



McDonald's Corporation

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McDonald's Corporation NYSE(MCD)



Current Price	Price Target
\$249.20	\$264 (+6%)

Market Cap:
\$186.98B

Beta: 0.675

Dividend Payout
Ratio: 51.94%

Past Year
Performance:
7.72%

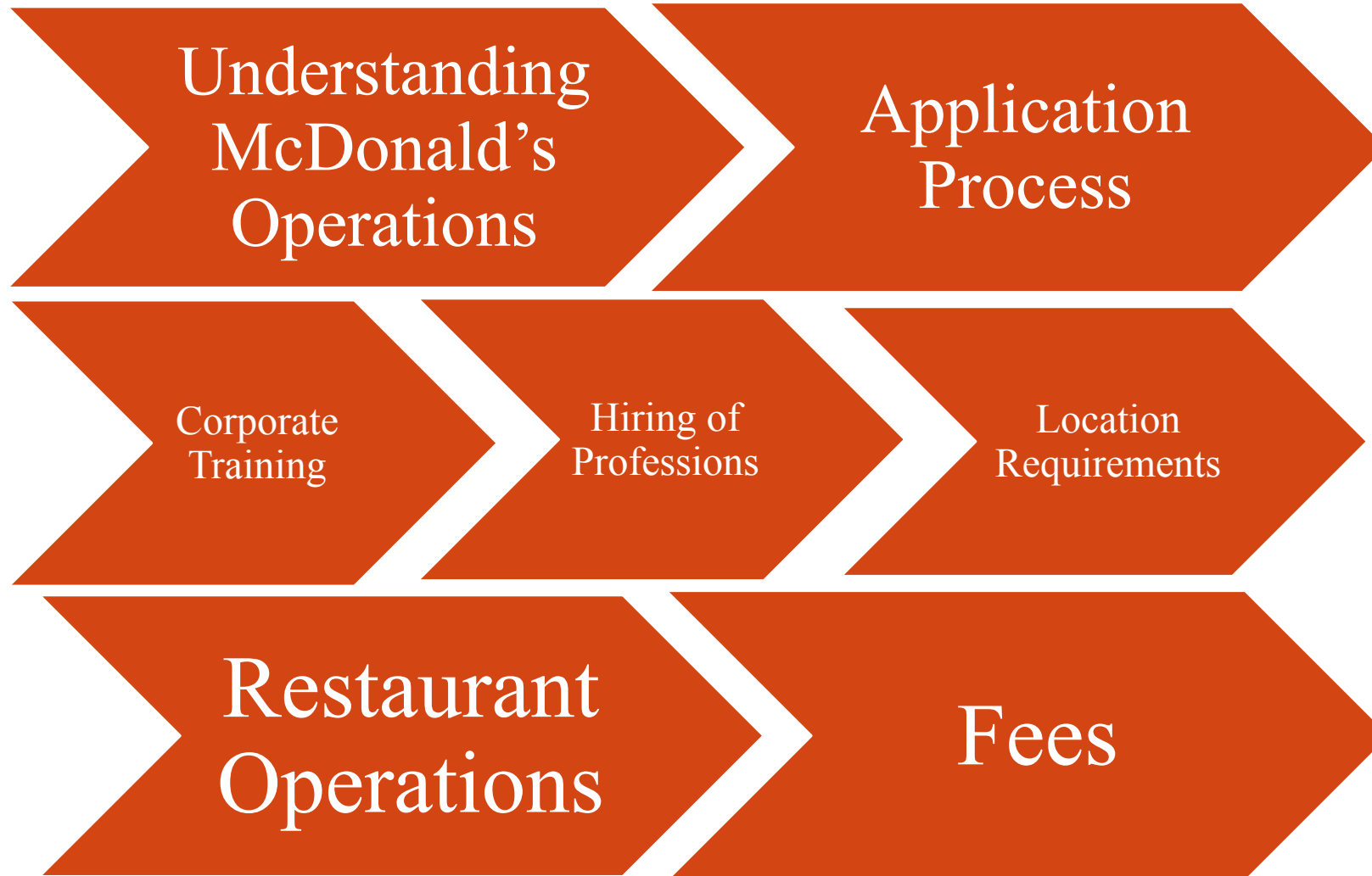
Industry Past
Year
Performance:
-7.79%

Company Overview



- McDonald's Corporation is an American corporation, headquartered in Chicago, IL.
- The Company franchises and operates restaurants across 119 countries. Close to 40,000 restaurants worldwide.
- McDonald's is one of the most recognized brand's worldwide.
- 93% of the restaurants are operated by franchisees.

