

Chipotle



# FORWARD-LOOKING STATEMENTS

Information in this presentation contains forward-looking statements, which reflect expectations regarding future events and operating performance and speak only as of the date hereof. These forward-looking statements involve a number of risks and uncertainties. Such forward-looking statements may include, but are not limited to, statements about Chipotle's expected operating results and development plans, including our expected comparable restaurant sales increases, expected future restaurant openings and diluted earnings per share and other statements regarding our plans, objectives, expectations and intentions that are not historical facts. A list of the factors that could cause actual results to differ materially from those expressed in, or underlying, those forward-looking statements is detailed in our filings with the SEC, such as our annual and quarterly reports. We disclaim any obligation to update and revise statements contained in these materials based on new information or otherwise.

# WHAT WE DO

- **“The Gourmet Restaurant where you eat with your hands.”**
- **Focus on Simplicity:  
Doing fewer things allows us to do them better.**



# FOOD WITH INTEGRITY

- Started with naturally raised pork
- Ongoing journey to find the best ingredients
- Serve more naturally raised meat than any other restaurant
- rBGH-free sour cream and 25% organically grown beans





# DESIGN

- Simple materials used in uncommon ways to create something extraordinary
- Always improving design, durability, and function
- Supports efficient operation of restaurants



# THE IMPORTANCE OF PEOPLE

- We hire for and encourage individuality
- Meaningful work makes our crews proud
  - Cooking great food in a professional kitchen
  - The people who cook also serve the food
- The manager is the most important person in the company



# RESTAURATEUR PROGRAM

- For our elite managers
- Provides a career in the restaurant
- Meaningful incentives
- Serves as a generator for future leadership

