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# McDonald's Corporation Financial Model

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# McDonald's Corporation Debt Schedule

(USD in m illions except per share data)

	Historical			Projected				
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
<b>SHORT-TERM DEBT</b>								
<b>NEW REVOLVER</b>		\$0.0	\$981.1	\$4 647.4	\$3 721.7	\$3 347.5	\$1 923.9	
Interest Rate			2.4%	2.4%	2.4%	2.4%	2.4%	
Average Balance			\$490.5	\$2 814.3	\$4 184.6	\$3 534.6	\$2 635.7	
Interest Expense			11.8	67.5	100.4	84.8	63.3	
<b>LONG-TERM DEBT</b>								
USD - fixed rate (Beginning)			\$21 833.7	\$21 053.9	\$20 274.2	\$19 494.4	\$18 714.6	
Paydown (28 years 2022-2050)			779.8	779.8	779.8	779.8	779.8	
<b>USD - fixed rate (Ending)</b>			<b>\$21 833.7</b>	<b>\$21,053.9</b>	<b>\$20,274.2</b>	<b>\$19,494.4</b>	<b>\$18,714.6</b>	<b>\$17,934.8</b>
Interest Rate			3.9%	3.9%	3.9%	3.9%	3.9%	
Average Balance			\$21 443.8	\$20 664.0	\$19 884.3	\$19 104.5	\$18 324.7	
Interest Expense			836.3	805.9	775.5	745.1	714.7	
USD - floating rate (Beginning)			\$1 150.0	\$1 108.9	\$1 067.9	\$1 026.8	\$985.7	
Paydown (28 years 2022-2050)			41.1	41.1	41.1	41.1	41.1	
<b>USD - floating rate (Ending)</b>			<b>\$1 150.0</b>	<b>\$1,108.9</b>	<b>\$1,067.9</b>	<b>\$1,026.8</b>	<b>\$985.7</b>	<b>\$944.6</b>
Interest Rate			1.6%	1.6%	1.6%	1.6%	1.6%	
Average Balance			\$1 129.5	\$1 088.4	\$1 047.3	\$1 006.3	\$965.2	
Interest Expense			18.1	17.4	16.8	16.1	15.4	
EUR - fixed rate (Beginning)			\$8 682.3	\$7 893.0	\$7 103.7	\$6 314.4	\$5 525.1	
Paydown (11 years 2022-2033)			789.3	789.3	789.3	789.3	789.3	
<b>EUR - fixed rate (Ending)</b>			<b>\$8 682.3</b>	<b>\$7,893.0</b>	<b>\$7,103.7</b>	<b>\$6,314.4</b>	<b>\$5,525.1</b>	<b>\$4,735.8</b>
Interest Rate			1.4%	1.4%	1.4%	1.4%	1.4%	
Average Balance			\$8 287.7	\$7 498.4	\$6 709.1	\$5 919.8	\$5 130.5	
Interest Expense			116.0	105.0	93.9	82.9	71.8	
EUR - floating rate (Beginning)			\$341.1	\$310.1	\$279.1	\$248.1	\$217.1	
Paydown (11 years 2022-2033)			31.0	31.0	31.0	31.0	31.0	
<b>EUR - floating rate (Ending)</b>			<b>\$341.1</b>	<b>\$310.1</b>	<b>\$279.1</b>	<b>\$248.1</b>	<b>\$217.1</b>	<b>\$186.1</b>
Interest Rate			2.1%	2.1%	2.1%	2.1%	2.1%	
Average Balance			\$325.6	\$294.6	\$263.6	\$232.6	\$201.6	
Interest Expense			6.8	6.2	5.5	4.9	4.2	
AUD - fixed rate (Beginning)			\$797.9	\$797.9	\$797.9	\$638.3	\$478.7	
Paydown (5 years 2024-2029)			0.0	0.0	159.6	159.6	159.6	
<b>AUD - fixed rate (Ending)</b>			<b>\$797.9</b>	<b>\$797.9</b>	<b>\$638.3</b>	<b>\$478.7</b>	<b>\$319.2</b>	
Interest Rate			3.4%	3.4%	3.4%	3.4%	3.4%	
Average Balance			\$797.9	\$797.9	\$718.1	\$558.5	\$399.0	
Interest Expense			27.1	27.1	24.4	19.0	13.6	
AUD - floating rate (Beginning)			\$217.9	\$217.9	\$217.9	\$174.3	\$130.7	
Paydown (5 years 2024-2029)			0.0	0.0	43.6	43.6	43.6	
<b>AUD - floating rate (Ending)</b>			<b>\$217.9</b>	<b>\$217.9</b>	<b>\$174.3</b>	<b>\$130.7</b>	<b>\$87.2</b>	
Interest Rate			1.2%	1.2%	1.2%	1.2%	1.2%	
Average Balance			\$217.9	\$217.9	\$196.1	\$152.5	\$109.0	
