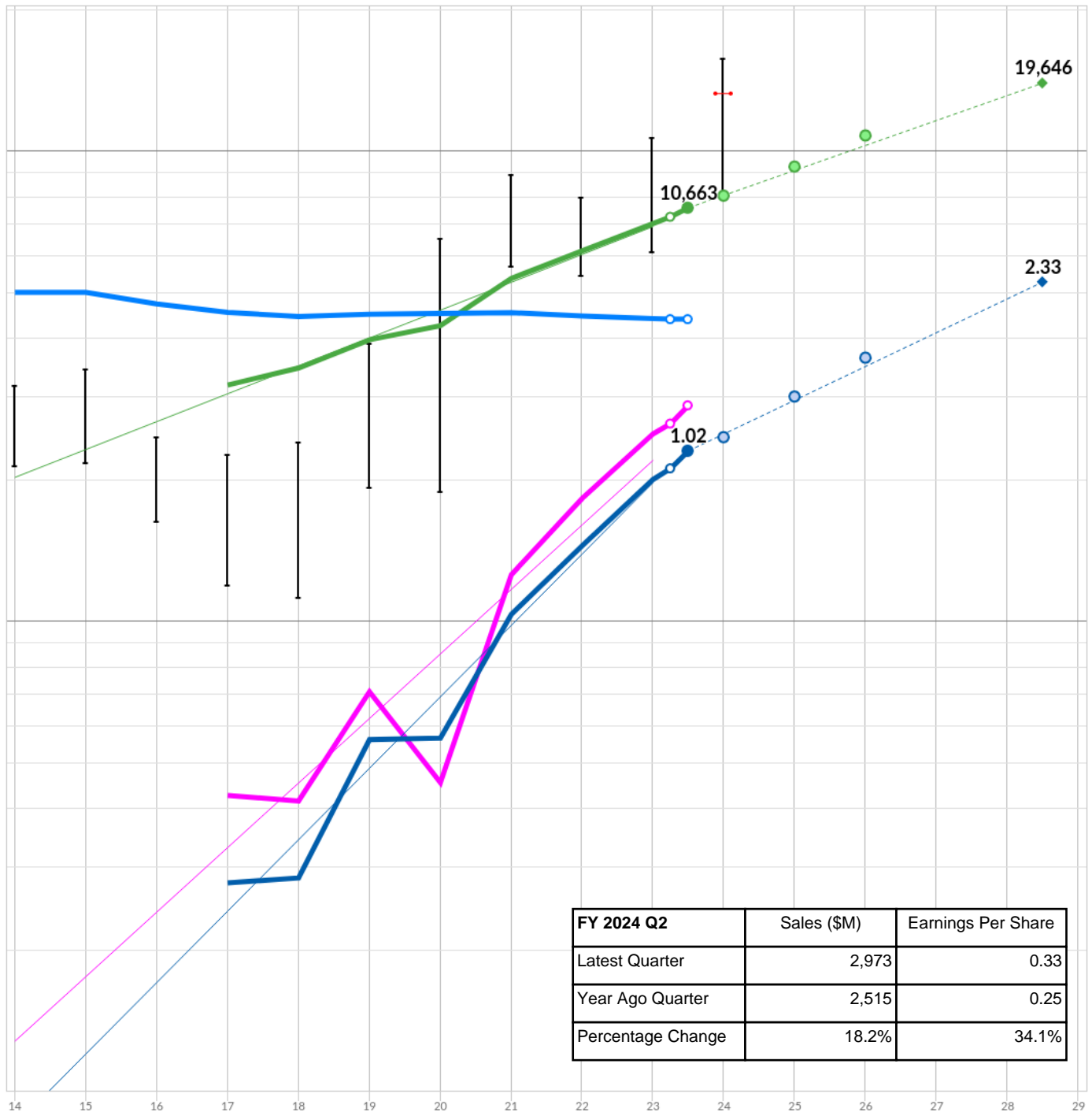


## Stock Selection Guide

Company	Chipotle Mexican Gri		Date	10/11/24	
Prepared by	Detloff		Data taken from	BI Stock Data	
Where traded	NYS	Industry	Restaurants		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	1,381.5	0.5	63.2		
Debt (\$M)	4,278.8	% to Tot Cap	53.5	% Pot Dil	0.6

