FUTURE FRANCHISEE PROGRAM
A WON GROUP

WON FFP Virtual Webcast

Tuesday, September 9th, 2025

Today's Agenda

01 **Welcome & Opening**
Jamie Black — FFP Lead

02 **Introduction to Website**
Gianna Funkhouser — Next Gen Owner, Communications

03 **Speaker Introductions**
Toni Williams — Registered Applicant Owner, Communications

04 **Preparing for Your "Approved to Buy" Interview**
Tom Hanneman — Franchising Placement Manager, US Strategic Franchising

05 **How to Prepare for Becoming a McDonald's Franchisee**
Steve Edelheit, CPA, CVA — Partner & Franchise Team Leader, Withum
Julie Babetch, CPA — Partner, Withum

06 **My Journey to Becoming a McDonald's Franchisee**
Savannah Rayat — Registered Applicant

07 **Q&A**

08 **Closing Remarks**
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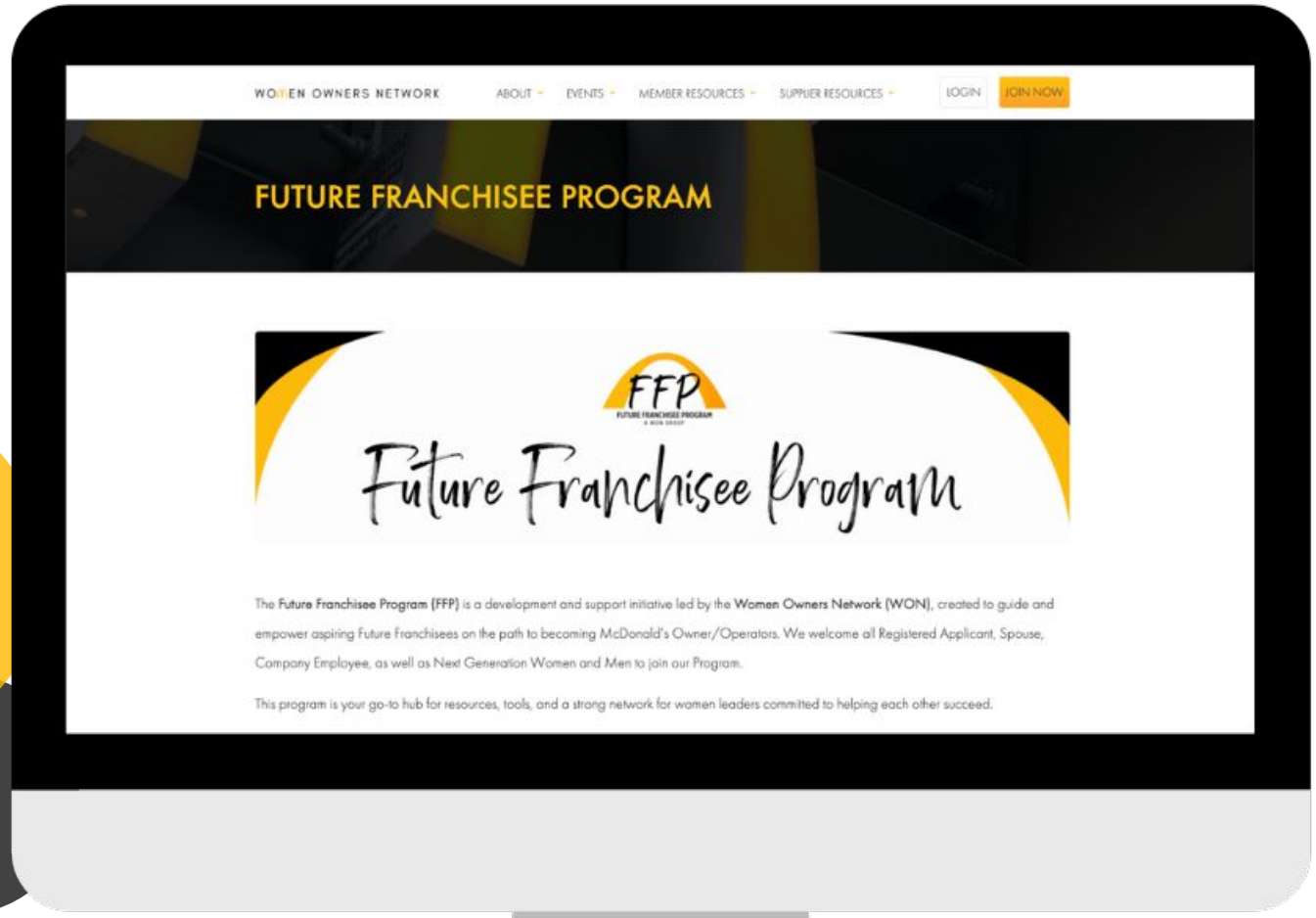
Welcome & Opening

