



**Brand Positioning Through Financial Results**

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**CM 442 Final Project**

## REAL FOOD, REAL GROWTH

At Chipotle Mexican Grill, our mission of cultivating a better world is at the core of all of our business decisions. We are redefining growth through innovation, sustainability, and people. Not only are these the driving forces of our growth, but they are also the foundation of our long-term success.

Our commitment to creating a more sustainable world, striving to be more innovative, and investing in our people has allowed us to create a system of profitability that withstands economic uncertainties and changing consumer environments. Our ability to meet demand while continuing to work toward our mission sets Chipotle apart from other companies.

Our message to investors is simple: **innovation, sustainability, and our people are working together to drive growth and create a strong future of growth for Chipotle.**

## Executive Summary

Chipotle's Q3 results solidify our ability to grow our brand steadily, strategically, and responsibly. This quarter, we saw a **total revenue of \$3 billion**— that's a **7.5% year-over-year increase**. This strong top-line growth was driven by new restaurant openings and sustained customer demand. We also saw a **0.3% year-over-year increase in comparable restaurant sales**, reflecting resilient customer loyalty and a stable demand despite economic headwinds. The consumer environment remains cautious, but we have demonstrated the ability to expand strategically.

With restaurant openings driving a significant part of our revenue growth this quarter, we plan on continuing to expand our restaurant count in order to ensure continued revenue increase. We also plan on continuing our expansion into Asia, with plans to open the first Chipotle restaurants in South Korea and Singapore in 2026.

In addition to restaurant openings, we are also planning on launching a new business line. Our next expansion— *Chipotle Market™*, a new line of pantry items inspired by our restaurant menu— will allow us to broaden our growth and investor narrative. Not only will this new product line diversify our revenue, but it will also demonstrate our capacity to expand into other markets and reinforce our mission of cultivating a better world.

## Key Financial Reporting Metrics

### **Total Revenue – \$3.0 billion (+7.5% YoY)**

This increase in year-over-year revenue demonstrates strong top-line growth. New restaurant openings (84 company-owned restaurants, of which 64 included a Chipotlane, and two international partner-operated restaurants) drove the increase we saw in Q3, along with sustained customer demand. With this figure, we will position ourselves as a brand that is expanding its market footprint, even in a currently cautious consumer environment.

### **Comparable Restaurant Sales – +0.3% YoY**

Despite current economic headwinds, the increase in comparable restaurant sales reflects resilient Chipotle customer loyalty and a stable demand. Chipotle's value proposition remains relevant to consumers.

### **Diluted Earnings Per Share (EPS) – \$0.29 (+3.6% YoY)**

This quarter, we saw Chipotle's diluted earnings per share reach \$0.29, a 3.6% year-over-year increase. This figure demonstrates continued operational efficiency, as well as how our responsible investment and growth generate long-term value for shareholders.

### **Restaurant-Level Operating Margin – 24.5% (down from 25.5%)**

Our restaurant-level operating margin reflects strong unit economics and the success of Chipotlanes in maintaining efficiency. It reinforces Chipotle's focus on operational excellence and sustainable profitability.

## **Innovation**

Innovation is at the heart of all of our growth initiatives. Chipotle consistently pushes its boundaries, introducing new ingredients, like the Adobo Ranch, and new restaurant models, like Chipotlanes. Most recently, Chipotle has announced the launch of its new retail line: *Chipotle Market*™.

*Chipotle Market*™ is a product line of Chipotle-inspired pantry items. The line will allow Chipotle customers to get the bold flavor of the ingredients they love in the comfort of their own kitchens

and homes. The line will feature two signature salsas (Original and Honey Chipotle), Salsa Verde Tortilla Chips, Cilantro Lime Instant Rice, and steak seasoning.

The idea for *Chipotle Market*™ started at our Cultivate Center, where our experts in the culinary field test out our new ingredients and technologies. There, the theories and ideas of our team start out as a mere drawing before going through the research process. Then, experts hit the kitchen to get to cooking. The test kitchen is where our *Chipotle Market*™ line was developed after about 18 months of experimenting. In just a few weeks, the *Chipotle Market*™ items will finally be in the hands and mouths of Chipotle customers.