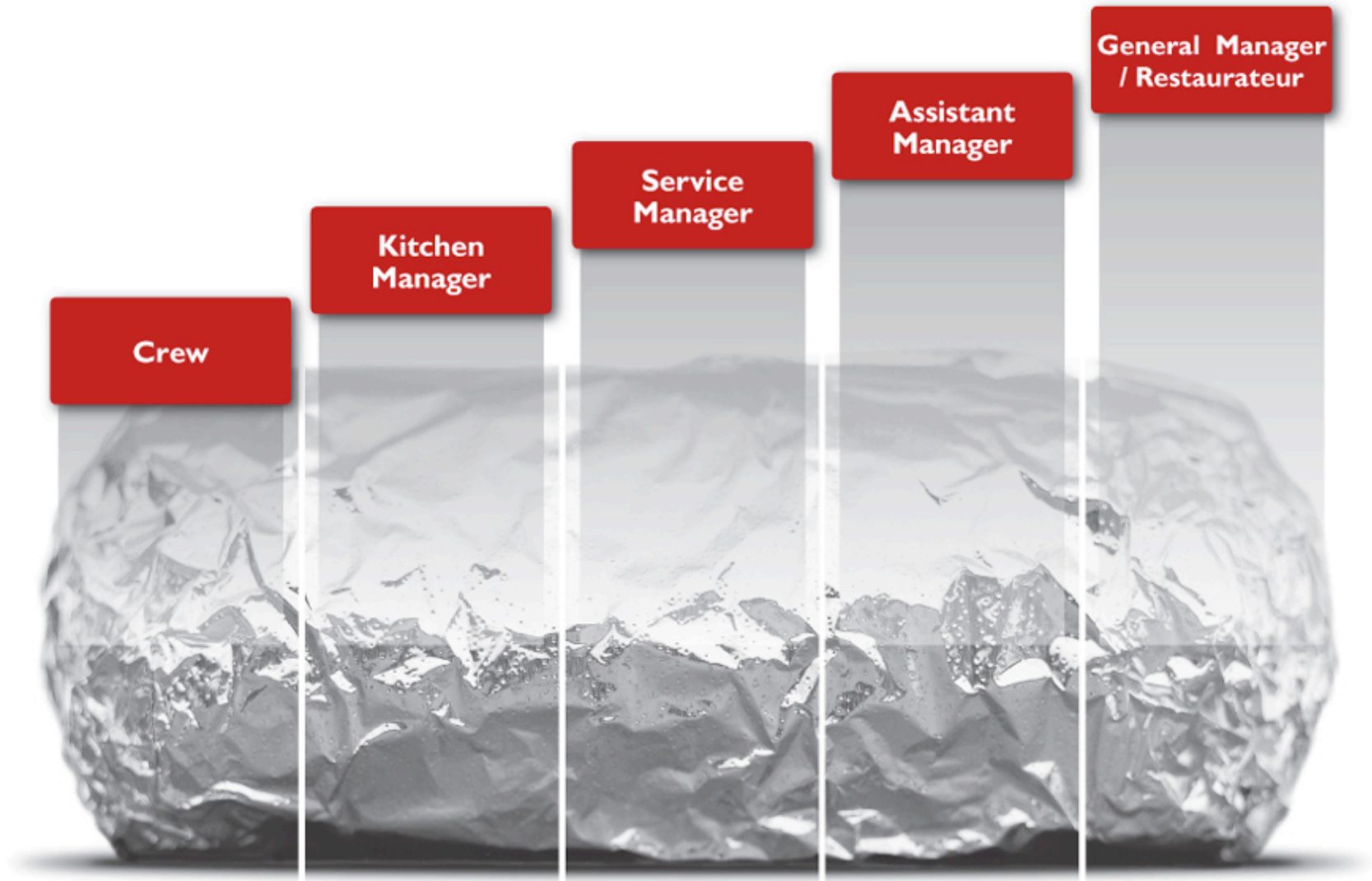




# OLD STAFFING STRUCTURE



# NEW STAFFING STRUCTURE

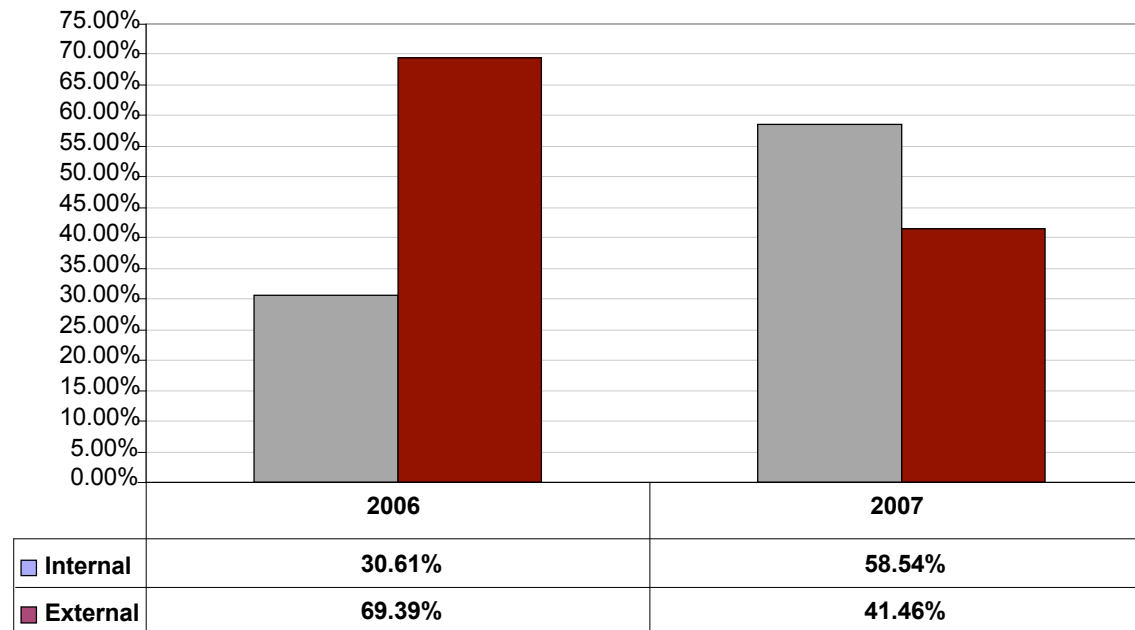




# PROMOTING FROM WITHIN

- Reduced turnover
- Better managers
- Better staffing ratios

## Internal vs. External Hires into Salaried Management



