

**CHIPOTLE MEXICAN GRILL, INC.**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**  
(in thousands, except per share amounts)

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

Adjusted net income is net income excluding restaurant asset impairment, corporate restructuring, and certain other costs. Adjusted diluted earnings per share is adjusted net income divided by diluted weighted-average common shares outstanding. We believe that these measures enhance investors' ability to compare the past financial performance of our underlying business with our current business performance and reflect the performance of our underlying restaurants separate from asset impairment, corporate restructuring and certain other costs at the corporate level. Management uses these non-GAAP measures for similar purposes. Our adjusted net income and adjusted diluted earnings per share measure may not be comparable to other companies' adjusted income measures.

**Adjusted Net Income and Adjusted Diluted Earnings Per Share**

	Three months ended December 31,		Year ended December 31,	
	2019	2018	2019	2018
Net income	\$ 72,416	\$ 32,019	\$ 350,158	\$ 176,553
<i>Non-GAAP adjustments:</i>				
<b>Restaurant closure costs:</b>				
Operating lease asset impairment and other restaurant closure costs <sup>(1)</sup>	2,523	5,931	3,285	35,752
Accelerated depreciation <sup>(2)</sup>	-	1,027	109	6,570
Duplicate rent expense <sup>(3)</sup>	229	-	1,270	-
<b>Corporate Restructuring:</b>				
Operating lease asset impairment and other office closure costs <sup>(4)</sup>	-	348	1,719	15,571
Accelerated depreciation <sup>(2)</sup>	-	283	83	720
Duplicate rent expense <sup>(3)</sup>	944	1,565	4,045	2,518
Employee related restructuring costs <sup>(5)</sup>	1,176	12,178	8,552	24,534
Legal expenses, net <sup>(6)</sup>	3,635	-	30,785	-
Other adjustments <sup>(7)</sup>	1,431	1,396	4,469	5,040
Total non-GAAP adjustments	\$ 9,938	\$ 22,728	\$ 54,317	\$ 90,705
Tax effect of non-GAAP adjustments <sup>(8)</sup>	(1,332)	(6,694)	(6,810)	(13,852)
After tax impact of non-GAAP adjustments	\$ 8,606	\$ 16,034	\$ 47,507	\$ 76,853
Adjusted net income	\$ 81,022	\$ 48,053	\$ 397,665	\$ 253,406
<b>Diluted weighted-average number of common shares outstanding</b>				
	28,372	27,946	28,295	27,962
Diluted earnings per share	\$ 2.55	\$ 1.15	\$ 12.38	\$ 6.31
Adjusted diluted earnings per share	\$ 2.86	\$ 1.72	\$ 14.05	\$ 9.06

(1) Operating lease asset impairment charges, and other closure expenses for restaurant closures due to underperformance.

(2) Accelerated depreciation for restaurant and office closures announced in June 2018 due to underperformance and the corporate restructuring.

(3) Duplicate rent expense for the corporate headquarter relocation and office consolidation announced in May 2018 and rent expense for closed restaurants for the announced restaurant closures in June 2018.

(4) Asset impairment charges and other closure expenses for the corporate headquarter relocation and office consolidation announced in May 2018.

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

(6) Charges relate to settlements for several distinct legal matters, net of reversals of prior amounts. These amounts are expected to exceed typical costs for these types of legal proceedings.

(7) The three months ended December 31, 2019, consists of interest expense related to an uncertain tax position for the 2017 data breach. The year ended December 31, 2019, consists of an asset impairment charge related to our company-owned aircraft and interest expense related to an uncertain tax position for the 2017 data breach.

(8) The three months ended December 31, 2019, includes a write-off of deferred tax assets related to expired share awards of \$940. The year ended December 31, 2019, includes a write-off of deferred tax assets related to expired share awards of \$2,523.

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**(continued)**

	<b>Three months ended December 31, 2019</b>	<b>Twelve months ended December 31, 2019</b>
General and administrative expenses	\$ 112,416	\$ 451,552
<i>Non-GAAP adjustments:</i>		
Legal expenses, net <sup>(1)</sup>	(3,635)	(30,785)
Transformation expenses <sup>(2)</sup>	(2,349)	(13,867)
<b>Total non-GAAP adjustments</b>	<b>\$ (5,984)</b>	<b>\$ (44,652)</b>
Adjusted general and administrative expenses	<b>\$ 106,432</b>	<b>\$ 406,900</b>

(1) Charges relate to settlements for several distinct legal matters, net of reversals of prior amounts. These amounts are expected to exceed typical costs for these types of legal proceedings.

(2) Transformation expenses include duplicate rent expense for office and restaurant closures announced in June 2018 due to the corporate restructuring and underperformance of \$1,173 and \$5,315 for the three and twelve months ended December 31, 2019, respectively and employee related restructuring costs of \$1,176 and \$8,552 for the three and twelve months ended December 31, 2019, respectively.

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**(continued)**

	<b>Three months ended December 31, 2019</b>	<b>Year ended December 31, 2019</b>
Effective income tax rate	28.3 %	23.6 %
Tax effect of non-GAAP adjustments	(1.3)	(1.2)
Adjusted income tax rate	27.0 %	22.4 %