Interest Expense			2.6	2.6	2.4	1.8	1.3	
GBP - fixed rate (Beginning)			\$1 145.0	\$1 145.0	\$1 145.0	\$1 145.0	\$1 145.0	
Paydown (22 years 2032-2054)			0.0	0.0	0.0	0.0	0.0	
<b>GBP - fixed rate (Ending)</b>			<b>\$1 145.0</b>	<b>\$1,145.0</b>	<b>\$1,145.0</b>	<b>\$1,145.0</b>	<b>\$1,145.0</b>	
Interest Rate			4.2%	4.2%	4.2%	4.2%	4.2%	
Average Balance			\$1 145.0	\$1 145.0	\$1 145.0	\$1 145.0	\$1 145.0	
Interest Expense			48.1	48.1	48.1	48.1	48.1	
CAD - fixed rate (Beginning)			\$790.6	\$790.6	\$790.6	\$790.6	\$0.0	
Paydown (BULLET 2025)			0.0	0.0	0.0	790.6	0.0	
<b>CAD - fixed rate (Ending)</b>			<b>\$790.6</b>	<b>\$790.6</b>	<b>\$790.6</b>	<b>\$0.0</b>	<b>\$0.0</b>	
Interest Rate			3.1%	3.1%	3.1%	3.1%	3.1%	
Average Balance			\$790.6	\$790.6	\$790.6	\$395.3	\$0.0	
Interest Expense			24.5	24.5	24.5	12.3	0.0	
JPY - fixed rate (Beginning)			\$108.6	\$108.6	\$108.6	\$108.6	\$108.6	
Paydown (BULLET 2030)			0.0	0.0	0.0	0.0	0.0	
<b>JPY - fixed rate (Ending)</b>			<b>\$108.6</b>	<b>\$108.6</b>	<b>\$108.6</b>	<b>\$108.6</b>	<b>\$108.6</b>	
Interest Rate			2.9%	2.9%	2.9%	2.9%	2.9%	
Average Balance			\$108.6	\$108.6	\$108.6	\$108.6	\$108.6	
Interest Expense			3.1	3.1	3.1	3.1	3.1	
Other currencies - fixed rate (Beginning)			\$438.2	\$219.1	\$0.0	\$0.0	\$0.0	
Paydown (2 years 2022-2024)			219.1	219.1	0.0	0.0	0.0	
<b>Other currencies - fixed rate (Ending)</b>			<b>\$438.2</b>	<b>\$219.1</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	
Interest Rate			0.2%	0.2%	0.2%	0.2%	0.2%	
Average Balance			\$328.7	\$109.6	\$0.0	\$0.0	\$0.0	
Interest Expense			0.7	0.2	0.0	0.0	0.0	
Other currencies - floating rate (Beginning)			\$257.1	\$128.6	\$0.0	\$0.0	\$0.0	
Paydown (2 years 2022-2024)			128.6	128.6	0.0	0.0	0.0	
<b>Other currencies - floating rate (Ending)</b>			<b>\$257.1</b>	<b>\$128.6</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	
Interest Rate			2.4%	2.4%	2.4%	2.4%	2.4%	
Average Balance			\$192.8	\$64.3	\$0.0	\$0.0	\$0.0	
Interest Expense			4.6	1.5	0.0	0.0	0.0	
<b>Summary</b>								
Short-Term Debt		\$0.0	\$981.1	\$4 647.4	\$3 721.7	\$3 347.5	\$1 923.9	
Long-Term Debt		\$5 762.4	\$2 664.7	\$30 716.9	\$28 913.7	\$26 319.8	\$24 516.6	
<b>Total Debt</b>		<b>\$5,762.4</b>	<b>\$33,645.8</b>	<b>\$35,364.4</b>	<b>\$32,635.4</b>	<b>\$29,667.3</b>	<b>\$26,440.5</b>	
<b>Interest Expense Summary</b>								
ST Debt Interest			\$11.8	\$67.5	\$100.4	\$84.8	\$63.3	
LT Debt Interest			\$1 088.0	\$1 041.7	\$94.2	\$93.2	\$72.3	
<b>Total Interest Expense</b>			<b>\$1,099.8</b>	<b>\$1,109.3</b>	<b>\$1,094.7</b>	<b>\$1,018.1</b>	<b>\$935.5</b>	
<b>CASH</b>								
Required CASH	\$898.5	\$3 449.1	\$4 709.2	\$2 832.4	\$2 892.2	\$2 966.7	\$3 056.2	\$3 161.2
Excess CASH			0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Cash</b>			<b>\$4,709.2</b>	<b>\$2,832.4</b>	<b>\$2,892.2</b>	<b>\$2,966.7</b>	<b>\$3,056.2</b>	<b>\$3,161.2</b>
Interest Rate			1.1%	1.1%	1.1%	1.1%	1.1%	
Average Balance			\$3 770.8	\$2 862.3	\$2 929.4	\$3 011.4	\$3 108.7	
Interest Income			43.0	32.6	33.4	34.3	35.4	