# MORE RESTAURANTS

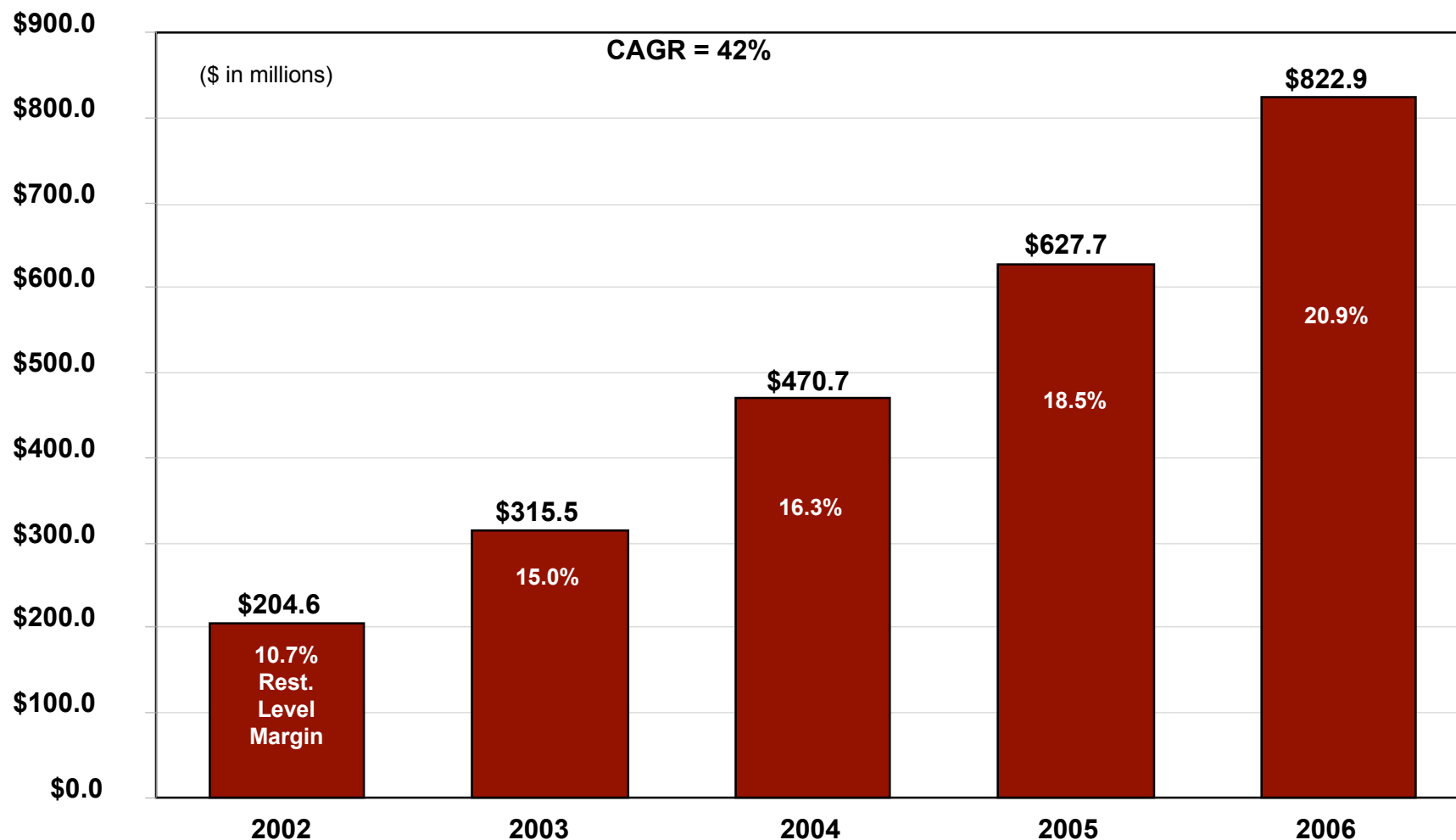
- 605 restaurants as of 3/31/07
- Expect to open 110 - 120 this year
- Emphasize quality over quantity
- Expand only as fast as we can find great real estate and managers
- Fewer free-standers, wider range of sizes



