BUY:
MCD

Current Price:
$295

Target Price:
$328

Upside:
11.2%

McDonald's Corp. (NYSE: MCD)

Consumer Discretionary Sector

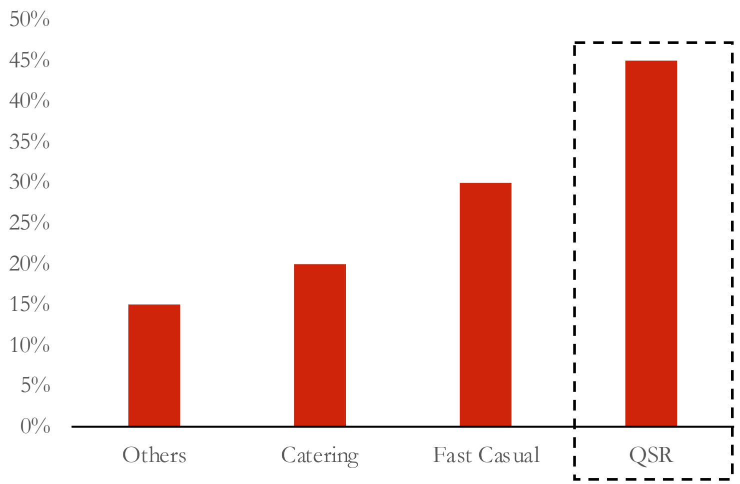
Leading Analyst: Emily Milone
Sector Head: Lauren Levine

Industry Overview

Fast Food Industry Overview

- The fast-food industry is comprised of a variety of companies that sell low-price food items at a faster rate than typical restaurants
- It is currently valued at $593 bn and is expected to grow at a CAGR of 4.6% until 2029
- Key metrics include same-store sales and frequency of consumer purchases
- This sector is considered to be more stable than other discretionary industries

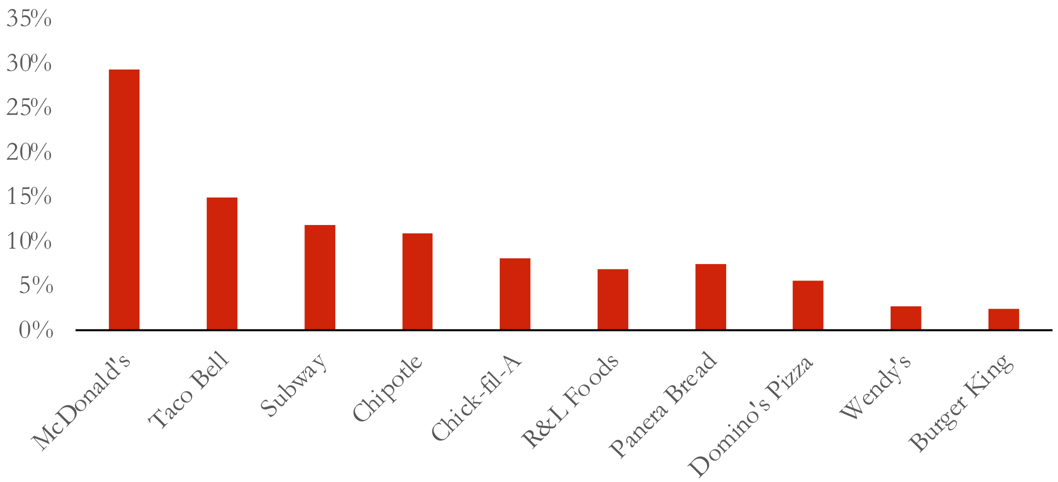
Store Type Share



Since COVID, QSR's have been **preferable** to consumers

QSR's are expected to have a **higher** growth rate heading into 2024

Company Market Share



Industry Trends

Online food ordering has grown over **300%** since 2014

Growing consumer interest in **digital** strategies in-store

Cost of ingredients and goods rising due to **inflation**

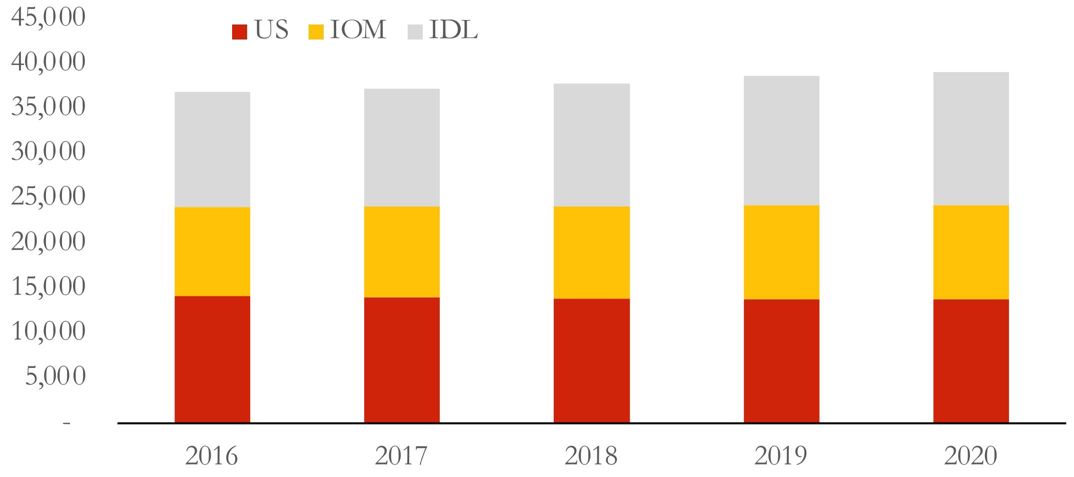
Company Overview

McDonald's Background

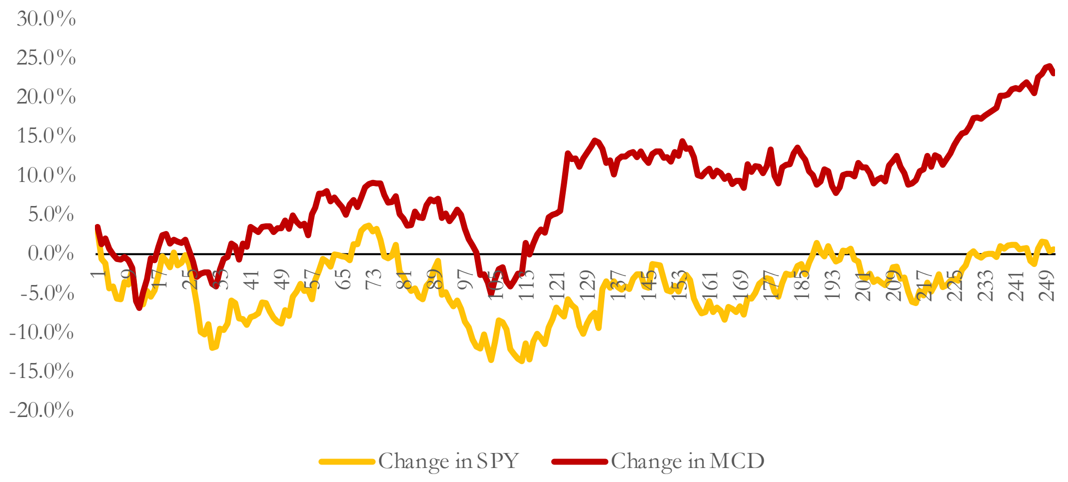
- McDonald's is a fast-food company founded in 1955, which has grown to operate over **38,000** stores in over 100 countries
- Their menu has grown to include over **100+** items and continues to expand YoY
- McDonald's operates in the QSR segment of the fast-food segment, meaning it offers cheap and fast service to consumers at all locations

Company Owned vs. Franchised Revenue

Store Numbers



Historical Stock Performance



Investment Thesis

Recessionary Resistance

As inflation continues to affect consumers' pockets, consumers are turning to lower priced options. McDonald's low prices and recognizable brand image make it a market leader, making it best positioned to capitalize on these conditions.

