McDonald's (MCD)

Consumer Cyclical / Restaurants

$290.73 **-$1.55 (-0.53%)** as of Friday's close

Cap ($M USD)	P/E	EPS (1Y)	Dividend	Last Filing
$209,922	**25.1**	**38.8%**	**$6.68**	**12/29/23**
Sales ($M)	Forward P/E	Sales (1Y)	Div. Yield	Next Earnings
25,494	**21.4**	**10.0%**	**2.3%**	**04/23/24**

52-wk Range
$245.73 $302.39

Dividend Adjusted Return *Mar 1, 2023 - Mar 1, 2024*

MCD 290.73 (+12.6%) **Consumer Cyclical 317.39 (+29.5%)** **S&P 500 5137.08 (+31.4%)**

MCD has underperformed the S&P 500 by -18.7% in the past year.

MCD has underperformed its sector by -16.9% in the past year.

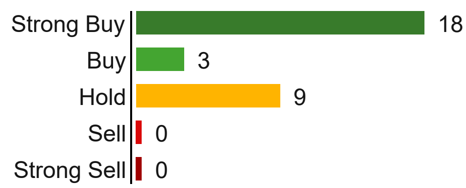
The Consumer Cyclical sector has performed nearly in line with the market over the past year.

ANALYST CONSENSUS

Buy

The consensus rating has worsened a little since last month when it was also Buy.

Strong Buy	Buy	Hold	Sell	Strong Sell



QUANTITATIVE SCORES

Fair Value $261.85
Margin of Safety -10%

The Margin of Safety is the difference between a company's Fair Value and the current price. See more on page 8.

1 warning
Details on Page 8

Value Score 64

Value Score: Our value score looks at EV/EBITDA, P/E, P/S, P/TB (Price/Tangible Book) and EPS Predictability. P/S and P/TB are compared within a sector. Other metrics are compared across all stocks

Quality Score 88

Quality Score: Our quality score compares profitability and balance sheet metrics to find high quality companies using ROIC, Net Margin, Gross Margin, Interest Coverage, and Debt / Equity metrics.

Growth Score 93

Growth Score: Our growth score looks at the 5 year history and the forward estimates for EBITDA, Sales, and EPS growth, ranking the best companies across all stocks.

Sentiment Score 78

Sentiment Score: Our sentiment score finds stocks in favor by analyzing Short Interest, returns in key periods over the last year, Price vs. 52-wk High, Days Since 52-wk High and MACD signals.

BUSINESS SUMMARY

McDonald's is the largest restaurant owner-operator in the world, with 2022 system sales of $116 billion across more than 40,000 stores and 115 markets. McDonald's pioneered the franchise model, building its footprint through partnerships with independent restaurant franchisees and master franchise partners around the globe. The firm earns roughly 60% of its revenue from franchise royalty fees and lease payments, with most of the remainder coming from company-operated stores across its three core segments: the United States, internationally operated markets, and international developmental/licensed markets.

Employees 150,000 **Homepage** www.investor.mcdonalds.com **Headquarters** Chicago, IL

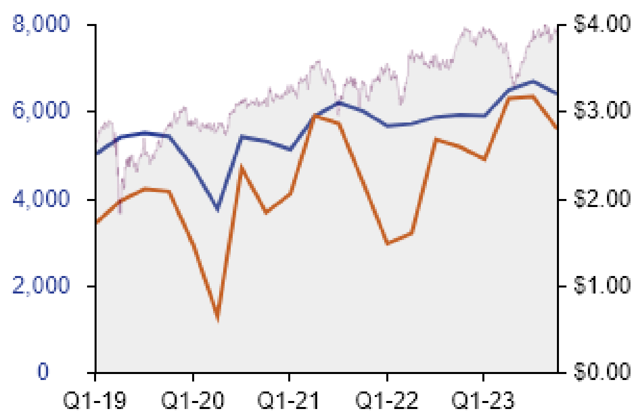
VALUATION SUMMARY

	MCD	Industry	S&P 500
Value Score	64	57	72
Price / Earnings	25.1	28.4	27.8
Price / Sales	8.4	2.7	2.9
Price / Free Cash Flow	29.3	27.3	28.4
Price / Book	-	22.8	4.9
Price / Tangible Book	-	-	500+
EV / EBITDA	18.6	18.7	23.1
EPS Predict. Pctl.	93	53	67
Piotroski F Score	7	8	8