*Chipotle Market*™ is expected to bring in \$500 million in revenue by 2027. With the addition of this new line, not only are we demonstrating our ability to innovate, but we are also adding a new stream of revenue that does not rely solely on restaurant traffic. With our current customer loyalty, we are confident that consumers will be enthusiastic about the opportunity to enjoy Chipotle's iconic flavors and ingredients outside of restaurants. We have already seen the success of many of these original Chipotle items, such as the Cilantro Lime Rice. The *Chipotle Market*™ items will be available for purchase via the Chipotle website and in select stores beginning on January 1st, 2026.

## Purpose

At the center of our purpose is sustainability: a key step in our mission of cultivating a better world. From the beginning of Chipotle's journey, we have been committed to various sustainability goals and initiatives. For example, we have been consistently working toward the goal of reducing the amount of waste to landfills by 5% by this year — a figure that we are confident will be reflected in our 2025 Sustainability Report.

Since Chipotle first opened its doors in 1993, we have been dedicated to ensuring that all of our ingredients are responsibly sourced. While we have stayed consistent with this, we are always striving to do more to make sure our ingredients are of the best quality possible. By 2027, we will have increased purchases of local, organic, and responsibly raised ingredients by 60%.

We are conscious of the impact of greenhouse gas emissions on climate change and our environment, and we are determined to minimize our contributions to this problem. By 2030, we aim to have reduced our greenhouse gas emissions by 25%.

We don't only aim to do what's right when it comes to the environment. Giving back to the communities that we serve is also an important part of our purpose. That's why we plan to invest \$50 million annually in sustainable farming programs to strengthen regional supply chains.

Sustainability is not just a goal for us. It guides all of our business decisions and initiatives to drive growth. From reducing our carbon footprint to sourcing responsibly grown ingredients, our sustainability initiatives reflect our belief that real growth comes from doing what is right for the planet and its people.

## People

Cultivating a better world would not be possible without our people. Our employees are a huge part of why we are able to continuously demonstrate growth and a commitment to sustainability, which is why we are investing in them. At Chipotle, employees are not just a number. They are a vital part of our mission, and drive both our innovation and growth. Our dedication to our workforce is reflected in how we treat our people. Members of Chipotle's hourly crew receive several benefits, including:

- Quarterly bonuses: If an employee's restaurant performs well, they will be rewarded with a bonus equal to one week's pay, and if it continues all year, they will receive an additional month's pay.
- Education assistance: Students who work at Chipotle are able to receive up to \$5,250 each year toward their education.
- Wellness benefits: Chipotle employees (and their dependents) have access to licensed counselors on a 24/7 basis.
- Retirement assistance: Chipotle employees are offered 401 (k) benefits after a full year of being employed.
- Paid time off: Each year, Chipotle employees are allowed 40 hours of vacation hours a year and 24 hours of sick time.
- Health support: All employees are allowed access to health, dental, and vision plans. They are able to get Anthem preventative plans, Delta Dental PPO, and EyeMD PPO.

- Free meals: For every working shift, each employee can receive a free entree with a drink and a side.
- Gym membership discount: With Chipotle's partnership with Active and FitDirect, employees can choose between over 12,000 gym locations to receive discounts from.

Since 2021, our employee turnover rate has been steadily decreasing. Last year, the restaurant's hourly turnover rate, which applies to crew members, kitchen leaders, and service leaders, lowered to 131%. That's a 14% decrease from the year prior— a decrease that we expect to be even greater in our 2025 Sustainability Report. It's our dedication to making our people feel supported and valued that drives this retention, ultimately fuelling Chipotle's long-term growth.

### **Narrative Strategy**

For the narrative we will create for investors, we want to focus on **innovation, sustainability, and people** as interconnected entities that are behind our growth and financial performance.

