (Diluted Average)	29,340,000





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.

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