

Your Future.

Made at

McDonald's.

Your path to becoming a
McDonald's franchisee.





Prospective McDonald's Franchisee,

Thank you for your interest in McDonald's. Under the arches, there is immense opportunity to grow and prosper with one of the world's strongest brands.

We stand tall on the shoulders of our founders. Ray Kroc and Fred Turner grew McDonald's on bold ambition and four core principles that we still carry with us: Quality, Service, Cleanliness and Value. Fast forward to today and we are changing the face of our brand. Through our growth plan, customers are seeing a more modern McDonald's, and we are evolving by improving our food, experience, people and value.

McDonald's is 95% franchised in the U.S., and we are outperforming our competition due to the hard work and commitment of our franchisees. As you will see throughout this brochure, franchisees are the key ingredient to our brand.

As a franchisee, you have the unmatched resources of our system. This includes experts who provide support and consultation in areas such as marketing, operations, HR and finance. There is also extensive training to give you a strong foundation to drive sales, guest counts and cash flow.

We find the franchisees who have the best success are willing to be involved in every aspect of the business, have great interpersonal skills, and are heavily involved in their community.

While there is great responsibility that comes with owning a franchise and upholding a brand like ours, we believe our franchise model is the best in the world, and can reap many rewards for those who are willing to put in the work.

I hope you enjoy reading more about our brand and exploring what it takes to build your future with McDonald's. I wish you all the best as you pursue a franchise.

Joe Erlinger
President, McDonald's USA

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Welcome to McDonald's.

Perhaps we were your first job. The go-to birthday outing for the kids. Your favorite fries. Maybe you've noticed the role we play in our communities and for charity. Or it just might be that you've wondered what it would be like to own a McDonald's franchise.

Have a seat. Let's talk.

Running a McDonald's franchise is a once-in-a-lifetime experience. Think of the people you'll meet ... in the restaurant, across our organization and in the neighborhood. We couldn't be more proud of the leadership our franchisees demonstrate each and every day. It takes heart, soul and a genuine commitment to the communities we serve.

Prepare to feel good about what you do. Read on to find out what it takes to become a franchisee



How may we help you
become a franchisee?

Our History



In 1954, Ray Kroc visited a small but successful restaurant in San Bernardino, California run by brothers Dick and Mac McDonald, and was stunned by the effectiveness of their operation. The McDonald's brothers produced a limited menu, concentrating on just a few items – burgers, fries and beverages – which allowed them to focus on quality and quick service. They were looking for a new franchising agent and Kroc saw an opportunity. In 1955, he founded McDonald's System, Inc., a predecessor of the McDonald's Corporation, and six years later bought the exclusive rights to the McDonald's name and operating system. By 1958, McDonald's had sold its 100 millionth hamburger.



More than sixty years later, McDonald's is a global brand focused on innovation for the future, including McDelivery, mobile ordering and self-serve kiosks to ensure the restaurant experience continues to be world class.

Why McDonald's?



“McDonald’s can’t be successful unless our Franchisees are successful.”

Ray Kroc

McDonald’s Founder

With over 60 years of experience, McDonald’s has become one of the most recognizable brands in the world. Our proven operating system allows us to maintain the highest standards of operations excellence successfully serving millions of customers each day.

From support departments, operations experts, marketing talents, training specialists and more – our proven system and supplier partnerships are key to franchisee success. Using this unique approach, you are provided a roadmap for success. Becoming a McDonald’s franchisee gives you the independence of running your own business, but you have the support of the system. Our primary goal is to assist our franchisees in maximizing quality, service and cleanliness which helps you optimize sales and profits. You are in business for yourself, but not by yourself.

“My top choice was McDonald’s due to the extensive training program and proven long-term strength of the brand.”

Courtney

Franchisee · New York





Louis' Story

Franchisee · Louisiana

“I dreamt of being an entrepreneur since I was a child.

When I was retiring from the New Orleans Police Department, I knew I could finally work towards my goal of owning a business. After considering several options, carefully weighing the pros and cons of each, my wife and I selected McDonald's.

