| MC | DOI | VALC |)'S C | ORF |) I NYS | E-MCD | R P | ecent / | 10.9 | 4 ^{P/E} RATI | o 21. | 8 (Traili Medi | ng: 23.1 an: 16.0) | RELATIV P/E RATI | | 5 div'd Yld | 3.2 | % | VALUI LINE | Ξ | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|-------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------|-------------------------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------|-----------------------------------------|----------------------|------------------------|--|
| TIMELIN | | 3 Raised 1 | | High: Low: | 33.0 24.5 | 35.7 27.4 | 44.7 31.7 | 63.7 42.3 | 67.0 45.8 | 64.8 50.4 | 80.9 61.1 | 101.0 72.1 | 102.2 83.3 | 103.7 89.3 | 103.8 87.6 | 115.0 87.5 | | | | t Price 2019 | | |
| SAFETY 1 New 7/27/90 TECHNICAL 2 Raised 11/27/15 | | | | LEGENDS 12.0 x "Cash Flow" p sh Relative Price Strength | | | h | | | | | | | | | | | | 2010 | 2010 | 200 | |
| | | Raised 1 Market) | 1/2//15 | Options: \ | Yes | e Strengtn ates recess | | | | | | | | | | | | | | | 160 | |
| 201 | 8-20 PI | ROJECTI | ONS .nn'l Total | | | | | | | | | 'لىرى | ···· | | | In the second | | | | | 100 | |
| | Price 20 | Gain (+10%) | Return 5% | | | | | | | | | | | | | | | | | | 80 60 | |
| | 00 | (-10%) | 1% | | | | !' | TTT HILL | | Turn | | | | | | | | | | | 50 40 | |
| o Buy | JFN 0 0 0 | | | | , ¹¹ 1,, ¹ | n nullui | Բողո՝ | | | | | | | | | | | | | | 30 | |
| | 4 0 2 4 0 2 | | 1 0 0 | | | | | | • | | •••••• | | •••••••• | ••••• | | | | % то | T. Returi | N 10/15 | _20 | |
| nstitu | tional 402014 | Decisio 102015 | | Percent | t 24 + | ant. | | | | • | | •••• | | ****** | ···· | ••••• | | | THIS \ STOCK | /L ARITH.* INDEX | | |
| to Buy to Sell | 658 766 | 6 849 | 517 861 | shares traded | 16 - | | | | | | | | | | | | | 1 yr. 3 yr. 5 yr. | 24.0 43.1 69.6 | -1.3 49.3 73.5 | F | |
| 1 999 | 634334 2000 | | 643609 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | | 2015 | 2016 | | UE LINE P | | 18-20 | |
| 9.82 | 10.92 | | 12.15 | 13.58 | 15.01 | 16.20 | 17.93 | 19.55 | 21.09 | 21.12 | 22.85 | 26.44 | 27.49 | 28.38 | 28.50 | 27.95 | 28.45 | | es per sh | . h | 35.1 | |
| 2.15 1.39 | 2.29 1.46 | | 2.16 1.32 | 2.36 1.43 | 2.88 1.93 | 2.98 1.97 | 3.43 2.30 | 4.06 2.91 | 4.85 3.67 | 5.22 3.98 | 5.92 4.60 | 6.77 5.27 | 6.93 5.36 | 7.24 5.55 | 6.65 4.82 | 6.80 4.87 | 7.30 5.25 | | Flow" per s Is per sh A | | 9.00 6.80 | |
| .20 1.38 | .22 1.49 | | .24 | .40 1.04 | .55 1.12 | .67 1.27 | 1.00 1.45 | 1.50 1.67 | 1.63 1.92 | 2.05 1.81 | 2.26 | 2.53 2.67 | 2.87 3.04 | 3.12 2.85 | 3.28 2.68 | 3.45 1.95 | 3.60 2.30 | | Decl'd per bending p | | 4.0 | |
| 7.14 | 7.05 | | 8.11 | 9.50 | 11.18 | 11.99 | 12.84 | 13.11 | 12.00 | 13.03 | 13.89 | 14.09 | 15.25 | 16.16 | 13.35 | 9.05 | 8.60 | Book Va | alue per sl | h C | 8.50 | |
| 1350.8 30.4 | 1304.9 22.9 | | 1268.2 18.3 | 1261.9 14.1 | 1269.9 14.4 | 1263.2 16.2 | 1203.7 16.0 | 1165.3 17.6 | 1115.3 15.8 | 1076.7 14.4 | 1053.6 15.4 | 1021.4 15.9 | 1002.7 17.3 | 990.40 17.5 | 962.90 20.0 | 905.0 | 870.0 ures are | | n Shs Out n'I P/E Rat | | 825.0 16.0 | |
| 1.73 | 1.49 | 1.07 | 1.00 | .80 | .76 | .86 | .86 | .93 | .95 | .96 | .98 | 1.00 | 1.10 | .98 | 1.06 | | Line | Relative | P/E Ratio |) | 1.00 | |
| .5% | .7% | | 1.0% | 2.0% | 2.0% | 2.1% | 2.7% | 2.9% | 2.8% 23522 | 3.6% | 3.2% 24075 | 3.0% 27006 | 3.1% | 3.2% | 3.4% 27441 | | | - | n'l Div'd Y | ield | 3.7% | |