# FINANCIAL OVERVIEW

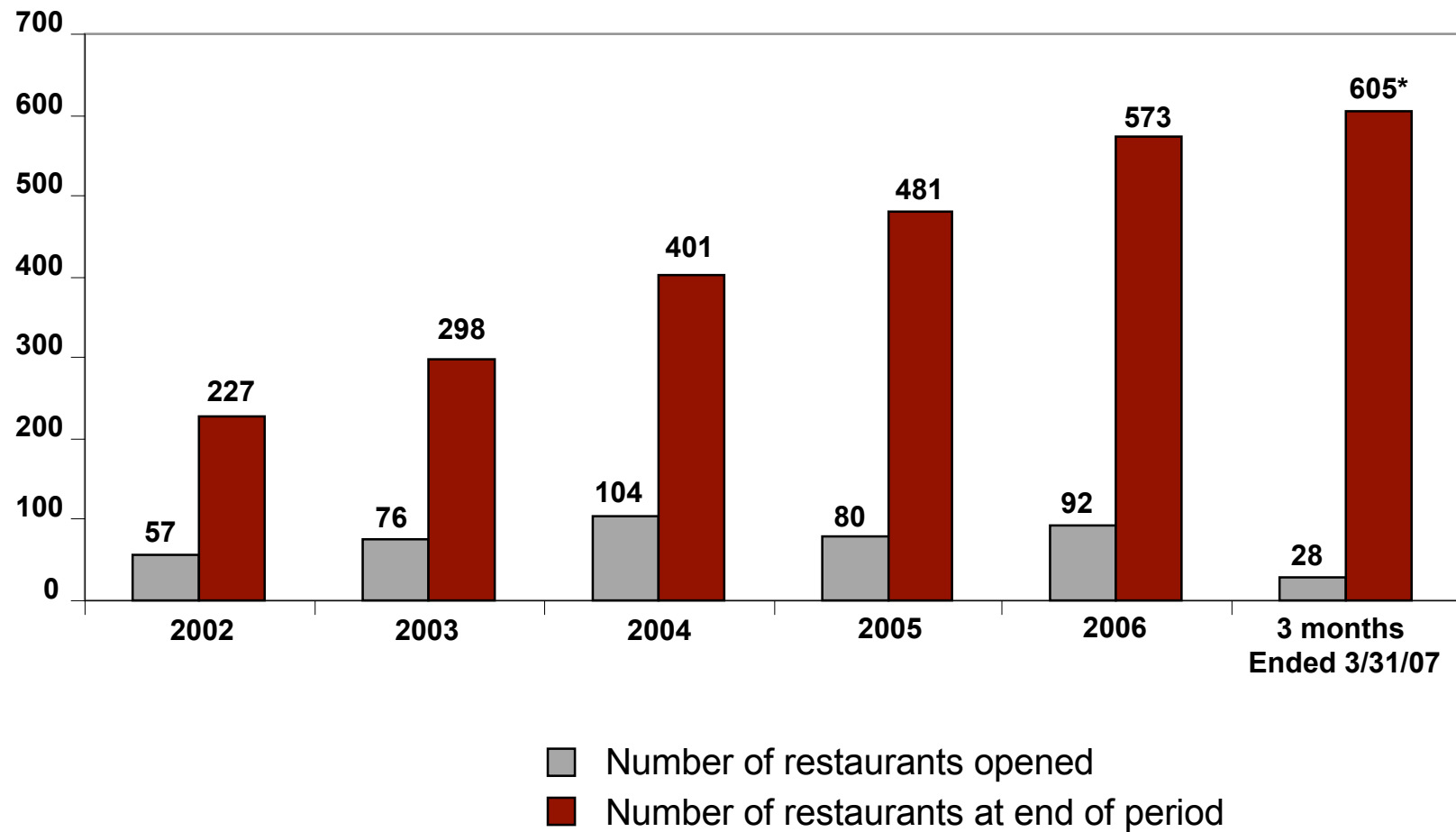


# REVENUE GROWTH



CAGR for 4.0 year period from 2002 to 12/31/06

