MediaRoom

CHIPOTLE ANNOUNCES FIRST QUARTER 2025 RESULTS

CHIPOTLE HIGHLIGHTS BRAND STRENGTH AND INNOVATION IN FIRST QUARTER RESULTS

NEWPORT BEACH, Calif., April 23, 2025 /PRNewswire/ -- Chipotle Mexican Grill, Inc. (NYSE: CMG) today reported financial results for its first quarter ended March 31, 2025.

First quarter highlights, year over year:

- Total revenue increased 6.4% to $2.9 billion
- Comparable restaurant sales decreased 0.4%
- Operating margin was 16.7%, an increase from 16.3%
- Restaurant level operating margin[1] was 26.2%, a decrease from 27.5%
- Diluted earnings per share was $0.28, a 7.7% increase from $0.26[2]
- Adjusted diluted earnings per share[1] was $0.29, a 7.4% increase from $0.27 [2]
- Opened 57 company-owned restaurants with 48 locations including a Chipotlane, and two international licensed restaurants

"While our first quarter results were impacted by several headwinds including weather and a slowdown in consumer spending, our teams continue to make significant progress improving the execution in our restaurants, innovating our back of house, and building Chipotle into a global iconic brand," said Scott Boatwright, Chief Executive Officer, Chipotle. "I am confident that we have a strong plan to return to positive transaction comps by the second half of the year, and during these uncertain times, we will continue to invest in the things that make Chipotle a special brand – our people, culinary, value proposition, innovation and growth."

Results for the three months ended March 31, 2025:
Total revenue in the first quarter of 2025 was $2.9 billion, an increase of 6.4% compared to the first quarter of 2024. The increase in total revenue was driven by new restaurant openings. Comparable restaurant sales decreased 0.4% due to lower transactions of 2.3%, partially offset by a 1.9% increase in average check. Digital sales represented 35.4% of total food and beverage revenue.

During the first quarter we opened 57 company-owned restaurants, of which 48 included a Chipotlane, and two international licensed restaurants. Chipotlanes continue to perform well and are helping enhance guest access and convenience, as well as increase new restaurant sales, margins, and returns.

Food, beverage and packaging costs in the first quarter of 2025 were 29.2% of total revenue, an increase from 28.8% in the first quarter of 2024. The increase was due to inflation and higher usage across several items including avocados, dairy, and chicken, as well as a protein mix shift from limited time offerings. This increase was partially offset by the benefit of menu price increases in 2024 and, to a lesser extent, benefits from recent supply chain initiatives.

Labor costs in the first quarter of 2025 were 25.0% of total revenue, an increase from 24.4% in the first quarter of 2024. The increase was primarily due to lower sales volumes as the benefit from menu price increases in 2024 was offset by wage inflation, including minimum wage increases for our restaurants in California.

General and administrative expenses for the first quarter of 2025 were $172.8 million, compared to $204.6 million in the first quarter of 2024. The decrease was primarily due to lower conference expense, primarily associated with our biennial All Managers' Conference held in the 2024 comparable period, and legal reserves. On a non-GAAP basis, general and administrative expenses[1] for the first quarter of 2025 were $160.9 million, compared to $191.4 million in the first quarter of 2024.

The effective income tax rate for the first quarter of 2025 was 22.9%, an increase from 22.0% in the first quarter of 2024. The increase was primarily driven by a reduction in tax benefits related to option exercises and equity vesting.

Net income for the first quarter of 2025 was $386.6 million, or $0.28 per diluted share, compared to $359.3 million, or $0.26[2] per diluted share in the first quarter of 2024. Adjusted net income[1] for the first quarter of 2025 was $396.8 million, or $0.29 per adjusted diluted share, compared to $369.3 million, or $0.27[2] per adjusted diluted share in the first quarter of 2024.

During the first quarter of 2025 we repurchased $553.7 million of stock at an average price per share of $54.15. As of March 31, 2025, $874.7 million remained available under share repurchase authorizations from our Board of Directors, including an additional $400 million in authorizations approved by our Board of Directors on March 27, 2025. The repurchase authorization may be modified, suspended, or discontinued at any time.

More information will be available in our Quarterly Report on Form 10-Q, which will be filed with the SEC by the end of April 2025.