| Total Debt \$17990.5 mill. Due in 5 Yrs \$5885 mill. 26.2% 26.4 | | | | | | 21586 26.4% | 22787 22.3% | 32.5% | 22745 34.2% | 35.6% | 35.9% | 27567 35.7% | 28106 35.9% | 35.0% | 25300 34.7% | 24750 35.5% | | es (\$mill) ng Margin | | 2900 35.5% | | |
| (L1 interest earned: 14.4x; total interest | | | | | | 1249.5 2509.8 | 1249.9 2873.0 | 1214.1 3522.6 | 1207.8 4201.1 | 1216.2 4405.5 | 1276.2 4961.9 | 1415.0 5503.1 | 1488.5 5464.8 | 1585.1 5585.9 | 1644.5 4757.8 | 1555 4600 | | | ation (\$mi fit (\$mill) | ill) | 1800 5610 | |
| Leases, Uncapitalized Annual rentals \$1382 mill. | | | | | | 31.5% | 31.0% | 1.4% | 31.8% | 30.4% | 29.3% | 31.3% | 32.4% | 31.9% | 35.5% | 31.0% | 32.0% | Income | Tax Rate | | 32.0% | |
| | | | | | | | 13.3% 617.2 | 15.5% d916.6 | 17.9% 979.7 | 19.4% 427.6 | 20.6% | 20.4% 893.8 | 19.8% 1519.0 | 19.9% 1880.1 | 17.3% | 18.2% 1500 | 19.3% | | fit Margin g Cap'l (\$n | nill) | 19.3% 1300 | |
| Pfd Stock None 8937.4 8416 | | | | | | | 8416.5 | 7310.0 | 10186 | 10560 | 11497 | 12134 | 13633 | 14130 | 14990 | 18000 | 20000 | Long-Te | erm Debt (| \$mill) | 21000 | |
| Commo | on Stoc | k 918,229 | ,823 shs. | | | 15146 | 15458 12.8% | 15280 16.4% | 13383 18.8% | 14034 18.8% | 14634 19.8% | 14390 21.6% | 15294 19.8% | 16010 19.4% | 12853 18.1% | 8200 18.5% | 7500 18.5% | • | uity (\$mill) on Total C | | 7000 | |
| | | | | | | 16.6% | 18.6% | 23.1% | 31.4% | 31.4% | 33.9% | 38.2% | 35.7% | 34.9% | 37.0% | 56.0% | | | on Shr. Eq | | 80.0% | |
| CURRE | NT PO | | 2013 | | 9/30/15 | 11.0% 34% | 10.7% 42% | 11.5% 50% | 17.8% 43% | 15.5% 51% | 17.5% 49% | 20.1% 47% | 16.8% 53% | 15.4% 56% | 12.0% 68% | 16.5% 71% | 20.0% 69% | | d to Com I Is to Net F | | 32.5% 60% | |
| Receivables 1319.8 1214.4 1136.2 cc Inventory (FIFO) 123.7 110.0 99.3 ar Other 807.9 783.2 804.6 82 Current Assets 5050.1 4185.5 4492.6 82 Accts Payable 1086.0 860.1 802.6 66 Debt Due 2064.0 4897.8 2152.0 | | | | | | BUSINESS: McDonald's Corporation operated, franchised, or licensed 36,405 fast-food restaurants in the United States, Canada, and overseas under the <i>McDonald's</i> banner (as of 9/30/15). About 82% are operated by franchisees or affiliates, with the remainder under the control of the company. Foreign operations contributed 68% of systemwide sales and 56% of consolidated operating in- | | | | | | | | | | | | | in 2007 han 1% nc.: DE 3. Tele | | | |
| Current | Liab. | 3 | 170.0 2 | 2747.9 | 2956.5 | | | |)onalo pecte | | | | | | | | | | eas of supp | | | |
| ANNUAL RATES Past Past Est'd'12-'14 sults. of change (per sh) 10 Yrs. 5 Yrs. to '18-'20 States Revenues 7.5% 6.5% 4.0% States "Cash Flow" 11.0% 8.0% 4.5% helped Dividends 23.0% 12.5% 4.5% top lin Book Value 4.5% 3.5% -9.0% and w | | | | | | s. Recovery in China and the United es was the primary catalyst and ed overcome currency headwinds. The ine was slightly ahead of our forecast was up 7% year to year on a constant- | | | | | | | were hurt by last year's supplier issue should continue to mend. While these in- itiatives look to be gaining traction, head- winds exist. Foreign exchange is expected to pull \$0.08-\$0.10 a share from fourth- quarter earnings. Too, competition is forme before before roots will block proc | | | | | | | | | |
| Cal- QUARTERLY REVENUES (\$ mill.) [⊨] Full same-sto | | | | | | | e-stor | basis. More importantly, global bre sales rose 4.0%. The High | | | | | | | fierce, higher labor costs will likely pres- sure margins, and volatility in Russia and | | | | | | | |