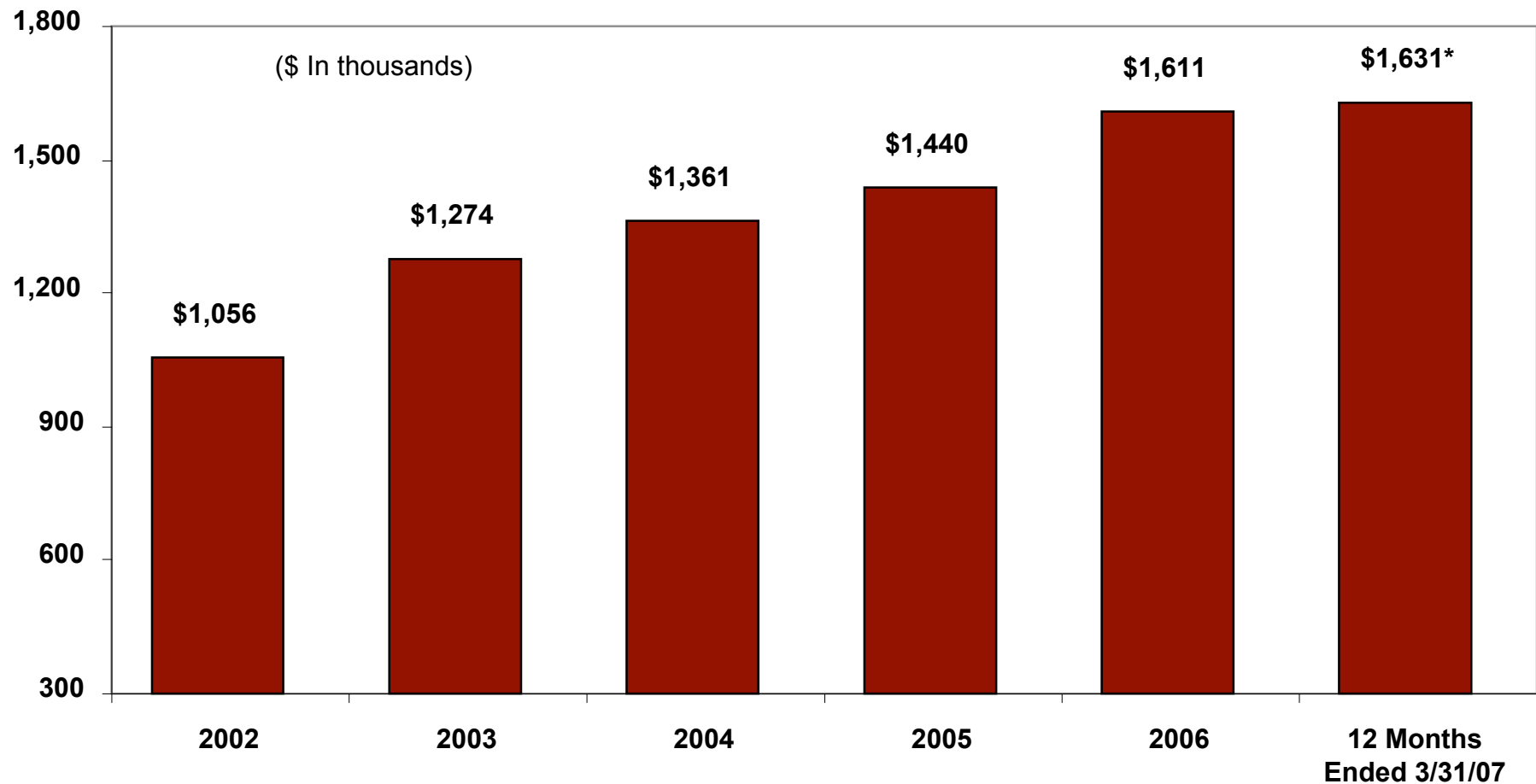
# NUMBER OF RESTAURANTS



\* Includes four franchised restaurants acquired during 1Q07.