Outlook

For 2025, management is anticipating the following:

- Full year comparable restaurant sales growth in the low single digit range

- 315 to 345 new company-owned restaurant openings with over 80% having a Chipotlane
- An estimated underlying effective full year tax rate between 25% and 27% before discrete items

Definitions

The following definitions apply to these terms as used throughout this release:

- **Comparable restaurant sales, or sales comps, and comparable restaurant transactions** represent the change in period-over-period total revenue or transactions for restaurants in operation for at least 13 full calendar months.
- **Average restaurant sales** refers to the average trailing 12-month food and beverage revenue for restaurants in operation for at least 12 full calendar months.
- **Restaurant level operating margin** represents total revenue less direct restaurant operating costs, expressed as a percent of total revenue.
- **Digital sales** represent food and beverage revenue for company-owned restaurants generated through the Chipotle website, Chipotle app or third-party delivery aggregators. Digital sales include revenue deferrals associated with Chipotle Rewards.

Conference Call Details

Chipotle will host a conference call on Wednesday, April 23, 2025, at4:30 PM Eastern time to discuss first quarter financial results as well as provide a business update for the second quarter 2025.

The conference call can be accessed live over the phone by dialing 1-888-317-6003, or for international callers by dialing 1-412-317-6061, and use code: 9708556. The call will be webcast live from the company's website on the investor relations page at ir.chipotle.com/events. An archived webcast will be available approximately one hour after the end of the call.

About Chipotle

Chipotle Mexican Grill, Inc. (NYSE: CMG) is cultivating a better world by serving responsibly sourced, classically-cooked, real food with wholesome ingredients without artificial colors, flavors or preservatives. There are nearly 3,800 restaurants as of March 31, 2025, in the United States, Canada, the United Kingdom, France, Germany, Kuwait, and United Arab Emirates and it is the only restaurant company of its size that owns and operates all its restaurants in North America and Europe. With over 130,000 employees passionate about providing a great guest experience, Chipotle is a longtime leader and innovator in the food industry. Chipotle is committed to making its food more accessible to everyone while continuing to be a brand with a demonstrated purpose as it leads the way in digital, technology and sustainable business practices. For more information or to place an order online, visit WWW.CHIPOTLE.COM.

Forward-Looking Statements

Certain statements in this press release and in theApril 23, 2025, conference call are forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements under "Outlook" about our anticipated full year 2025 comparable restaurant sales growth, number of new restaurant openings in 2025, and estimated underlying effective 2025 full year tax rate, as well as statements about our goal to have 7,000 restaurants in the U.S and Canada and expand internationally, expected number of restaurants with Chipotlanes, our future food, beverage, packaging, labor, general and administrative and other costs, future estimated tax rates and future long-term prospects. We use words such as "anticipate", "believe", "could", "should", "may", "approximately", "estimate", "assuming", "expect", "intend", "project", "target", "goal" and similar terms and phrases, including references to assumptions, to identify forward-looking statements. The forward-looking statements in this press release are based on currently available operating, financial and competitive information available to us as of the date of this release and we assume no obligation to update these forward-looking statements. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those described in the statements, including but not limited to: increasing wage inflation including as a result of government regulations mandating higher minimum wages, and the competitive labor market, which impacts our ability to attract and retain qualified employees and has resulted in occasional staffing shortages; the impact of any union organizing efforts and our responses to such efforts; increases in food, beverage, packaging and other operating costs and the inability of our third-party suppliers and business partners to fulfill their commitments due to inflation, global conflicts, climate change, our Food with Integrity philosophy, tariffs or trade restrictions and supply shortages; risks of food safety incidents and food-borne illnesses; risks associated with our reliance on certain information technology systems operated by us or by third parties and potential failures, outages or interruptions; privacy and cybersecurity risks, including risk of breaches, unauthorized access, theft, modification, destruction or ransom of guest or employee personal or confidential information stored on our network or the network of third-party providers; the impact of competition, including from sources outside the restaurant industry; the impact of government regulations relating to our employees, employment practices, restaurant design and construction, and the sale of food or alcoholic beverages; our ability to achieve our planned growth, such as the costs and availability of suitable new restaurant sites and the equipment and technology needed to fully outfit new restaurants, construction materials and contractors and the expected costs to accelerate our international expansion through licensed restaurants in the Middle East; the uncertainty of our ability to achieve expected levels of comparable restaurant sales due to factors such as changes in guests' perceptions of our brand, including as a result of actual or rumored food safety concerns or other negative publicity, decreased overall consumer spending, including as a result of high

inflation, mass layoffs, fears of possible recession and higher energy costs, or the inability to increase menu prices or realize the benefits of menu price increases; risks associated with our reliance on third party delivery services; and risks relating to litigation, including possible governmental actions and potential class action litigation related to food safety incidents, cybersecurity incidents, employment or privacy laws, advertising claims, contract disputes or other matters; and other risk factors described from time to time in our SEC reports, including our annual report on Form 10-K and quarterly reports on Form 10-Q, all of which are available on the investor relations page of our website at ir.Chipotle.com.