	Low	High
5-Year P/E Range	18.0	37.5
5-Year P/B Range	-	-
5-Year P/S Range	5.1	9.5

GROWTH SUMMARY

	MCD	Industry	S&P 500
Growth Score	93	72	75
Sales Growth			
Sales Growth Next Year	6.1%	8.1%	9.4%
Sales 1-Year Chg (%)	10.0%	5.7%	12.7%
Sales 3-Year Avg (%)	9.9%	12.8%	12.3%
Sales 5-Year Avg (%)	3.7%	4.3%	12.3%
EPS Growth			
Next Yr. Growth Est.	9.1%	16.0%	15.0%
EPS 1-Year Chg (%)	38.8%	60.3%	14.3%
EPS 3-Year Avg (%)	22.3%	48.1%	26.4%
EPS 5-Year Avg (%)	8.9%	19.4%	11.4%

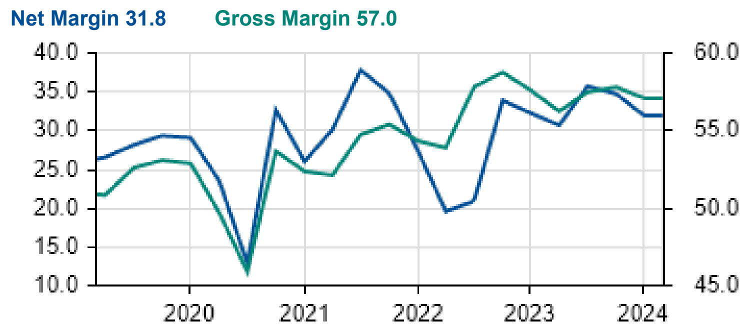


PEERS ANALYSIS SUMMARY

Ticker	Company	Cap ($M USD	P/E	Div. Yield	1M Return	1Y Return	Margin of Safety	Value Score	Growth Score	Quality Score
MCD	McDonald's	$209,922	25.1	2.3%	-1.9%	13.2%	-10%	64	93	88
SBUX	Starbucks	$105,466	24.9	2.5%	0.4%	-6.7%	-5%	66	94	82
CMG	Chipotle Mexican …	$73,729	60.6	-	10.1%	81.1%	-25%	54	96	61
CM…	Compass Gr	$46,863	29.0	2.0%	1.2%	22.2%	1%	47	97	82
YUM	Yum Brands	$38,661	24.6	2.0%	5.9%	11.0%	-11%	63	85	87
QSP…	Restaurant Brands…	$26,119	20.6	3.0%	2.5%	23.1%	-16%	66	86	80
DRI	Darden Restaurants	$20,453	20.8	3.0%	2.4%	23.3%	0%	70	88	79
YUMC	Yum China Holdings	$17,124	21.8	1.5%	21.1%	-28.4%	6%	75	95	55
DPZ	Domino's Pizza	$15,569	30.5	1.4%	3.2%	50.3%	-20%	64	78	83
WING	Wingstop	$10,749	156.3	0.2%	27.4%	115.3%	-39%	52	98	86
TXRH	Texas Roadhouse	$9,997	33.0	1.5%	16.3%	49.9%	-16%	64	92	58
CAVA	Cava Group	$6,623	277.8	-	18.0%	-	-	27	-	39

PROFITABILITY SUMMARY

	MCD	Industry	S&P 500
Quality Score	88	60	77
Gross Margin	57.1%	34.3%	29.6%
Operating Margin	46.1%	14.6%	14.1%
Net Margin	33.2%	9.5%	10.6%
Return on Assets	15.9%	13.5%	9.5%
Return on Equity	-179.9%	-234.1%	32.2%
ROIC	20.3%	20.6%	22.1%



