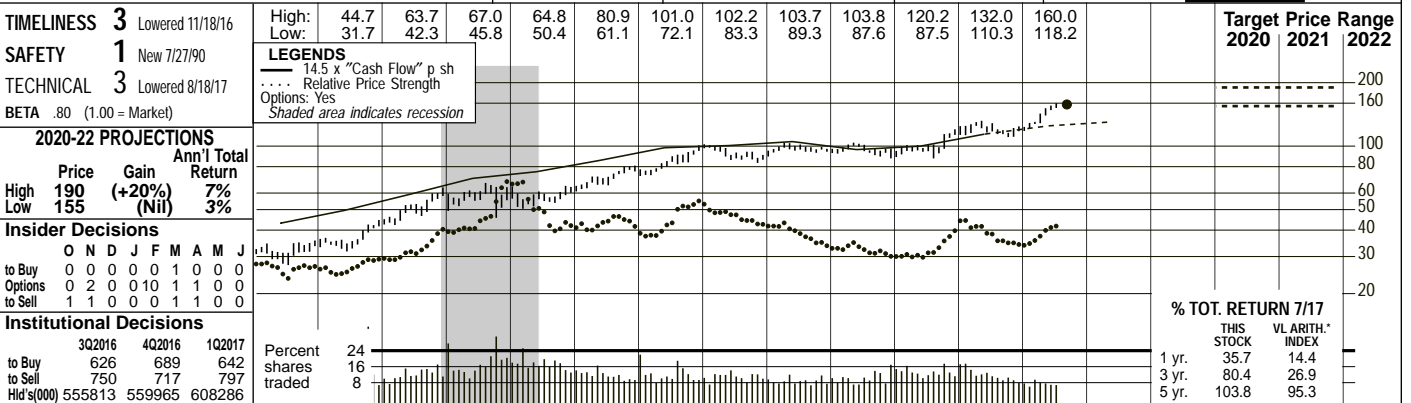


MCDONALD'S CORP. NYSE-MCD

RECENT PRICE **157.62**P/E RATIO **23.8**25.2
17.0RELATIVE P/E RATIO **1.26**DIV'D YLD **2.5%****VALUE LINE**

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC 20-22	
11.61	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	28.03	30.05	29.25	26.65	Revenues per sh	31.80
2.23	2.16	2.36	2.88	4.06	3.43	4.06	4.85	5.22	5.92	6.77	6.93	7.24	6.65	6.89	7.86	8.60	9.00	"Cash Flow" per sh	10.95
1.36	1.32	1.43	1.93	1.97	2.30	2.91	3.67	3.98	4.60	5.27	5.36	5.55	4.82	4.97	5.71	6.55	7.00	Earnings per sh A	9.00
.23	.24	.40	.55	.67	1.00	1.50	1.63	2.05	2.26	2.53	2.87	3.12	3.28	3.44	3.61	3.80	4.10	Div'ds Decl'd per sh B	5.20
1.49	1.58	1.04	1.12	1.27	1.45	1.67	1.92	1.81	2.03	2.67	3.04	2.85	2.68	2.00	2.22	2.20	2.20	Cap'l Spending per sh	2.65
7.41	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	7.82	d2.69	d2.60	d2.70	Book Value per sh C	1.50
1280.7	1268.2	1261.9	1269.9	1263.2	1203.7	1165.3	1115.3	1076.7	1053.6	1021.4	1002.7	990.40	962.90	906.80	819.30	775.0	745.0	Common Shs Outst'g D	660.0
20.9	18.3	14.1	14.4	16.2	16.0	17.6	15.8	14.4	15.4	15.9	17.3	17.5	20.0	20.2	21.1	<i>Bold figures are Value Line estimates</i>		Avg Ann'l P/E Ratio	19.0
1.07	1.00	.80	.76	.86	.86	.93	.95	.96	.98	1.00	1.10	.98	1.05	1.02	1.11			Relative P/E Ratio	1.20
.8%	1.0%	2.0%	2.0%	2.1%	2.7%	2.9%	2.8%	3.6%	3.2%	3.0%	3.1%	3.2%	3.4%	3.4%	3.0%			Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 6/30/17
Total Debt \$28360.8 mill. Due in 5 Yrs \$9717 mill.
LT Debt \$28150.9 mill. LT Interest \$1200 mill.
(LT interest earned: 9.1x; total interest coverage: 9.1x) (108% of Cap'l)
Leases, Uncapitalized Annual rentals \$1303 mill.

No Defined Benefit Pension Plan
Pfd Stock None

Common Stock 809,996,613 shs.