1. Restaurant level operating margin, adjusted diluted earnings per share, adjusted net income, non-GAAP general and administrative expenses, and non-GAAP effective income tax rate are non-GAAP financial measures. Reconciliations to GAAP measures and further information are set forth in the table at the end of this press release.
2. Prior period results have been retroactively adjusted for the 50-for-1 stock split in June 2024.

CHIPOTLE MEXICAN GRILL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)
(unaudited)

	Three months ended March 31,			
	2025		**2024**	
Food and beverage revenue	$ 2,859,831	99.5 %	$ 2,684,447	99.4 %
Delivery service revenue	15,422	0.5	17,401	0.6
Total revenue	2,875,253	100.0	2,701,848	100.0
Restaurant operating costs (exclusive of depreciation and amortization shown separately below):				
Food, beverage and packaging	838,403	29.2	779,076	28.8
Labor	718,226	25.0	659,450	24.4
Occupancy	149,841	5.2	135,699	5.0
Other operating costs	415,161	14.4	385,773	14.3
General and administrative expenses	172,783	6.0	204,625	7.6
Depreciation and amortization	87,211	3.0	83,243	3.1
Pre-opening costs	8,210	0.3	7,211	0.3
Impairment, closure costs, and asset disposals	6,168	0.2	5,479	0.2
Total operating expenses	2,396,003	83.3	2,260,556	83.7
Income from operations	479,250	16.7	441,292	16.3
Interest and other income, net	22,253	0.8	19,364	0.7
Income before income taxes	501,503	17.4	460,656	17.0
Provision for income taxes	114,904	4.0	101,369	3.8
Net income	$ 386,599	13.4 %	$ 359,287	13.3 %
Earnings per share:				
Basic	$ 0.29		$ 0.26	
Diluted	$ 0.28		$ 0.26	
Weighted-average common shares outstanding:				
Basic	1,354,518		1,372,175	
Diluted	1,360,719		1,381,162	

Prior period results have been retroactively adjusted for the 50-for-1 stock split in June 2024.

CHIPOTLE MEXICAN GRILL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	March 31, 2025	**December 31, 2024**
	(unaudited)	
Assets		
Current assets:		

Cash and cash equivalents	$ 725,597	$ 748,537
Accounts receivable, net	101,594	143,963
Inventory	41,387	48,942
Prepaid expenses and other current assets	103,945	97,538
Income tax receivable	-	67,229
Investments	689,125	674,378
Total current assets	1,661,648	1,780,587
Leasehold improvements, property and equipment, net	2,436,762	2,390,126
Long-term investments	701,056	868,025
Restricted cash	30,526	29,842
Operating lease assets	4,075,748	4,000,127
Other assets	116,415	113,728
Goodwill	21,939	21,939
Total assets	$ 9,044,094	$ 9,204,374
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 217,406	$ 210,695
Accrued payroll and benefits	154,429	261,913
Accrued liabilities	185,307	179,747
Unearned revenue	203,744	238,577
Current operating lease liabilities	284,505	277,836
Income tax payable	46,147	-
Total current liabilities	1,091,538	1,168,768
Long-term operating lease liabilities	4,348,574	4,262,782
Deferred income tax liabilities	38,879	46,208
Other liabilities	74,231	71,070
Total liabilities	5,553,222	5,548,828
Shareholders' equity:		
Preferred stock, $0.01 par value, 600,000 shares authorized, no shares issued as of March 31, 2025 and December 31, 2024, respectively	-	-
Common stock, $0.01 par value, 11,500,000 shares authorized, 1,349,790 and 1,358,751 shares issued as of March 31, 2025 and December 31, 2024, respectively	13,498	13,586
Additional paid-in capital	2,117,803	2,078,010
Accumulated other comprehensive loss	(9,847)	(10,282)
Retained earnings	1,369,418	1,574,232
Total shareholders' equity	3,490,872	3,655,546
Total liabilities and shareholders' equity	$ 9,044,094	$ 9,204,374

Prior period results have been retroactively adjusted for the 50-for-1 stock split in June 2024.