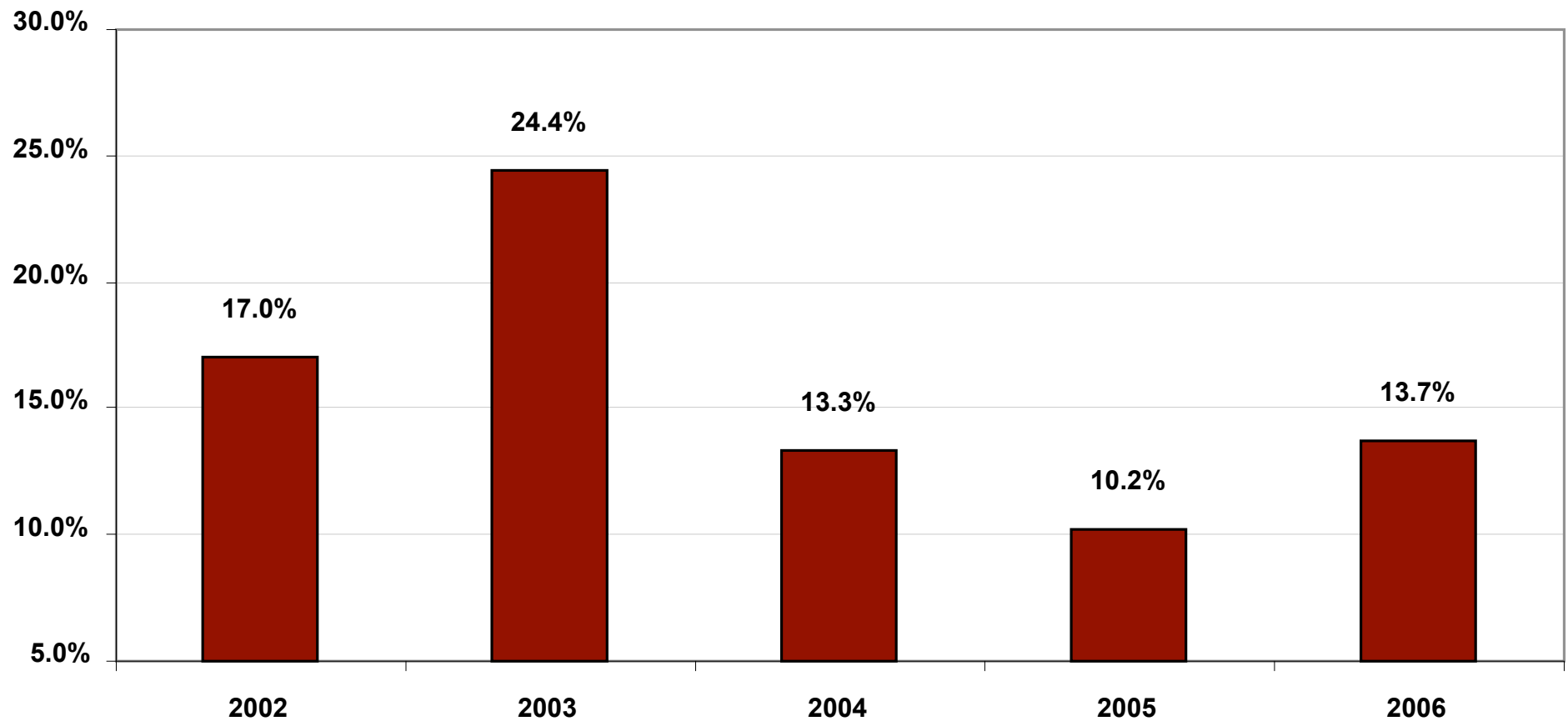


# AVERAGE RESTAURANT SALES

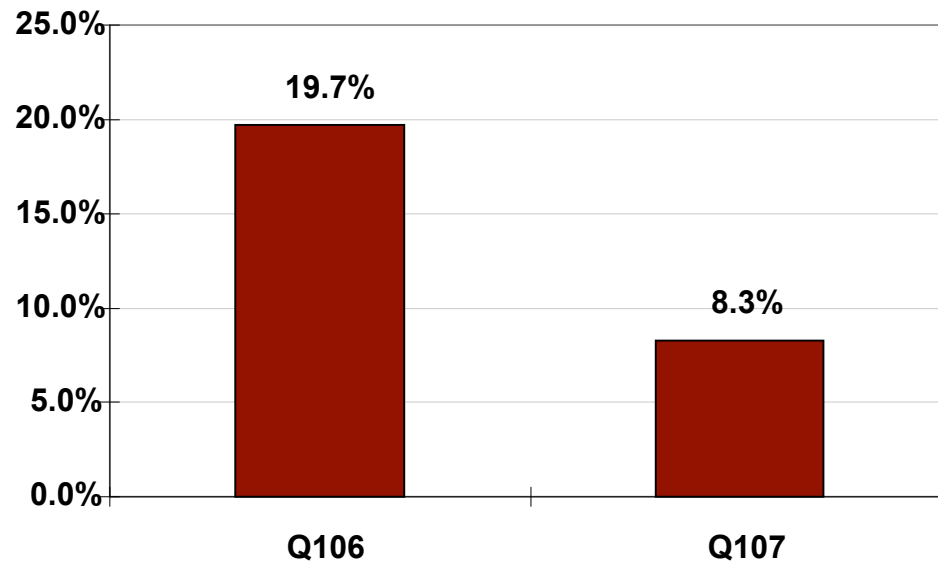


\* Includes company-operated restaurants only plus 4 franchised restaurants acquired in 1Q07. We define "average restaurant sales" as the average trailing 12-month sales for company-owned restaurants in operation for at least 12 full months.