Jamie Black — FFP Lead

Introduction to Website

Gianna Funkhouser — Next Gen Owner, Communications

NEW FFP Page on WON Website



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Speaker Introductions

Toni Williams — Registered Applicant Owner, Communications

Preparing for Your “Approved to Buy” Interview

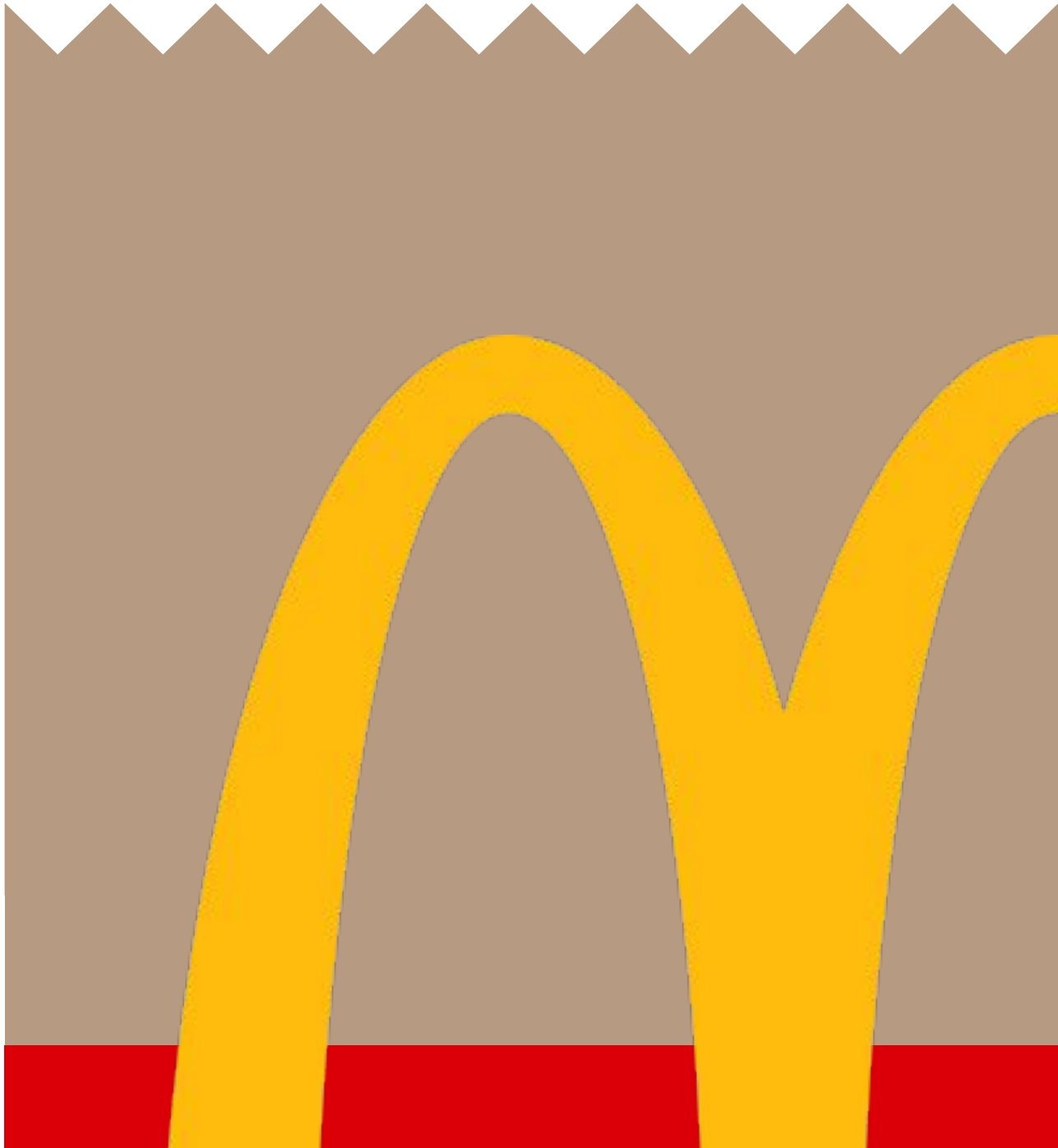
Tom Hanneman — Franchising Placement Manager, US Strategic Franchising

WON
Approaching QTB (Financial)
September 2025

US Franchising Placement Team

CONFIDENTIAL AND PRO USA.