Symbol: CMG

### 1 VISUAL ANALYSIS of Sales, Earnings, and Price



FY 2024 Q2	Sales (\$M)	Earnings Per Share
Latest Quarter	2,973	0.33
Year Ago Quarter	2,515	0.25
Percentage Change	18.2%	34.1%

- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 14.6% | (3) Historical Earnings Per Share Growth       | 41.9% |
| (2) Estimated Future Sales Growth | 13.0% | (4) Estimated Future Earnings Per Share Growth | 18.0% |

## 2 EVALUATING Management

Chipotle Mexican Gri

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	17.4%	17.1%	1.0%	6.2%	5.5%	8.2%	4.9%	10.8%	13.7%	16.4%	10.8%
% Earned on Equity	23.2%	19.2%	1.5%	12.5%	12.2%	21.2%	19.4%	27.8%	38.0%	42.1%	29.7%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	62.9%	61.0%	60.5%	61.2%	57.0%	60.5%

## 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.

**CURRENT PRICE** 58.65 (10/11/24)

**52-WEEK HIGH** 69.26

**52-WEEK LOW** 35.37

	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
2019	17.2	8.5	0.25	69.2	34.2	0.00	0.0	0.0
2020	28.7	8.3	0.25	114.8	33.2	0.00	0.0	0.0
2021	39.2	25.1	0.46	85.5	54.9	0.00	0.0	0.0
2022	35.1	23.9	0.64	54.7	37.3	0.00	0.0	0.0
2023	47.0	26.9	0.89	53.0	30.3	0.00	0.0	0.0
<b>AVERAGE</b>		<b>18.5</b>		<b>53.8</b>	<b>33.8</b>		<b>0.0</b>	
CURRENT/TTM			1.02	67.9	34.7	0.00	0.0	
<b>AVERAGE PRICE EARNINGS RATIO: 43.8</b>					<b>CURRENT PRICE EARNINGS RATIO: 57.5</b>			

## 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 51.8 X Estimate High Earnings/Share 2.33 = Forecasted High Price \$ 120.9

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 34.2 X Estimate Low Earnings/Share 0.77 = Forecasted Low Price \$ 26.3

(b) Avg. Low Price of Last 5 Years 18.5

(c) Recent Market Low Price 23.9

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

Selected Forecasted Low Price \$ 26.3

### C ZONING using 25%-50%-25%

Forecasted High Price 120.9 Minus Forecasted Low Price 26.3 = 94.6 Range. 25% of Range 23.6

Buy Zone 26.3 to 49.9

Hold Zone 49.9 to 97.2

Sell Zone 97.2 to 120.9

Present Market Price of 58.65 is in the **HOLD** Zone

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{120.9 - 58.65}{58.65 - 26.3} = \frac{62.23}{32.35} = 1.9$  To 1

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

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price}} = \frac{120.9 - 58.65}{58.65} = 2.0610 \times 100 = 206.10 - 100 = 106.1$  % 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**  $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.00}{58.65} = 0.0000 = 0.0\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{0.0\%}{51.80} = 0.0\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{0.0\%}{43.00} = 0.0\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 15.6 %  
Average Yield 0.0 %  
Annualized Rate of Return 15.6 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 11.3 %  
Average Yield 0.0 %  
Annualized Rate of Return 11.3 %

