

Chipotle Mexican Grill, Inc.



WORLD TRADE SECURITIES

Equity Research

Recommendation	Price Target	PT End Date	Price	Upside/Downside to PT
Neutral	\$44.00	31-Dec-26	\$39.82	10.50%

Chipotle Mexican Grill, Inc. owns and operates quick serve Mexican restaurants. The Company manages restaurants throughout the United States.



Note: All analysts forecasts are as of last note published on 07-Oct-2025

The Upside/Downside to PT is calculated based on the previous day's closing price which is quoted above.

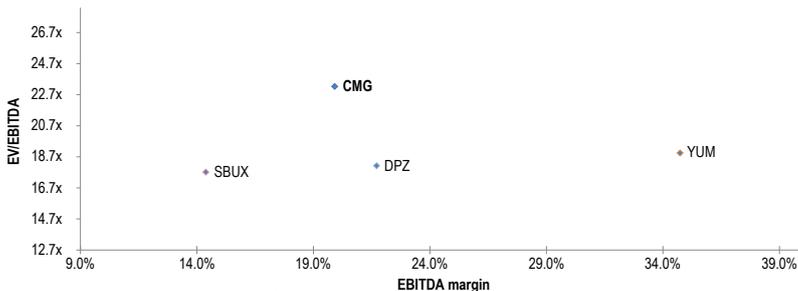
Source: Bloomberg Finance L.P., World Trade estimates.

Key Financials (\$mn, year end Dec)	FY23	FY24	FY25E	FY26E	FY27E
Revenue	9,872	11,314	11,994	13,203	14,581
EBITDA	1,890	2,265	2,388	2,651	2,968
EBIT	1,577	1,930	2,024	2,253	2,533
Pretax Income	1,639	2,024	2,098	2,301	2,559
Net Profit	1,243	1,539	1,575	1,726	1,920
Total Assets	8,044	9,204	9,257	9,167	9,283
Shareholder Equity	3,062	3,656	3,486	3,500	3,587
Adjusted Net Debt/(Cash)	(1,295)	(1,489)	(1,342)	(806)	(401)
Capex	(561)	(594)	(701)	(823)	(934)
Free Cash Flow to firm	1,403	1,671	1,521	1,593	1,748
EPS (\$)	0.90	1.12	1.17	1.30	1.48
DPS	n/a	n/a	n/a	n/a	n/a

Key Ratios	FY23	FY24	FY25E	FY26E	FY27E
EBITDA Margin	19.1%	20.0%	19.9%	20.1%	20.4%
EBIT Margin	16.0%	17.1%	16.9%	17.1%	17.4%
Net Margin	12.6%	13.6%	13.1%	13.1%	13.2%
Payout Ratio	n/a	n/a	n/a	n/a	n/a
Net Debt/Equity (excl MI)	NM	NM	NM	NM	NM
FCF Yield	2.5%	3.0%	2.8%	3.0%	3.4%
P/E	44.4x	35.6x	34.1x	30.5x	26.9x
EV/EBITDA	29.4x	24.4x	23.2x	21.1x	19.0x
ROE	45.8%	45.8%	44.1%	49.4%	54.2%

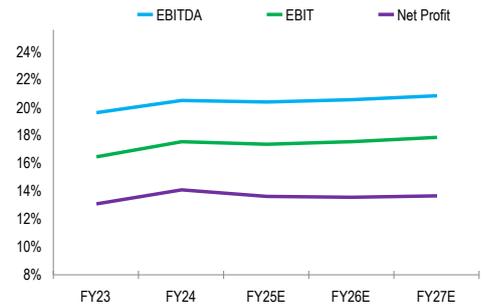
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Chart FY25



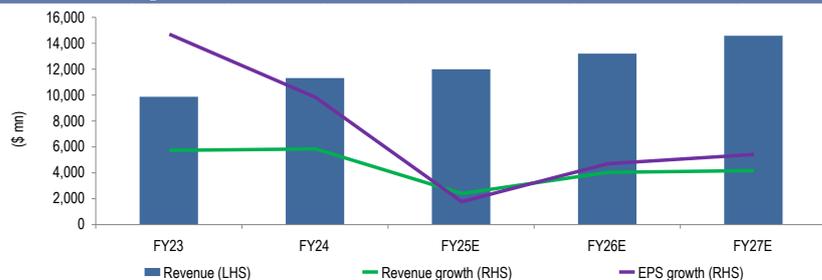
Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Margin Analysis (CMG)



Source: Company data, World Trade estimates.

Revenue and EPS growth



Source: Company data, World Trade estimates.