Restaurant Pricing and McDonald's Approach to Approving Changes in Ownership



CONFIDENTIAL AND PROPRIETARY INFORMATION of McDonald's USA.

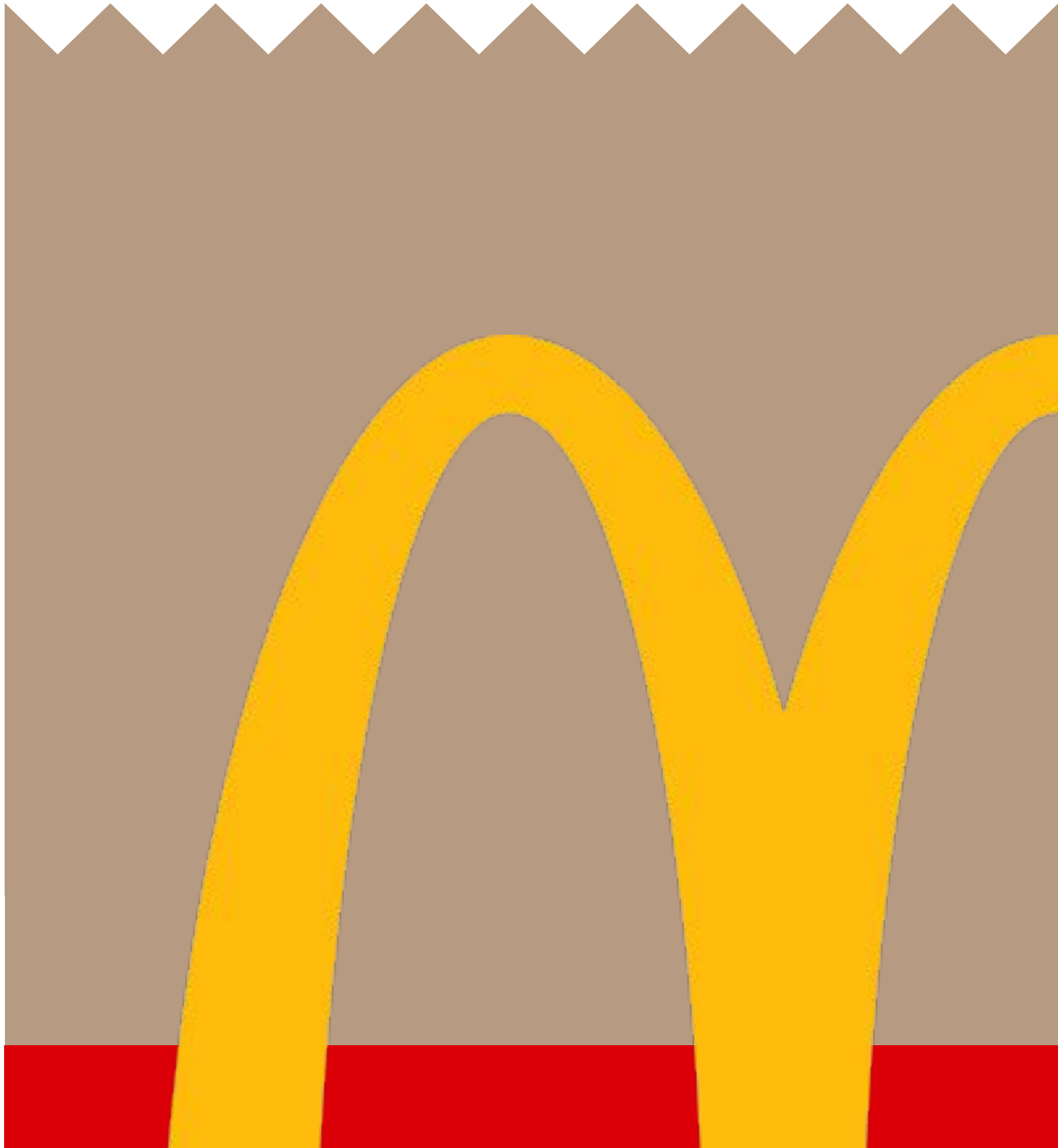
Restaurant Pricing

- Understand the range of fair pricing for your deal
- McDonald’s favors a discounted cash flow approach
- Work with your CPA
- Should consider reinvestments, especially in the early years
- Discounted cash flow, in combination with reinvestments, determines what can be called the intrinsic value of the restaurants

McDonald’s Financial Approach to Changes of Ownership

- McDonald’s approves changes of ownership with focus on the buyer
- Deal has to pencil for the buyer (ratios, reinvestments etc.)
- Cash flow from the restaurants needs to be able to support loan payments, G&A, Operator salary, income taxes, reinvestments, etc.