RETURNS SUMMARY

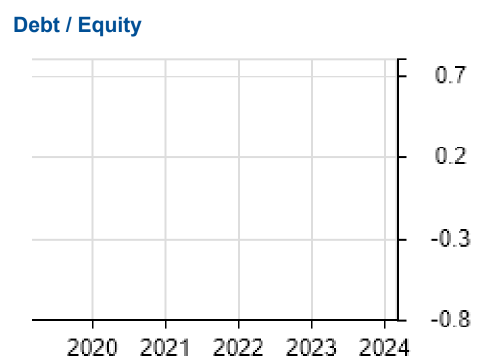
	MCD	Industry	S&P 500
Sentiment Score	78	54	75
5-Day Return	-1.8%	-0.5%	0.9%
1-Month Return	-1.9%	1.2%	4.7%
YTD Return	-1.4%	1.2%	7.7%
1-Year Return	13.2%	10.6%	32.0%
3-Year Return	49.2%	14.5%	37.7%
5-Year Return	76.3%	48.9%	98.9%
Beta 1-Year	0.53	0.61	0.99

DIVIDEND

	MCD	Industry
Dividend Yield	2.3%	1.9%
Payout Ratio	53.6%	52.7%
TTM Yield	2.2%	-
Dividend Per Share	$6.68	$2.89
Div. 1Y Chg (%)	9.9%	3.4%
Div. 3Y Avg (%)	9.0%	3.4%
Div. 5Y Avg (%)	7.6%	3.4%
Cons. Growth Years	10+	3
Div. Coverage Ratio	1.9	1.9

DEBT & EQUITY

Current Ratio	1.2
Quick Ratio	1.2
Price	$290.73
Net Cash Per Share	-$66.68
Equity Per Share	-$6.52
Solvency Ratio	18%
Interest Coverage	8.7
Short % of Float	1.1%
Altman Z-Score	4.8



ANALYST REVISIONS

Current Quarter EPS	
# Up Last 30 days	3.00
# Down Last 30 days	1.00
Mean Estimate	2.72
% Change (30 Days)	-2.16%

Next Quarter EPS	
# Up Last 30 days	7.00
# Down Last 30 days	0.00
Mean Estimate	3.19
% Change (30 Days)	-0.93%

MEAN ESTIMATE TREND

	Cur Qtr	Next Qtr	Cur Year	Next Year
Latest	$2.72	$3.19	$12.44	$13.57
30 Days Ago	$2.78	$3.22	$12.53	$13.66
90 Days Ago	$2.77	$3.21	$12.50	$13.62
% Change (90 Days)	-1.8%	-0.6%	-0.5%	-0.4%

EARNINGS SURPRISES

Earnings surprise is the difference between a company's announced earnings and the average analyst estimated value. Surprises typically causes the stock price to jump and are often followed by more of the same surprise type.

Surprise Summary (Last 12 Quarters)

Surprise Type	Amount	Percent
Positive Quarters (> 2%)	11	91.7%
Negative Quarters (< 2%)	1	8.3%
In-Line Quarters (within 2%)	0	-

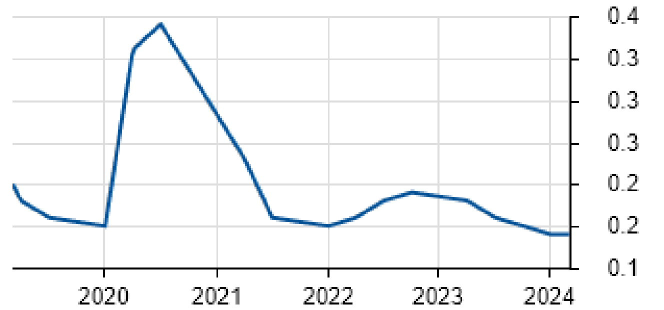
Surprise Detail (Last 6 Quarters)

Surprise Type	Announce Date	Period End Date	Actual EPS	Est. EPS	Surprise (%)
Positive	02/05/24	12/30/23	$2.95	$2.82	4.6%
Positive	10/30/23	09/30/23	$3.19	$3.00	6.3%
Positive	07/27/23	06/30/23	$3.17	$2.79	13.6%
Positive	04/25/23	03/31/23	$2.63	$2.33	12.9%
Positive	01/31/23	12/31/22	$2.59	$2.45	5.7%
Positive	10/27/22	-	$2.68	$2.58	3.9%

