STOCK STORIES

Edition - *4*

Date – *April*

Portfolio – *Value Stocks*

McDonald's - [MCD]

MCD Stock Breakdown

Dividend Yield	2.31%
Sector	Discretionary
Industry	Restaurants
EWM Initial Buy	3/6/2025
Closing Price on 3/6/2025	$310.37
EWM Price Target	$345

*As of 3/31/2025

McDonald's Synopsis

Economic Influence

McDonald's global restaurant presence provides them with various revenue sources that could support the company if U.S. economy were to slow down or enter a recession.

Fundamental Factors

The company continues to pay off debt and bought back over $7.7 billion worth of their own stock shares in 2024.

Technical Support

The chart above displays the price breaking out higher in 2025 and we believe this could be an indication of further strength in the stock's price.

Industry Indicators

The QSR (quick service restaurant) sub-industry is highly competitive, but we believe MCD is well-suited to outperform based on efficient operations and strong financials.

See page 2 to read the FULL STORY

Did you know?

- McDonald's is the largest restaurant chain in the world.
- They have raised their dividend every year since 1976.
- MCD is a "dividend aristocrat" meaning they have increased their dividend every year for the last 25 or more years.

Company Profile

- The company was founded in 1955 by Raymond Albert Kroc.
- Headquartered in Chicago, Illinois.
- Franchises over 43,000 restaurants.

Edition - *4*

Date – *April*

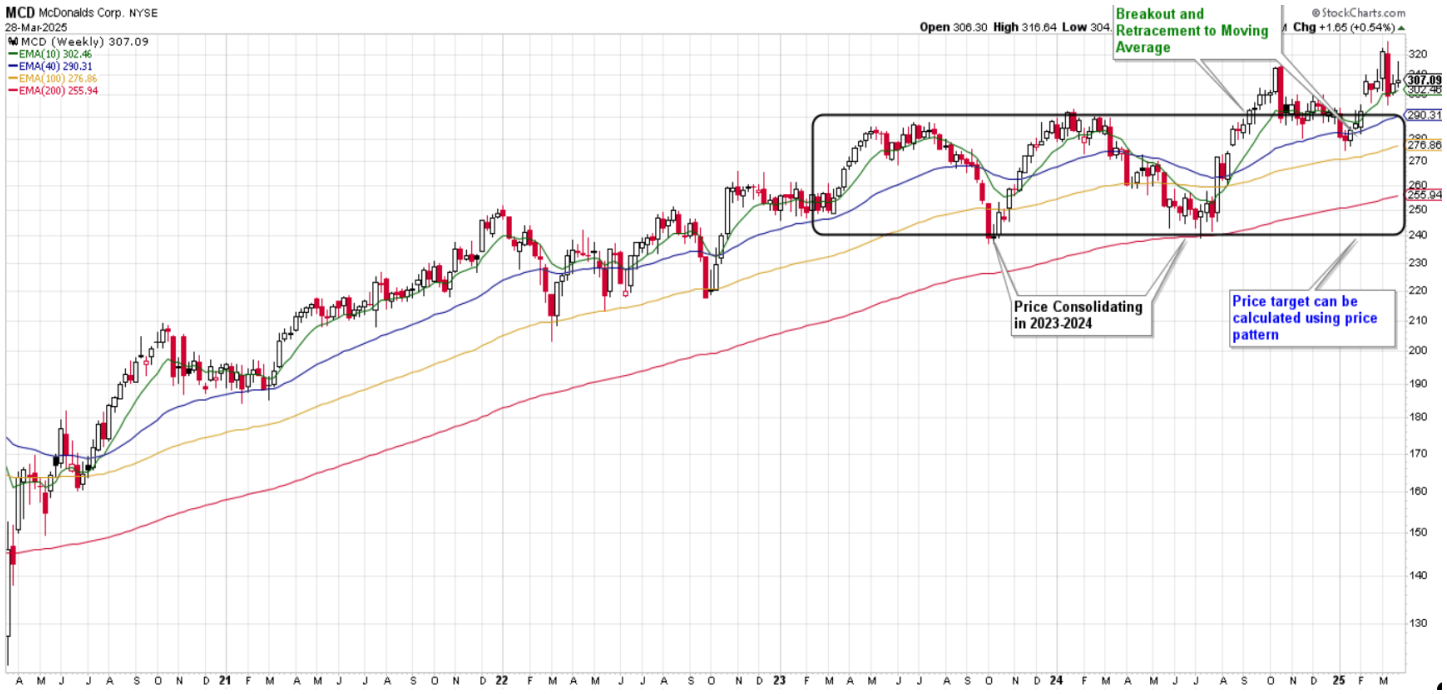
Portfolio – *Value Stocks*

McDonald's – Full Story

McDonald's is a household name, and we believe the stock deserves to be a part of our client household portfolios for various reasons. One of the main reasons I am featuring MCD as our stock of the month is because of the current market volatility. 2025 has been a choppy year for investors as the S&P 500 is down over 5%; however, MCD is telling a different story. The stock is up over 6% this year and it seems as though investors are flocking to companies with stable cash flow, consistent dividends, and "recession proof" business models.

McDonald's has been checking those boxes for the last few decades as the company has raised their dividend every year since 1976 and have worked to pay down debt while also increasing same store sales year-over-year. This combination must be attracting investors because the stock is showing strong relative out performance and multiple days with larger than average volume inflows to the stock. MCD also supports a diverse group of revenue streams that don't necessarily depend on product sales. A large portion of their cash flow comes from franchise fees as well as royalties from their brand.

In our opinion, McDonald's is an ideal fit in our **Value Stock** portfolio especially is this period of heightened market volatility. We are always looking for technical signals that tell us "Something is changing in the stock, and we want to own the next move higher". Last month, we talked about Southwest and how the stock chart was "sold off". MCD is a strong chart, and we are buying it as we expect it to continue to make new all-time highs and show "relative strength". Below, we are seeing the price of the stock breakout from the patten in **black** and then come back down into that rectangle. It hit the 40 week Moving Average (**Blue Line**) and held that area for support. We then entered the position, and it broke out again to all-time highs. *See analysis below:*



Important Disclosures: Information presented is believed to be factual and up to date as of 3/31/2025. Different types of investments involve varying degrees of risk. Past performance is not a reliable indicator of current and future results. The information presented herein is intended for educational purposes only. The specifics of the activity presented by the EWM Asset Management team is intended for general information only. The actual impact to your personal portfolio is not represented by the statements made in this document and you should proactively review your monthly/quarterly statements or contact the office to speak to an Advisor to validate your specific transactions. EWM and its employees are not affiliated with any company mentioned in this document. Any charts, graphs, or visual aids presented herein are intended to demonstrate concepts which cannot be fully explained without the assistance of a professional from EWM. Readers should not in any way interpret these visual aids as a device with which to ascertain investment decisions or an investment approach. Only your professional adviser should interpret this information. Information above is provided by reports available in the Schwab Advisor Services™ research center and StockCharts.com. The dividend yield is calculated without the deduction of fees and expenses. The Standard and Poor's 500 is a stock market index tracking the stock performance of 500 large companies listed on stock exchanges in the United States.