International Growth

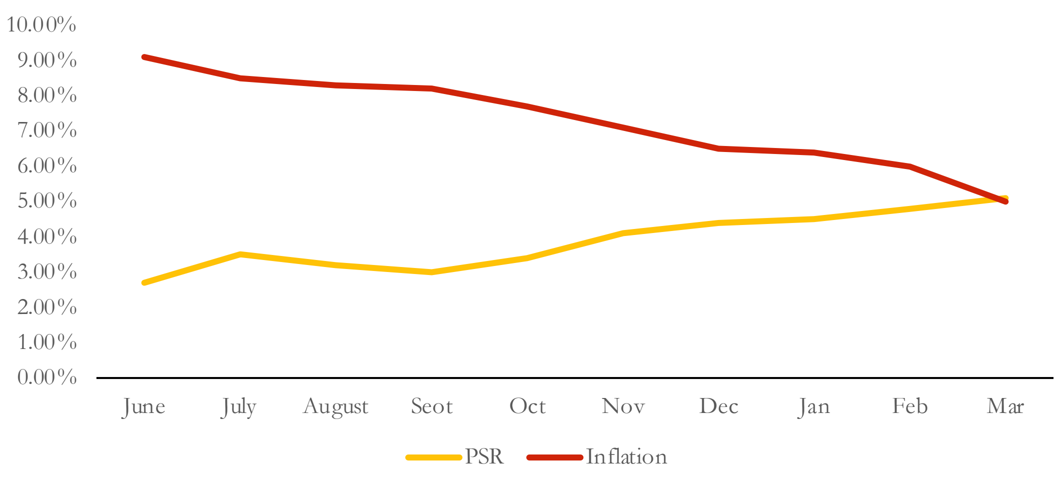
Increased demand and market share internationally has led the company to focus growth and consumer loyalty towards international basis.

Enticing Product Lines

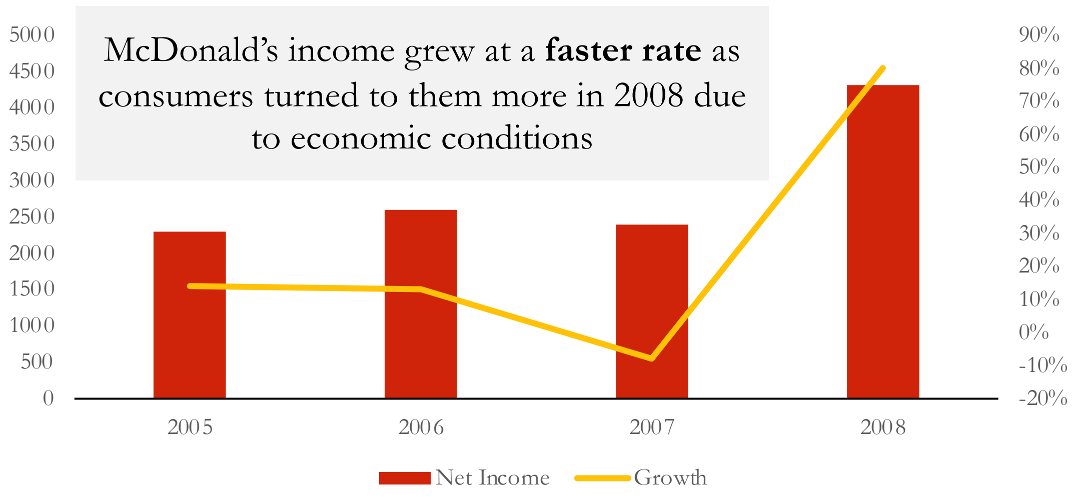
McDonald's has used AI technology in order to successfully launch products that will increase consumer satisfaction. This has led to higher consumer recognition for the brand and this trend will continue into the near future.

Recessionary Resistance

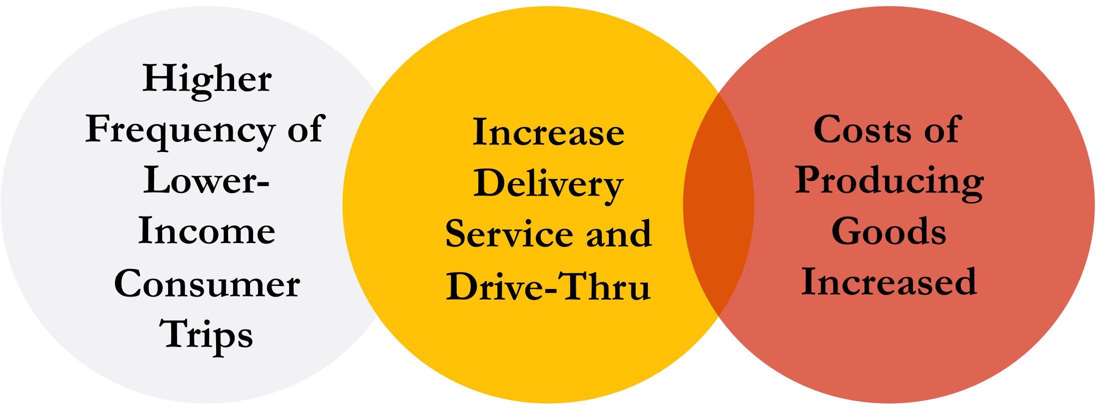
Macro Influence on Consumer Spending



McDonald's 2008 Performance



Effects on McDonald's



Strengths vs. Competitors

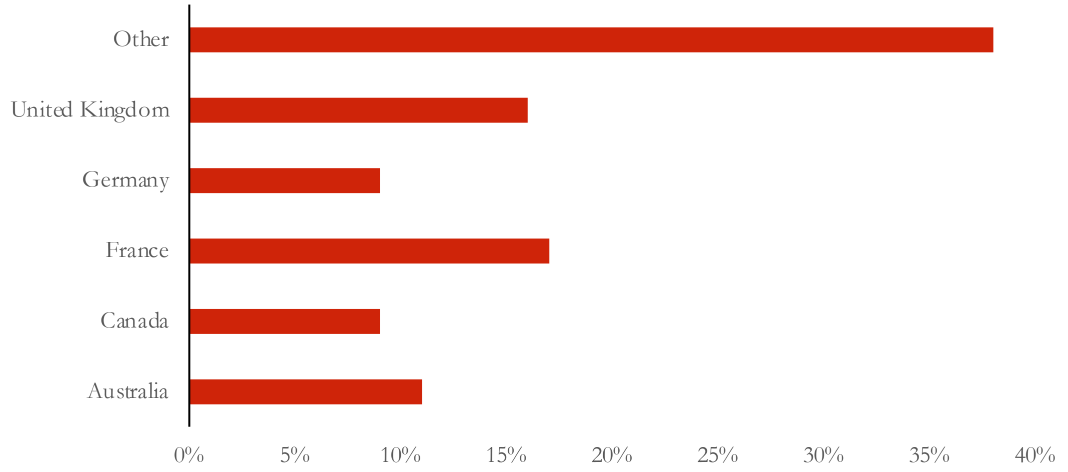
McDonald's has more exposure to high growth markets and dominates market share internationally