# COMP RESTAURANT SALES GROWTH

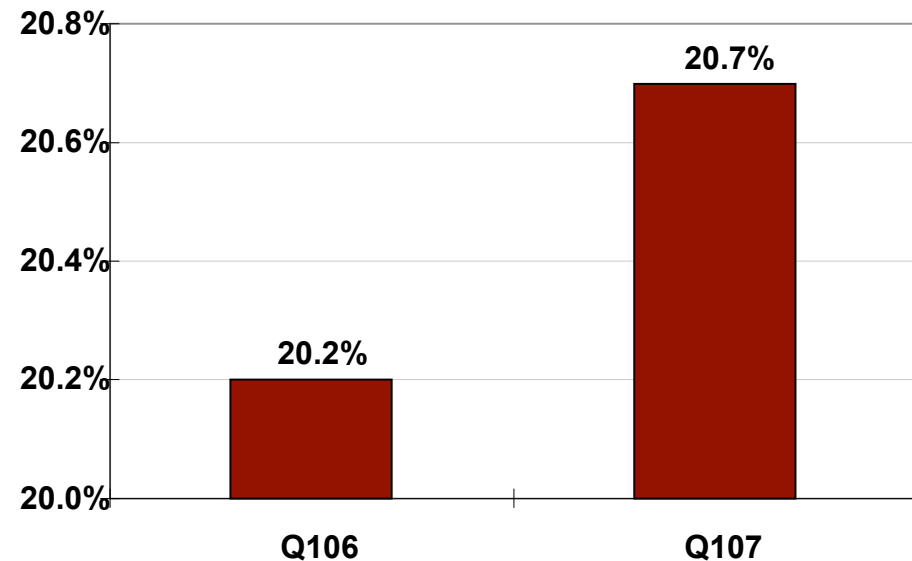


# Q1 COMPARISONS

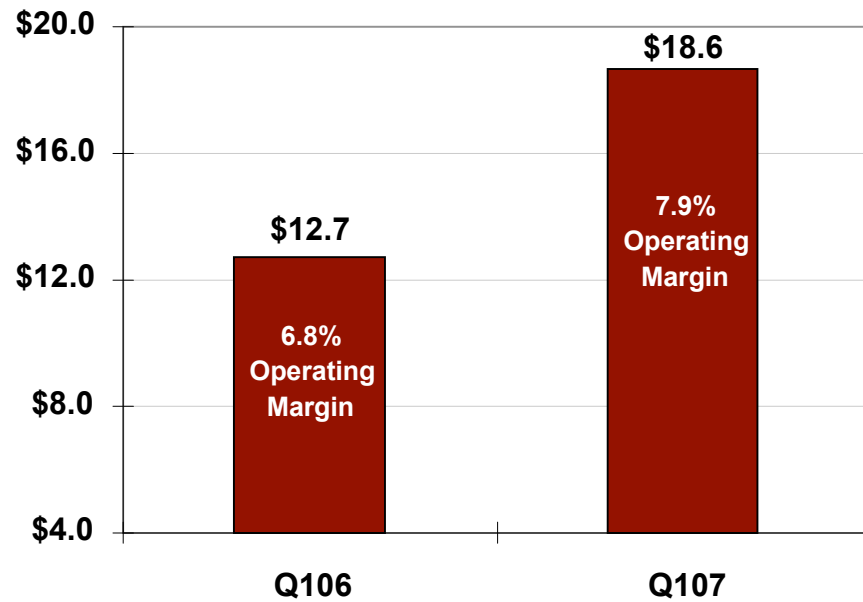


Comp  
Restaurant Sales

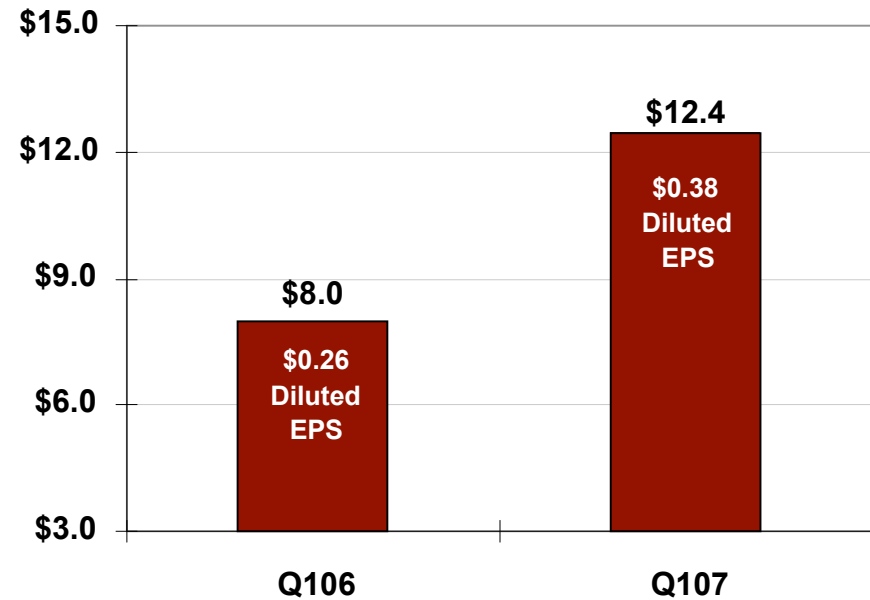
Restaurant Level  
Operating Margins



# Q1 COMPARISONS



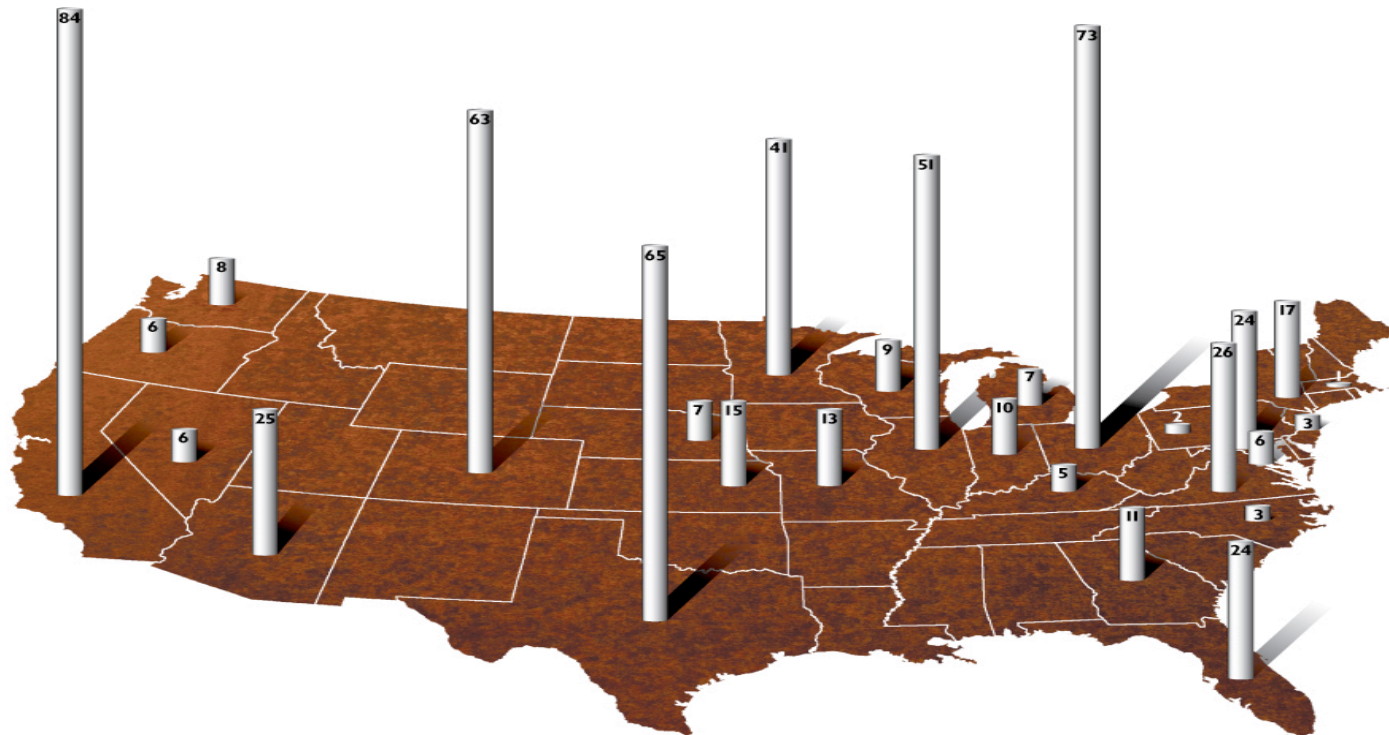
Income from  
Operations



Net Income

# Q107 RESULTS

- 28 new restaurants opened through March 2007
- \$900,000 average capex spend per new restaurant
- 4 franchised restaurants acquired in Q107
- 605 restaurants company-operated





# UNIT ECONOMICS

	Unit Economics
	March 31, 2007
<i>(\$ in thousands)</i>	
Average trailing 12-month sales <sup>(a)</sup>	\$1,631
Restaurant level cash flow <sup>(b)</sup>	\$343
Restaurant level operating margin % <sup>(c)</sup>	21.0%
Investment cost <sup>(d)</sup>	\$900
ROI % <sup>(e)</sup>	38%

- (a) Average restaurant sales number includes company-operated restaurants only.
- (b) Equals average trailing 12-month sales multiplied by Restaurant level operating margin %.
- (c) Restaurant level operating margin % calculated as follows:  

$$((\text{Total revenue less restaurant operating costs}) / \text{Total revenue}).$$
- (d) Projected 2007 average development cost per new restaurant.
- (e) ROI% is trailing twelve months Restaurant level cash flow divided by Investment cost without land.

# BALANCE SHEET

March 31, 2007

*(\$ in thousands)*

## **Assets**

Cash and cash equivalents	\$158,902
Other assets	\$467,339
Total assets	<u>\$626,241</u>

## **Liabilities and shareholders' equity**

Total debt	\$4,018
Other liabilities	\$136,062
Total shareholders' equity	<u>\$486,161</u>
Total liabilities and shareholders' equity	<u>\$626,241</u>

# GUIDANCE

- Expect comp restaurant sales growth for fiscal 2007 in the mid to high single digits
- Plan to open between 110 and 120 restaurants
- Grow long-term diluted EPS at an average annual rate of at least 25%

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