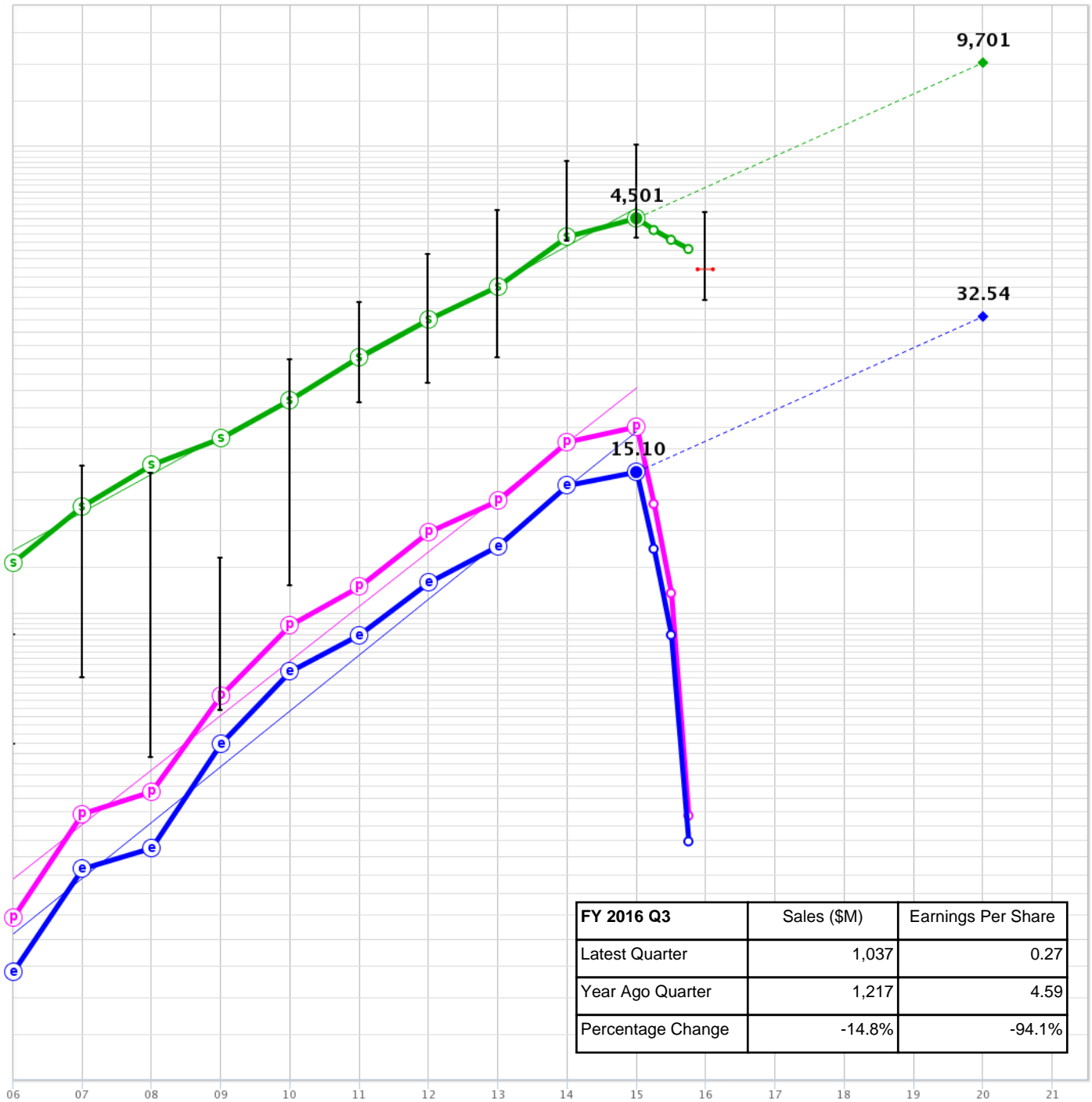


Company	Chipotle Mexican Gri		Date	01/13/17	
Prepared by	HERMAN		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Restaurants		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	29.2		2.1	99.7	
Debt (\$M)	0.0	% to Tot Cap	0.0	% Pot Dil	0.4

Stock Selection Guide

Symbol: CMG

1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2016 Q3	Sales (\$M)	Earnings Per Share
Latest Quarter	1,037	0.27
Year Ago Quarter	1,217	4.59
Percentage Change	-14.8%	-94.1%

- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 20.7% | (3) Historical Earnings Per Share Growth | 31.7% |
| (2) Estimated Future Sales Growth | 16.6% | (4) Estimated Future Earnings Per Share Growth | 16.6% |

2 EVALUATING Management

Chipotle Mexican Gri

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Last 5 Year Avg.
Pre-tax Profit on Sales	8.3%	10.5%	9.6%	13.4%	15.7%	15.4%	16.8%	16.6%	17.4%	17.1%	16.7%
% Earned on Equity	9.2%	12.4%	12.2%	17.7%	21.6%	21.1%	21.8%	22.2%	23.2%	19.2%	21.5%
% Debt To Capital	0.0%	0.0%	0.6%	0.5%	0.5%	0.0%	0.3%	0.0%	0.0%	0.0%	0.1%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

CLOSING PRICE 410.75 (01/13/17)

HIGH THIS YEAR 542.50

LOW THIS YEAR 352.96

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2011	347.9	213.1	6.76	51.5	31.5	0.00	0.0	0.0
2012	442.4	233.8	8.75	50.6	26.7	0.00	0.0	0.0
2013	550.3	266.0	10.47	52.6	25.4	0.00	0.0	0.0
2014	697.9	472.4	14.13	49.4	33.4	0.00	0.0	0.0
2015	758.6	478.0	15.10	50.2	31.7	0.00	0.0	0.0
AVERAGE		332.7		50.8	29.7			
CURRENT/TTM			2.44					
AVERAGE PRICE EARNINGS RATIO: 40.3				CURRENT PRICE EARNINGS RATIO: 168.3				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 50.8 X Estimate High Earnings/Share 32.54 = Forecasted High Price \$ 1,653.2

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 29.7 X Estimate Low Earnings/Share 2.44 = Forecasted Low Price \$ 72.5

(b) Avg. Low Price of Last 5 Years 332.7

(c) Recent Market Low Price 353.0

(d) Price Dividend Will Support $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.00}{0.00\%} = 0.0$

Selected Forecasted Low Price \$ 72.5

C ZONING using 25%-50%-25%

Forecasted High Price 1,653.2 Minus Forecasted Low Price 72.5 = 1,580.7 Range. 25% of Range 395.2

Buy Zone 72.5 to 467.7

Hold Zone 467.7 to 1,258.0

Sell Zone 1,258.0 to 1,653.2

Present Market Price of 410.75 is in the **BUY** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{1,653.2 - 410.75}{410.75 - 72.5} = \frac{1,242.48}{338.25} = 3.7$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Closing Price}}{\text{Closing Price}} = \frac{1,653.2 - 410.75}{410.75} = 4.0249$ X 100 = 402.49 - 100 = 302.5 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Indicated Annual Dividend}}{\text{Closing Price}} = \frac{0.00}{410.75} = 0.0000 = 0.0\%$ Current Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{50.80} = 0.0\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{40.25} = 0.0\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 32.1 %
Average Yield 0.0 %
Annualized Rate of Return 32.1 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 26.1 %
Average Yield 0.0 %
Annualized Rate of Return 26.1 %