Increased expenditures towards store development and consumer satisfaction

Differentiated products that other competitors attempt to replicate

International Growth

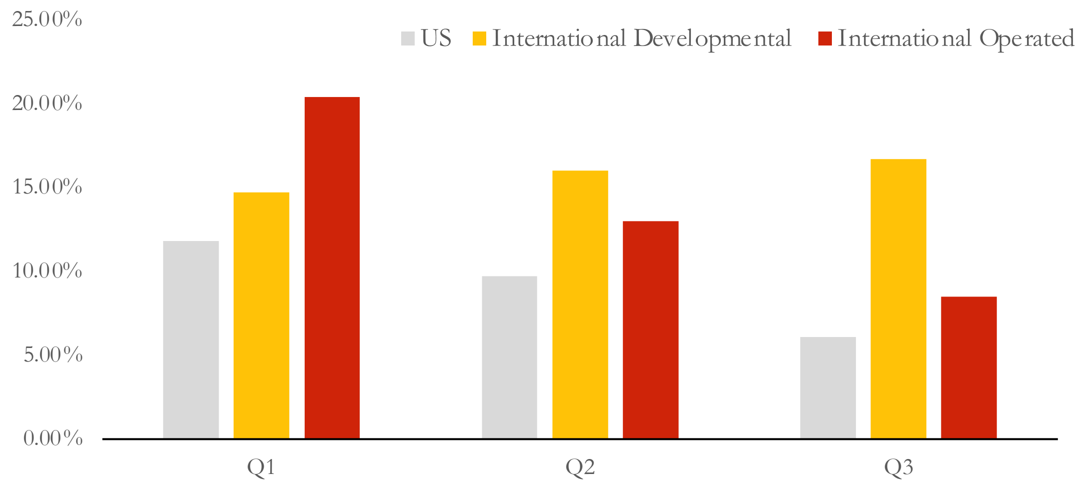
International Market Revenues



Past Divestitures

2015 Taiwan	Sold over 400+ Taiwanese locations to franchise operators to divest in APAC region
2017 China	Sold 80% of their Chinese stores to private equity firms
2022 Russia	Closed all their Russia locations in March due to the invasion of Ukraine

Growth in International Store Sales



Plans For Expansion

900+
New locations in Asia Pacific region

Increase
Promotional programs to raise demand

$2 bn
Investment in CapEx to expand locations

Enticing Product Lines

Past Acquisition Development

In 2019, McDonald's acquired AI company Dynamic Yield to utilize their products to determine future consumer trends

McDonalds acquired Apprente to build out their voice AI system to facilitate drive-thru operations

Assimilating Into Foreign Markets

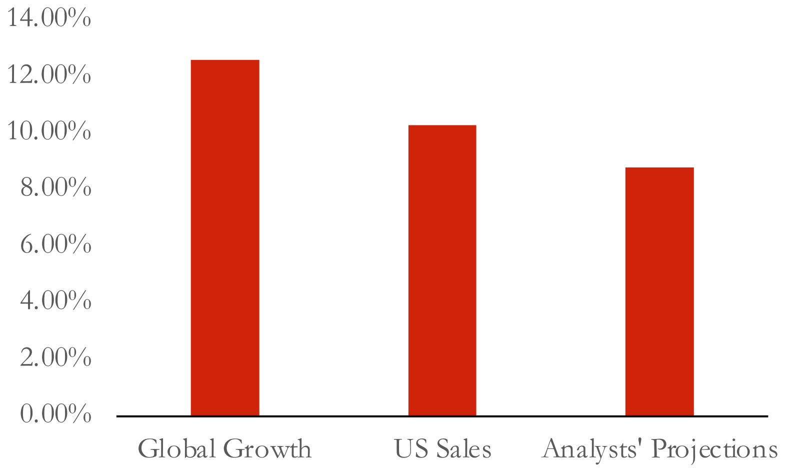
India

McDonald's menu adjusted to feature mostly chicken options and now the company has 320+ million consumers yearly

Japan

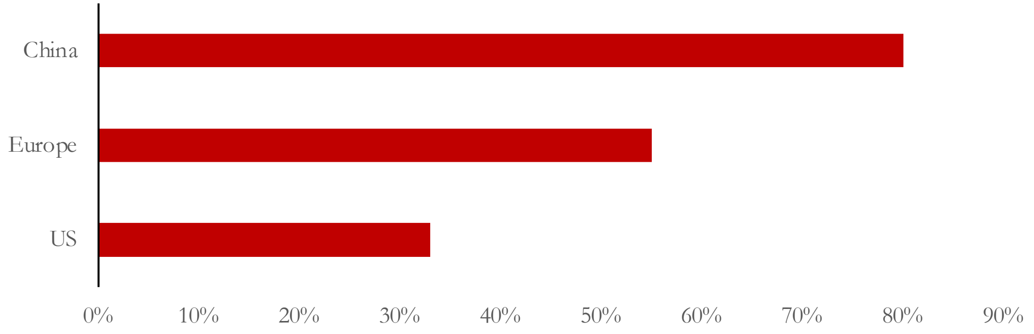
Menu features mostly fish and rice to fit cultural standards, leading to Japan being one of the fastest growing segments

Products & Sales Growth



Within the first 4 days of its sale, **over 50%** of goods sold in the Adult Happy Meal were sold out

