

Chipotle Mexican Grill, Inc. Reports 39% Increase in 1st Quarter Income

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Chipotle Mexican Grill, Inc. Reports First Quarter 2008 Results

Diluted EPS for the Quarter of \$0.52, 37% Higher than 1st Quarter 2007

28 New Restaurants Opened in the Quarter

10.2% Comparable Restaurant Sales Increase for the Quarter

Chipotle Mexican Grill, Inc. (NYSE: CMG and CMG.B) today reported financial results for its first quarter ended March 31, 2008.

Highlights for the first quarter of 2008 as compared to the first quarter of 2007 include:

Revenue increased 29.3% to \$305.3 million

Comparable restaurant sales increased 10.2%

Restaurant level operating margins increased 50 basis points to 21.2%

Income from operations as a percentage of revenue increased 90 basis points to 8.8%

Net income increased 38.9% to \$17.3 million

Diluted earnings per share increased 36.8% to \$0.52

'Our commitment to invest in better ingredients, from more sustainable sources, has continued to allow us to serve better tasting food as we pursue our vision to change the way the world thinks about and eats fast food,' said Chipotle Founder, Chairman and CEO Steve Ells. 'Our results for the quarter demonstrate that customers continue to be loyal to Chipotle, and that we are able to attract new customers even in this challenging economic environment.'

'By creating a culture that appeals only to the highest performers, we are providing better service and a better restaurant experience for our customers, while also creating greater opportunities for the future leaders of our company,' said Chipotle President and Chief Operating Officer Monty Moran. 'In turn, these improvements to our culture also contribute to the strength of our unit economic model and our ability to create value for our shareholders.'

First Quarter 2008 Results

Revenue for the first quarter of 2008 increased 29.3% to \$305.3 million from \$236.1 million in the first quarter of 2007. This growth in revenue was attributable to new restaurants not in the comparable base and a 10.2% increase in comparable restaurant sales in the first quarter. Comparable restaurant sales growth was primarily due to an increase in customer visits. Chipotle opened 28 restaurants in existing markets during the first quarter of 2008.

Restaurant level operating margins increased to 21.2% in the first quarter of 2008 from 20.7% in the first quarter of 2007, primarily due to menu price increases associated with the addition of naturally raised meats in certain markets and efficiencies in labor.

General and administrative expenses were \$21.6 million in the first quarter of 2008, or 7.1% of revenue, compared to \$17.0 million in the first quarter of 2007, or 7.2% of revenue. In the first quarter of 2008, general and administrative expenses declined as a percentage of revenue primarily due to the effect of economies of scale from higher restaurant sales.

Income from operations increased to \$26.8 million for the first quarter of 2008, compared to \$18.6 million in the first quarter of 2007.

The effective tax rate for the quarter was 38.4%, compared to 38.0% in the first quarter of 2007. The first quarter 2008 effective tax rate increased due to the decline in interest rates on tax exempt securities from the first quarter of 2007 partially offset by a lower statutory state tax rate.

Net income for the first quarter of 2008 was \$17.3 million, or \$0.52 per diluted share, compared to \$12.4 million, or \$0.38 per diluted share in the first quarter of 2007.

'Given the extremely challenging operating environment, our double digit comparable restaurant sales increase demonstrates the unique bond we have with our customers, and our resulting margin expansion highlights the underlying strength of our restaurant unit economics,' said Jack Hartung, Chief Financial Officer. 'We expect to open more restaurants this year than ever before with 130 - 140 openings as well as growing diluted earnings per share, over the long-term, at an average annual rate of at least 25% though we continue to face significant challenges in the near term.'

Outlook

For the full year 2008, management expects the following:

Comparable restaurant sales increases in the mid single digit range

130 - 140 new restaurant openings

An annual effective tax rate of approximately 38.5%

Diluted weighted average common shares outstanding for the year of approximately 33.6 million

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