

ModernGraham Valuation

Chipotle Mexican
Grill, Inc.



Company Name:

Company Ticker CMG

Date of Analysis

3/25/2019

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 | \$18,575,783,724 | Pass |
| 2. Sufficiently Strong Financial Condition | Current Ratio > 2 | 1.81 | 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 | 11.30% | Fail |
| 5. Earnings Growth | PEmg < 20 | 87.08 | Fail |
| 6. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 13.02 | 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 | 1.81 | 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

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | \$7.71 |
| MG Growth Estimate | -4.25% |
| MG Value | \$0.00 |
| MG Value based on 3% Growth | \$111.83 |
| MG Value based on 0% Growth | \$65.56 |
| Market Implied Growth Rate | 39.29% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$671.60 |
| % of Intrinsic Value | N/A |
| Opinion | Overvalued |
| MG Grade | F |

Stage 3: Information for Further Research

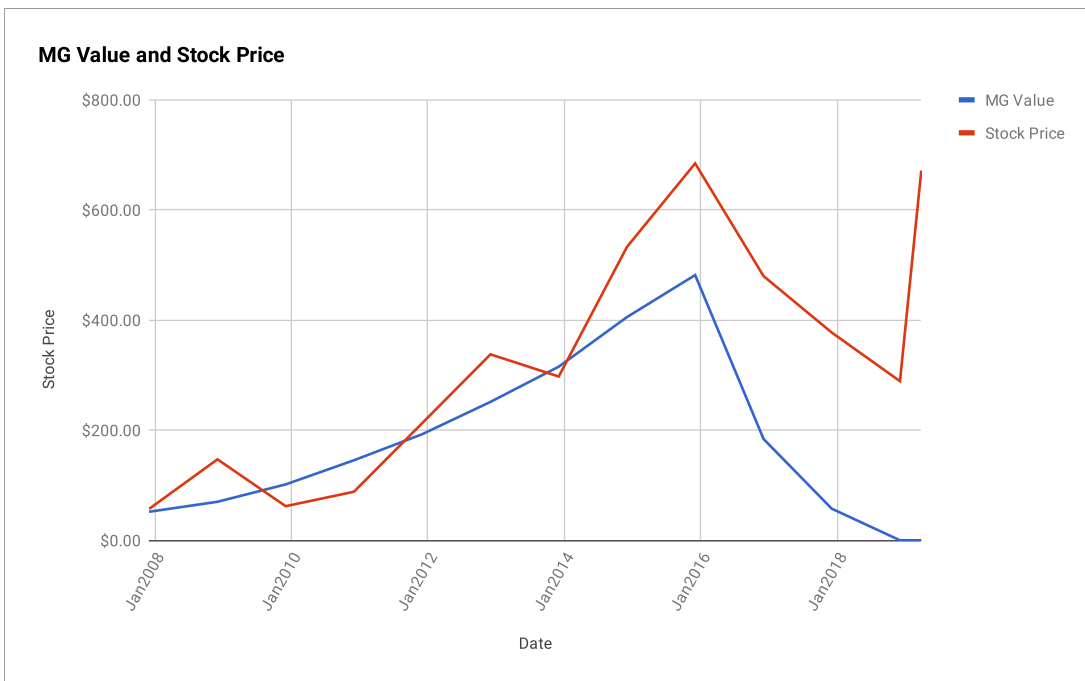
| | |
|--|----------|
| Net Current Asset Value (NCAV) | -\$0.34 |
| Graham Number | \$113.79 |
| PEmg | 87.08 |
| Current Ratio | 1.81 |
| PB Ratio | 13.02 |
| Current Dividend | \$0.00 |
| Dividend Yield | 0.00% |
| Number of Consecutive Years of Dividend Growth | 0 |