RISK

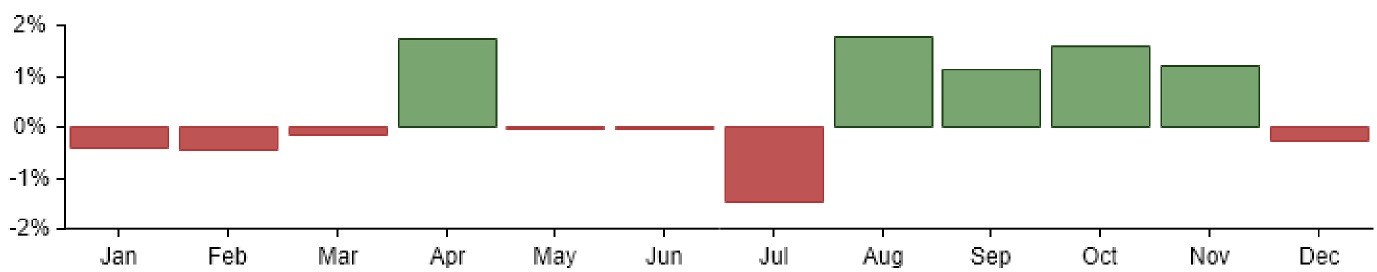
	MCD	Industry	S&P 500
Best Monthly Return (5Y)	18.6%	20.8%	17.9%
Worst Monthly Return (5Y)	-18.4%	-22.6%	-16.4%
Beta 1-Year	0.53	0.61	0.99
Volatility 1-Year	0.14	0.11	0.12
Volatility 1Y Pctl.	13	-	-
Max Drawdown 1-Year	-17.5%	-20.6%	-10.3%
Max Drawdown 3-Year	-17.7%	-31.7%	-25.4%
Max Drawdown 5-Year	-38.0%	-47.9%	-33.9%

MCD **Volatility 1-Year 0.1**



SEASONALITY

Seasonal Performance vs the S&P 500



5-YEAR RELATIVE PERFORMANCE VS S&P 500

Relative to the S&P 500 baseline, MCD has underperformed the S&P 500 by -22.9% in the past 5 Years.

MCD has underperformed its sector by -23.0% in the past 5 Years.

The Consumer Cyclical sector has performed nearly in line with the market over the past 5 Years.

Dividend Adjusted Return *Mar 1, 2019 - Mar 1, 2024*

MCD 290.73 (-22.9%) **Consumer Cyclical 317.39 (+0.2%)** **S&P 500 5137.08 (0.0%)**

Overall Rating vs. Peers **36**

Ratings scores are relative to industry groups. They compare key metrics to rank stocks vs. their competitors.
For example, higher growth than peers will score high even when the absolute growth is below the market average.

Growth vs Peers

Ticker	Company	Growth Rating vs. Peers	Sales QoQ Chg.	Eps QoQ Chg.	Sales Growth Next Y.	Sales 1Y Chg (%)	Sales 3Y Avg (%)	Sales 5Y Avg (%)
CMG	Chipotle Mexican Grill	99	15.4%	27.3%	13.4%	14.3%	18.1%	15.2%
YUM	Yum Brands	74	0.8%	25.6%	6.7%	3.4%	7.8%	4.5%
SBUX	Starbucks	66	8.2%	21.6%	9.7%	11.5%	16.5%	7.7%
DRI	Darden Restaurants	64	9.7%	15.8%	5.5%	6.7%	21.2%	5.5%
MCD	McDonald's	58	8.1%	8.1%	6.1%	10.0%	9.9%	3.7%

Valuation vs Peers

Ticker	Company	Valuation Rating vs. Peers	P/E	Forward P/E	PEG Trailing	P/S	P/B	5Y P/E Range
DRI	Darden Restaurants	54	20.8	17.7	2.4	1.9	10.0	6.6 -
SBUX	Starbucks	44	24.9	19.7	2.4	2.9	-	18.9 208.3
CMG	Chipotle Mexican Grill	25	60.6	41.4	1.3	7.6	24.1	40.2 186.4
MCD	McDonald's	21	25.1	21.4	2.8	8.4	-	18.0 37.5
YUM	Yum Brands	13	24.6	21.2	6.9	5.5	-	15.3 41.4