Chipotle has continued to scale revenue through restaurant openings and developing new product lines, such as *Chipotle Market*™. Evidently, we have demonstrated a commitment to both expansion and diversification. As shown by our 7.5% year-over-year increase in revenue, we can grow while maintaining relevancy in a competitive industry.

While our numbers demonstrate our growth, it's really our intangible assets that provide context for how we can maintain this growth long-term— and we want investors to know that. When opening a new restaurant or launching a new product, we aren't losing sight of our commitment to the environment; our expansion is centered around emissions reduction, responsible sourcing, and minimizing waste. We are a model for how sustainability and growth can work together to achieve long-term success.

The launch of *Chipotle Market*™ is a prime example of Chipotle's ability to innovate and evolve beyond just restaurants. We are meeting customer demand by putting fan-favorite ingredients, flavors, and products into their kitchen cabinets. The release of this new product line will enforce brand loyalty as well as provide a new source of revenue outside of just restaurant income. Our investment in the Cultivate Center ensures that there will be revolutionary ideas and products for years to come. Chipotle is not done innovating.

There would be no growth story without our people. From our kitchen crew members to service leaders, our employees are the ones who are furthering our mission every day through their hard work on the ground in our restaurants. Not only are we improving lives by investing in the variety of benefits we provide, but we are also building a culture of retention that will contribute to long-term growth.

Innovation, sustainability, and our people do not exist separately at Chipotle. Instead, they are dependent on each other and work together to drive our growth. Our message to investors is that Chipotle is a growth company built to last. Through our expansion strategies, such as restaurant openings and the introduction of *Chipotle Market™*, we are able to deliver consistent revenue growth and shareholder value. Our commitment to being a sustainable brand helps to keep us relevant in a competitive industry, for now and years to come. Our dedication to our people drives employee retention and brand reputation, and our innovative ideas create opportunities for market expansion. Not only should Chipotle be seen as reliable financially, but also as a company that does good for the environment, its community, and society while continuing to grow.

## Conclusion

Chipotle's story is one of long-term growth that is made possible through innovative ideas, sustainability initiatives, and the brand's commitment to its people. As a leader in the restaurant industry, we serve as an example of a business that can deliver long-term value to investors while benefiting our planet and its people.

The effectiveness of all of these entities working together to drive growth is reflected in our latest quarterly report. Our 7.5% year-over-year increase in revenue shows steady growth despite a challenging consumer environment. We plan on continuing to increase revenue by leveraging our assets and continuing to expand. The launch of *Chipotle Market™* and our plans to continue opening restaurants in Asia are just some of the ways we are planning on continuing to expand.

Looking forward, we are confident that Chipotle is well-positioned for long-term success. With a continued focus on innovation, sustainability, and people to drive growth, we will continue to create value for shareholders, maintain our position as a leader in the industry, and drive our mission of cultivating a better world.

## Chipotle Mexican Grill Key Messages

### 1. Driving Profitable Growth

Chipotle represents an opportunity for investors to be a part of a brand that continuously has strong top-line growth, demonstrated by a 7.5% year-over-year increase this quarter.

### 2. Strength in Customer Loyalty

Chipotle continues to demonstrate strong customer loyalty and stable demand, with a 0.3% year-over-year increase in comparable restaurant sales.

### 3. Driving Growth Through Innovation

Chipotle's commitment to innovation allows for new revenue streams and enforces brand loyalty. With *Chipotle Market*™ expected to bring in \$500 million in revenue by 2027, Chipotle poses a unique opportunity for investors to be a part of an industry leader that is expanding its footprint and driving long-term growth.

### 4. Commitment to Sustainability

Chipotle's dedication to sustainability represents both purpose and performance. With initiatives such as reducing greenhouse gas emissions and minimizing waste, we show that taking care of our community and environment promotes continuous growth.

### 5. Investing in Our People

Chipotle puts people first, which is why we invest so much into the well-being of our employees. By offering our employees benefits such as education assistance and wellness resources, Chipotle creates a culture where people feel valued and supported, which in turn, drives employee retention and long-term growth.