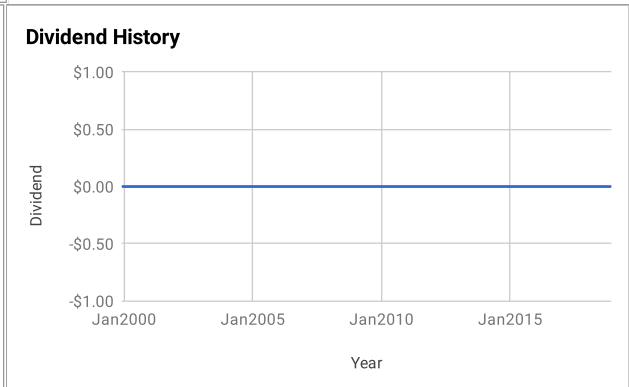
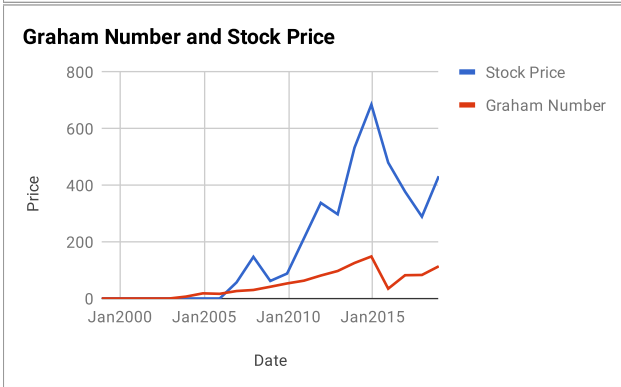
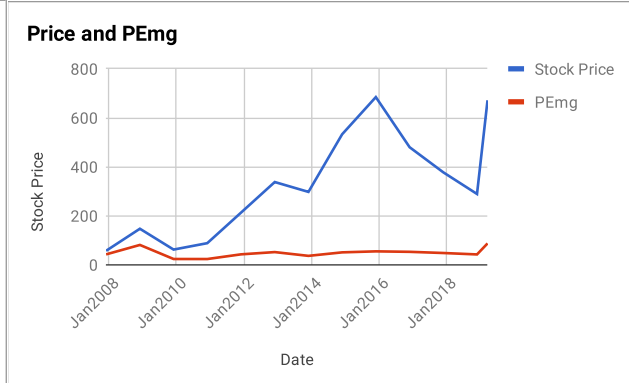
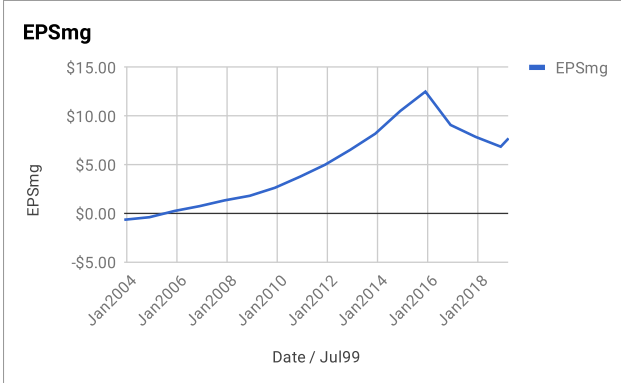
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| EPS History | | EPSmg History | |
|---------------------------|---------|--|-----------------|
| Next Fiscal Year Estimate | \$11.06 | Next Fiscal Year Estimate | \$7.71 |
| Dec2018 | \$6.31 | Dec2018 | \$6.86 |
| Dec2017 | \$6.17 | Dec2017 | \$7.86 |
| 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 | Balance Sheet Information 12/1/2018 | |
| Dec2001 | -\$1.49 | Total Current Assets | \$814,794,000 |
| Dec2000 | \$0.00 | Total Current Liabilities | \$449,990,000 |
| Dec1999 | \$0.00 | Long-Term Debt | \$0 |
| | | Total Assets | \$2,265,518,000 |
| | | Intangible Assets | \$21,939,000 |
| | | Total Liabilities | \$824,179,000 |
| | | Shares Outstanding (Diluted Average) | 27,947,000 |





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 – June 2018 \\$CMG](#)
 - [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](#)

- Other ModernGraham posts about related companies**
- [Darden Restaurants Inc Valuation – March 2019 #DRI](#)
 - [Yum Brands Inc Valuation – February 2019 \\$YUM](#)
 - [Starbucks Corporation Valuation – January 2019 \\$SBUX](#)
 - [McDonald's Corp Valuation – November 2018 \\$MCD](#)
 - [Sonic Corp Valuation – August 2018 \\$SONC](#)
 - [Jack in the Box Inc Valuation – July 2018 \\$JACK](#)
 - [Chuy's Holdings Inc Valuation – July 2018 \\$CHUY](#)
 - [Chipotle Mexican Grill Inc Valuation – June 2018 \\$CMG](#)
 - [Darden Restaurants Inc Valuation – May 2018 \\$DRI](#)
 - [Yum Brands Inc Valuation – April 2018 \\$YUM](#)