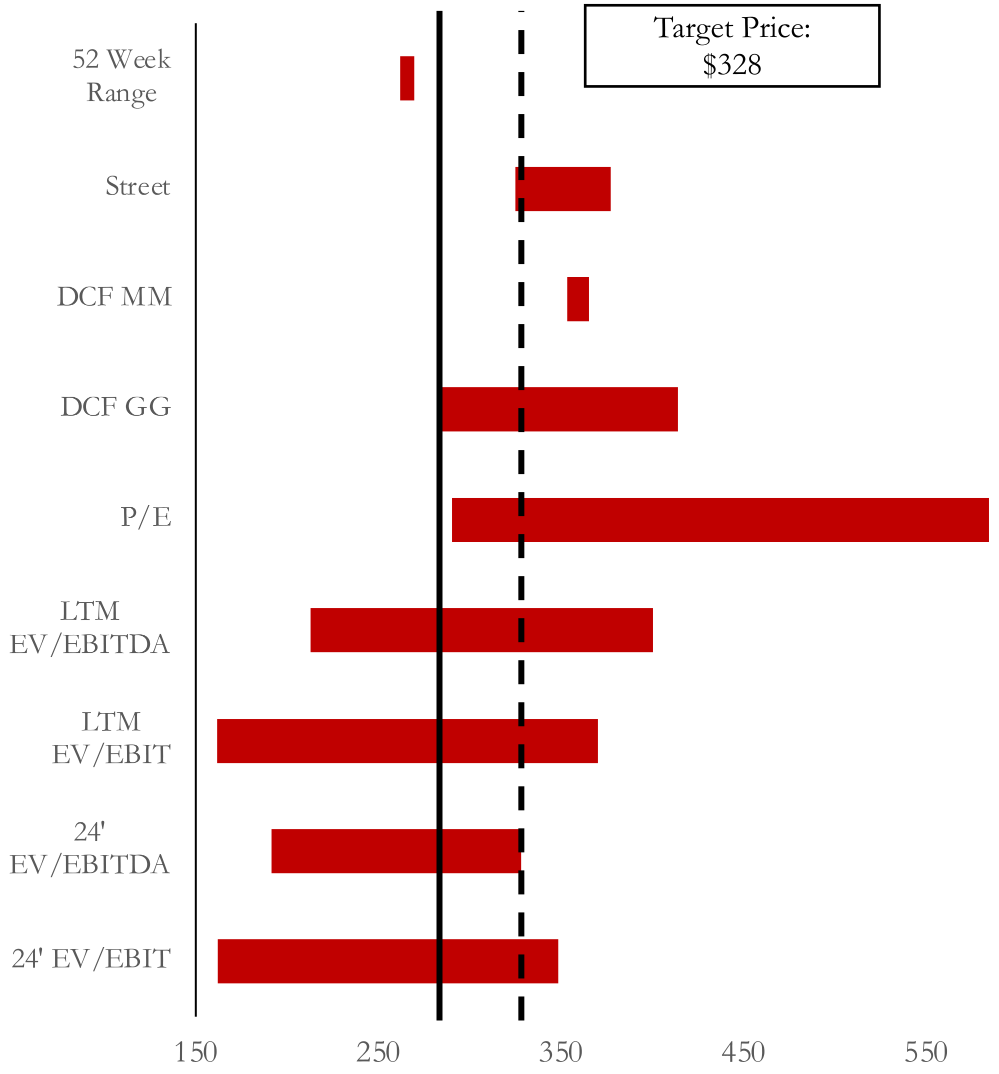
Loyalty Programs Strength



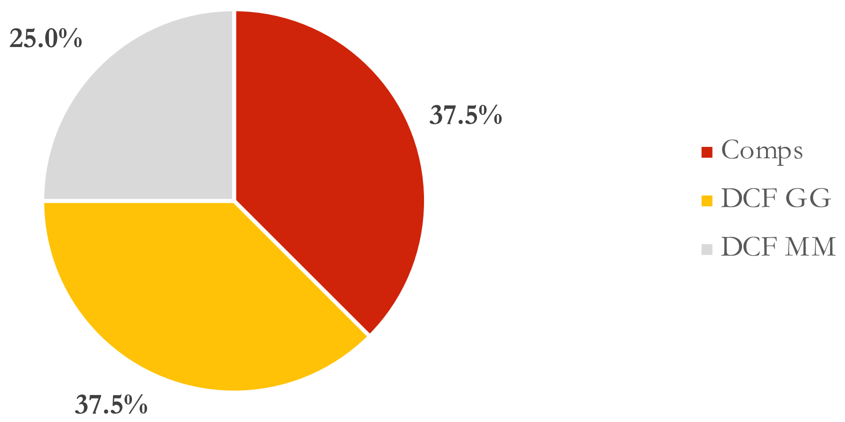
This rise in digital sales is attributable to the company's online loyalty programs, that operate in over **50 markets** and have over 20 million users in America, alone.

Valuation

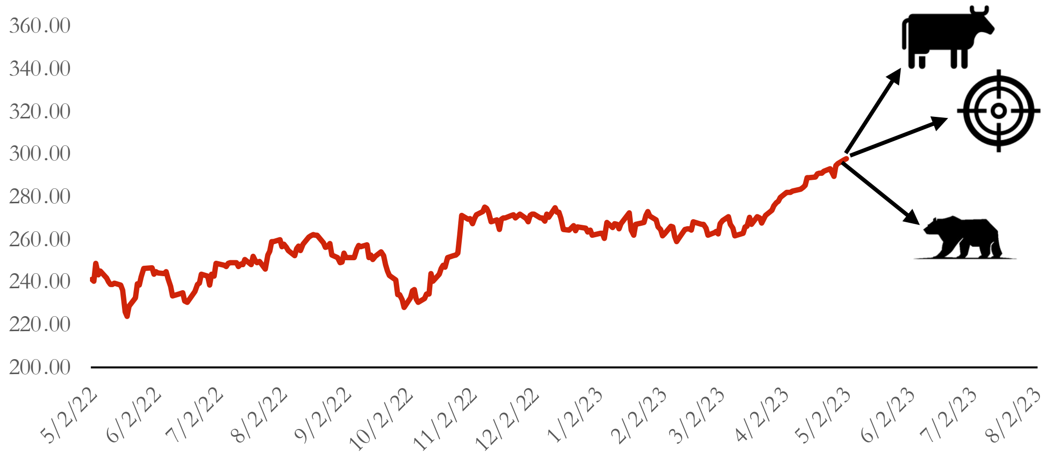
Current Price:
$295



Valuation Methodology



Bear/Base/Bull Case



Potential Risks

Macroeconomic influences will affect consumer spending habits to an extensive degree, cutting into revenues

Both international recessionary fears and political conflicts will negatively affect international demand and sales

McDonald's unsuccessfully launches new series of products, decreasing consumer affection and trust in the brand

Bear Case

- McDonald's prices continue to increase, deterring consumers away from the store
- International sales cut into revenues and net income at an unprecedented rate
- Consumers become agitated with McDonald's offerings and shop at competitors more

EV/EBIT Multiple: **20.27x**
Share Price: **$286**

Base Case

- Consumers turn to McDonald's for their continuously cheap prices at a time when they have little discretionary income
- International demand increases and same-store sales reflect this YoY
- Consumers consistently buzz and enjoy McDonald's new products

EV/EBIT Multiple: **27.09x**
Share Price: **$328**

Bull Case

- McDonald's market share grows as consumers shop at McDonald's over other QSRs
- International revenue grows at an unprecedented rate, leading to more stores
- McDonald's brand recognition and sales grow from increased consumer interest

EV/EBIT Multiple: **28.45x**
Share Price: **$384**

Questions?

BUY:
MCD

Current Price:
$295

Target Price:
$328

Upside:
11.2%

Appendix A: Balance Sheet

McDonald's Corp. (NYSE: MCD) Balance Sheet *(USD in Millions)*	2020 Dec. 31, 2020	2021 Dec. 31, 2021	2022 Dec. 31, 2022
Current assets			
Cash and equivalents	$ 3,449.1	$ 4,709.2	$ 2,583.8
Accounts and notes receivable	2,110.3	1,872.4	2,115
Inventories, at cost, not in excess of market	51.1	55.6	52
Prepaid expenses and other current assets	632.7	511.3	673.4
Total current assets	**6,243.2**	**7,148.5**	**5,424.2**
Other assets			
Investments in and advances to affiliates	1,297.2	1,201.2	1,064.5
Goodwill	2,773.1	2,782.5	2,900.4
Miscellaneous	3,527.4	4,449.5	4,707.2
Total other assets	7,597.7	8,433.2	8,672.1
Lease right-of-use asset, net	13,827.7	13,552	12,565.7
Property and equipment			
Property and equipment, at cost	41,476.5	41,916.6	41,037.6
Accumulated depreciation and amortization	(16,518.3)	(17,196)	(17,264)
Net property and equipment	24,958.2	24,720.6	23,773.6
Total assets	**52,626.8**	**53,854.3**	**50,435.6**
Current liabilities			
Accounts payable	741.3	1,006.8	980.2
Lease liability	701.5	705.5	661.1
Income taxes	741.1	360.7	274.9
Other taxes	227	236.7	255.1
Accrued interest	388.4	363.3	393.4
Accrued payroll and other liabilities	1,138.3	1,347	1,237.4
Current maturities of long term debt	2,243.6	0.0	0.0
Total current liabilities	**6,181.2**	**4,020.0**	**3,802.1**
Long-term debt	35,196.8	35,622.7	35,903.5
Long-term lease liability	13,321.3	13,020.9	12,134.4
Long-term income taxes	1,970.7	1,896.8	791.9
Deferred revenues - initial franchise fees	702	738.3	757.8
Other long-term liabilities	1,054.1	1,081	1,051.8
Deferred income taxes	2,025.6	2,075.6	1,997.5
Total liabilities	**60,451.7**	**58,455.3**	**56,439.0**
Shareholders' equity (deficit)			
Preferred stock, no par value; authorized – 165.0 million shares; issued – none	0	0	0
Common stock, $.01 par value; authorized – 3.5 billion shares; issued – 1,660.6 million shares	16.6	16.6	16.6
Additional paid-in capital	7,903.6	8,231.6	8,547.1
Retained earnings	53,908.1	57,534.7	59,543.9
Accumulated other comprehensive income (loss)	(2,586.8)	(2,573.7)	(2,486.6)
Common stock in treasury, at cost; 929.3 and 915.8 million shares	(67,066.4)	(67,810.2)	(71,624.4)
Total shareholders' equity (deficit)	**(7,824.9)**	**(4,601.0)**	**(6,003.4)**
Total liabilities and shareholders' equity (deficit)	**$ 52,626.8**	**$ 53,854.3**	**$ 50,435.6**