Efficiency vs Peers

Ticker	Company	Efficiency Rating vs. Peers	Gross Margin	Operating Margin	Net Margin	5Y ROE Range	5Y ROA Range
DRI	Darden Restaurants	97	20.8%	11.5%	9.2%	-8.5% 49.4%	-2.2% 12.6%
MCD	McDonald's	91	57.1%	46.1%	33.2%	-179.9% -50.4%	9.4% 16.9%
YUM	Yum Brands	89	49.4%	32.6%	22.6%	-20.3% -11.5%	16.3% 30.5%
CMG	Chipotle Mexican ...	86	26.2%	16.5%	12.5%	13.1% 41.6%	4.6% 16.4%
SBUX	Starbucks	74	27.8%	15.6%	11.7%	-78.9% -8.4%	2.4% 18.0%

Financial Strength vs Peers

Ticker	Company	Financial Str. Rating vs. Peers	Debt / Equity	Interest Coverage	Quick Ratio	Intangibles %	Solvency Ratio	Short % of Float
CMG	Chipotle Mexican Grill	74	1.3	-	1.5	0.3%	32%	3.0%
DRI	Darden Restaurants	56	2.7	11.9	0.2	22.4%	19%	7.9%
SBUX	Starbucks	23	-	11.1	0.5	11.7%	19%	1.2%
YUM	Yum Brands	15	-	4.5	1.3	16.4%	13%	1.9%
MCD	McDonald's	11	-	8.7	1.2	5.4%	18%	1.1%

