

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

The following tables provide a reconciliation of non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Adjusted net income is net income excluding expenses related to restaurant and corporate asset impairment, software asset impairment, corporate restructuring, legal proceedings, stock-based compensation forfeiture, stock-based compensation retention grants, accelerated depreciation and investments. Adjusted general and administrative expense is general and administrative expense excluding expenses related to corporate restructuring, certain legal proceedings, stock-based compensation forfeiture, and stock-based compensation retention grants. Adjusted depreciation and amortization is depreciation and amortization expense excluding certain accelerated depreciation expense. 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.

Certain non-GAAP measures presented on a forward-looking basis during our investor conference call, such as Restaurant Level Operating Margin for our first quarter 2025, were not reconciled to the comparable GAAP financial measures because the reconciliation could not be performed without unreasonable efforts. The GAAP measures are not accessible on a forward-looking basis because we are currently unable to predict with a reasonable degree of certainty the type and extent of certain items that would be expected to impact GAAP measures for these periods but would not impact the non-GAAP measures. Such items may include corporate initiatives, litigation expense, impairments on long lived assets, and other items. The unavailable information could have a significant impact on our GAAP financial results.

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 December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net income	\$ 331,764	\$ 282,086	\$ 1,534,110	\$ 1,228,737
<i>Non-GAAP adjustments:</i>				
Impairment and exit costs:				
Restaurant asset impairment and other restaurant exit costs ⁽¹⁾	2,634	-	2,634	4,765
Corporate operating lease asset impairment and other corporate costs ⁽²⁾	(7,392)	-	(7,392)	3,735
Software asset impairment ⁽³⁾	-	-	6,249	-
Corporate Restructuring:				
Employee related and other restructuring costs ⁽⁴⁾	-	-	-	4,829
Legal proceedings ⁽⁵⁾	4,387	(797)	21,437	(797)
Stock-based compensation forfeiture ⁽⁶⁾	-	-	(27,863)	-
Stock-based compensation retention grants ⁽⁷⁾	11,945	-	17,079	-
Accelerated depreciation ⁽⁸⁾	-	6,388	-	6,388
Investment ⁽⁹⁾	-	-	1,381	-
Total non-GAAP adjustments	11,574	5,591	13,525	18,920
Tax effect of non-GAAP adjustments above ⁽¹⁰⁾	(3,386)	(1,495)	(8,804)	(4,607)
After tax impact of non-GAAP adjustments	8,188	4,096	4,721	14,313
Adjusted net income	\$ 339,952	\$ 286,182	\$ 1,538,831	\$ 1,243,050
Diluted weighted-average number of common shares outstanding	1,368,923	1,381,059	1,376,555	1,385,500
Diluted earnings per share	\$ 0.24	\$ 0.20	\$ 1.11	\$ 0.89
Adjusted diluted earnings per share	\$ 0.25	\$ 0.21	\$ 1.12	\$ 0.90

- (1) Operating lease asset and leasehold improvements, property, plant and equipment impairment charges and other expenses for restaurants due to closures, relocations, or underperformance.
- (2) Operating lease asset and leasehold improvements, property, plant and equipment impairment charges and other (gains)/expenses for offices or other corporate assets.
- (3) Property and equipment impairment charges related to a software asset.
- (4) Charges for third-party vendors, stock-based compensation, and employee severance related to the May 2023 optimization of our organizational structure.
- (5) Charges/(reduction) for estimated settlements for distinct legal matters that exceeded or are expected to exceed typical costs for these types of legal proceedings.
- (6) Stock-based compensation expense reversal for equity awards forfeited by our former CEO.
- (7) Stock-based compensation expense for retention equity awards granted to key executives in connection with the CEO transition.
- (8) Accelerated depreciation due to a reduction of the estimated useful lives for certain leasehold improvements.
- (9) Unrealized loss/(gain), net in a long-term investment.

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

- (10) Adjustments relate 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 December 31,		Year Ended December 31,	
	2024	2023	2024	2023
General and administrative expenses	\$ 191,216	\$ 169,247	\$ 697,483	\$ 633,584
<i>Non-GAAP adjustments:</i>				
Restructuring expense ⁽¹⁾	-	-	-	(4,829)
Legal proceedings ⁽²⁾	(4,387)	797	(21,437)	797
Stock-based compensation forfeiture ⁽³⁾	-	-	27,863	-
Stock-based compensation retention grants ⁽⁴⁾	(11,945)	-	(17,079)	-
Total non-GAAP adjustments	(16,332)	797	(10,653)	(4,032)
Adjusted general and administrative expenses	<u>\$ 174,884</u>	<u>\$ 170,044</u>	<u>\$ 686,830</u>	<u>\$ 629,552</u>

- (1) Charges for third-party vendors, stock-based compensation, and employee severance related to the May 2023 optimization of our organizational structure.
- (2) (Charges)/reduction for estimated settlements for distinct legal matters that exceeded or are expected to exceed typical costs for these types of legal proceedings.
- (3) Stock-based compensation expense reversal for equity awards forfeited by our former CEO.
- (4) 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 Depreciation and Amortization
(in thousands)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Depreciation and amortization	\$ 83,876	\$ 85,492	\$ 335,030	\$ 319,394
<i>Non-GAAP adjustments:</i>				
Accelerated depreciation ⁽¹⁾	-	(6,388)	-	(6,388)
Total non-GAAP adjustments	-	(6,388)	-	(6,388)
Adjusted depreciation and amortization	\$ 83,876	\$ 79,104	\$ 335,030	\$ 313,006
Adjusted depreciation and amortization as a percent of total revenue	2.9 %	3.1 %	3.0 %	3.2 %

(1) Accelerated depreciation due to a reduction of the estimated useful lives for certain leasehold improvements.

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

Adjusted Effective Income Tax Rate
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Effective income tax rate	24.4 %	26.2 %	23.7 %	24.2 %
Tax impact of non-GAAP adjustments ⁽¹⁾	0.2	-	0.3	-
Adjusted effective income tax rate	24.6 %	26.2 %	24.0 %	24.2 %

(1) Adjustments relate 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 December 31,			
	2024	Percent of total revenue	2023	Percent of total revenue
Income from operations	\$ 415,732	14.6 %	\$ 363,447	14.4 %
<i>Non-GAAP Adjustments</i>				
General and administrative expenses	191,216	6.7	169,247	6.7
Depreciation and amortization	83,876	2.9	85,492	3.4
Pre-opening costs	12,905	0.5	13,590	0.5
Impairment, closure costs, and asset disposals	532	-	6,528	0.3
Total non-GAAP Adjustments	288,529	10.1	274,857	10.9
Restaurant level operating margin	\$ 704,261	24.8 %	\$ 638,304	25.4 %

	Year ended December 31,			
	2024	Percent of total revenue	2023	Percent of total revenue
Income from operations	\$ 1,916,333	16.9 %	\$ 1,557,813	15.8 %
<i>Non-GAAP Adjustments</i>				
General and administrative expenses	697,483	6.2	633,584	6.4
Depreciation and amortization	335,030	3.0	319,394	3.2
Pre-opening costs	41,897	0.4	36,931	0.4
Impairment, closure costs, and asset disposals	26,949	0.2	38,370	0.4
Total non-GAAP Adjustments	1,101,359	9.7	1,028,279	10.4
Restaurant level operating margin	\$ 3,017,692	26.7 %	\$ 2,586,092	26.2 %