**Notes: CMG 10/6/2024**

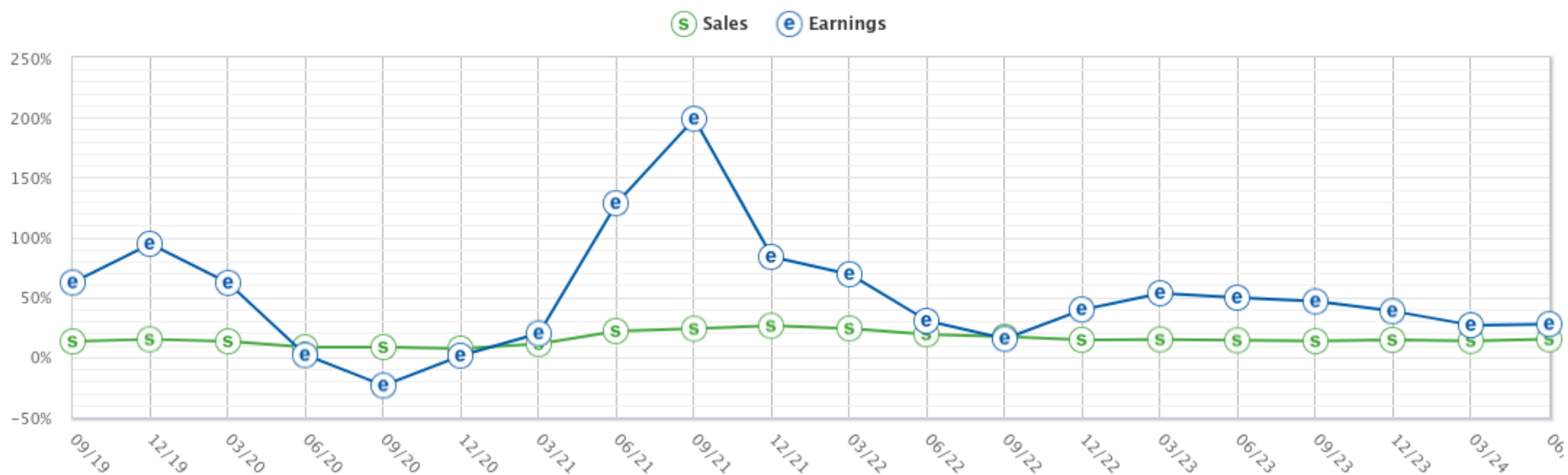
<b>Date</b>	<b>Subject</b>	<b>Description</b>	<b>Type</b>
06/17/24	Enter 41 as the Average High PE instead of 56.7	Enter 41 as the Average High PE instead of 56.7 to get the VL High Price. My buy range after the 50 for-1 split is 35.3 to 54.146 Buy range	Community
12/21/23	Initial Review	We are putting CMG on our watch list. Excellent growth but the current price of \$2200 is a bit too expensive and we have set an attractive price of \$1700 with a reasonable PE	Community

**Study Audit: CMG 10/6/2024**

Review Advised	Category	Explanation
✓	%Debt to Capital	More than one-third of this company's capitalization consists of debt. You may want to consider the nature of the industry and this company's prior track record to determine whether this is acceptable. Last FY Debt to Capital: 57.0%
✓	Future P/Es	Do you want to rely upon investors paying more than 30 times earnings for this stock in order for you to make money? Average High P/E Forecast: 51.8
✓	Future P/Es	Do you want to estimate the future low PE to exceed the average low? Average Low P/E Forecast: 34.2 Average Low P/E: 33.8
✓	SSG Results	This stock is selling at a higher multiple of earnings than the average that investors have paid for it over the past five years. Relative Value: 131.3%
✓	SSG Results	If purchased at the current price, your potential gain is projected to be less than three times your potential loss. Upside Downside Ratio: 1.9