Understanding Leverage: Bridging from CF Multiple to Leverage Ratio



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Common Cash Flow Multiple – Discussing the Deal

- **Keep in Mind:**
- Common CF multiple is what's typically discussed during early negotiation to purchase a restaurant
- Usually ignores reinvestment
- Usually ignores G&A

Asking Price (3 Stores)	$3.55M
Reinvestments (Yr 1)	
Total Acquisition Cost	
Cash Down	
Loan	
Annual CF	$625K
Annual G&A	
Common CF Multiple	**5.7**

But What's the Real Cash Flow Multiple?

- **Key Points:**
- The real CF multiple includes reinvestments in the early years and G&A
- This starts to bridge from simply discussing the deal to actually financing the deal

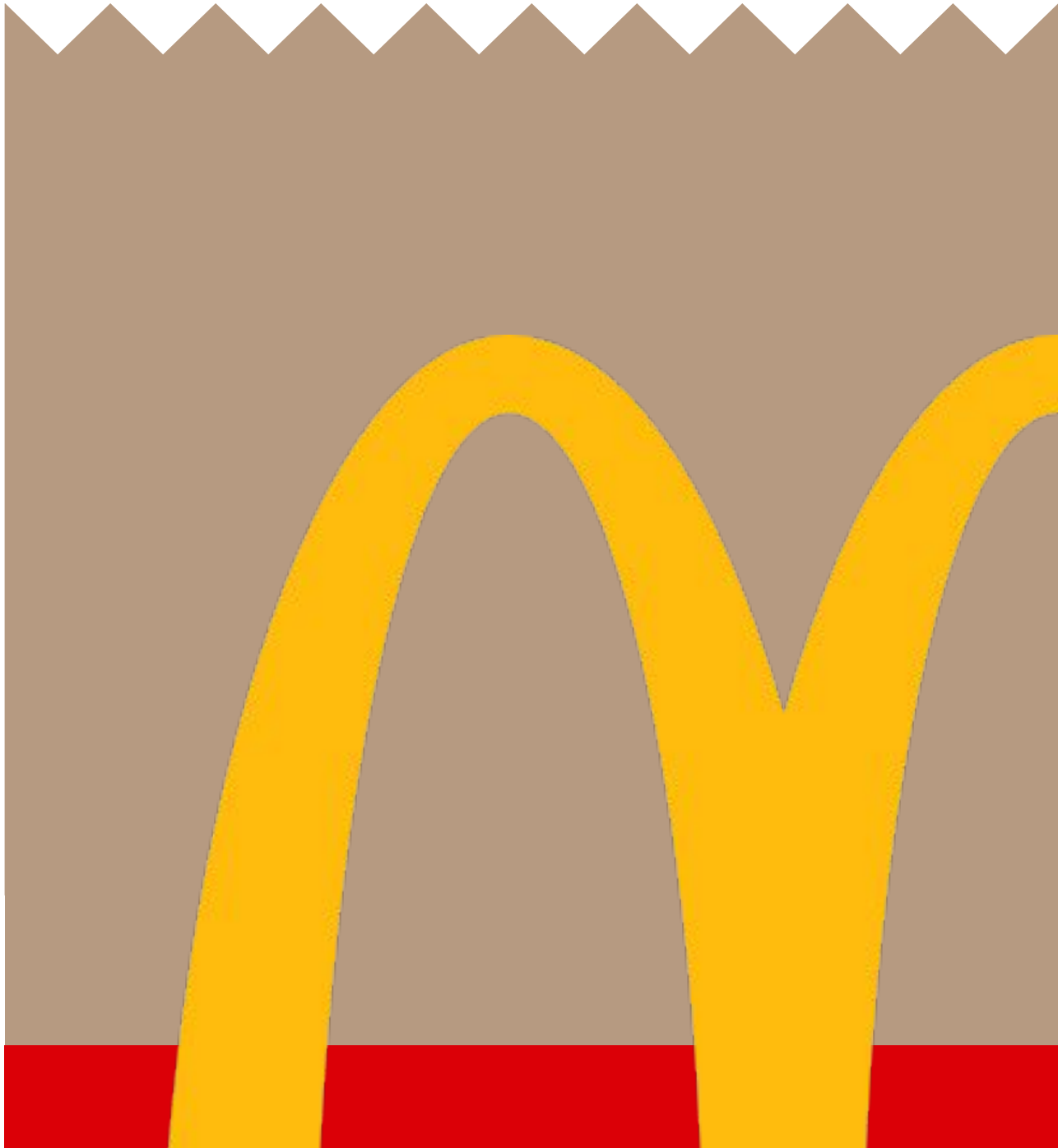
	Common CF Multiple	The Real CF Multiple
Asking Price (3 Stores)	$3.55M	$3.55M
Reinvestments (Yr 1)		$400K
Total Acquisition Cost		$3.95M
Cash Down		
Loan		
Annual CF	$625K	$625K
Annual G&A		$150K
	5.7	**8.3**