# McDonald's Corporation Calculations

(USD in millions, except per share data)

	Historical			Projected				
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
<b>Retained Earnings</b>								
Beginning Balance (Previous Ending)	\$50,487.0	\$52,930.5	\$53,908.1	\$57,534.7	\$60,533.0	\$63,737.0	\$67,176.5	\$70,891.3
Net Income	6,025.4	4,730.5	7,545.2	7,495.7	8,009.9	8,598.9	9,287.0	10,033.5
Dividends Paid (from CFS)	(3,581.9)	(3,752.9)	(3,918.6)	(4,497.4)	(4,805.9)	(5,159.3)	(5,572.2)	(6,020.1)
Stock option exercises and other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adoption of ASC 606	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adoption of ASU 2016-16	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Ending Balance (CALCULATED)</b>	<b>\$52,930.5</b>	<b>\$53,908.1</b>	<b>\$57,534.7</b>	<b>\$60,533.0</b>	<b>\$63,737.0</b>	<b>\$67,176.5</b>	<b>\$70,891.3</b>	<b>\$74,904.7</b>
<i>Check (Actual from Balance Sheet)</i>	<i>52,930.5</i>	<i>53,908.1</i>	<i>57,534.7</i>					
	0.000	0.000	0.000					
<b>PP&amp;E (Property, Plant &amp; Equipment)</b>								
Beginning PP&E (Previous Ending)	\$22,842.7	\$24,160.0	\$24,958.2	\$24,720.6	\$25,192.7	\$25,674.7	\$26,169.1	\$26,678.5
Capital Expenditures (Actual from CFS)	2,393.7	1,640.8	2,040.0	2,242.3	2,289.7	2,348.6	2,419.5	2,502.6
Depreciation & Amortization (from CFS)	(1,617.9)	(1,751.4)	(1,868.1)	(1,770.2)	(1,807.6)	(1,854.2)	(1,910.1)	(1,975.8)
<b>Ending Balance (Actual from B/S)</b>	<b>\$24,160.0</b>	<b>\$24,958.2</b>	<b>\$24,720.6</b>	<b>\$25,192.7</b>	<b>\$25,674.7</b>	<b>\$26,169.1</b>	<b>\$26,678.5</b>	<b>\$27,205.4</b>
Food & paper (ACTUAL)	2,980.3	2,564.2	3,096.8					
Payroll & employee benefits (ACTUAL)	2,704.4	2,416.4	2,677.2					
Occupancy & other operating expenses (ACTUAL)	2,075.9	2,000.6	2,273.3					
Total COGS (ACTUAL)	7,760.6	6,981.2	8,047.3					
Franchised restaurants-occupancy expenses (ACTUAL)	2,200.6	2,207.5	2,335.0					
Other restaurant expenses (ACTUAL)	223.8	267.0	260.4					
Selling, general & administrative expenses (ACTUAL)	2,229.4	2,545.6	2,707.5					
<b>Total Combined</b>	<b>\$12,414.4</b>	<b>\$12,001.3</b>	<b>\$13,350.2</b>					
% Food & paper	24.0%	21.4%	23.2%					
% Payroll & employee benefits	21.8%	20.1%	20.1%					
% Occupancy & other operating expenses	16.7%	16.7%	17.0%					
% COGS	62.5%	58.2%	60.3%					
% Franchised restaurants-occupancy expenses	17.7%	18.4%	17.5%					
% Other restaurant expenses	1.8%	2.2%	2.0%					
% SG&A	18.0%	21.2%	20.3%					
D&A in food & paper	\$388.4	\$374.2	\$433.3					
D&A in payroll & employee benefits	352.4	352.6	374.6					
D&A in occupancy & other operating expenses	270.5	292.0	318.1					
D&A in COGS	\$1,011.4	\$1,018.8	\$1,126.1					
D&A in franchised restaurants-occupancy expenses	286.8	322.1	326.7					
D&A in other restaurant expenses	29.2	39.0	36.4					
D&A in SG&A	290.5	371.5	378.9					
<b>Total Depreciation</b>	<b>\$1,617.9</b>	<b>\$1,751.4</b>	<b>\$1,868.1</b>					
Clean food & paper	\$2,591.9	\$2,190.0	\$2,663.5					
Clean payroll & employee benefits	2,352.0	2,063.8	2,302.6					
Clean occupancy & other operating expenses	1,805.4	1,708.6	1,955.2					
Clean COGS	6,749.2	5,962.4	6,921.2					
Clean franchised restaurants-occupancy expenses	1,913.8	1,885.4	2,008.3					
Clean other restaurant expenses	194.6	228.0	224.0					
Clean SG&A	1,938.9	2,174.1	2,328.6					
<b>Operating Working Capital ((CA - Cash) - (CL - ST Debt))</b>								
Accounts and notes receivable	\$2,224.2	\$2,110.3	\$1,872.4	\$2,336.7	\$2,386.1	\$2,447.5	\$2,521.3	\$2,608.0
Inventories, at cost, not in excess of market	50.2	51.1	55.6	53.1	49.6	46.4	43.4	40.6
Prepaid expenses and other current assets	385.0	632.7	511.3	660.9	674.9	692.2	713.1	737.6
<b>Total Operating Assets</b>	<b>\$2,659.4</b>	<b>\$2,794.1</b>	<b>\$2,439.3</b>	<b>\$3,050.7</b>	<b>\$3,110.6</b>	<b>\$3,186.1</b>	<b>\$3,277.8</b>	<b>\$3,386.2</b>
Accounts payable	988.2	741.3	1,006.8	922.2	862.3	806.2	753.8	704.8
Lease liability	621.0	701.5	705.5	705.5	705.5	705.5	705.5	705.5
Income taxes	331.7	741.1	360.7	424.9	433.8	445.0	458.4	474.2
Other taxes	247.5	227.0	236.7	283.2	289.2	296.7	305.6	316.1
Accrued interest	337.8	388.4	363.3	377.7	385.6	395.6	407.5	421.5
Accrued payroll and other liabilities	1,035.7	1,138.3	1,347.0	1,298.2	1,325.6	1,359.7	1,400.7	1,448.9
<b>Total Operating Liabilities</b>	<b>\$3,561.9</b>	<b>\$3,937.6</b>	<b>\$4,020.0</b>	<b>\$4,011.6</b>	<b>\$4,002.1</b>	<b>\$4,008.7</b>	<b>\$4,031.6</b>	<b>\$4,071.0</b>
<b>Operating Working Capital</b>	<b>(\$902.5)</b>	<b>(\$1,143.5)</b>	<b>(\$1,580.7)</b>	<b>(\$961.0)</b>	<b>(\$891.5)</b>	<b>(\$822.5)</b>	<b>(\$753.8)</b>	<b>(\$684.8)</b>
Operating Assets (Cash Flow)	\$527.8	(\$134.7)	\$354.8	(\$611.4)	(\$59.9)	(\$75.6)	(\$91.7)	(\$108.4)
Operating Liabilities (Cash Flow)	588.4	375.7	82.4	(8.4)	(9.6)	6.6	22.9	39.4
<b>Operating Working Capital (Cash Flow)</b>	<b>\$1,116.2</b>	<b>\$241.0</b>	<b>\$437.2</b>	<b>(\$619.7)</b>	<b>(\$69.5)</b>	<b>(\$69.0)</b>	<b>(\$68.8)</b>	<b>(\$68.9)</b>
<b>Non-Current Assets</b>								
Investments in and advances to affiliates	\$1,270.3	\$1,297.2	\$1,201.2	\$1,298.2	\$1,325.6	\$1,359.7	\$1,400.7	\$1,448.9
Goodwill	2,677.4	2,773.1	2,782.5	2,782.5	2,782.5	2,782.5	2,782.5	2,782.5
Miscellaneous	2,584.0	3,527.4	4,449.5	3,398.9	3,470.7	3,560.0	3,667.4	3,793.5
Lease right-of-use asset, net	13,261.2	13,827.7	13,552.0	13,552.0	13,552.0	13,552.0	13,552.0	13,552.0
<b>Total Non-Current Assets</b>	<b>\$19,792.9</b>	<b>\$21,425.4</b>	<b>\$21,985.2</b>	<b>\$21,031.5</b>	<b>\$21,130.8</b>	<b>\$21,254.2</b>	<b>\$21,402.6</b>	<b>\$21,576.9</b>
<b>Non-Current Liabilities</b>								
Long-term lease liability	\$12,757.8	\$13,321.3	\$13,020.9	\$13,020.9	\$13,020.9	\$13,020.9	\$13,020.9	\$13,020.9
Long-term income taxes	2,265.9	1,970.7	1,896.8	2,313.1	2,362.0	2,422.8	2,495.9	2,581.7
Deferred revenues - initial franchise fees	660.6	702.0	738.3	738.3	738.3	738.3	738.3	738.3
Other long-term liabilities	979.6	1,054.1	1,081.0	1,180.2	1,205.1	1,236.1	1,273.4	1,317.2
Deferred income taxes	1,318.1	2,025.6	2,075.6	2,075.6	2,075.6	2,075.6	2,075.6	2,075.6
<b>Total Non-Current Liabilities</b>	<b>\$17,982.0</b>	<b>\$19,073.7</b>	<b>\$18,812.6</b>	<b>\$19,328.1</b>	<b>\$19,401.9</b>	<b>\$19,493.7</b>	<b>\$19,604.1</b>	<b>\$19,733.7</b>