Appendix B: Income Statement

McDonald's Corp. (NYSE: MCD) Income Statement *(USD in Millions)*	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenues								
Sales by Company-operated restaurants	$ 8,139.2	$ 9,787.4	$ 8,748.4					
Revenues from franchised restaurants	10,726.1	13,085.4	14,105.8					
Other revenues	342.5	350.1	328.4					
Total revenues	19,207.8	23,222.9	23,182.6	24,649.5	26,340.2	27,765.9	29,214.7	30,445.7
% growth		*20.90%*	*-0.17%*	*6%*	*7%*	*5%*	*5%*	*4%*
Operating costs and expenses								
Food & paper	2,564.2	3,096.8	2,737.3	3,170.89	3,388.38	3,571.78	3,758.16	3,916.51
% of expenses	*21.58%*	*24.07%*	*19.82%*	21.82%	21.82%	21.82%	21.82%	21.82%
Payroll & employee benefits	2,416.4	2,677.2	2,617.4	2,910.64	3,110.29	3,278.63	3,449.71	3,595.07
% of expenses	*20%*	*21%*	*19%*	*20.03%*	*20.03%*	*20.03%*	*20.03%*	*20.03%*
Occupancy & other operating expenses	2,000.6	2,273.3	2,026.2	2,381.79	2,545.16	2,682.91	2,822.91	2,941.85
% of expenses	*17%*	*18%*	*15%*	*16%*	*16%*	*16%*	*16%*	*16%*
Franchised restaurants-occupancy expenses	2,207.5	2,335	2,349.7	2,602.79	2,781.32	2,931.86	3,084.85	3,214.83
% of expenses	*19%*	*18%*	*17%*	*18%*	*18%*	*18%*	*18%*	*18%*
Other restaurant expenses	267	260.4	244.8	290.62	310.56	327.37	344.45	358.96
% of expenses	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*	*2%*
Depreciation and amortization	300.6	329.7	370.4					
Other	2,245	2,377.8	2,492.2					
Other operating (income) expense, net	(117.5)	(483.3)	973.6					
Total operating costs and expenses	11,883.8	12,866.9	13,811.6	14,531.1	15,527.8	16,368.3	17,222.4	17,948.1
% of sales	*62%*	*55%*	*60%*	*59%*	*59%*	*59%*	*59%*	*59%*
Operating income / Gross profit	**7,324**	**10,356**	**9,371**	**10,118.35**	**10,812.38**	**11,397.60**	**11,992.33**	**12,497.64**
profit margin	*38%*	*45%*	*40%*	*41%*	*41%*	*41%*	*41%*	*41%*
Interest expense-net of capitalized interest of $9.5, $6.8 and $6.0	1,218.1	1,185.8	1,207	1,207	1,207	1,207	1,207	1,207
% of sales	*6%*	*5%*	*5%*	*5%*	*5%*	*4%*	*4%*	*4%*
Nonoperating (income) expense, net	(34.8)	42.3	338.6	338.6	338.6	338.6	338.6	338.6
% of sales	*0.18%*	*0.18%*	*1.46%*	*1.37%*	*1.29%*	*1.22%*	*1.16%*	*1.11%*
Income before income taxes (EBIT)	**6,140.7**	**9,127.9**	**7,825.4**	**8,572.7**	**9,266.8**	**9,852.0**	**10,446.7**	**10,952.0**
Provision for income taxes	1,410.2	1,582.7	1,648	1,800	1,946	2,069	2,194	2,300
Tax Rate	*23.0%*	*17.3%*	*21.1%*	*21%*	*21%*	*21%*	*21%*	*21%*
Net income	**$ 4,730.5**	**$ 7,545.2**	**$ 6,177.4**	**$ 6,772.5**	**$ 7,320.8**	**$ 7,783.1**	**$ 8,252.9**	**$ 8,652.1**
Earnings per common share–basic	$ 6.35	$ 10.11	$ 8.39					
Earnings per common share–diluted	6.31	10.04	8.33					
Dividends declared per common share	$ 5.04	$ 5.25	$ 5.66					
Weighted-average shares outstanding–basic	744.6	746.3	736.5					
Weighted-average shares outstanding–diluted	750.1	751.8	741.3					

Appendix C: Cash Flow Statement

McDonald's Corp. (NYSE: MCD) **Statement of Cash Flows *(USD in Millions)***	**2020**	**2021**	**2022**	**2023E**	**2024E**	**2025E**	**2026E**	**2027E**
Operating activities								
Net income	$ 4,730.5	$ 7,545.2	$ 6,177.4					
Charges and credits:								
Depreciation and amortization	1,751.4	1,868.1	1,870.6	2,065	2,207	2,326	2,448	2,551
% of CapEx	*107%*	*92%*	*98%*	*98%*	*98%*	*98%*	*98%*	*98%*
Deferred income taxes	6.4	(428.3)	(345.7)					
Share-based compensation expense	92.4	139.2	166.7					
Net (gain) loss on sale of restaurant and other businesses	(28.2)	(97.8)	732.7					
Other	(75.2)	(339.1)	(570.4)					
Changes in working capital items:								
Accounts receivable	(6.8)	309.9	(264.1)					
Inventories, prepaid expenses and other current assets	(68.6)	(62.2)	5.6					
Accounts payable	(137.5)	225	31.3					
Income taxes	(43.6)	(302.5)	(546.7)					
Other accrued liabilities	44.4	284	129.3					
Cash provided by operations	**6,266.3**	**9,142.4**	**7,387.7**					
Investing activities								
Capital expenditures	(1,640.8)	(2,040)	(1,899.2)	(2,096.8)	(2,240.6)	(2,361.9)	(2,485.1)	(2,589.8)
% of sales	*9%*	*9%*	*8%*	*9%*	*9%*	*9%*	*9%*	*9%*
Purchases of restaurant businesses	(66.1)	(374.2)	(807)					
Sales of restaurant and other businesses	76.3	196.2	445.9					
Sales of property	27.4	106.2	38.9					
Other	57.4	(53.9)	(456.7)					
Cash used for investing activities	**(1,545.8)**	**(2,165.7)**	**(2,678.1)**					
Financing activities								
Net short-term borrowings	(893.1)	15.1	25.5					
Long-term financing issuances	5,543	1,154.4	3,374.5					
Long-term financing repayments	(2,411.7)	(2,240)	(2,202.4)					
Treasury stock purchases	(907.8)	(845.5)	(3,896)					
Common stock dividends	(3,752.9)	(3,918.6)	(4,168.2)					
Proceeds from stock option exercises	295.5	285.7	248.2					
Other	(122)	(46.7)	38.2					
Cash used for financing activities	**(2,249.0)**	**(5,595.6)**	**(6,580.2)**					
Effect of exchange rates on cash and equivalents	80.2	(120.1)	(253.8)					
Cash and equivalents increase (decrease)	2,550.6	1,260.1	(2,125.4)					
Cash and equivalents at beginning of year	898.5	3,449.1	4,709.2					
Cash and equivalents at end of year	3,449.1	4,709.2	2,583.8					
Supplemental cash flow disclosures								
Interest Paid	1,136	1,197.3	1,183.5					
Income taxes paid	$ 1,441.9	$ 2,403.9	$ 3,023.5					

Appendix D: Revenue Build

McDonald's Corp. (NYSE: MCD) Revenur Build *(USD in Millions)*	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Company-operated sales:								
U.S.	2,395	2,617	2,836	3,063	3,308	3,539	3,787	4,014
% of Company-Operated Sales	29%	27%	32%	33%	34%	34%	35%	36%
% Growth		9%	8%	8%	8%	7%	7%	6%
International Operated Markets	5,114	6,456	5,179	5,438	5,764	5,995	6,175	6,360
% of Company-Operated Sales	63%	66%	59%	59%	59%	58%	57%	57%
% Growth		26%	-20%	5%	6%	4%	3%	3%
International Developmental Licensed Markets & Corporate	630	715	733	748	770	785	801	809
% of Company-Operated Sales	8%	7%	8%	8%	8%	8%	7%	7%
% Growth		13%	3%	2%	3%	2%	2%	1%
Total company-operated sales	**8,139**	**9,788**	**8,748**	**9,248**	**9,842**	**10,320**	**10,763**	**11,184**
% of Total Sales	42%	42%	38%	38%	37%	37%	37%	37%
% Growth		20%	-11%	6%	6%	5%	4%	4%
Franchised revenues:								
U.S.	5,261	6,094	6,585	7,112	7,681	8,218	8,794	9,321
% of Franchised Revenues	49%	47%	47%	47%	48%	48%	49%	49%
% Growth		16%	8%	8%	8%	7%	7%	6%
International Operated Markets	4,348	5,638	5,985	6,344	6,788	7,128	7,484	7,708
% of Franchised Revenues	41%	43%	42%	42%	42%	42%	41%	41%
% Growth		30%	6%	6%	7%	5%	5%	3%
International Developmental Licensed Markets & Corporate	1,117	1,353	1,536	1,613	1,693	1,761	1,832	1,887
% of Franchised Revenues	10%	10%	11%	11%	10%	10%	10%	10%
% Growth		21%	14%	5%	5%	4%	4%	3%
Total franchised revenues	**10,726**	**13,085**	**14,106**	**15,069**	**16,162**	**17,107**	**18,109**	**18,916**
% of Total Sales	56%	56%	61%	61%	61%	62%	62%	62%
% Growth		22%	8%	7%	7%	6%	6%	4%
Other revenues:								
Total other revenues	**343**	**350**	**329**	332	336	339	342	346
% of Total Sales	2%	2%	1%	1%	1%	1%	1%	1%
% growth		2%	-6%	1%	1%	1%	1%	1%
Total net sales	**19,208**	**23,223**	**23,183**	**24,649**	**26,340**	**27,766**	**29,215**	**30,446**
% Growth		21%	0%	6%	7%	5%	5%	4%