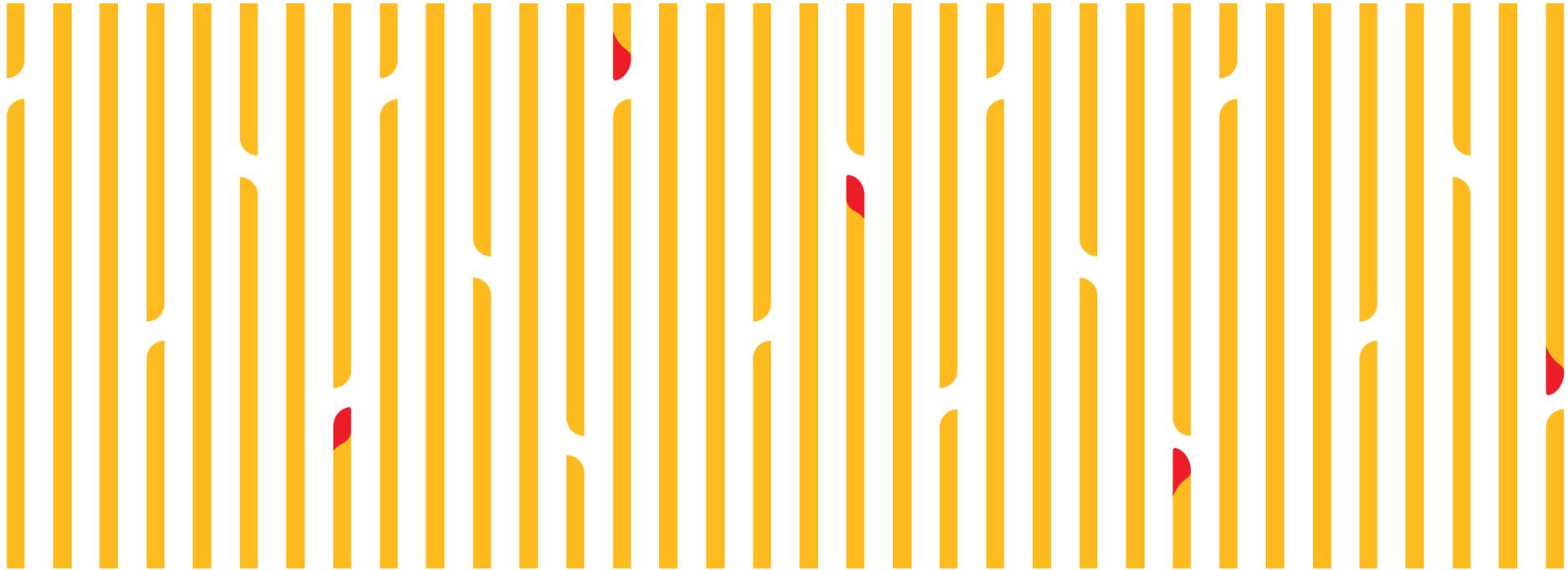
I was so impressed with the work ethic and business savvy after speaking to McDonald's franchisees at the time and knew that McDonald's would be able to provide the opportunity for personal growth and learning that is so important to me. I felt like I would never stop learning with this brand – and wow, was I right!

As a franchise owner, I have a platform to make an impact in the community and am able to support organizations that are near and dear, including the Boys and Girls Club and several Law Enforcement agencies and several other community programs. Additionally, we are able to help our people learn and grow every day. We make sure we educate our employees about the benefits McDonald's affords, whether that entails additional education or life skill development, and are continuously looking for ways to make it fun to work in our restaurants. It is so wonderful to see our people develop and grow and knowing that, as a franchisee, I can foster that development is a great opportunity of owning a McDonald's.

I was given opportunities by people who believed in me in my lifetime. Their belief built my confidence, and that is why I am where I am today. I know that others need that same support and encouragement. The ability to instill confidence in others to achieve their goals is what drives me.

My family and I are now positive influencers in our community and are brand ambassadors everywhere we go. We all love sharing our story, encouraging, and mentoring people who have the same dream of entrepreneurship.”

Global Brand



Join the most recognizable brand in the world!

McDonald's provides its franchisees and more than 38,000 restaurants with the resources and support they need to thrive. We've developed an extensive network of the world's finest suppliers that you can tap into from the beginning. And we continue to work closely with suppliers to ensure our franchisees' restaurants are provided with the highest quality products at the most competitive prices. We also provide extensive support in marketing and have helped create a worldwide brand unmatched in the food service industry – a critical competitive advantage for your individual McDonald's restaurant franchise.