# McDonald's Corporation WACC

(USD in millions, except per share data)

$$WACC = (((kd*(1-T))*(D/(D+E)))) + ((Rf+B*(Rm-Rf))*(E/(D+E)))$$

kd	Tax Rate	Debt	Equity	Total Cap	Risk-Free Rate	Beta	MRP
4.15%	21.00%	35,622.7	186,954.5	222,577.2	3.00%	0.61	5.50%

	Debt	Equity
Actual Capital Structure	16.00%	84.00%
Target Capital Structure	17.00%	83.00%

WACC	12/31/21	Rate
	\$21,833.7	3.90%
USD - fixed rate debt	1,150.0	1.60%
USD - floating rate debt	8,682.3	1.40%
EUR - fixed rate debt	341.1	2.10%
EUR - floating rate debt	797.9	3.40%
AUD - fixed rate debt	217.9	1.20%
AUD - floating rate debt	1,145.0	4.20%
GBP - fixed rate debt	790.6	3.10%
CAD - fixed rate debt	108.6	2.90%
JPY - fixed rate debt	438.2	0.20%
Other currencies - fixed rate debt	257.1	2.40%
Other currencies - floating rate debt	4.8	
Fair value adjustments	(144.5)	
Deferred debt costs	0.0	
(Less current maturities of long-term debt)	\$35,622.7	3.12%
<b>Long-term debt</b>		

MCD Price (4/22/22)  
FD Shares Out  
Market Cap

Current
\$250.17
747.3
\$186,954.5

OCF	8/31/18	8/31/19	8/31/20	8/31/21
	\$6,966.7	\$8,122.1	\$6,265.2	\$9,141.5

# McDonald's Corporation Cash Flow Statement

(USD in millions, except per share data)