| 2012 6546 6915 7152 6952 27567 China w | | | | | | | | Markets segment, which contains vas the clear standout. Comps here | | | | | | | slowing growth in China bear watching. Management made a few announce- | | | | | | | |
| 2013 6605 7084 7324 7093 28106 spiked 2014 6700 7181 6987 6572 27441 saried | | | | | | | ed 8. | 8.9%, as the company anniver- | | | | | | | ments recently. It will not pursue a spinoff of its real estate assets, but does | | | | | | | |
| 2015 5959 6498 6615 6228 25300 Comps | | | | | | ps ro | a supplier issue in that nation. rose 4.6% in International Lead | | | | | | | plan to take on additional debt to return | | | | | | | | |
| Cal- | E | ARNINGS P | ER SHARE | AE | Full | | | | .9% ir ed the | | | | | | | | | | o sha ck rep | | | |
| 2012 1 22 1 22 1 42 1 28 5 26 tive | | | | | | tive | tive comps in two years. Hêre, new items | | | | | | | | through dividends and stock repurchases. A more aggressive refranchising target | | | | | | | |
| 2013 1.26 1.38 1.52 1.39 5.55 strong | | | | | | uted and breakfast remained A 103-basis-point decrease in oper- | | | | | | | (93% by the end of 2018) was unveiled, as was the annual G&A savings goal. None of | | | | | | | | | |
| 2015 1.01 1.26 1.40 1.20 4.87 decline | | | | | | gັcost | osts as a percentage of sales, a in the tax rate, and a lower num- | | | | | | | this was earth shattering, but we believe it shows confidence in the turnaround plan. | | | | | | | | |
| 2016 Cal- | 1.15 QUA | 1.35 RTERLY DIV | 1.45 /IDENDS P | 1.30 AID ^B ■ | 5.25 Full | ber o | of sha | res ou | t supp | orted | share | e net. | | Alth | ough | the | e sto | ock's | rece | ent | mo- | |
| endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Year | | | | expect legme | | | | | | | | | | give v tive a | | | |
| 2011 .61 .61 .61 .70 2.53 qu | | | | | | | ive in all segments in the fourth uarter. It is still working to improve the | | | | | | | | vestors pause, conservative accounts should like its above-average divi- | | | | | | | |
| 2013 .77 .77 .77 .81 3.12 2014 .81 .81 .81 .85 3.28 | | | | | | customer experience and enhance the menu (including the recent launch of all- | | | | | | | | for S | dend yield, low Beta, and top scores for Safety and Price Stability. | | | | | | | |
| 2015 | .85 | .85 | .85 | .89 | | | | | t hom | · . | | | | | | | | | ovembe | | | |
| ain/(loss 4, (6¢); 9, 13¢; | s): '01, '05, 3¢ '10, (2¢ | uted shar (11¢); '02, ; '06, 53¢ ¢); '14 (17 | (55¢); '0 ; '07, (93¢ ¢). Excl. (| 3, (25¢); ¢); '08, 9¢ cum. effec | Incl. ;; 4¢. I ct 3/08 | tax bene Next egs. div'ds pa | fit: '04, 7 report du aid mid-N | ¢. Excl. t ue late Ja ⁄lar., Jun. | s, (3¢); '04 ax benefit nuary. (B) , Sep., De believed to | '05, As of c. | intang. A (D) In mi to roundi | t 12/31/1 II., adj. fo ng. | 4: \$2,735 r splits. (| available. 5.3 mill. \$ E) May n | 2.84/shar ot sum du | ie. Sto ue Prio Ear | mpany's ck's Pric ce Growt nings Pr | e Stabil h Persis | stence | in | A++ 100 55 90 | |

 gain/(loss): '01, (11¢); '02, (55¢); '03, (25¢);
 '04, (6¢); '05, 3¢; '06, 53¢; '07, (93¢); '08, 9¢;
 Incl. tax benefit: '04, 7¢. Excl. tax benefit: '05, intang. At 12/31/14: \$2,735.3 mill. \$2.84/share.

 '09, 13¢; '10, (2¢); '14 (17¢). Excl. cum. effect
 'Ak benefit: '04, 7¢. Excl. tax benefit: '05, intang. At 12/31/14: \$2,735.3 mill. \$2.84/share.
 (D) In mill., adj. for splits. (E) May not sum due interval and sum due interval a O 2015 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

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