



Dear Shareholders, the McDonald's System, and Customers,

In April 1955, our founder, Ray Kroc, opened the first McDonald's restaurant in Des Plaines, Illinois. Seventy years later, we continue to live his legacy, defining what it means to be a leader in our industry. Amidst shifting global landscapes, technological booms, and extraordinary challenges, we've emerged stronger by staying true to what we do best: making delicious, feel-good moments easy for everyone.

This was especially evident this past year, as we navigated various headwinds like the impact of inflation for our customers, geopolitical events, and food safety. There were days where it felt like McDonald's was a part of almost every major news story, reflecting the reach and visibility of our brand. Yet, we stayed focused, we listened, and we moved swiftly and urgently to overcome challenges and advance trust with our customers – just as we always have.

Our ever-growing resilience isn't by chance – it's a credit to the hard work, unwavering dedication, and spirit of our McDonald's System. With over two million employees and crew, the industry's best franchisees, and our strong network of global suppliers united under the Golden Arches, we continued to push boundaries, innovate, and deepen our customers' passion for the Brand.

Fostering stronger connections with our customers

In 2024, our strategic initiatives led to global Systemwide sales exceeding \$130 billion, underscoring our strength and relevance.

Through it all, we were guided by our *Accelerating the Arches (ATA)* strategy, with our M-C-D pillars serving as our blueprint and engine for growth.



Our world-class **Marketing** (“M”) efforts reclaimed leadership in value and affordability. Throughout our history, McDonald’s has defined value in our industry, and it was clear this past year we had an opportunity to strengthen our value propositions to keep affordability at the forefront for our customers. In partnership with our franchisees, we prioritized Every Day Affordable Price menus and Meal Bundles to strengthen brand equity – from McSmart in Germany and France and McValue in Canada to the \$5 Meal Deal in the U.S.

At the same time, we elevated our creative excellence, scaling ideas globally to connect with the next generation of consumers and place McDonald’s at the center of culture. From viral moments like the Grimace Birthday Shake to culturally relevant global campaigns like WcDonald’s and our Collector’s Edition Cups, we demonstrated our ability to connect with our fans, spark conversation, and drive engagement.

Our **Core** (“C”) Menu remained at the heart of our business, driven by classic customer favorites and new menu innovations that increased demand. Deployment of Best Burger continued, growing to over 80 markets. Additionally, we piloted the Big Arch, our new larger burger offering, in Portugal, Germany, and Canada,

and look forward to its continued international expansion in 2025.

We also built upon our reputation for great chicken with the continued expansion of McCrispy to over 70 markets and the promotion of the Chicken Big Mac, both of which helped grow our chicken market share. We look forward to generating even more excitement and energy around chicken in the year ahead, with the return of the Snack Wrap across several markets, and the launch of a new chicken strip offering.

Finally, we continued to double down on our “4Ds” – **Digital, Delivery, Drive Thru, and Development**. Our digital footprint within the industry remains unmatched and growing as we continue to scale one of the world’s largest loyalty programs, reaching over 175 million users across 60 markets in 2024. Moreover, we redefined convenience for our customers with the continued deployment of Ready on Arrival across our top six markets, streamlining the ordering experience. And we delivered on our 2024 store opening targets, adding new locations worldwide that underscored our commitment and mission to serve more customers, wherever they are. We’re excited to continue this journey over the next couple of years and remain on track to reach 50,000 restaurants by the end of 2027.



Modernizing for the future

We've always been at the forefront of innovation in our industry. As we focus on reigniting momentum in the business and driving performance today, we are also building a foundation for our long-term growth.

For this reason, we evolved McDonald's Customer Experience Team (MCX) to become the Restaurant Experience Team, led by Jill McDonald. This team will include Operations, Supply Chain, Franchising, Development, Restaurant Design, Delivery, and Speedee Labs, alongside three new global Category Management teams for Beef, Chicken, and Beverages/Dessert. Bringing these initiatives together under one umbrella will enable an end-to-end approach to the restaurant that drives guest count-led growth and improves the McDonald's experience not just for our customers but our restaurant teams and franchisee partners.

To drive critical elements of this evolved strategy, we are appointing new leadership roles on our global Senior Leadership Team. This includes Warren Anderson, who has been promoted to Chief Global Supply Chain Officer, following Marion Gross' retirement. In this role, Warren will continue to advance supply chain resiliency, driving food safety and quality, efficiencies, innovation, and sustainable practices across our Supply Chain footprint. In addition, Manu Steijaert will assume the role of President, International Operated Markets (IOM), succeeding Jill, and will oversee the continued growth of our IOM segment.



We've emerged stronger by staying true to what we do best."



These updates will drive efforts to modernize the consumer and company experience, as we continue to implement new technologies and ways of working that drive speed, efficiency, and innovation. We're actively reimagining the customer experience to fuel profitable engagement in a targeted and personalized way while implementing new company systems and capabilities to ensure we're the best partner we can be to our franchisees and suppliers alike.

Empowering people, enriching communities

McDonald's is renowned for innovating and transforming our business while positively impacting the communities we serve. I am endlessly proud of how we showed up this past year for our people, our customers, and communities when it mattered most.

Notably, we celebrated the 50th anniversary of our partnership with Ronald McDonald House Charities (RMHC), a vital part of our community impact. Through our support, RMHC continues to provide essential services that remove barriers, strengthen families, and promote healing when children need healthcare. In 2024 alone, RMHC served millions of families around the world. This milestone underscores our long-standing belief that when we uplift families, we uplift communities.



This same dedication extended to our people across all three legs of the stool.

- In 2024, we achieved strong leadership diversity with more than 30% of our U.S. leaders from underrepresented groups.
- We successfully achieved gender pay equity at all levels and in every market.
- In the U.S., we met our supplier diversity spend goal of 25% three years ahead of schedule.
- And we recruited the largest Registered Applicant (RA) pipeline in recent years, including the largest number of RAs from underrepresented groups in our history.

Our unwavering commitment to inclusion requires ongoing focus. And while we recently evolved our approach, McDonald's commitment to inclusion is steadfast.

Guided by our purpose, to *feed and foster communities*, we believe the actions we take contribute to building a better business, and ultimately a more trusted brand for generations to come.

Building upon our legacy

For nearly 70 years, we've grown. We've set the standard for serving billions. And made our communities stronger along the way.

In every language, our name brings a smile to people's faces. On every continent, the sight of those Golden Arches means something special. Which is why I remain confident when I say, no one is better positioned than McDonald's to take advantage of the opportunities in front of us.

We have the right playbook in *Accelerating the Arches*. We have the right advantages: our size, our scale, our brand relevance. We have the right mindset and a strong legacy of acting on our biggest and boldest ideas. And we have the power of our three-legged stool.

As we look to 2025 and beyond, we will continue to build on our momentum, embracing innovation, driving value, and enhancing the customer experience at every touchpoint.



Chris Kempczinski

Chairman and CEO

McDonald's Corporation