	Historical			Projected				
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
<b>Cash Flow from Operations</b>								
Net Income				\$7,495.7	\$8,009.9	\$8,598.9	\$9,287.0	\$10,033.5
Depreciation & amortization				1,770.2	1,807.6	1,854.2	1,910.1	1,975.8
Δ in Operating Working Capital				(619.7)	(69.5)	(69.0)	(68.8)	(68.9)
<b>Total Cash Flow from Operations</b>				<b>\$8,646.2</b>	<b>\$9,748.1</b>	<b>\$10,384.1</b>	<b>\$11,128.3</b>	<b>\$11,940.3</b>
<b>Cash Flow from Investing</b>								
Capital Expenditures				(\$2,242.3)	(\$2,289.7)	(\$2,348.6)	(\$2,419.5)	(\$2,502.6)
Δ in Other Non-Current Assets				953.7	(99.2)	(123.4)	(148.4)	(174.3)
Δ in Other Non-Current Liabilities				515.5	73.8	91.8	110.4	129.6
<b>Total Cash Flow from Investing</b>				<b>(\$773.2)</b>	<b>(\$2,315.1)</b>	<b>(\$2,380.2)</b>	<b>(\$2,457.5)</b>	<b>(\$2,547.3)</b>
<b>Cash Flow from Financing</b>								
Short Term Debt, current				\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
USD - fixed rate debt				(779.8)	(779.8)	(779.8)	(779.8)	(779.8)
USD - floating rate debt				(41.1)	(41.1)	(41.1)	(41.1)	(41.1)
EUR - fixed rate debt				(789.3)	(789.3)	(789.3)	(789.3)	(789.3)
EUR - floating rate debt				(31.0)	(31.0)	(31.0)	(31.0)	(31.0)
AUD - fixed rate debt				0.0	0.0	(159.6)	(159.6)	(159.6)
AUD - floating rate debt				0.0	0.0	(43.6)	(43.6)	(43.6)
GBP - fixed rate debt				0.0	0.0	0.0	0.0	0.0
CAD - fixed rate debt				0.0	0.0	0.0	(790.6)	0.0
JPY - fixed rate debt				0.0	0.0	0.0	0.0	0.0
Other currencies - fixed rate debt				(219.1)	(219.1)	0.0	0.0	0.0
Other currencies - floating rate debt				(128.6)	(128.6)	0.0	0.0	0.0
Preferred stock				0.0	0.0	0.0	0.0	0.0
Common stock				0.0	0.0	0.0	0.0	0.0
Additional paid-in capital				0.0	0.0	0.0	0.0	0.0
Accumulated other comprehensive income (loss)				0.0	0.0	0.0	0.0	0.0
Share repurchases				(4,244.7)	(4,244.7)	0.0	0.0	0.0
Dividends				(4,497.4)	(4,805.9)	(5,159.3)	(5,572.2)	(6,020.1)
<b>Total Cash Flow from Financing</b>				<b>(\$10,731.0)</b>	<b>(\$11,039.5)</b>	<b>(\$7,003.6)</b>	<b>(\$8,207.1)</b>	<b>(\$7,864.4)</b>
<b>Net Cash Flow (Δ in Cash)</b>				<b>(\$2,857.9)</b>	<b>(\$3,606.5)</b>	<b>\$1,000.2</b>	<b>\$463.7</b>	<b>\$1,528.6</b>
<b>Cash Analysis</b>								
Beginning Cash				\$4,709.2	\$1,851.3	(\$1,755.2)	(\$755.0)	(\$291.3)
Change in Cash from CFS				(2,857.9)	(3,606.5)	1,000.2	463.7	1,528.6
<b>Net Cash Available at end of year</b>			\$4,709.2	<b>\$1,851.3</b>	<b>(\$1,755.2)</b>	<b>(\$755.0)</b>	<b>(\$291.3)</b>	<b>\$1,237.3</b>
Required CASH				\$2,832.4	\$2,892.2	\$2,966.7	\$3,056.2	\$3,161.2
Excess CASH / (REVOLVER)				(981.1)	(4,647.4)	(3,721.7)	(3,347.5)	(1,923.9)
<b>DCF Valuation</b>								
EBIT				\$10,545.1	\$11,215.8	\$11,945.9	\$12,739.4	\$13,600.8
Nonoperating (income) expense, net				0.0	0.0	0.0	0.0	0.0
Provision for income taxes				1,992.5	2,129.2	2,285.8	2,468.7	2,667.1
<b>EBIAT (NOPAT)</b>				<b>\$8,552.5</b>	<b>\$9,086.6</b>	<b>\$9,660.1</b>	<b>\$10,270.8</b>	<b>\$10,933.6</b>
EBIAT (NOPAT)				\$8,552.5	\$9,086.6	\$9,660.1	\$10,270.8	\$10,933.6
Depreciation and amortization				1,770.2	1,807.6	1,854.2	1,910.1	1,975.8
Δ in Operating Working Capital				(619.7)	(69.5)	(69.0)	(68.8)	(68.9)
Capital expenditures				(2,242.3)	(2,289.7)	(2,348.6)	(2,419.5)	(2,502.6)
Δ in Other non-current assets				953.7	(99.2)	(123.4)	(148.4)	(174.3)
Δ in Other non-current liabilities				515.5	73.8	91.8	110.4	129.6
<b>Unlevered FCFs</b>				<b>\$8,929.9</b>	<b>\$8,509.6</b>	<b>\$9,065.1</b>	<b>\$9,654.6</b>	<b>\$10,293.1</b>
<b>Terminal Value</b>								
Growth rate				1.40%				
Discount rate (WACC)				5.83%				
				\$235,502.8				
<b>Discounting Model</b>								
Mid-year convention			YES					
Year count				0.346	1.346	2.346	3.346	4.346
Discount denominator				0.981	0.927	0.875	0.827	0.782
<b>PV of Free Cash Flow</b>				<b>\$6,065.3</b>	<b>\$7,884.4</b>	<b>\$7,936.2</b>	<b>\$7,986.5</b>	<b>\$8,045.6</b>
PV of FCFs				\$37,917.9				
PV of Terminal Value				184,079.0				
<b>TEV (Total Enterprise Value)</b>				<b>\$221,996.9</b>				
Short-term debt				\$0.0				
Long-term debt				35,622.7				
<b>Total debt</b>				<b>\$35,622.7</b>				
Required cash				\$4,709.2				
Excess cash				0.0				
<b>Total cash</b>				<b>\$4,709.2</b>				
Preferred stock / convertibles				\$0.0				
Minority interests				0.0				
<b>Equity Value</b>				<b>\$191,083.4</b>				
Diluted shares outstanding				747.3				
<b>Value per share</b>				<b>\$255.70</b>				
Current price				\$250.17				
Premium / (Discount) to Intrinsic Value				(2.2%)				
<b>Rating</b>				<b>HOLD</b>				