Bridging from CF Multiple to Leverage Ratio - Financing the Deal

- **Key Points:**
- Banks will consider costs beyond the initial asking price to measure the leverage
- Buyer has to have enough cash to "buy down" the Real CF Multiple to acceptable level

	Early Discussion	*Reality of Deal*	*Financing the Deal*
	Common CF Multiple	**Real CF Multiple**	**Day 1 Leverage Ratio**
Asking Price (3 Stores)	$3.55M	$3.55M	$3.55M
Reinvestments (Yr 1)		$400K	$400K
Total Acquisition Cost		$3.95M	$3.95M
Cash Down			$2.05M
Loan			$1.90M
Annual CF	$625K	$625K	$625K
Annual G&A		$150K	$150K
Metric	**5.7**	**8.3**	**4.0**

Preparing for Qualified To Buy Interview (Financial)



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Preparing for QTB Interview (Financial)

- Take the financial skills verification process with your field finance team very seriously, take it to heart
- This will only help you in your journey as an Owner/Operator
- Sufficient understanding of financial statements, ratios and financial acumen
- Know how the ratios are calculated and more importantly what they mean
- You'll have your advisors, CPA and attorney but end of day it's your business, your money and you will need to make wise financial decisions during your career as an O/O

How to Prepare for Becoming a McDonald's Franchisee

Steve Edelheit, CPA, CVA — Partner & Franchise Team Leader, Withum
Julie Babetch, CPA — Partner, Withum

withum

Financial Considerations for Each Phase of Owning a McDonald's Restaurant

POWER IN THE PLUS™

WE ARE AN INDEPENDENT MEMBER OF

HLB

THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

STEVEN EDELHEIT, CPA, CVA

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Registered Applicants & Next Gen Candidates

- Considerations when evaluating a restaurant purchase
  - Engage with an Attorney and a CPA firm
  - Information to request from the seller
    - Trailing Twelve Months (TTM)
      - P&L
      - Sales, Guest Counts, Average Check
      - Other

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Registered Applicants & Next Gen Candidates

- Evaluating the deal
  - Sales, PAC, Opportunities
  - Rent (leased or owned)
  - Remaining franchise term
  - Upcoming reinvestment requirements
  - Geographic knowledge (e.g. local competitors, new resident/commercial developments, labor market, etc.)

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Registered Applicants & Next Gen Candidates

- Evaluating the deal (cont.)
  - General & Administrative (G&A) Expenses
    - Standard - $50k
  - Ratios – financial viability
    - Cash requirement ($100k per restaurant)
  - Financing options

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JULIE BABETCH, CPA

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Restaurant Ownership: Post Purchase Considerations

- Entity selection
  - S Corp, LLC, other
  - State considerations
- Allocation of purchase price for equipment (depreciation)
  - Buyer vs Seller
- Management company – lead restaurant for G&A

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Restaurant Ownership: Post Purchase Considerations

- Back office
  - Outsource payroll
  - Outsource accounts payable
  - Verify deposits
  - Cashless
  - Other

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Restaurant Ownership: Post Purchase Considerations

- Additional Expenditures
  - Utility Deposits
  - Equipment/Mechanical failures (e.g. Air Conditioner, Fryer)
  - Employee benefits
    - Health Insurance
    - Retirement (e.g 401(k))
  - Leases
  - National Restaurant Building Equipment Standards (NRBES)

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Restaurant Ownership: Post Purchase Considerations

