



→ Dear Shareholders,

The past year demonstrated the strength and resilience of the McDonald's System.

Across much of the world, we operated in an environment shaped by persistent inflationary pressures driven by supply-and-demand imbalances, tighter labor markets, and evolving trade dynamics. Geopolitical tensions and broader economic uncertainty continued to weigh on consumer sentiment, particularly among lower-income households. These pressures influenced how customers made decisions, reinforcing the importance of value, familiarity, and trust.

Ray Kroc used to say, “adversity can strengthen you if you have the will to grind it out.” McDonald's has kept true to that spirit and throughout it all, delivered a strong year of growth.

We grew systemwide sales by 7% (5.5% in constant currencies) and achieved 3.1% comparable sales growth globally – proof that our strategy is working and that our Brand continues to resonate with customers around the world. We also marked our 49th consecutive year of dividend increases, reflecting our commitment to returning value to shareholders and our ability to grow through cycles.

This success belongs to the entire McDonald's System. Every day, our franchisees, suppliers, restaurant crews, and corporate teams around the world showed up with pride, discipline, and a relentless focus on serving customers.

What I love most about McDonald's is that more than 70 years after the first McDonald's opened, that restless ambition still runs through our System.

The fact that a company with our legacy and scale with over \$139 billion in systemwide sales can continue to grow is also a testament to the resilience built into our model and the power of execution and commitment at scale.





✓ Accelerating the Arches in Action

Our performance continues to be guided by our Accelerating the Arches strategy, now in its sixth year. Our M-C-D growth pillars each contributed to our strong performance.

✓ (M): Maximize our Marketing

Throughout 2025, we maintained a laser focus on value and affordability and ensured customers could count on McDonald's.

In the U.S., the launch of McValue early in the year strengthened clarity and consistency around everyday value. We built on that momentum in September with the return of Extra Value Meals, putting our scale and financial resilience to work when customers needed it most. Across our International Operated Markets, the combination of Everyday Affordable Price platforms, local offers and meal bundles delivered a one-two punch that improved value perception and lifted experience scores across major markets.



At the same time, we continued to turn the strength of the McDonald's Brand into cultural moments at unmatched scale. Our collaboration on "A Minecraft Movie" became our largest global campaign to date, activating across more than 100 markets and pairing real-world meals with in-app and in-game experiences. We also brought MONOPOLY back to the U.S., delivering one of our largest digital customer moments, and closed the year with The Grinch Meal – an extraordinary holiday campaign that drove record sales days, sparked widespread sellouts, and even made us the largest seller of socks in the world for nearly a week.

These moments reinforce the enduring relevance of our Brand. McDonald's ranked once again among Kantar's top 10 most valuable brands in 2025.

✓ (C): Commit to the Core

Our Core Menu remains the heart of the McDonald's experience and a central driver of our relevance and growth.

Over the past year, we delivered on the taste and quality consumers have come to expect, while innovating and testing to make it even better. Central to that effort was the creation of the Restaurant Experience function, and within it dedicated category teams for beef, chicken, and beverages. These teams bring together the best of menu, operations and supply chain to capture the opportunities that matter most to our customers.



Beef

In beef, we continued the rollout of Best Burger, which is now in 85 markets and on track to reach nearly all markets by the end of 2026. When customers experience burgers that are hotter and juicier, we see improved satisfaction scores and stronger repeat visits.

Additionally, the Big Arch is getting great traction and meeting a customer need for a heartier burger that is still unmistakably McDonald's. Following successful limited-time offers across multiple markets, the Big Arch earned a permanent place on the U.K. menu, and we see opportunity to continue scaling this platform as we advance our position in large burgers globally.

Chicken

In chicken, we achieved our target of deploying McCrispy to nearly all our major markets and delighted customers by bringing back fan favorite Snack Wraps in the U.S. As a result, we strengthened our position and saw category share growth across our top 10 markets.

Chicken represents one of our most significant growth opportunities. Globally, it is a category that is approximately twice the size of beef and growing faster, creating substantial headroom to build share.

With a stronger platform in place and our disciplined execution on taste and quality, we are well positioned to increase chicken share by at least one percentage point by the end of 2026 versus where we were in late 2023.

We are doing so while advancing a focused pipeline of innovation grounded in customer insights.

Beverages

We sharpened our focus on beverages, a global category opportunity exceeding \$100 billion with meaningful headroom for McDonald's to grow share.

In the U.S., we completed a beverage pilot across more than 500 restaurants, exploring indulgent iced coffees, fruity refreshers, crafted sodas, and energizing sips designed for afternoon refreshment and snack break occasions. Our approach was simple – learn fast, understand where demand is, and design for scale. And our pilot exceeded expectations, with learnings informing our path forward to launch a new beverage lineup under the McCafé Brand in the U.S. in 2026.

✓ (D): Delivery, Digital, Drive Thru and Development

We exceeded our development plan for the year, with gross openings of nearly 2,300 restaurants, extending our reach and serving more customers closer to where they live, work, and travel as we progress toward our goal of 50,000 restaurants by the end of 2027.





In the digital world, we ended the year with nearly 210 million 90-day active loyalty users across 70 markets, putting us well on track to reach our target of 250 million by the end of 2027. Loyalty members visit us more often and open the door for new opportunities to engage, and customers that are using our app in our top six markets where Ready on Arrival is deployed are getting faster service and seeing reduced wait times.