Company Data

Market Cap (USDmn)	54,184
Shares O/S (mn)	1,361
Float	99.3%
Dividend Yield	n/a
EPS (\$)	1.17
3M - Avg daily volume (mn)	19.71
52 wk High/Low (\$)	66.74-38.30

WTS EPS Estimate		BBG EPS Estimate	
FY25E	FY26E	FY25E	FY26E
1.17	1.30	1.21	1.40

Source: Company data, Bloomberg Finance L.P., World Trade estimates.

Peer Valuation Analysis	Ticker	Fiscal Year End	Last Note Published	Rating	Price Target	Mkt Cap (\$mn)	EV/EBITDA FY25E	EV/EBITDA FY26E	P/BV FY25E	P/BV FY26E	P/E FY25E	P/E FY26E	ROE FY25E	ROE FY26E
Local peers														
Yum Brands	YUM	2024/12	07-Oct-25	OW	\$160.00	39,937	18.9x	17.8x	NM	NM	23.8x	21.3x	NM	NM
Domino's Pizza Inc	DPZ	2024/12	07-Oct-25	N	\$460.00	14,042	18.1x	16.7x	NM	NM	22.5x	20.0x	NM	NM
Starbucks	SBUX	2024/9	07-Oct-25	OW	\$95.00	89,429	17.7x	14.9x	NM	NM	38.2x	29.6x	NM	NM
Global peers														
Jubilant Foodworks Ltd	JUBI.NS	2025/3	25-Sep-25	N	Rs745.00	4,476	27.7x	24.4x	18.9x	17.9x	183.0x	100.0x	10.2%	18.4%
Jollibee Foods Corp.	JFC.PS	2024/12	22-Apr-25	UW	Php199.00	4,227	8.9x	8.0x	3.0x	2.8x	22.2x	20.4x	12.3%	13.7%
Domino's Pizza Enterprises Ltd	DMP.AX	2024/6	27-Aug-25	N	A\$18.00	830	6.3x	6.7x	2.1x	1.9x	11.6x	11.8x	18.4%	16.8%
Chipotle Mexican Grill, Inc.														
	CMG	2024/12	07-Oct-25	N	\$44.00	54,184	23.2x	21.1x	15.4x	15.1x	34.1x	30.5x	44.1%	49.4%
Median							18.1x	16.7x	9.2x	8.9x	23.8x	21.3x	15.3%	17.6%
Mean							17.3x	15.7x	9.9x	9.4x	47.9x	33.4x	21.2%	24.6%
High							27.7x	24.4x	18.9x	17.9x	183.0x	100.0x	44.1%	49.4%
Low							6.3x	6.7x	2.1x	1.9x	11.6x	11.8x	10.2%	13.7%

Source: Company data, World Trade estimates.



Investment Thesis

Remain Neutral. Remain Neutral on a stock where positioning seems to have swung positive. as upcoming results update could warrant expectations reset but could still cap multiple at ~30x even with 8-10% y/y development – which we believe is at no risk given the industry leading returns. Lowering our 3Q/4Q and F26/27 comp expectations to ~flat/+0.6%, and +2.3%/+2.5%, respectively. New F26/27 EPS at \$1.30/\$1.48 compare to street median of \$1.42/\$1.67, respectively. We continue to advocate for reinvesting excess store-level returns (25%+) back into traffic vs chasing a 30% goal and would like to see traffic inflect back to positive trends consistently to argue for multiple expansion/get more constructive.

Valuation

Lowering Dec-26 price target to \$44. Our Dec-26 price is based on a TAM of 7,500 company units by 2032, now assuming a ~1.5% cagr to \$3.3m AUV from \$3.1m in F25. New unit volumes are assumed to be ~82% of average unit volumes and are driven by a 2.5% SSS past 2027. We now assume a still unprecedented at this scale 26.5% store margin (vs 28% pvs) and a mature G&A level of 4.5% in the long term. This level of margin assumes very low food-oriented prime (food + labor) costs of 55% vs a more normal high 50% - low 60% and now shows increased marketing spend to >3% in the out years. Our TAM also includes 750 international franchise stores with AUVs at 60% of US and paying a 6% royalty at ~80% franchise margins. We apply a 20x multiple to F33E earnings, discount this back at 7% along with ~\$3 ending F33 cash/share.

Risks to Rating and Price Target

Downside risks to our Neutral rating and price target include softer same-store sales comps, higher-than-expected food cost safety protocols and procedures resulting in margin pressure, a deterioration in new unit economics that could lead to a deceleration in unit growth and lower-than-expected pricing. Upside risks include a faster-than-expected sales recovery, lower labor pressures, improving new unit volumes in excess of comp growth, and longer-than-expected commodity deflation.