

Chipotle Mexican Grill, Inc.
Reconciliation of Non-GAAP Financial Measures
(in thousands, except per share amounts)

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

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Net income	\$ 46,884	\$ 66,730	\$ 106,330	\$ 112,850
<i>Percentage increase/(decrease) from prior year period</i>	(29.7%)	-	(5.8%)	-
<i>Non-GAAP adjustments:</i>				
Restaurant asset impairment ⁽¹⁾	25,166	-	25,166	-
<i>Corporate Restructuring:</i>				
Lease termination and other office closure costs ⁽²⁾	16,299	-	16,299	-
Employee related restructuring costs ⁽³⁾	3,900	-	3,900	-
Stock-based compensation ⁽⁴⁾	(6,426)	-	(6,426)	-
Litigation ⁽⁵⁾	3,000	-	3,000	-
Total non-GAAP adjustments	\$ 41,939	\$ -	\$ 41,939	\$ -
Tax effect of non-GAAP adjustments	(8,587)	-	(8,587)	-
After tax impact of non-GAAP adjustments	\$ 33,352	\$ -	\$ 33,352	\$ -
Adjusted net income	\$ 80,236	\$ 66,730	\$ 139,682	\$ 112,850
<i>Percentage increase from prior period</i>	20.2%	-	23.8%	-
Diluted weighted-average number of common shares outstanding	27,935	28,800	27,942	28,825
Diluted earnings per share	\$ 1.68	\$ 2.32	\$ 3.81	\$ 3.92
<i>Percentage increase/(decrease) from prior period</i>	(27.6%)	-	(2.8%)	-
Adjusted diluted earnings per share	\$ 2.87	\$ 2.32	\$ 5.00	\$ 3.92
<i>Percentage increase from prior year period</i>	23.7%	-	27.6%	-

(1) Restaurant asset impairment costs for planned restaurant closures due to underperformance during the second quarter of 2018 and continuing over the next several quarters.

(2) Costs for office lease termination and other office closure expenses, and impairment charges for office-related assets.

(3) Costs for employee severance and other transition expenses, recruitment and relocation costs, and third party and other employee-related costs.

(4) Costs for cumulative adjustment to reduce stock-based compensation expense due to reduced estimate of the number of certain awards that we expect will vest.

(5) Uninsured portion of a judgment in a single legal proceeding, in an amount exceeding the range typically seen in the ordinary-course, single-plaintiff litigation matters.

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Reconciliation of Non-GAAP Financial Measures
(continued)

	Three months ended June 30, 2018
Effective income tax rate	33.3 %
Tax effect of non-GAAP adjustments	(4.8)
Adjusted income tax rate	28.5 %