

"Strategic Partnership in the Fast-Food Industry: McDonald's Transfer of its control stake in China to CITIC"

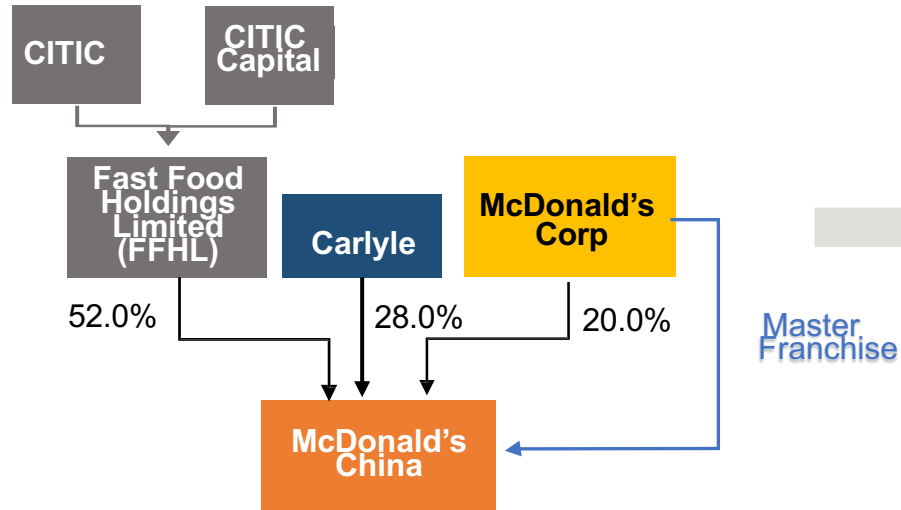
Case Study
Jan 2024



Acquisition of McDonald's China by CITIC and Carlyle

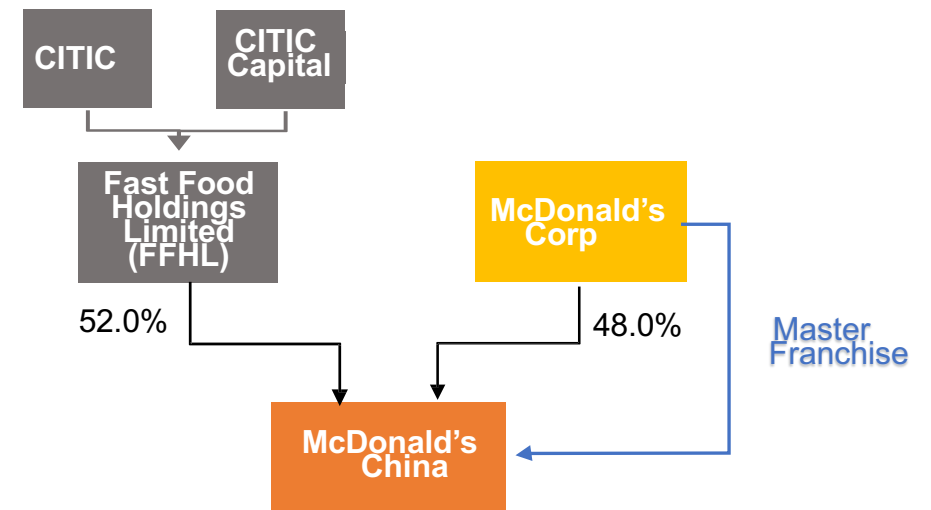
Simplified shareholding structure

post acquisition in 2017



6 years

After McD Corp bought back 28% from Carlyle in 2023



- In January 2017, the consortium formed by CITIC, CITIC Capital and Carlyle announced the acquisition of McDonald's China Management Limited from McDonald's Corp, with a 20-year master franchise to operate in Mainland China and Hong Kong & Macau. The transaction was completed in July 2017
- In November 2023, McDonald's Corp has agreed to acquire the entire 28% minority stake of McDonald's China from Carlyle. CITIC will continue to own 52%, and McDonald's Corp will increase its stake from 20% to 48%. The transaction is expected to close in the first quarter of 2024

McDonald's creative partnership strategy in China was a great success

Value-add from the consortium of Citic, Citic Capital and Carlyle has made the difference in the 6 years after 2017 acquisition.

Comments by Chris Kempczinski, McDonald's President and Chief Executive Officer, upon the announcement of McDonald's acquisition of the 28% stake in McDonald China from Carlyle:

"Our strategic partnership with CITIC and Carlyle has been extremely successful in growing McDonald's presence in the region since it began. China is now our second largest market; we've doubled our restaurants to more than 5,500 since 2017," "We believe there is no better time to simplify our structure, given the tremendous opportunity to capture increased demand and further benefit from our fastest growing market's long-term potential."

Source: PR Newswire, Nov 20, 2023

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