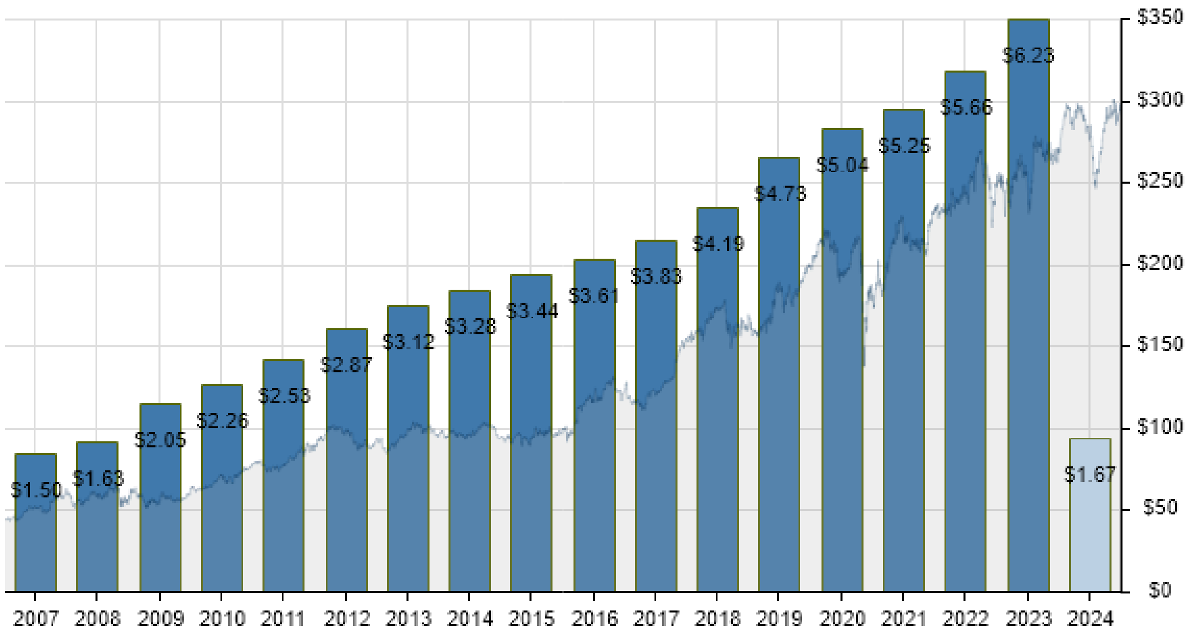
Dividends vs Peers

Ticker	Company	Dividends Rating vs. Peers	Div. Yield	TTM Yield	Price	Div. Per Share	Consecutive Div. Growth Years	Payout Ratio
DRI	Darden Restaurants	58	3.0%	3.0%	$171.29	$5.14	3	60.4%
MCD	McDonald's	42	2.3%	2.2%	$290.73	$6.68	10+	53.6%
SBUX	Starbucks	30	2.5%	2.3%	$93.15	$2.28	0	57.5%
YUM	Yum Brands	18	2.0%	1.8%	$137.42	$2.68	6	42.6%
CMG	Chipotle Mexican Grill	-	-	-	$2,688.78	-	0	-

Momentum vs Peers

Ticker	Company	Momentum Rating vs. Peers	1M Return	3M Return	6M Return	YTD Return	1Y Return	Beta 1Y	Volatility 1Y	Price vs 52-wk High (%)
CMG	Chipotle Mexican Grill	85	10.1%	20.4%	38.7%	17.6%	81.1%	0.64	0.24	98.6%
DRI	Darden Restaurants	60	2.4%	8.0%	12.0%	5.1%	23.3%	0.62	0.17	99.0%
YUM	Yum Brands	58	5.9%	8.5%	7.0%	5.7%	11.0%	0.69	0.16	95.9%
MCD	McDonald's	40	-1.9%	2.2%	4.7%	-1.4%	13.2%	0.53	0.14	96.1%
SBUX	Starbucks	23	0.4%	-5.5%	-4.4%	-2.4%	-6.7%	0.91	0.22	80.7%

DIVIDEND DETAIL



CALENDAR YEAR DIVIDEND HISTORY

Year	Ex-Dividend	Pay Date	Text	Amount
2024 Dividends				**$1.67**
	02/29/24	03/15/24	Regular	$1.67
2023 Dividends				**$6.23**
	11/30/23	12/15/23	Regular	$1.67
	08/31/23	09/18/23	Regular	$1.52
	06/02/23	06/20/23	Regular	$1.52
	02/28/23	03/15/23	Regular	$1.52
2022 Dividends				**$5.66**
	11/30/22	12/15/22	Regular	$1.52
	08/31/22	09/16/22	Regular	$1.38
	06/03/22	06/20/22	Regular	$1.38
	02/28/22	03/15/22	Regular	$1.38
2021 Dividends				**$5.25**
	11/30/21	12/15/21	Regular	$1.38
	08/31/21	09/15/21	Regular	$1.29
	05/28/21	06/15/21	Regular	$1.29
	02/26/21	03/15/21	Regular	$1.29
2020 Dividends				**$5.04**
	11/30/20	12/15/20	Regular	$1.29
	08/31/20	09/15/20	Regular	$1.25
	05/29/20	06/15/20	Regular	$1.25
	02/28/20	03/16/20	Regular	$1.25
2019 Dividends				**$4.73**
	11/29/19	12/16/19	Regular	$1.25

UPCOMING DIVIDEND

Ex-Dividend Date	02/29/24
Payment Date	03/15/24
Amount	$1.67
Type	Regular

DIVIDEND RATE

Regular Dividend	$1.67
Annual Dividend Rate	$6.68
Annual Dividend Yield	2.3%
Trailing 12 Months Dividends	$6.38
Trailing 12 Months Yield	2.2%

STATISTICS

Payout Ratio	53.6%
Dividend Coverage Ratio	186.7%
Consecutive Growth Years	10+
3 Year Growth Rate	9.0%
5 Year Growth Rate	7.6%
10 Year Growth Rate	7.5%