Tony's Story

Franchisee · Nevada & Utah

"I started as part of the crew at age 16 and progressed over the years to a Director of Operations. During my time working in the restaurant I was blessed to work for a franchisee who allowed me to develop leadership skills and implement people practices, which are instrumental to the organization today. After 30 years with McDonald's I decided I wanted to run my own organization and to pass along the knowledge I had obtained.

I believe a successful leader has a duty to give back, to train, and to share the results to help make our communities stronger.

By investing in my team, we have had the opportunity to transform a number of restaurants. We have had visitors from around the world come to see what we do and how we've done it. That's personally satisfying, but I'm most excited by what I see in my team.

I love to help people rise up above what they thought they were capable of and become strong leaders."

World-Class Training



We devote significant time and resources to our highly regarded training and evaluation program for new applicants. You'll learn about our systems and routines and we'll train you to perform every role in a McDonald's restaurant. At the end of the program, you will have all the skills you need to operate a restaurant and start to apply your own talents to make it a success.

Most of your training will take place in a McDonald's restaurant. You'll be trained by an experienced franchisee and a team of others who will support your development. In addition to the in-restaurant training, you will complete a self-directed online curriculum as well as three formal leadership courses. The first two courses are held in Field Office training centers and the third course is a four-day course held at Hamburger University at our headquarters in Chicago.

The timeline for training will vary based on your ability to commit to full or part-time training. A minimum of 20 hours per week is required for the duration of the training program.

Our comprehensive program is designed to train you in all aspects of owning and operating a McDonald's restaurant including, but not limited to running a restaurant, recruiting and developing your crew, maximizing your performance, growing your business, purchasing a McDonald's restaurant(s), and running a multi-restaurant organization.



And training doesn't stop there.

We offer ongoing training for Franchise owners at Hamburger University with courses focused on management, leadership and company culture.

In addition, we offer ongoing training for employees of a franchisee to ensure they are provided with the tools and resources to successfully run a restaurant. By leveraging a blended learning approach through self-study, on-the-job coaching and instructor-led classroom training we strive to deliver a training program that is beneficial regardless of an employee's role in the restaurant, whether they're crew or a manager.



“The McDonald’s training program for me was far more intense than I thought it was going to be. I was initially concerned that I was going to be bored but found McDonald’s to be the most engaging and challenging environment I could imagine. And I love it for that.”

Kerri

Franchisee · California

Giving Back & Community Involvement

At McDonald's, we believe we have a responsibility to add value to the communities in which we operate, and we are proud to play an active role in communities across America.

Franchisees are encouraged to contribute locally in a way that is most relevant and appropriate to themselves and their communities. Through community involvement our franchisees have become strong leaders in their communities and have had a positive impact at a local level.

Giving back to the community is a fundamental part of our business philosophy dating back to McDonald's founder Ray Kroc and is carried on today by the company and our franchisees through our Archways to Opportunity program, the Ronald McDonald House Charities and McTeacher's Nights.





Courtney

“We strategically work to build relationships and sponsor initiatives in our community that support youth and education.”

Wade

“My goal is that our employees are better off than when they came. Through McDonald’s Archways to Opportunity program, we have helped our team members obtain their high school diplomas, learn English as a second language, and held fundraisers for our employees affected by hurricanes. We are always the first business open after a hurricane. We serve first responders and utility workers and are a place many come to charge their phones and get a meal as they try to pick up the pieces.”

John

“Working with our people and our communities gives us many chances to affect people’s lives every day. The feeling is indescribable. We have an annual Rock the House event for Ronald McDonald’s House Charities, which has raised over \$1M. We also have countless McTeacher’s nights which has raised over \$100,000 for our local schools. Someone said, making money is awesome, but giving it away is liberating. They were so right.”

Leonardo

“We routinely donate to many, many organizations, schools etc. (as do many operators), we also provide interest free loans to our employees to help out as needed during economic hardships.”

Build a Legacy

Our heritage is built upon generations of franchisees, customers and employees. To ensure continued success we offer the Next Generation Training Program to allow our franchisees the opportunity to bring their qualified family members into the business, to build their own McDonald's legacy.

Upon acceptance and completion of the Next Generation Training Program, at the discretion of McDonald's, spouses and children have the opportunity to join the system alongside their families.



Wade's Story

Franchisee · North Carolina

"A Story Spanning Generations"

At 5 years of age my dad opened his first location in Goldsboro, NC. For 49 years I have lived my life loving the McDonald's brand.