Appendix E: Net Working Capital

McDonald's Corp. (NYSE: MCD) Net Working Capital	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Current Assets								
Accounts receivable	2,110.3	1,872.4	2,115.0	9,387.8	10,031.7	10,574.7	11,126.5	11,595.3
A/R Days	*40.1*	*29.4*	*33.3*	*34.3*	*34.3*	*34.3*	*34.3*	*34.3*
Inventories, at cost, not in excess of market	51.1	55.6	52.0	60.0	64.1	67.6	71.1	74.1
Inventory Days	*1.6*	*1.6*	*1.4*	*1.5*	*1.5*	*1.5*	*1.5*	*1.5*
Prepaid expenses and other current assets	632.7	511.3	673.4	691.6	708.2	725.9	747.7	769.3
As a % of Revenue	*3.29%*	*2.20%*	*2.90%*	*2.70%*	*2.40%*	*2.50%*	*3.00%*	*2.90%*
Total current assets	**2,794.1**	**2,439.3**	**2,840.4**	**10,139.4**	**10,804.0**	**11,368.2**	**11,945.3**	**12,438.8**
Current Liabilities								
Accounts payable	741.3	1,006.8	980.2	597.2	680.7	583.0	660.6	590.1
A/P Days	*14*	*16*	*15*	*15*	*16*	*13*	*14*	*12*
Lease liability	701.5	705.5	661.1	784.7	776.4	982.1	1,033.3	1,076.9
As a % of SG&A	*6%*	*5%*	*5%*	*5%*	*5%*	*6%*	*6%*	*6%*
Accrued payroll and other liabilities	1,138.3	1,347.0	1,237.4	1,307.8	1,552.8	1,636.8	1,722.2	1,974.3
As a % of SG&A	*10%*	*10%*	*9%*	*9%*	*10%*	*10%*	*10%*	*11%*
Total current liabilities	**2,581.1**	**3,059.3**	**2,878.7**	**2,689.7**	**3,009.8**	**3,201.9**	**3,416.2**	**3,641.2**
NWC	**213**	**(620)**	**(38)**	**7,450**	**7,794**	**8,166**	**8,529**	**8,798**
Change in NWC		**(833)**	**582**	**7,488**	**344**	**372**	**363**	**268**

Appendix F: WACC & Beta

McDonald's Corp. (NYSE: MCD) Weighted Average Cost of Capital		
Cost of Equity		
Beta		0.73
Risk-Free Rate		3.58%
Expected Market Return		10%
Risk Premium		6.42%
Cost of Equity		**7.32%**
Cost of Debt		
Credit Spread		2.42%
Pre-Tax Cost of Debt		6.00%
Tax Rate		21%
Cost of Debt		**4.74%**
Shares Outstanding		730.03
Share Price	$	290.90
Market Capitalization		212,366
Debt Outstanding		48,038
Total Capitalization		**260,404**
Weight of Equity		*82%*
Weight of Debt		*18%*
WACC		**6.84%**

Covariance	0.00013495
Variance	0.000184399
Beta	**0.73**

Appendix G: DCF 1

McDonald's Corp. (NYSE: MCD) Discounted Cash Flows (USD in Millions)	2020	2021	2022	2023E	2024E	2025E	2026E	2027E
Revenue	19,208	23,223	23,183	24,649	26,340	27,766	29,215	30,446
% Growth		*21%*	*0%*	*6%*	*7%*	*5%*	*5%*	*4%*
EBIT	6,141	9,128	7,825	8,573	9,267	9,852	10,447	10,952
EBIT Margin	*32%*	*39%*	*34%*	*35%*	*35%*	*35%*	*36%*	*36%*
NOPAT	4,728	7,549	6,174	6,772	7,321	7,783	8,253	8,652
Tax Rate	*23%*	*17%*	*21%*	*21%*	*21%*	*21%*	*21%*	*21%*
Plus: D&A	1751	1868	1871	2065	2207	2326	2448	2551
Less: CapEx	(1,641)	(2,040)	(1,899)	(2,097)	(2,241)	(2,362)	(2,485)	(2,590)
Less: Change in NWC		(833)	582	7,488	344	372	363	268
FCFF		**12,290**	**9,362**	**3,446**	**11,424**	**12,099**	**12,823**	**13,524**
Discount Factor				0.5	1.5	2.5	3.5	4.5
Terminal Value (Growth)								339,524
Terminal Value (Multiple)								366,337
Cash Flows (Growth)				3,446	11,424	12,099	12,823	353,049
Cash Flows (Multiple)				3,446	11,424	12,099	12,823	379,861
PV of CF (Growth)				3,334	10,344	10,254	10,171	262,108
PV of CF (Multiple)				3,334	10,344	10,254	10,171	282,014

Terminal Growth Rate	2.75%
Terminal Multiple (EV/EBIT)	27.09x
WACC	6.84%

Appendix H: DCF 2

Gordon Growth			Multiples Method		
Enterprise Value		296,211	Enterprise Value		316,117
Less: Debt		48,038	Less: Debt		48,038
Plus: Cash		2,584	Plus: Cash		2,584
Equity Value		250,757	Equity Value		270,663
Diluted Shares Outstanding		741.3	Diluted Shares Outstanding		741.3
Price Per Share	**$**	**338.27**	**Price Per Share**	**$**	**365.12**

		Gordon Growth				
		2.25%	2.50%	2.75%	3.00%	3.25%
WACC	5.84%	402.33	433.52	469.75	512.36	563.19
	6.34%	344.91	368.33	395.01	425.68	461.32
	6.84%	300.00	318.17	338.55	361.59	387.83
	7.34%	263.93	278.38	294.40	312.27	332.32
	7.84%	234.32	246.05	258.93	273.15	288.91

		Multiples				
		26.09	26.59	27.09	27.59	28.09
WACC	5.84%	368.53	375.60	382.66	389.73	396.79
	6.34%	359.99	366.91	373.82	380.74	387.66
	6.84%	351.66	358.43	365.21	371.98	378.75
	7.34%	343.54	350.17	356.80	363.44	370.07
	7.84%	335.62	342.11	348.61	355.11	361.60

Appendix I: Comps 1

McDonald's Corp. (NYSE: MCD) Comparable Companies Analysis *(USD in Millions)* Company	Ticker	Share Price	Shares Outstanding	Market Capitalization	Debt	Cash	Enterprise Value	LTM EPS	LTM Revenue	LTM EBIT	LTM EBITDA
McDonald's Corp.	MCD	$290.90	730.03	212,365.73	48,699	2,583	263,647.73	$10.59	23,183.0	7,825.4	12,685.7
Starbucks Corp.	SBUX	$108.21	1149.3	124,365.75	23,818.9	3,310.4	151,495.05	$3.03	32,913.8	4,922.3	7,961.3
Restaurant Brands Inc.	QSR	$68.80	308.81	21,246.13	14,441.0	1,178.0	36,865.13	$2.26	6,505.0	2,052.0	2,242.0
Yum! Brands	YUM	$137.55	280.11	38,529.13	12,661.0	367.0	51,557.13	$2.41	6,842.0	2,148.0	2,294.0
Chipotle Mexican Grill Inc.	CMG	$2,041.51	27.77	56,692.73	3,771.6	1,062.6	61,526.93	$37.90	8,982.7	1,363.0	1,673.2
Average											
Min											
Q1											
Median											
Q3											
Max											