FINANCIAL STATEMENT SUMMARY

USD in Millions	Chart	2019	2020	2021	2022	2023	TTM	CAGR
Income Statement								
Revenue		21,364	19,208	23,223	23,183	25,494	25,494	4.3%
Operating Income		8,950	7,207	9,873	10,345	11,746	11,746	6.7%
Net income		6,025	4,731	7,545	6,177	8,469	8,469	8.5%
Earnings per share diluted		$7.88	$6.31	$10.04	$8.33	$11.56	$11.56	9.6%
Average shares diluted		765	750	752	741	732	732	-1.0%
P/E Ratio		25.9	32.8	27.6	33.2	25.6	25.1	-0.7%
Balance Sheet								
Cash		899	3,449	4,709	2,584	4,579	4,579	47.8%
Current assets		3,558	6,243	7,148	5,424	7,986	7,986	21.4%
Net Property, Plant and Equipm…		37,421	38,786	38,273	36,339	38,422	38,422	0.6%
Working Capital		-63	62	3,129	1,622	1,127	1,127	149.9%
Net Debt		46,658	48,014	44,640	46,115	48,512	48,512	0.9%
Stockholders' Equity		-8,210	-7,825	-4,601	-6,003	-4,707	-4,707	-12.5%
Cash Flow								
Operating Cash Flow		8,122	6,265	9,142	7,387	9,612	9,612	4.1%
Cap Ex		-2,394	-1,641	-2,040	-1,899	-2,357	-2,357	-0.4%
Free Cash Flow		5,728	4,624	7,102	5,488	7,255	7,255	5.8%
Free Cash Flow per share		$7.49	$6.17	$9.45	$7.40	$9.91	$9.91	6.9%
Profitability								
Operating Margin		41.9%	37.5%	42.5%	44.6%	46.1%	46.1%	2.3%
Return on Assets		15.0%	9.4%	14.2%	11.8%	15.9%	15.9%	1.4%
Return on Equity		-73.4%	-60.5%	-164.0%	-102.9%	-179.9%	-179.9%	24.0%
Return on Invested Capital		18.2%	13.6%	19.5%	17.3%	20.3%	20.3%	2.7%
Dividends								
Dividends Per Share		$4.73	$5.04	$5.25	$5.66	$6.23	$6.68	8.6%
Dividend Yield		2.5%	2.4%	2.1%	2.3%	2.3%	2.3%	-2.3%
Dividend Growth		-	6.6%	4.2%	7.8%	10.1%	18.0%	37.6%
Dividend Coverage		1.7x	1.3x	1.9x	1.5x	1.9x	1.9x	2.6%

VALUATION & PROFITABILITY HISTORY

Date →		TTM	1 Yr Ago	2 Yrs. Ago	3 Yrs. Ago	4 Yrs. Ago
Price / Earnings		25.1	33.1	24.7	31.8	25.5
Price / Cash Flow		22.2	24.9	21.3	25.4	19.3
Price / Book		-	-	-	-	-
Price / Tangible B…		-	-	-	-	-
Price / Sales		8.4	8.4	8.0	8.2	7.2
EV / EBITDA		18.6	22.1	18.3	22.3	17.6
Dividend Yield		2.3%	2.3%	2.3%	2.5%	2.6%
Shareholder Yield		3.8%	4.3%	2.8%	3.1%	6.0%
Gross Margin		57.1%	57.0%	54.2%	50.8%	52.3%
Net Margin		33.2%	26.7%	32.5%	24.6%	28.2%
Return on Assets		15.9%	11.9%	14.2%	9.5%	15.0%
Return on Equity		-179.…	-102.…	-164.…	-60.4%	-73.4%
ROIC		20.3%	17.3%	19.5%	13.6%	18.2%

WARNINGS

Name	Severity	Details
Negative Sales Growth Years	Medium	Number of Years: 8; Sales 1Y Chg (%): 10.0%

In the last decade this company has had several years with negative revenue growth. If the top-line sales are shrinking this company could be a value trap that looks inexpensive on some measures but never outperforms the market.

REPORT TIPS

Metric Definitions

Metric descriptions are available at stockrover.com/help/metrics/metric-overview

Quantitative Scores

Our scores analytics is to offer our concise analysis of a stock in powerful, but easy to digest format. Each of the composite score metrics are designed to use the best available accounting practices as well as source data from SEC filings. The scores are computed for a company vs. the market as a whole.

Fair Value

Fair value performs a forecasted discounted cash flow analysis of a company to determine the company's intrinsic value based on the expected future cash flows the company will produce. It basically determines what a company is worth based on how much cash flow it is expected to generate for you in the future, taking into account the time value of money and the predictability of those forecasted cash flows.

Peers

Peer ratings are computed from ranking companies in the same

DISCLAIMER