I started working in my dad's restaurants at age 12. At the time I wanted a motorcycle and my father said he would match what I saved working that summer in the restaurant. I worked cleaning the restaurant, mopping, wiping tables & trays, emptying the trash, etc. After that, each summer I worked in the restaurant and even attended meetings with my father to learn more about the business.

I decided that I wanted to follow in my father's footsteps and early in my career I was approved to become a McDonald's franchisee. Since then I have continued to grow and evolve as a leader and that is really fulfilling."



Leonardo's Story

Franchisee · Florida

"I worked for a McDonald's franchisee all through high school and college. Post-college I was fortunate to be given the opportunity to enter the Franchisee Training Program and became a McDonald's franchisee in Orlando in 1989. I have been very fortunate in my life and career with McDonald's in many ways. I have been able to help many people achieve their goals and improve their families' futures.

Today my family owns a total of 19 restaurants, between me, my spouse, and my son. I am very grateful that McDonald's encourages the Next Generation Program as this is key for me and others as we transition and sell our businesses over time to our children.

Although we are part of a large, multinational corporation and system, we are a small family business."

Harris' Story

Franchisee · California

“McDonald’s has provided me the opportunity to connect with a much broader part of society as well as the skills to influence others in a positive way.

After leaving my profession in the construction industry, I knew I wanted to be in a position where my employees could count on me. I was initially drawn to McDonald’s because of the opportunity to work with and serve a cross section of America and to be a part of a brand where the employees are passionate about their work every day. I am now surrounded by a team of motivated individuals who are a positive force for change in the community and organization.”



Focused on The Future



Over the past 60 years, McDonald's has proven itself to be a dynamic and innovative organization. We've adapted to changing markets and have capitalized on opportunities providing us with a clear growth strategy for the future. The key pillars of this strategy are to retain, regain and convert customers. By staying at the forefront of technology we have been able to improve the in-restaurant, digital and delivery experience for our customers, while providing opportunities to the franchisees to grow their business.



What will be your impact as a franchisee?

Nicole's Story

Franchisee · California

Nicole has always wanted to have a positive impact on other peoples' lives, and her story illustrates how being a McDonald's franchisee is the perfect way to do so. When she was in high school, her parents became McDonald's franchisees with 2 locations, and they put her to work. She learned how a local business could serve food and help sustain the needs of a community in many other ways.



Hear From Nicole



“I earned a bachelor’s and master’s degree, and for 10 years, I was a social worker. But I always knew I would come back to McDonald’s. And I did, working for my mom at night, and doing my social services job during the day until I took the plunge in 2003.

In 2005, I joined the Next Generation Program for the children of McDonald’s franchisees. It’s an opportunity for current, eligible franchisees to support their children to become approved franchise owners. I became an approved franchisee in 2006 and got my first two restaurants at the Los Angeles Airport in 2007.

I like to help people and make a difference, and there are many ways to do that because our business is about people—the people who work with us in our restaurants and our customers.

My social services training serves me very well in this job. I’m mentoring people, engaging with people. Those skills—being empathic and listening—come into play every day.

Working in the community is one of the most important things we do as McDonald’s franchisees. And community means a lot of different things. It’s the people who come into the restaurant. It’s the local churches, the schools that we support, the people we employ.

Family encapsulates everything we do, from my family to the families that work with us in our restaurants for 10, 20, 25 years. Ninety five percent of the restaurants are owned and operated by individual business people like me, the McFamily. And McDonald’s staff partners with us because we’re all part of the brand. So, there are always a variety of resources there to support us.

I would definitely recommend McDonald’s because it’s made up of the best people, and we really value diversity. And it’s a great place to learn. To be a part of the greatest brand in the world is amazing.”

What It Takes



Most new franchisees enter the McDonald's system through the purchase of an existing restaurant from either McDonald's USA, LLC or one of our franchisees. The purchase price of an existing restaurant varies and is dependent upon a number of factors, including, but not limited to, sales volume, profitability, occupancy costs, reinvestment or improvement needs, and location.

