



Company	Ticker	Sector	Industry
Chipotle Mexican Grill, Inc.	CMG-US	Consumer Discretionary	Hotels Restaurants & Leisure

Business Description

Chipotle Mexican Grill, Inc. engages in the development and operation of classically-cooked, real food with wholesome ingredients without artificial colors, flavors or preservatives. It offers a focused menu of burritos, tacos, burrito bowls, and salads prepared using classic cooking methods. The company was founded by Steve Eells in 1993 and is headquartered in Newport Beach, CA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	4
Date Purchased:	10/19/2022
Price:	\$1,722.86
52-Week Range:	\$1,204.01 - \$1,747.94
Dividend Yield:	0.00%
Market Cap (\$M):	\$47,760
Forward Price-to-Earnings:	39

Total Return

Year-to-Date:	24.2%
1 Year:	18.6%
3 Year:	99.4%
5 Year:	532.9%

Investment Case - Updated: November 6, 2022

Chipotle is one of the most popular fast-casual restaurants in the U.S. The company's menu focuses on Latin American foods such as burrito bowls and tacos. With the rise of food-away-from-home (FAH) spending, Latin American food has been gaining wallet share. Moreover, Chipotle has gained share versus peers such as Taco Bell, Del Taco, and smaller competitors. The company is now focused on increasing sales per store in two major ways. First, the company can leverage its massive loyalty program, which is larger than Starbucks, by providing targeted advertisements to entice repeat visits. Additionally, menu extensions such as pollo asado further drive increased visits. Often those menu extensions are margin accretive due to the higher price. With only 3,000 current units, management believes it can reach 7,000 units long-term. Eighty percent of those new units will include a Chipotlane, a drive-thru for digital orders. Stores with Chipotlanes generate higher sales and are more profitable due to a higher mix of digital orders. After increased investments in wages and digital investments, margins should begin to improve back to historic high levels.

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