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data



Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales	\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales	
06/24	0.33	34.1	607.9	20.4	35.6	2,973.1	18.2	25.0	1.02	1,864.3	17.5	10,663.2	454.4	24.4	27.5	27.0	14.9
03/24	0.26	23.8	460.7	17.0	22.3	2,701.8	14.1	22.0	0.94	1,704.6	16.7	10,204.9	410.0	24.1	26.7	24.6	13.6
12/23	0.20	27.5	382.4	15.2	26.0	2,516.3	15.4	26.2	0.89	1,620.5	16.4	9,871.6	391.9	24.2	38.2	37.2	14.3
09/23	0.23	22.8	413.3	16.7	21.6	2,471.9	11.3	24.2	0.84	1,541.5	16.2	9,535.9	373.0	24.2	46.4	47.4	13.3
06/23	0.25	33.0	448.3	17.8	28.7	2,514.8	13.6	23.8	0.80	1,468.2	15.8	9,284.2	355.7	24.2	49.5	55.3	14.0
03/23	0.21	87.5	376.6	15.9	98.2	2,368.6	17.2	22.6	0.74	1,368.1	15.2	8,982.7	336.9	24.6	53.3	62.2	14.8
12/22	0.16	70.2	303.4	13.9	81.1	2,180.6	11.2	26.3	0.64	1,181.5	13.7	8,634.7	273.7	23.2	39.7	45.4	14.4