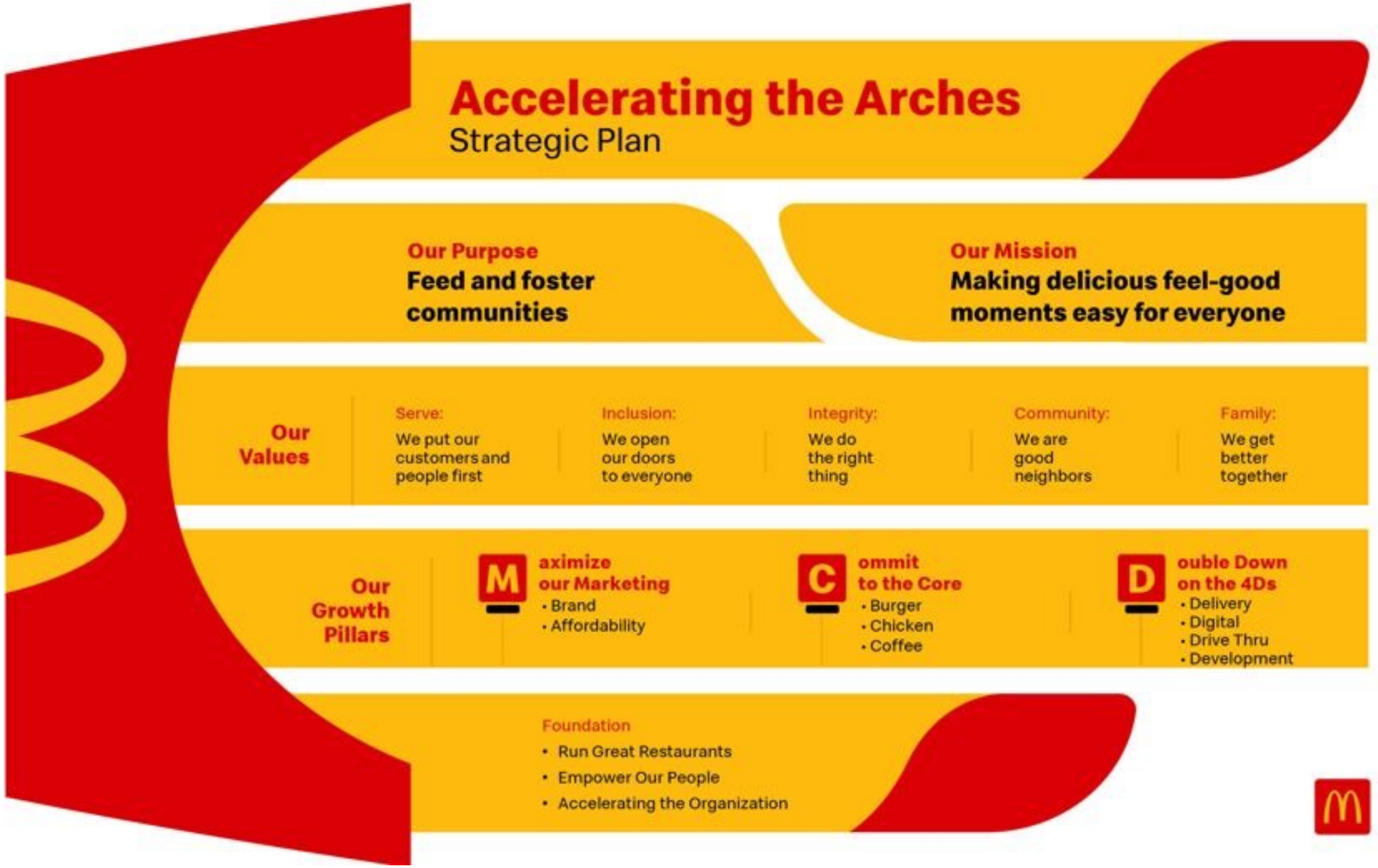
Appendix J: Comps 2

EV/Revenue	EV/EBIT	EV/EBITDA	P/E	24' EV/Revenue	24' EV/EBIT	24' EV/EBITDA	24' P/E
11.37x	33.69x	20.78x	27.47x	10.01x	28.45x	22.98x	29.01x
4.6x	30.78x	19.03x	35.71x	3.77x	22.996x	18.73x	26.59x
5.67x	17.97x	16.44x	30.44x	5.06x	15.94x	14.01x	20.6x
7.54x	24.x	22.47x	57.07x	6.59x	19.55x	18.39x	23.31x
6.14x	47.2x	34.9x	59.5x	5.14x	36.4x	26.8x	38.2x
7.06x	30.73x	22.73x	42.04x	6.11x	24.67x	20.18x	27.54x
4.6x	17.97x	16.44x	27.47x	3.77x	15.94x	14.01x	20.6x
5.13x	20.98x	17.74x	28.96x	4.42x	17.75x	16.20x	21.96x
6.14x	30.78x	20.78x	35.71x	5.14x	23.x	18.73x	26.59x
9.45x	40.45x	28.69x	58.29x	8.30x	32.43x	24.89x	33.60x
11.37x	47.2x	34.9x	59.5x	10.01x	36.4x	26.8x	38.2x