## Chipotle Mexican Grill Media Pitch

**Reporter and Media Outlet:** Amelia Lucas, CNBC Restaurant Reporter

**Subject:** Exclusive: Chipotle Announces New “Chipotle Market” Retail Line

Hi Amelia,

Hope you're doing well! I wanted to reach out with an exciting opportunity for you to get an exclusive look at Chipotle's newest business expansion, as well as an exclusive interview with Chipotle CEO Scott Boatwright. Our new product line, Chipotle Market, aims to bring our signature flavors beyond the restaurant and into consumers' kitchens.

In January 2026, Chipotle will launch Chipotle Market, a retail line of pantry staples including salsas, seasonings, chips, and instant cilantro rice inspired by the customer favorites offered at Chipotle restaurants. This launch marks the first time we have extended our brand into the retail grocery space. We're projecting that Chipotle Market will generate an estimated \$500 million in revenue by 2027, creating a new stream of revenue that does not rely solely on restaurant traffic.

This expansion follows another strong quarter for Chipotle, with total revenue up 7.5% year-over-year to \$3.0 billion and a 3.6% increase in diluted EPS, demonstrating that our growth strategy remains solid even amid industry challenges. Our restaurant-level operating margin has remained steady, showcasing our maintained efficiency and operational excellence.

I'd be happy to arrange an exclusive interview with Chipotle CEO Scott Boatwright and provide you with early access to product images and launch materials. Would you be interested in setting something up? Looking forward to hearing from you!

Thanks,  
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**FOR IMMEDIATE RELEASE**

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## CHIPOTLE ANNOUNCES LAUNCH OF NEW CHIPOTLE MARKET PRODUCT LINE FOLLOWING THIRD QUARTER 2025 RESULTS

NEWPORT BEACH, Calif., November 11, 2025 /[PRNewswire](#)/ -- Chipotle Mexican Grill (NYSE: CMG) today announced its expansion into the online retail market with the upcoming launch of Chipotle Market, a new line of pantry staples inspired by the brand's most beloved flavors. Available through the Chipotle website and in select restaurant locations beginning on January 1st, 2026, the collection will feature signature salsas, seasonings, chips, and instant rice, offering loyal consumers a new way to experience Chipotle at home.

"Chipotle Market represents our next chapter of growth— one that extends our mission of cultivating a better world beyond our restaurants," said Scott Boatwright, Chief Executive Officer of Chipotle Mexican Grill. "We're investing in long-term innovation, and this new venture will allow customers to enjoy our bold, responsibly sourced ingredients in their own kitchens."

With an expected \$500 million in projected revenue by 2027, Chipotle Market is designed to strengthen Chipotle's long-term growth by expanding its brand into the digital retail space and creating a new stream of revenue that does not rely solely on restaurant traffic, while still complementing its restaurant operations. The launch aligns with Chipotle's broader strategy to meet customers wherever they are, whether that be in-store, online, or at home.

"We know our customers love and crave the authentic flavors that make Chipotle unique," added Boatwright. "Chipotle Market is about giving our loyal consumers the ability to bring that experience to their own kitchens, any time they cook."

This announcement follows another strong quarter for Chipotle, which reported \$3.0 billion in total revenue (up 7.5% year-over-year), driven by new restaurant openings and sustained consumer demand. Diluted earnings per share rose 3.6%, highlighting Chipotle's continued profitability and strategic growth despite temporary cost headwinds. Comparable Restaurant

Sales are up 0.3% year-over-year, showcasing resilient customer loyalty and a stable demand–loyalty and demand that will also drive sales of the Chipotle Market product line.

### **About Chipotle Mexican Grill**

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 over 3,800 restaurants as of March 31, 2025, in the United States, Canada, the United Kingdom, France, Germany, Kuwait, and the 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 [CHIPOTLE.COM](http://CHIPOTLE.COM).

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