# Trading Comparables

(USD in millions, except per share data)

Ticker	MCD	YUM	QSR	WEN
Company	McDonald's Corporation	Yum! Brands, Inc.	Restaurant Brands International	The Wendy's Company
Price (as of 4/22/22)	\$250.17	\$122.40	\$57.89	\$20.03
Shares Out	743.6	289.0	309.6	215.2
Options Ex.	3.7	3.4	0.6	1.2
<b>FD Shares Out</b>	<b>747.3</b>	<b>292.4</b>	<b>310.2</b>	<b>216.4</b>
<b>FD Equity Value</b>	<b>\$186,954.5</b>	<b>\$35,790.4</b>	<b>\$17,960.3</b>	<b>\$4,334.5</b>
Total Debt	\$35,622.7	\$11,246.0	\$13,345.0	\$2,955.8
Cash	4,709.2	486.0	1,087.0	277.0
<b>Net Debt</b>	<b>\$30,913.5</b>	<b>\$10,760.0</b>	<b>\$12,258.0</b>	<b>\$2,678.8</b>
Preferreds/Convertibles	0.0	0.0	0.0	0.0
Minority Interests	0.0	0.0	1,616.0	0.0
<b>TEV</b>	<b>\$217,868.0</b>	<b>\$46,550.4</b>	<b>\$31,834.3</b>	<b>\$7,013.3</b>
<b>Sales (P/S)</b>				
LTM	\$23,222.9 8.1x	\$6,584.0 5.4x	\$5,739.0 3.1x	\$1,897.0 2.3x
Annualized Stub	23,222.9 8.1x	6,584.0 5.4x	5,739.0 3.1x	1,897.0 2.3x
<b>EBITDA (TEV/EBITDA)</b>				
LTM	\$12,224.1 17.8x	\$2,270.0 20.5x	\$2,091.0 15.2x	\$455.3 15.4x
Annualized Stub	12,224.1 17.8x	2,270.0 20.5x	2,091.0 15.2x	455.3 15.4x
<b>Earnings (P/E)</b>				
LTM	\$7,545.2 24.8x	\$1,575.0 22.7x	\$838.0 21.4x	\$200.4 21.6x
Annualized Stub	7,545.2 24.8x	1,575.0 22.7x	838.0 21.4x	200.4 21.6x
<b>FCF (P/FCF)</b>				
LTM	\$10,184.1 18.4x	\$2,040.0 17.5x	\$1,985.0 9.0x	\$377.3 11.5x
Annualized Stub	10,184.1 18.4x	2,040.0 17.5x	1,985.0 9.0x	377.3 11.5x

Note: Prices as of market close (4/22/22). FCF = EBITDA - Capex.

Source: SEC Filings and Yahoo! Finance

## Transaction Comparables

(USD in millions, except per share data)

Announced Date	1/16/14	5/1/12	4/24/10	
Consideration				
Acquiror	APO	Centerbridge	APO	
Target	CEC	PFCB	CKR	
Offer Price	\$54.00	\$51.50	\$12.55	Average
LTM Sales	1.15x	0.89x	0.49x	0.84x
LTM EBITDA	7.91x	8.38x	6.50x	7.60x
LTM FCF	10.35x	13.69x	13.20x	12.41x
LTM Earnings	19.80x	42.85x	14.50x	25.71x

### 1) Apollo Global Management's (APO) buyout of CEC Entertainment, Inc. (CEC) announced on 1/16/14

Cash Offer	\$54.00	
Shs Out	17.5	
Options	0.0	
<b>FD Equity Value</b>	<b>\$946.9</b>	
Debt	382.9	
Cash	20.7	
<b>Net Debt</b>	<b>\$362.2</b>	
Preferreds/Converts	0.0	
Minority Interest	0.0	
<b>TEV</b>	<b>\$1,309.1</b>	
<b>LTM Sales</b>	<b>\$821.7</b>	<b>1.15x</b>
Operating Income	\$83.5	
One-time items	3.1	
Depreciation & Amortization	79.0	
<b>LTM EBITDA</b>	<b>\$165.6</b>	<b>7.91x</b>
LTM Capex	74.1	
<b>LTM FCF</b>	<b>\$91.5</b>	<b>10.35x</b>
<b>LTM Earnings</b>	<b>\$47.8</b>	<b>19.80x</b>

Note: FCF defined as EBITDA less Capex.

### 2) Centerbridge's buyout of P.F. Chang's China Bistro, Inc. (PFCB) announced on 5/1/12

Cash Offer	\$51.50				
Shs Out	21.2				
Options	0.2				
<b>FD Equity Value</b>	<b>\$1,103.6</b>				
Debt	1.3				
Cash	55.7				
<b>Net Debt</b>	<b>(\$54.4)</b>				
Preferreds/Converts	0.0				
Minority Interest	0.4				
<b>TEV</b>	<b>\$1,049.6</b>				
<b>LTM Sales</b>	<b>\$1,240.3</b>	<b>0.89x</b>			
<b>LTM EBITDA</b>	<b>\$125.3</b>	<b>8.38x</b>			
<b>LTM FCF</b>	<b>\$80.6</b>	<b>13.69x</b>			
<b>LTM Earnings</b>	<b>\$25.8</b>	<b>42.85x</b>			

PFCB Options Table					
Options Ex	# of	Wghtd Avg Ex Price	Offer Price	In the Money	Shs in the Money
	1.5	\$44.75	\$51.50	YES	0.2

Source: PFCB, 10K, 1/1/12, pg. 67

	4/3/11	1/1/12	4/1/12	LTM
Sales	\$317.4	\$1,238.8	\$318.9	\$1,240.3
EBIT	15.1	41.0	5.7	31.6
One-Time	0.3	12.3	0.2	12.2
D&A	19.7	80.4	20.8	81.5
EBITDA	\$35.1	\$133.7	\$26.7	\$125.3
Capex	6.6	38.8	12.5	44.6
FCF	\$28.4	\$94.9	\$14.2	\$80.6
Net Income	\$10.6	\$30.1	\$6.3	\$25.8

Note: FCF defined as EBITDA less Capex.