CHIPOTLE MEXICAN GRILL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three months ended March 31,	
	2025	**2024**
Operating activities		
Net income	$ 386,599	$ 359,287
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	87,211	83,243
Deferred income tax provision	(7,329)	(4,890)
Impairment, closure costs, and asset disposals	6,018	4,209
Provision for credit losses	(1,294)	(412)
Stock-based compensation expense	37,601	36,003
Other	914	835
Changes in operating assets and liabilities:		

Accounts receivable	43,239	26,146
Inventory	7,535	1,331
Prepaid expenses and other current assets	(9,748)	16,291
Operating lease assets	72,540	64,797
Other assets	61	1,561
Accounts payable	13,208	12,588
Accrued payroll and benefits	(107,013)	(85,289)
Accrued liabilities	(183)	25,322
Unearned revenue	(31,001)	(19,358)
Income tax payable/receivable	113,377	97,960
Operating lease liabilities	(55,662)	(51,537)
Other long-term liabilities	1,002	1,147
Net cash provided by operating activities	557,075	569,234
Investing activities		
Purchases of leasehold improvements, property and equipment	(144,810)	(132,703)
Purchases of investments	(4,000)	(366,798)
Maturities of investments	154,889	198,462
Net cash provided by/(used in) investing activities	6,079	(301,039)
Financing activities		
Repurchase of common stock	(553,796)	(27,005)
Tax withholding on stock-based compensation awards	(32,902)	(72,654)
Other financing activities	1,524	(415)
Net cash used in financing activities	(585,174)	(100,074)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(236)	(752)
Net change in cash, cash equivalents, and restricted cash	(22,256)	167,369
Cash, cash equivalents, and restricted cash at beginning of period	778,379	586,163
Cash, cash equivalents, and restricted cash at end of period	$ 756,123	$ 753,532
Supplemental disclosures of cash flow information		
Income taxes paid	$ 8,754	$ 7,859
Purchases of leasehold improvements, property and equipment accrued in accounts payable and accrued liabilities	$ 76,389	$ 64,207
Repurchase of common stock accrued in accounts payable and accrued liabilities	$ 12,102	$ 3,646

CHIPOTLE MEXICAN GRILL, INC.
SUPPLEMENTAL FINANCIAL AND OTHER DATA
(dollars in thousands)
(unaudited)

	For the three months ended				
	Mar. 31, 2025	**Dec. 31, 2024**	**Sep. 30, 2024**	**Jun. 30, 2024**	**Mar. 31, 2024**
Company-owned restaurants opened	57	119	86	52	47
Chipotle permanent closures	(2)	(2)	(1)	(1)	(3)
Chipotle relocations	-	(6)	-	-	(2)
Company-owned restaurants at end of period	3,781	3,726	3,615	3,530	3,479
Average restaurant sales	$ 3,186	$ 3,213	$ 3,184	$ 3,146	$ 3,082
Comparable restaurant sales increase/(decrease)	(0.4 %)	5.4 %	6.0 %	11.1 %	7.0 %

	For the three months ended				
	Mar. 31, 2025	**Dec. 31, 2024**	**Sep. 30, 2024**	**Jun. 30, 2024**	**Mar. 31, 2024**
Licensed restaurants opened	2	1	1	1	-
Licensed restaurants at end of period	5	3	2	1	-

CHIPOTLE MEXICAN GRILL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Below are definitions of the non-GAAP financial measures in this release. The following tables provide a reconciliation of non-GAAP