The opportunity to enter the Franchisee Training Program is based on your ability to:

- Invest a minimum of \$500,000 in non-borrowed personal funds as McDonald's does not allow partnerships or investors
- Divest of all existing business interests
- Devote full-time and best efforts to the business including exhibiting personal management and leadership in the restaurant business
- Commit to an extensive training program that includes your ability to work a number of different day-parts and days a week depending on restaurant operating hours
- Relocate based on availability of restaurants

Upon your successful completion of our world-class Franchisee Training Program, the Franchising team will connect you to restaurant opportunities and you will negotiate directly with the selling franchisee. Prior to any transfer, McDonald's USA, LLC must approve the transfer of the franchise from the buyer to the seller.



Money Matters

The following indicative costs and estimates are subject to change without notice. Actual costs will only be determined when a specific restaurant(s) is offered to a potential franchisee who is qualified to buy.

We require that the buyer pay a minimum of 25% cash as a down payment toward the purchase of a restaurant. The remaining balance of the purchase price may be financed for a period of no more than seven years. While McDonald's does not offer financing, McDonald's Franchisees enjoy the benefits of our established relationships with many national lending institutions. We believe our Franchisees enjoy the lowest lending rates in the industry.

Terms of Franchise:

- A traditional term is generally 20 years (except where described in the Franchise Disclosure Document)

Ongoing Fees:

- A monthly service/royalty fee based on a percentage of the restaurant's gross sales (currently 4%)
- Monthly rent is typically a fixed base rent and a percentage of the restaurant's gross sales. For properties where we lease the land and/or building, we will pass thru any rent escalations which occur throughout the lease term as pass thru rent.
- Monthly advertising and promotion contributions of not less than 4% of gross sales
- All outgoing fees including technology, learning, software, utilities, etc.

Estimated initial costs for a new traditional restaurant:

Initial Costs are listed in more detail in the McDonald's Franchise Disclosure Document, which will be given to prospective franchisees when entering the training program and also when a suitable location has been identified

- | | |
|---------------------------------------|--------------------------------|
| • Initial Franchise Fee | \$45,000 |
| • Opening Inventory | \$20,000 - \$35,000 |
| • Miscellaneous Opening Expenses | \$45,000 - \$55,000 |
| • Additional Funds– 3 months | \$250,000 - \$355,000 |
| • Signs, seating, equipment and décor | \$900,000 - \$1,500,000 |

What You Bring To The Table



If you're ready to bring your passion and commitment to our system, McDonald's provides an amazing opportunity to realize substantial personal rewards. You'll bring your talent and enthusiasm for building a team that focuses on the best possible customer experience – and we'll help you start, sustain and grow a successful business.

Do you share the traits ingrained in our most successful franchisees?

- Have impeccable interpersonal skills
- Run all operational aspects of a business
- Recruit, train, and manage teams in a high-volume, fast-paced setting
- Desire to learn and follow a proven operating system
- Focus on making the customer experience the best it can be
- Apply keen business sense in creating short- and long-term business plans
- Produce financial results
- Aspire to give back to your community
- Adapt to various cultures and values



**Let's Get
Started**

Becoming a McDonald's Franchisee



Our selection process has 7 stages:

- | | |
|-----------------|---------------------------------------|
| <i>Stage 1:</i> | Application |
| <i>Stage 2:</i> | Phone Interview |
| <i>Stage 3:</i> | Background/Credit Check |
| <i>Stage 4:</i> | Panel Interview |
| <i>Stage 5:</i> | Financial / Asset Verification |
| <i>Stage 6:</i> | Review of Legal Documents |
| <i>Stage 7:</i> | Enter Training Program |

Individualized training program will be determined based on your previous experience.

After successful completion of the training program McDonald's, in its sole and absolute discretion, will grant a candidate a McDonald's franchise opportunity. There may be a time delay between completion of training and the offer of a franchise depending on availability of a suitable restaurant(s). Your flexibility for relocation opens the door for more opportunities.

At any time during the course of our selection process, including the applicant training program, McDonald's has the right to terminate your participation in the process in its sole discretion and without being required to provide you with any reasons.

Of course, you are also able to terminate your participation at any time. If you participate in the above selection process, you will incur the following costs:

- Travel to McDonald's Headquarters for a panel interview
- Travel during the training program
- Asset verification with a CPA

There is also the cost of your time as you will need to bear in mind that McDonald's will not pay you for the time you spend participating in the selection and training process.

To learn more or obtain an application:

Email franchising@us.mcd.com or visit mcdonalds.com and click on *Franchising Info*.

“McDonald’s has an
amazing playbook ...
we just need to follow it.”

Dino

Franchisee · California