### 3) Columbia Lake Acquisition Holdings' (an affiliate of Apollo Global Management (APO)) buyout of CKE Restaurants, Inc. (CKR) announced on 4/24/10

Cash Offer	\$12.55				
Shs Out	55.3				
Options	0.4				
<b>FD Equity Value</b>	<b>\$698.7</b>				
Debt	329.0				
Cash	18.2				
<b>Net Debt</b>	<b>\$310.8</b>				
Preferreds/Converts	0.0				
Minority Interest	0.0				
<b>TEV</b>	<b>\$1,009.5</b>				
<b>LTM Sales</b>	<b>\$1,418.7</b>	<b>0.49x</b>			
<b>LTM EBITDA</b>	<b>\$155.3</b>	<b>6.50x</b>			
<b>LTM FCF</b>	<b>\$52.9</b>	<b>13.20x</b>			
<b>LTM Earnings</b>	<b>\$48.2</b>	<b>14.50x</b>			

CKR Options Table					
Options Ex	# of	Wghtd Avg Ex Price	Offer Price	In the Money	Shs in the Money
	3.4	\$11.15	\$12.55	YES	0.4

Source: CKR, 10K, 1/25/10, pg. 78

Note: FCF defined as EBITDA less Capex.

# McDonald's Corporation Analysis at Various Prices (AVP)

MCD Price (4/22/22) \$250.17

Analysis at Various Prices - Trading Comps - Sales																	
P/S	2.00x	2.50x	3.00x	3.50x	4.00x	4.50x	5.00x	5.50x	6.00x	6.50x	7.00x	7.50x	8.00x	8.50x	9.00x	9.50x	10.00x
MCD LTM Sales	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9
Equity Value	\$46,445.8	\$58,057.3	\$69,668.7	\$81,280.2	\$92,891.6	\$104,503.1	\$116,114.5	\$127,726.0	\$139,337.4	\$150,948.9	\$162,560.3	\$174,171.8	\$185,783.2	\$197,394.7	\$209,006.1	\$220,617.6	\$232,229.0
FD Shs Out	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3
Value per share	\$62.15	\$77.69	\$93.23	\$108.76	\$124.30	\$139.84	\$155.38	\$170.91	\$186.45	\$201.99	\$217.53	\$233.07	\$248.60	\$264.14	\$279.68	\$295.22	\$310.75

Analysis at Various Prices - Trading Comps - EBITDA																	
TEV/EBITDA	14.00x	14.50x	15.00x	15.50x	16.00x	16.50x	17.00x	17.50x	18.00x	18.50x	19.00x	19.50x	20.00x	20.50x	21.00x	21.50x	22.00x
MCD LTM EBITDA	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1
TEV	\$171,137.4	\$177,249.5	\$183,361.5	\$189,473.6	\$195,585.6	\$201,697.7	\$207,809.7	\$213,921.8	\$220,033.8	\$226,145.9	\$232,257.9	\$238,370.0	\$244,482.0	\$250,594.1	\$256,706.1	\$262,818.2	\$268,930.2
Net Debt	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5
Equity Value	\$140,223.9	\$146,336.0	\$152,448.0	\$158,560.1	\$164,672.1	\$170,784.2	\$176,896.2	\$183,008.3	\$189,120.3	\$195,232.4	\$201,344.4	\$207,456.5	\$213,568.5	\$219,680.6	\$225,792.6	\$231,904.7	\$238,016.7
FD Shs Out	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3
Value per share	\$187.64	\$195.82	\$204.00	\$212.17	\$220.35	\$228.53	\$236.71	\$244.89	\$253.07	\$261.25	\$269.43	\$277.60	\$285.78	\$293.96	\$302.14	\$310.32	\$318.50

Analysis at Various Prices - Transaction Comps - Sales																	
P/S	0.25x	0.35x	0.45x	0.55x	0.65x	0.75x	0.85x	0.95x	1.05x	1.15x	1.25x	1.35x	1.45x	1.55x	1.65x	1.75x	1.85x
MCD LTM Sales	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9	\$23,222.9
Equity Value	\$5,805.7	\$8,128.0	\$10,450.3	\$12,772.6	\$15,094.9	\$17,417.2	\$19,739.5	\$22,061.8	\$24,384.0	\$26,706.3	\$29,028.6	\$31,350.9	\$33,673.2	\$35,995.5	\$38,317.8	\$40,640.1	\$42,962.4
FD Shs Out	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3
Value per share	\$7.77	\$10.88	\$13.98	\$17.09	\$20.20	\$23.31	\$26.41	\$29.52	\$32.63	\$35.74	\$38.84	\$41.95	\$45.06	\$48.17	\$51.27	\$54.38	\$57.49