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data									
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit			Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change			\$	\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
09/22	0.18	27.8	340.0	15.3	41.9	2,220.2	13.7	24.4	0.58	1,045.7	12.4	8,414.7	226.7	21.7	15.2	37.1	17.0	
06/22	0.19	40.2	348.2	15.7	41.3	2,213.3	17.0	25.3	0.54	945.3	11.6	8,146.8	182.0	19.3	30.2	50.1	19.0	
03/22	0.11	25.8	190.0	9.4	19.3	2,020.5	16.0	16.7	0.48	843.5	10.8	7,826.0	159.0	18.8	69.1	122.4	23.9	
12/21	0.09	-29.9	167.6	8.5	42.3	1,960.6	22.0	20.3	0.46	812.8	10.8	7,547.1	160.3	19.7	83.6	176.7	26.1	
09/21	0.14	157.1	239.6	12.3	124.9	1,952.3	21.9	14.7	0.50	762.9	10.6	7,194.1	-6.9	-0.9	198.8	175.4	23.7	
06/21	0.13	2,100.0	246.4	13.0	5,808.4	1,892.5	38.7	23.7	0.41	629.9	9.2	6,843.2	10.0	1.6	128.3	116.8	21.8	
03/21	0.09	64.8	159.3	9.1	115.6	1,741.6	23.4	20.2	0.29	379.2	6.0	6,315.4	257.9	68.0	19.7	-9.5	11.0	
12/20	0.13	162.7	117.7	7.3	16.6	1,607.7	11.6	-62.2	0.25	293.8	4.9	5,984.6	182.5	62.1	1.2	-35.9	7.1	
09/20	0.06	-18.8	106.5	6.7	-11.3	1,601.4	14.1	24.7	0.17	277.0	4.8	5,817.1	234.8	84.7	-23.7	-30.9	8.3	
06/20	0.01	-90.6	-4.3	-0.3	-103.5	1,364.7	-4.8	289.4	0.18	290.6	5.2	5,619.4	241.3	83.0	1.7	-14.8	8.2	
03/20	0.05	-14.3	73.9	5.2	-34.8	1,410.8	7.8	-3.4	0.24	418.9	7.4	5,688.9	72.6	17.3	61.9	45.7	13.2	
12/19	0.05	121.7	101.0	7.0	132.3	1,440.2	17.6	28.3	0.25	458.3	8.2	5,586.4	108.8	23.7	94.5	70.7	14.8	
09/19	0.07	155.6	120.0	8.6	98.5	1,403.7	14.6	17.9	0.22	400.8	7.5	5,371.2	93.2	23.2	62.2	39.9	13.1	
06/19	0.06	88.2	124.0	8.6	76.4	1,434.2	13.2	26.6	0.18	341.2	6.6	5,192.5	95.5	28.0	45.1	32.2	11.6	
03/19	0.06	46.5	113.3	8.7	20.3	1,308.2	13.9	22.2	0.15	287.5	5.7	5,024.8	85.3	29.7	9.7	-2.7	10.3	
12/18	0.02	-25.8	43.5	3.5	-29.3	1,225.1	10.4	26.3	0.13	268.4	5.5	4,865.0	89.5	33.3	3.3	-2.6	8.7	
09/18	0.03	92.9	60.5	4.9	88.2	1,225.0	8.6	36.8	0.14	286.4	6.0	4,750.0	97.2	33.9	31.1	16.7	7.9	
06/18	0.03	-26.1	70.3	5.5	-34.8	1,266.5	8.3	33.3	0.12	258.1	5.5	4,653.1	89.0	34.5	29.8	15.4	8.0	
03/18	0.04	34.4	94.2	8.2	26.7	1,148.4	7.4	36.9	0.13	295.6	6.5	4,556.0	105.5	35.7	106.2	87.6	10.1	
12/17	0.03	181.8	61.5	5.5	97.4	1,110.1	7.3	28.8	0.12	275.7	6.2	4,476.4	99.1	36.0	720.0	611.8	14.7	
09/17	0.01	180.0	32.1	2.8	209.1	1,128.1	8.8	39.0	0.10	245.4	5.6	4,400.9	100.5	40.9	119.1	117.2	13.8	
06/17	0.05	170.6	107.8	9.2	158.6	1,169.4	17.1	38.1	0.09	223.7	5.2	4,309.8	83.7	37.4	-29.9	-34.0	6.5	
03/17	0.03	277.8	74.4	7.0	267.2	1,068.8	28.1	38.0	0.07	157.6	3.8	4,138.8	59.2	37.6	-68.4	-70.1	-2.5	
12/16	0.01	-74.4	31.1	3.0	-70.5	1,034.6	3.7	48.7	0.02	38.7	1.0	3,904.4	14.8	38.2	-95.0	-95.0	-13.3	
09/16	0.01	-94.6	10.4	1.0	-95.6	1,037.0	-14.8	25.0	0.05	113.0	2.9	3,867.3	39.5	34.9	-86.0	-86.8	-15.4	
06/16	0.02	-80.9	41.7	4.2	-81.8	998.4	-16.6	38.6	0.13	338.9	8.4	4,047.2	130.0	38.4	-59.0	-58.9	-8.9	
03/16	-0.02	-123.1	-44.5	-5.3	-122.3	834.5	-23.4	40.6	0.21	526.4	12.4	4,246.6	202.2	38.4	-33.1	-32.3	-1.1	
12/15	0.04	-44.2	105.4	10.6	-44.2	997.5	-6.8	35.6	0.30	769.9	17.1	4,501.2	291.6	37.9	6.7	7.8	9.6	
09/15	0.09	10.8	236.3	19.4	13.5	1,216.9	12.2	38.7	0.34	853.2	18.7	4,573.5	323.5	37.9				
06/15	0.09	27.1	229.2	19.1	26.6	1,197.8	14.1	38.8	0.33	825.2	18.6	4,440.9	309.7	37.5				
03/15	0.08	47.2	199.0	18.3	46.0	1,089.0	20.4	38.4	0.31	777.0	18.1	4,293.1	292.1	37.6				

**Quarterly Growth Trend Data**

Graph: Trailing 4 Quarters, Last 5 Years of Data

Quarterly Data									Last 12 Months Data								
Period	EPS		Pre-Tax Profit			Sales		Income Tax Rate	EPS	Pre-Tax Profit		Sales	Income Tax		%Change		
	\$	%Change	\$ Mil	%Sales	%Change	\$ Mil	%Change	\$		\$ Mil	%Sales		\$ Mil	%Rate	EPS	Pre-Tax Profit	Sales
12/14	0.08		188.8	17.6		1,069.8		35.8									
09/14	0.08		208.2	19.2		1,084.2		37.2									
06/14	0.07		181.0	17.2		1,050.1		39.1									
03/14	0.05		136.3	15.1		904.2		39.1									