financial measures presented in this release to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Adjusted net income is net income excluding expenses related to certain legal proceedings and stock-based compensation retention grants. Adjusted general and administrative expense is general and administrative expense excluding expenses related to certain legal proceedings and stock-based compensation retention grants. The adjusted effective income tax rate is the effective income tax rate adjusted to reflect the after tax impact of non-GAAP adjustments. Restaurant level operating margin is equal to the revenues generated by our restaurants less their direct operating costs which consist of food, beverage and packaging, labor, occupancy and other operating costs. This performance measure primarily includes the costs that restaurant level managers can directly control and excludes other costs that are essential to conduct our business. Management uses restaurant level operating margin as a measure of restaurant performance. Management believes restaurant level operating margin is useful to investors in that it highlights trends in our core business that may not otherwise be apparent to investors when relying solely on GAAP financial measures. We present these non-GAAP measures in order to facilitate meaningful evaluation of our operating performance across periods. These adjustments are intended to provide greater transparency of underlying performance and to allow investors to evaluate our business on the same basis as our management, which uses these non-GAAP measures in evaluating the company's performance. Our adjusted net income, adjusted diluted earnings per share, adjusted general and administrative expenses, adjusted effective income tax rate and restaurant level operating margin measures may not be comparable to other companies' adjusted measures. These adjustments are not necessarily indicative of what our actual financial performance would have been during the periods presented and should be viewed in addition to, and not as an alternative to, our results prepared in accordance with GAAP. Further details regarding these adjustments are included in the tables below.

CHIPOTLE MEXICAN GRILL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Adjusted Net Income and Adjusted Diluted Earnings per Share
(in thousands, except per share amounts)
(unaudited)

	Three months ended March 31,	
	2025	**2024**
Net income	$ 386,599	$ 359,287
Non-GAAP adjustments:		
Legal proceedings[1]	-	13,275
Stock-based compensation retention grants[2]	11,877	-
Total non-GAAP adjustments	11,877	13,275
Tax effect of non-GAAP adjustments above[3]	(1,676)	(3,307)
After tax impact of non-GAAP adjustments	10,201	9,968
Adjusted net income	$ 396,800	$ 369,255
Diluted weighted-average number of common shares outstanding	1,360,719	1,381,162
Diluted earnings per share	$ 0.28	$ 0.26
Adjusted diluted earnings per share	$ 0.29	$ 0.27

(1) Charges for estimated settlements for distinct legal matters that exceeded or are expected to exceed typical costs for these types of legal proceedings.
(2) Stock-based compensation expense for retention equity awards granted to key executives in connection with the CEO transition.
(3) Adjustments related to the tax effect of non-GAAP adjustments, which were determined based on the nature of the underlying non-GAAP adjustments and their relevant jurisdictional tax rates.

CHIPOTLE MEXICAN GRILL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Adjusted General and Administrative Expenses
(in thousands)
(unaudited)

	Three months ended March 31,

	2025	2024
General and administrative expenses	$ 172,783	$ 204,625
Non-GAAP adjustments:		
Legal proceedings[1]	-	(13,275)
Stock-based compensation retention grants[2]	(11,877)	-
Total non-GAAP adjustments	(11,877)	(13,275)
Adjusted general and administrative expenses	$ 160,906	$ 191,350

(1) Charges for estimated settlements for distinct legal matters that exceeded or are expected to exceed typical costs for these types of legal proceedings.
(2) Stock-based compensation expense for retention equity awards granted to key executives in connection with the CEO transition.

CHIPOTLE MEXICAN GRILL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Adjusted Effective Income Tax Rate
(unaudited)

	Three months ended March 31,	
	2025	2024
Effective income tax rate	22.9 %	22.0 %
Tax impact of non-GAAP adjustments[1]	(0.2)	0.1
Adjusted effective income tax rate	22.7 %	22.1 %

(1) Adjustments related to the tax effect of non-GAAP adjustments, which were determined based on the nature of the underlying non-GAAP adjustments and their relevant jurisdictional tax rates.

CHIPOTLE MEXICAN GRILL, INC.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Restaurant Level Operating Margin
(in thousands)
(unaudited)

	Three months ended March 31,			
	2025	Percent of total revenue	2024	Percent of total revenue
Income from operations	$ 479,250	16.7 %	$ 441,292	16.3 %
Non-GAAP Adjustments				
General and administrative expenses	172,783	6.0	204,625	7.6
Depreciation and amortization	87,211	3.0	83,243	3.1
Pre-opening costs	8,210	0.3	7,211	0.3
Impairment, closure costs, and asset disposals	6,168	0.2	5,479	0.2
Total non-GAAP Adjustments	274,372	9.5	300,558	11.1
Restaurant level operating margin	$ 753,622	26.2 %	$ 741,850	27.5 %

SOURCE Chipotle Mexican Grill, Inc.

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