Analysis at Various Prices - Transaction Comps - EBITDA																	
TEV/EBITDA	6.00x	6.20x	6.40x	6.60x	6.80x	7.00x	7.20x	7.40x	7.60x	7.80x	8.00x	8.20x	8.40x	8.60x	8.80x	9.00x	9.20x
MCD LTM EBITDA	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1	\$12,224.1
TEV	\$73,344.6	\$75,789.4	\$78,234.2	\$80,679.1	\$83,123.9	\$85,568.7	\$88,013.5	\$90,458.3	\$92,903.2	\$95,348.0	\$97,792.8	\$100,237.6	\$102,682.4	\$105,127.3	\$107,572.1	\$110,016.9	\$112,461.7
Net Debt	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5	30,913.5
Equity Value	\$42,431.1	\$44,875.9	\$47,320.7	\$49,765.6	\$52,210.4	\$54,655.2	\$57,100.0	\$59,544.8	\$61,989.7	\$64,434.5	\$66,879.3	\$69,324.1	\$71,768.9	\$74,213.8	\$76,658.6	\$79,103.4	\$81,548.2
FD Shs Out	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3	747.3
Value per share	\$56.78	\$60.05	\$63.32	\$66.59	\$69.86	\$73.14	\$76.41	\$79.68	\$82.95	\$86.22	\$89.49	\$92.76	\$96.04	\$99.31	\$102.58	\$105.85	\$109.12

# McDonald's Corporation Summary

(USD in millions, except per share data)

	Historical			Projected				
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
<b>Size</b>								
Total revenues	\$21,364.4	\$19,207.8	\$23,222.9	\$23,603.1	\$24,101.8	\$24,722.2	\$25,467.9	\$26,343.6
Gross Profit	14,615.2	13,245.4	16,301.7	16,968.5	17,898.4	18,922.0	20,044.8	21,273.0
EBITDA	10,687.7	9,075.4	12,224.1	12,315.3	13,023.4	13,800.1	14,649.5	15,576.5
EBIT	9,069.8	7,324.0	10,356.0	10,545.1	11,215.8	11,945.9	12,739.4	13,600.8
Net Income	6,025.4	4,730.5	7,545.2	7,495.7	8,009.9	8,598.9	9,287.0	10,033.5
OCF	8,122.1	6,265.2	9,141.5	8,646.2	9,748.1	10,384.1	11,128.3	11,940.3
Capex	2,393.7	1,640.8	2,040.0	2,242.3	2,289.7	2,348.6	2,419.5	2,502.6
Dividends	3,581.9	3,752.9	3,918.6	4,497.4	4,805.9	5,159.3	5,572.2	6,020.1
Assets	47,510.8	52,626.8	53,854.3	52,107.2	52,808.2	53,576.1	54,415.1	55,329.7
Debt	34,177.2	37,440.4	35,622.7	34,615.0	36,292.5	33,522.4	30,513.3	27,245.5
Equity	(8,210.3)	(7,824.9)	(4,601.0)	(5,847.4)	(6,888.2)	(3,448.7)	266.1	4,279.6
Total Capital	25,966.9	29,615.5	31,021.7	28,767.5	29,404.3	30,073.8	30,779.5	31,525.0
<b>Profitability</b>								
Sales growth	0.5%	(10.1%)	20.9%	1.6%	2.1%	2.6%	3.0%	3.4%
Gross margin	68.4%	69.0%	70.2%	71.9%	74.3%	76.5%	78.7%	80.8%
EBITDA margin	50.0%	47.2%	52.6%	52.2%	54.0%	55.8%	57.5%	59.1%
EBIT margin	42.5%	38.1%	44.6%	44.7%	46.5%	48.3%	50.0%	51.6%
Profit margin	28.2%	24.6%	32.5%	31.8%	33.2%	34.8%	36.5%	38.1%
Asset Utilization	0.5x	0.4x	0.4x	0.4x	0.5x	0.5x	0.5x	0.5x
ROA	15.0%	9.4%	14.2%	14.1%	15.3%	16.2%	17.2%	18.3%
Leverage	(5.6x)	(6.2x)	(8.6x)	(10.1x)	(8.2x)	(10.3x)	(33.9x)	24.1x
ROE	(83.3%)	(59.0%)	(121.4%)	(143.5%)	(125.8%)	(166.4%)	(583.6%)	441.5%
ROIC	27.9%	21.3%	28.9%	28.6%	31.2%	32.5%	33.8%	35.1%
Payout ratio	59.4%	79.3%	51.9%	60.0%	60.0%	60.0%	60.0%	60.0%
<b>Leverage &amp; Coverage</b>								
Debt to Total Capital	131.6%	126.4%	114.8%	120.3%	123.4%	111.5%	99.1%	86.4%
Debt to EBITDA	3.2x	4.1x	2.9x	2.8x	2.8x	2.4x	2.1x	1.7x
FCF / Interest	7.4x	6.1x	8.6x	9.5x	10.0x	10.8x	12.4x	14.5x
<b>Working Capital</b>								
Capex Intensity	11.2%	8.5%	8.8%	9.5%	9.5%	9.5%	9.5%	9.5%
Days Sales Outstanding	39.9	41.2	31.3	32.5	35.8	35.7	35.6	35.5
Days Inventory Outstanding	2.7	3.1	2.8	3.0	3.0	3.0	3.0	3.0
Days Payables Outstanding	59.4	52.9	46.1	53.1	52.5	52.5	52.5	52.5
Cash Conversion Cycle	(16.8)	(8.7)	(12.0)	(17.5)	(13.7)	(13.8)	(13.9)	(13.9)

Note: FCF Defined as EBITDA less Capex