MARKET CAP: \$128 billion (Large Cap)

CURRENT POSITION	2015	2016	6/30/17
Cash Assets	7685.5	1223.4	2392.4
Receivables	1298.7	1474.1	1457.3
Inventory (FIFO)	100.1	58.9	56.7
Other	558.7	2092.2	1986.1
Current Assets	9643.0	4848.6	5892.5
Accts Payable	874.7	756.0	536.0
Debt Due	-	77.2	209.9
Other	2075.7	2635.1	1997.4
Current Liab.	2950.4	3468.3	2743.3

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '20-'22
Revenue (per sh)	6.5%	5.5%	1.5%
"Cash Flow"	9.5%	5.5%	7.5%
Earnings	11.0%	4.5%	9.5%
Dividends	20.0%	10.5%	7.0%
Book Value	1.5%	-1.0%	-21.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.) E				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	6700	7181	6987	6572	27441
2015	5958	6497	6615	6341	25413
2016	5904	6265	6424	6029	24622
2017	5676	6050	5724	5200	22650
2018	4750	5075	5150	4875	19850

Cal-endar	EARNINGS PER SHARE AE				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	1.21	1.40	1.09	1.12	4.82
2015	1.01	1.26	1.40	1.30	4.97
2016	1.23	1.45	1.62	1.43	5.71
2017	1.47	1.70	1.77	1.61	6.55
2018	1.55	1.80	1.88	1.77	7.00

Cal-endar	QUARTERLY DIVIDENDS PAID B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.77	.77	.77	.81	3.12
2014	.81	.81	.81	.85	3.28
2015	.85	.85	.85	.89	3.44
2016	.89	.89	.89	.94	3.61
2017	.94	.94	.94		

Shares of McDonald's rallied to an all-time high after the company delivered a blow-out performance in the second quarter. Management's strategy (more below) is clearly working, as McDonald's delivered its best global comparable-store sales and guest counts in more than five years. Specifically, same-store sales rose 6.6%, reflecting positive guest counts in all operating segments. The most vigorous growth was seen in the Foundational Markets and Corporate segment, where comps jumped 13.0%, driven by ongoing recovery in Japan. The metric rose 7.0% in the High Growth segment, with notable strength in China. Turning to the International Lead business, momentum in the United Kingdom, along with strength in Canada and Germany, helped drive a 6.3% increase in same-restaurant sales. Lastly, comps on our shores were up 3.9%. We had expected a more challenging quarter in the United States, partially due to stiff competition, but the cold beverage value promotion and the introduction of *Signature Crafted* premium sandwiches resulted in the stronger-than-anticipated sales figures. Impressive same-store sales, cost-

containment initiatives, franchising, and stock repurchases all helped earnings rise 17% from a year earlier, to \$1.70 a share. This easily topped our forecast of \$1.55 a share. **Management's focus has not shifted.** Investments in technology (kiosk and mobile ordering/payment), menu innovation, and restaurant remodels are geared toward speeding service and improving the consumer experience. The ultimate goal is to retain existing customers, bring back lost customers, and convert sporadic visitors into regulars. Leadership's focus on the three pillars of value, convenience, and taste is clearly working. **As for this neutrally ranked stock, it is not cheap.** However, these are high-quality shares that have a number of attributes prized by conservative accounts, including top scores for Safety and Price Stability; a low Beta; and an attractive dividend yield. Too, the company garners our best mark for Financial Strength. While value investors may balk at the equity's price, the above factors may be enough to entice the risk-averse crowd. *Matthew E. Spencer, CFA August 25, 2017*

(A) Based on diluted shares. Excl. nonrecur. gain/(loss): '02, (.55¢); '03, (.25¢); '04, (.6¢); '05, .3¢; '06, .53¢; '07, (.93¢); '08, .9¢; '09, .13¢; '10, (.2¢); '15, (.17¢); '16, (.27¢). Excl. cum. effect of acting change: '02, (.7¢); '03, (.3¢); '04, (.8¢). Incl. tax benefit: '04, .7¢. Excl. tax benefit '05, .4¢. Next eps. report due 10/24/17. (B) As of 3/08 div's paid mid-Mar., Jun., Sep., Dec. Div'd. reinvestment plan available. (C) Incl. intang. At 12/31/16: \$2,336.5 mill., \$2.85/share. (D) In mill., adj. for splits. (E) May not sum due to rounding. **Company's Financial Strength** A++ **Stock's Price Stability** 100 **Price Growth Persistence** 50 **Earnings Predictability** 85