Appendix K: Comps 3

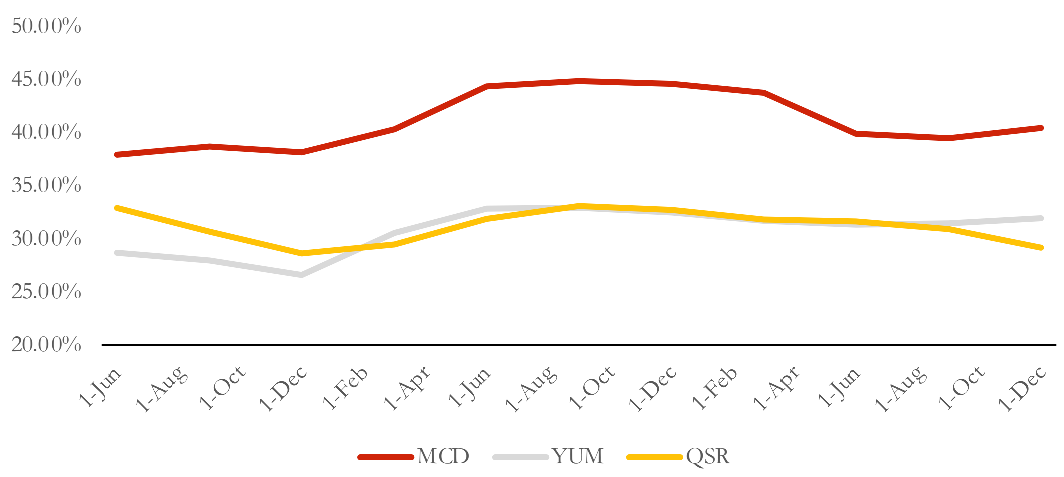
Comps Output		EV	Debt	Cash	Equity	Shares	Per Share
LTM EV/Revenue	23,183						
Min	4.60x	106,706.30	48,699	2,583	60,590	730.03	83.00
Q1	5.13x	119,044.48	48,699	2,583	72,928	730.03	99.90
Median	6.14x	142,343.62	48,699	2,583	96,228	730.03	131.81
Q3	9.45x	219,170.32	48,699	2,583	173,054	730.03	237.05
Max	11.37x	263,647.73	48,699	2,583	217,532	730.03	297.98
LTM EV/EBIT	7,825.4						
Min	17.97x	140,586.93	48,699	2,583	94,471	730.03	129.41
Q1	20.98x	164,207.61	48,699	2,583	118,092	730.03	161.76
Median	30.78x	240,844.60	48,699	2,583	194,729	730.03	266.74
Q3	40.45x	316,503.30	48,699	2,583	270,387	730.03	370.38
Max	47.2x	369,358.88	48,699	2,583	323,243	730.03	442.78
LTM EV/EBITDA	9,696						
Min	16.44x	159,430.99	48,699	2,583	113,315	730.03	155.22
Q1	17.74x	171,967.77	48,699	2,583	125,852	730.03	172.39
Median	20.78x	201,512.60	48,699	2,583	155,397	730.03	212.86
Q3	28.69x	278,152.90	48,699	2,583	232,037	730.03	317.85
Max	34.9x	338,390.40	48,699	2,583	292,274	730.03	400.36
24' EV/Revenue	26,340.21						
Min	3.77x	99,429.69	48,699	2,583	53,314	730.03	73.03
Q1	4.42x	116,361.05	48,699	2,583	70,245	730.03	96.22
Median	5.14x	135,388.69	48,699	2,583	89,273	730.03	122.29
Q3	8.3x	218,549.90	48,699	2,583	172,434	730.03	236.20
Max	10.01x	263,647.73	48,699	2,583	217,532	730.03	297.98
24' EV/EBIT	9,266.78						
Min	15.94x	147,708.80	48,699	2,583	101,593	730.03	139.16
Q1	17.75x	164,454.10	48,699	2,583	118,338	730.03	162.10
Median	23.x	213,101.62	48,699	2,583	166,986	730.03	228.74
Q3	32.43x	300,479.21	48,699	2,583	254,363	730.03	348.43
Max	36.4x	337,310.68	48,699	2,583	291,195	730.03	398.88
24' EV/EBITDA	11,473.63						
Min	14.01x	160,699.45	48,699	2,583	114,583	730.03	156.96
Q1	16.2x	185,836.31	48,699	2,583	139,720	730.03	191.39
Median	18.73x	214,892.25	48,699	2,583	168,776	730.03	231.19
Q3	24.89x	285,570.57	48,699	2,583	239,455	730.03	328.01
Max	26.8x	307,493.42	48,699	2,583	261,377	730.03	358.04
24' P/E		EPS	Per Share				
Min	27.47x	$10.03	275.46				
Q1	28.96x	$10.03	290.37				
Median	35.71x	$10.03	358.13				
Q3	58.29x	$10.03	584.51				
Max	59.5x	$10.03	596.67				

Appendix L: Company Pillars

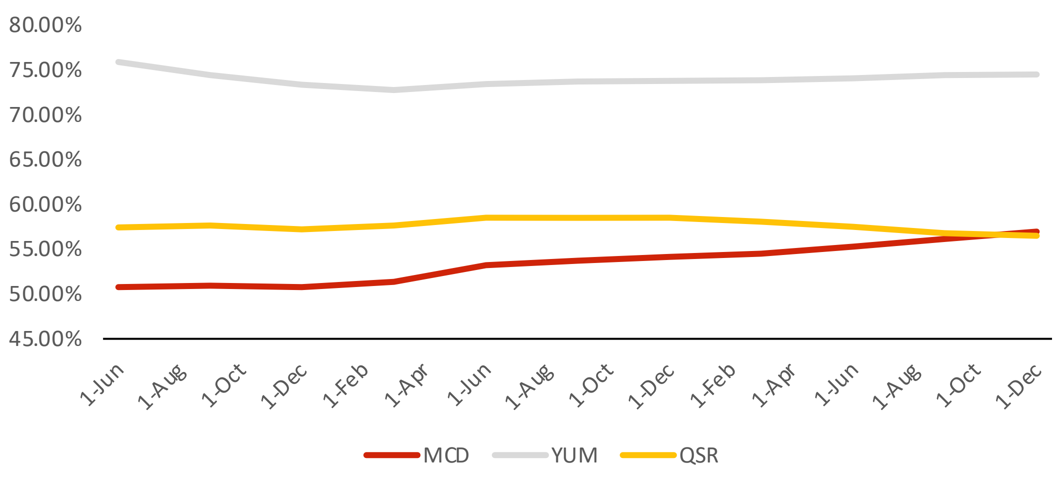


Appendix M: Comparable Margins

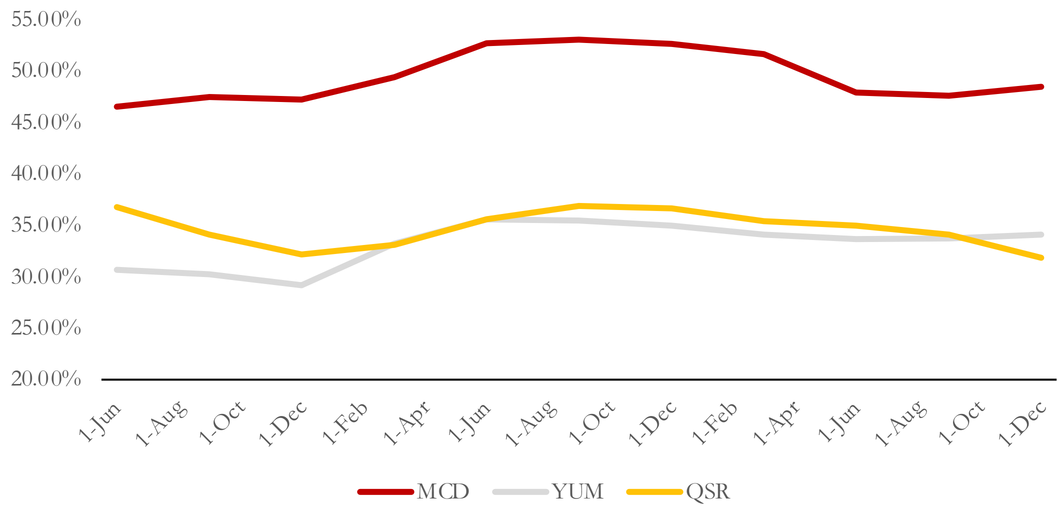
Operating Margin



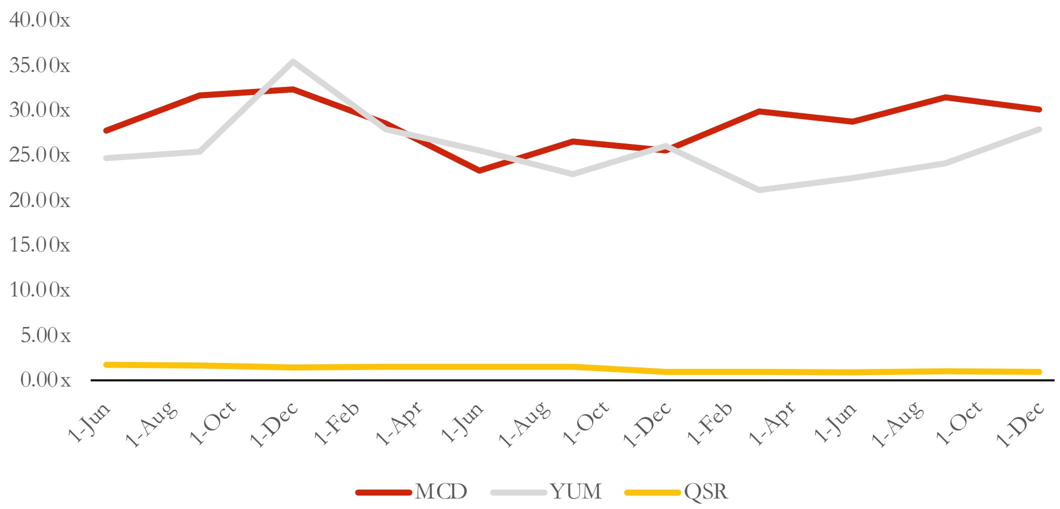
Gross Profit Margin



EBITDA Margin



P/E Ratio



Appendix N: IDL Markets