Together, the M-C-Ds are working exactly as intended, reinforcing one another to drive relevance, reliability, and growth.



✓ Modernizing McDonald's

Equally important to our performance is the progress we made in transforming how McDonald's operates.

We continue to advance our three platforms – Consumer, Restaurant, and Company – unlocking productivity, speed, and scale. As these efforts create efficiencies across the business, we are reinvesting those gains to strengthen the business even further.

Through our **Consumer Platform**, we advanced efforts to deploy a common Global Mobile App and new digital capabilities, transforming how we engage our most loyal customers who visit us more often. We also continued to sharpen our revenue growth management capabilities to enable our franchisees to make more insight-driven value and pricing decisions.

On the **Restaurant Platform**, we made continued progress with deploying Edge, our computing platform developed with Google that extends cloud capabilities directly into our restaurants.

This technology foundation powers AI and Internet of Things (IoT)-enabled capabilities in our kitchens to increase uptime, improve food quality, and make work easier for crew. In select restaurants where Edge has been deployed, we're testing these capabilities, including AI voice ordering and smarter shift management tools.

On the **Company Platform**, we're improving how we work across the organization to get innovations to our restaurants and customers faster.

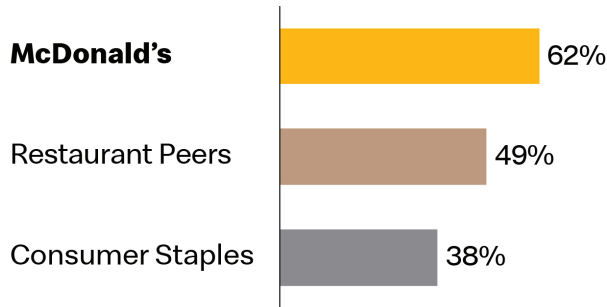
This past year, we achieved key milestones in Global People, Finance, and Indirect Sourcing modernization – streamlining shared services, strengthening sourcing and procurement, and expanding digital HR tools. We also launched a new Enterprise Data, Analytics, and AI initiative to standardize data governance, enabling us to leverage AI responsibly and effectively across the System.



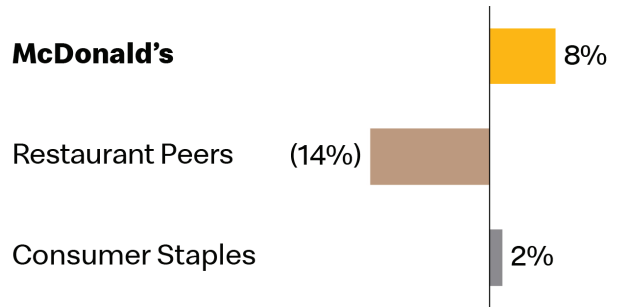
Total Shareholder Return

Since Launch of AtA

(11/9/2020 – 12/31/2025)



Fiscal Year 2025



"Restaurant Peers" reflects the market-cap weighted performance of: CMG, DPZ, DRI, EAT, QSR, SBUX, SHAK, TXRH, WING, WEN, and YUM.
 "Consumer Staples" reflects the performance of the State Street Consumer Staples Sector ETF (ticker: XLP).

Each of these efforts strengthens the foundation of McDonald's to better support franchisees and crews in restaurants.

✓ A Company Transformed and Uniquely Positioned for the Future

When we launched Accelerating the Arches in 2020, McDonald's looked very different.

We had roughly 20 million digital customers. Our technology stack was highly decentralized. We were not organized to fully leverage our scale across revenue growth management, food and beverage categories, or global marketing. And our new restaurant pipeline had slowed.

Today, progress is clearly reflected in our performance, our total shareholder returns relative to benchmarks, and the renewed energy across the System.

Our employees are engaged and proud of the work they're doing, as we have transformed how we work across the organization. Employee advocacy reached a five-year high, with broad-based gains driven by stronger collaboration, clearer prioritization, and a greater focus on bold moves and innovation.

Franchisee engagement remains high, and interest in joining the McDonald's System continues to grow, which is a powerful signal of confidence in our Brand and our business model. Our performance reflects franchisee commitment because at McDonald's, nothing is real until it's real in the restaurants.



✓ **Earning the Right to Ask:
What's Next?**

The environment ahead will continue to present both risks and opportunities, including AI and automation, new consumption trends related to GLP-1 adoption, and shifting geopolitics.

McDonald's history is defined by our ability to remain, as Ray put it, "green and growing" and innovating for the modern customer without losing sight of what makes us McDonald's.

I have never been more optimistic about our future.

In a few weeks, we'll gather in Las Vegas for our Worldwide Convention, bringing together franchisees, suppliers, and leaders from around the world to reflect on what we've built and co-create what comes next.

Thank you for your continued confidence in the McDonald's System, this management team, and our Board of Directors. With the foundation we've built, and a System aligned around execution, McDonald's is uniquely positioned to deliver for customers, communities, and shareholders for generations to come.

A handwritten signature in black ink, reading "Chris Kempczinski", is placed above the printed name.

Chris Kempczinski

Chairman and Chief Executive Officer
McDonald's Corporation

