

# ModernGraham Valuation

Chipotle Mexican Grill, Inc.



Company Name:

Company Ticker CMG

Date of Analysis

6/23/2018

## 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	\$13,061,212,606	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	1.72	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		
5. Earnings Growth		-9.85%	Fail
6. Moderate PEmg Ratio	PEmg < 20	63.90	Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	9.63	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	1.72	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 Score		Fail

### Suitability

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

## Stage 2: Determination of Intrinsic Value

EPSmg	\$7.35
MG Growth Estimate	-4.25%
<b>MG Value</b>	<b>\$0.00</b>
MG Value based on 3% Growth	\$106.64
MG Value based on 0% Growth	\$62.51
Market Implied Growth Rate	27.70%

### MG Opinion

Current Price	\$469.94
% of Intrinsic Value	N/A
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>F</b>

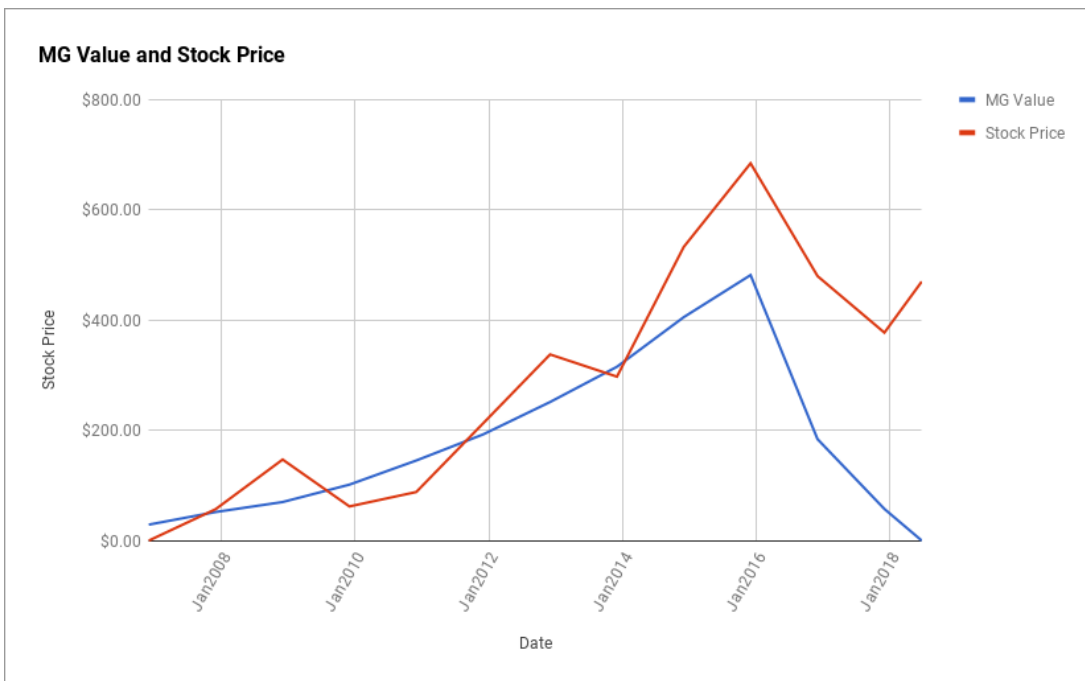
## Stage 3: Information for Further Research

Net Current Asset Value (NCAV)	-\$3.68
Graham Number	\$92.43
PEmg	63.90
Current Ratio	1.72
PB Ratio	9.63
Current Dividend	\$0.00
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	\$7.80	Next Fiscal Year Estimate	\$7.35
Dec2017	\$6.17	Dec2017	\$7.86
Dec2016	\$0.77	Dec2016	\$9.09
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	<b>Balance Sheet Information 3/1/2018</b>	
Dec2000	\$0.00	Total Current Assets	\$630,439,000
Dec1999	\$0.00	Total Current Liabilities	\$367,320,000
Dec1998	\$0.00	Long-Term Debt	\$0
		Total Assets	\$2,097,444,000
		Intangible Assets	\$21,939,000
		Total Liabilities	\$733,399,000
		Shares Outstanding (Diluted Average)	27,950,000





**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 Valuation – March 2017 \\$CMG](#)
  - [Chipotle Mexican Grill Inc Valuation – August 2016 \\$CMG](#)
  - [Chipotle Mexican Grill Inc Stock Valuation – February 2016 \\$CMG](#)
  - [Chipotle Mexican Group Inc Valuation – November 2015 Update \\$CMG](#)
  - [Chipotle Mexican Grill Inc. Analysis – August 2015 Update \\$CMG](#)

- Other ModernGraham posts about related companies**
- [Darden Restaurants Inc Valuation – May 2018 \\$DRI](#)
  - [Yum Brands Inc Valuation – April 2018 \\$YUM](#)
  - [Starbucks Corporation Valuation – March 2018 \\$SBUX](#)
  - [McDonald's Corporation Valuation – February 2018 \\$MCD](#)
  - [El Pollo LoCo Holdings Inc Valuation – Initial Coverage \\$LOCO](#)
  - [Chipotle Mexican Grill Inc Valuation – March 2017 \\$CMG](#)
  - [Sonic Corporation Valuation – Initial Coverage \\$SONC](#)
  - [Darden Restaurants Inc Valuation – February 2017 \\$DRI](#)
  - [Jack in the Box Inc Valuation – Initial Coverage \\$JACK](#)
  - [Chuy's Holdings Inc Valuation – Initial Coverage \\$CHUY](#)