- Tax considerations
  - Qualify for Work Opportunity Tax Credit (WOTC)
  - Cost Segregation for remodel (MRP, Rebuild)
  - Qualified Business Income (QBI) deduction
  - State specific
    - Sales tax
    - Personal Property Tax (PPT)
    - Pass-Through Entity Tax (PTET)
    - Depreciation differences

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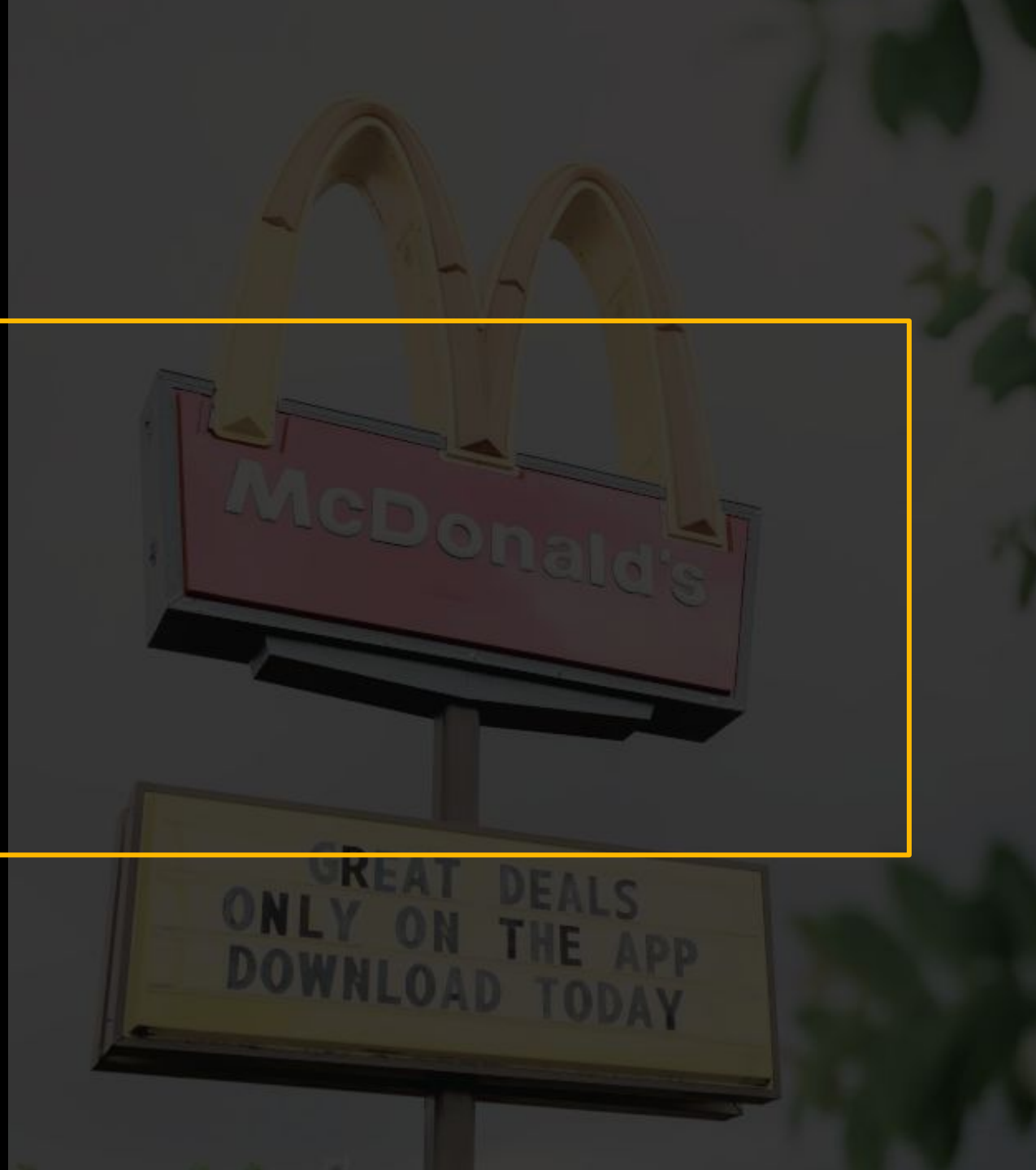
Thank you.

My Journey to Becoming a McDonald's Franchisee

Savannah Rayat — Registered Applicant

https://rayatrise.my.canva.site/savannah-rayat-won-ffp

Q&A



Closing Remarks

Maria Acosta — Next Gen Owner, Executive Sponsor

Thank You!