

Dear Shareholders,

As I look back at 2019, I am extremely proud of the accomplishments that we were able to achieve in a single year. We became a digital powerhouse while demonstrating our leadership in running great restaurants with a true purpose, cultivating a better world. It was a year of tremendous innovation and growth for Chipotle and one that has set us up for great success in 2020.

We started the year with a set of strategic priorities focused on:

1. Making the brand more visible and loved;
2. Creating innovations utilizing a stage-gate process;
3. Leveraging our digital-make line to expand access and convenience;
4. Engaging with customers through our loyalty program;
5. And running successful restaurants with a strong culture that provides great food, hospitality, throughput, and economics.

Our brand became more visible with culturally relevant marketing campaigns and initiatives, including the “For Real” advertising campaign featuring our employees. This campaign is connecting with our customers as evidenced by significant increases across almost all major drivers of brand strength including “Trust” and “Favorite brand”. We also made a significant commitment to ‘Cultivate the Future of Farming’ with bold action and sustainable commitments that will change the lives of the farmers who grow and raise our ingredients. Our various marketing initiatives across both traditional and digital channels were successful in attracting new users to Chipotle, as well as motivating existing customers to come more often.

Marketing efforts were elevated because we used the stage-gate process to develop innovation that leads food culture and meets guest requests. Preconfigured, diet driven Lifestyle Bowls were introduced at the beginning of the year, showing that whatever lifestyle or diet you want to pursue, Chipotle’s customizable ingredients are a fit. This was followed by the introduction of Carne Asada, a premium steak offering met with much fanfare.

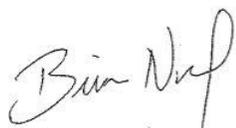
Enhancements to our digital ecosystem as a whole can be credited for a large amount of our success over the past year. We significantly upgraded our capabilities by completing the rollout of digital pickup shelves, digital-make lines and expanding our delivery capabilities to over 98% of our restaurant base. Chipotlanes strengthen our economic model by making our highest margin channel more accessible. We successfully opened 140 restaurants and have a strong pipeline to drive continued restaurant growth. We also evolved our restaurant design to better suit the \$1B digital business and are now testing various formats to provide greater access and eliminate friction for our guests.

Our loyalty program, Chipotle Rewards, is credited with being one of the fastest growing restaurant loyalty programs in history. By the end of the year, we had more than 8 million members enrolled. We are encouraged by early signs of transaction increases across all frequency bands. We expect this lever to become a bigger driver in the future as we gain more experience gathering customer insight while continuing to expand our digital ecosystem.

Operational excellence is the foundational ingredient to our success. We significantly invested in our more than 83,000 employees with regard to career development as well as offering industry leading benefits. 2019 was the ‘Year of the GM’ with an enhanced emphasis on professional growth and retention, which resulted in an even stronger culture of wellness and food safety, more consistent delicious food, reduced turnover and better throughput.

Many of our 2019 Strategic Priorities have carried over into 2020, but are no less ambitious. Our strong performance is a clear indication that our strategies are working and we’re laser focused on keeping this momentum. We are proud of our progress and look forward to continuing to cultivate a better world together in the year ahead.

Sincerely,



Brian Niccol  
Chairman and CEO, Chipotle Mexican Grill