McDonald's Franchise Business Model



Financials



MCDONALDS CORP

Gross Profit Margin : 65.3%

EBITDA Margin : 59.36%

ROIC / WACC : 2.40

Quick Ratio : 1.64

P/E : 24.82

YUM! BRANDS INC

Gross Profit Margin : 73.8%

EBITDA Margin : 35.0%

ROIC / WACC : 3.69

Quick Ratio : 0.76

P/E : 25.98

INDUSTRY COMPARABLES

Gross Profit Margin : 61.08%

EBITDA Margin : 28.2%

ROIC / WACC : 3.01

Quick Ratio : 0.81

P/E : 24.03

DCF Valuation

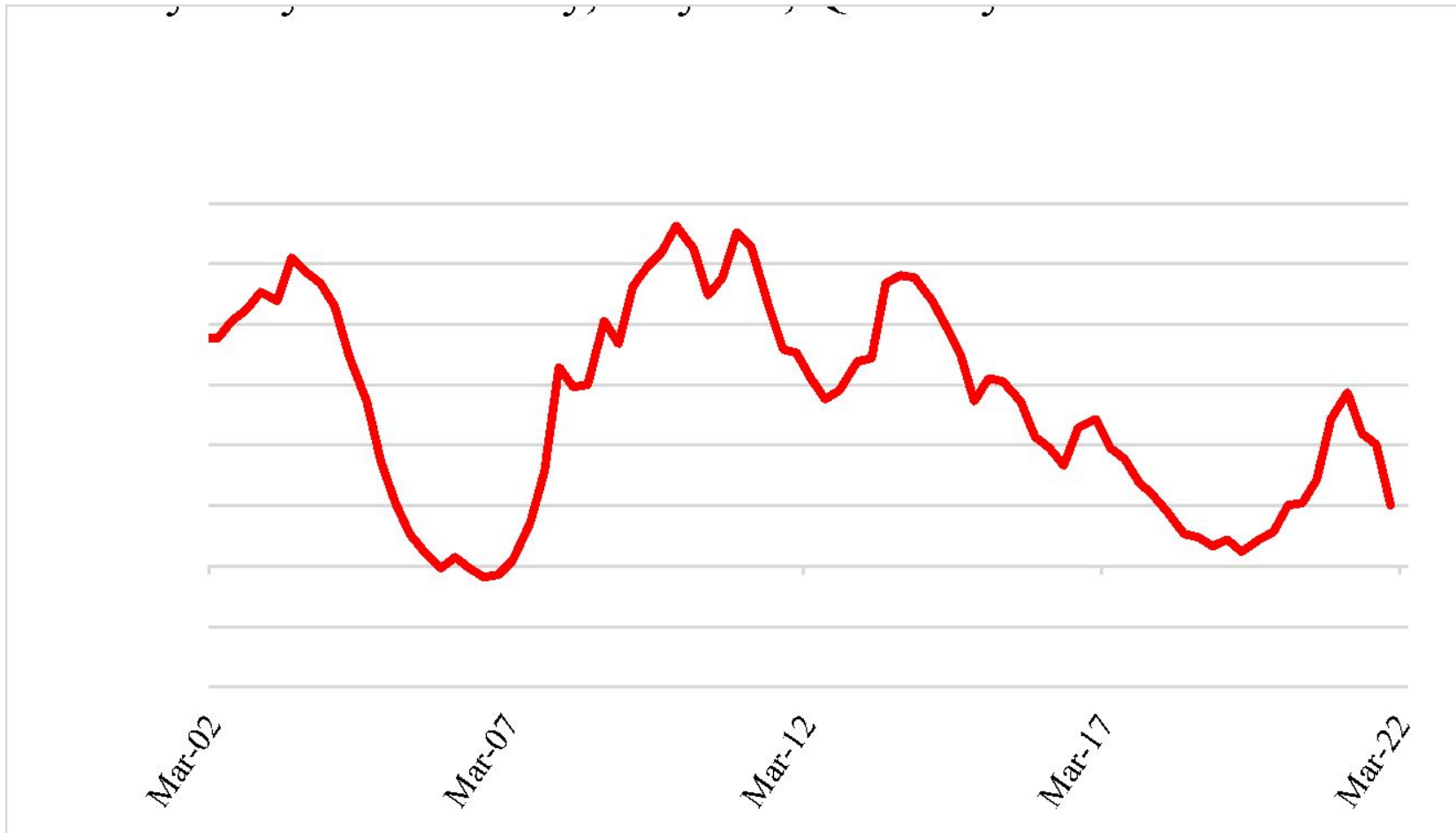


		PROJECTED				
	2021	2022E	2023E	2024E	2025E	2026E
Sales	\$23,222.90	\$25,545.20	\$27,077.90	\$27,348.70	\$28,087.10	\$29,210.60
<i>% growth</i>	21%	10%	6%	1%	3%	4%
Gross Profit	\$15,175.60	\$16,604.40	\$17,600.60	\$17,776.60	\$18,256.60	\$18,986.90
<i>% margin</i>	65%	65%	65%	65%	65%	65%
EBITDA	\$14,336	\$16,093	\$17,059	\$17,230	\$17,695	\$18,403
<i>% margin</i>	62%	63%	63%	63%	63%	63%

WACC	8%
Long-Term Growth Rate	3%
12M Target Price	\$ 264.47
Current Price	\$ 249.20
Upside	6%

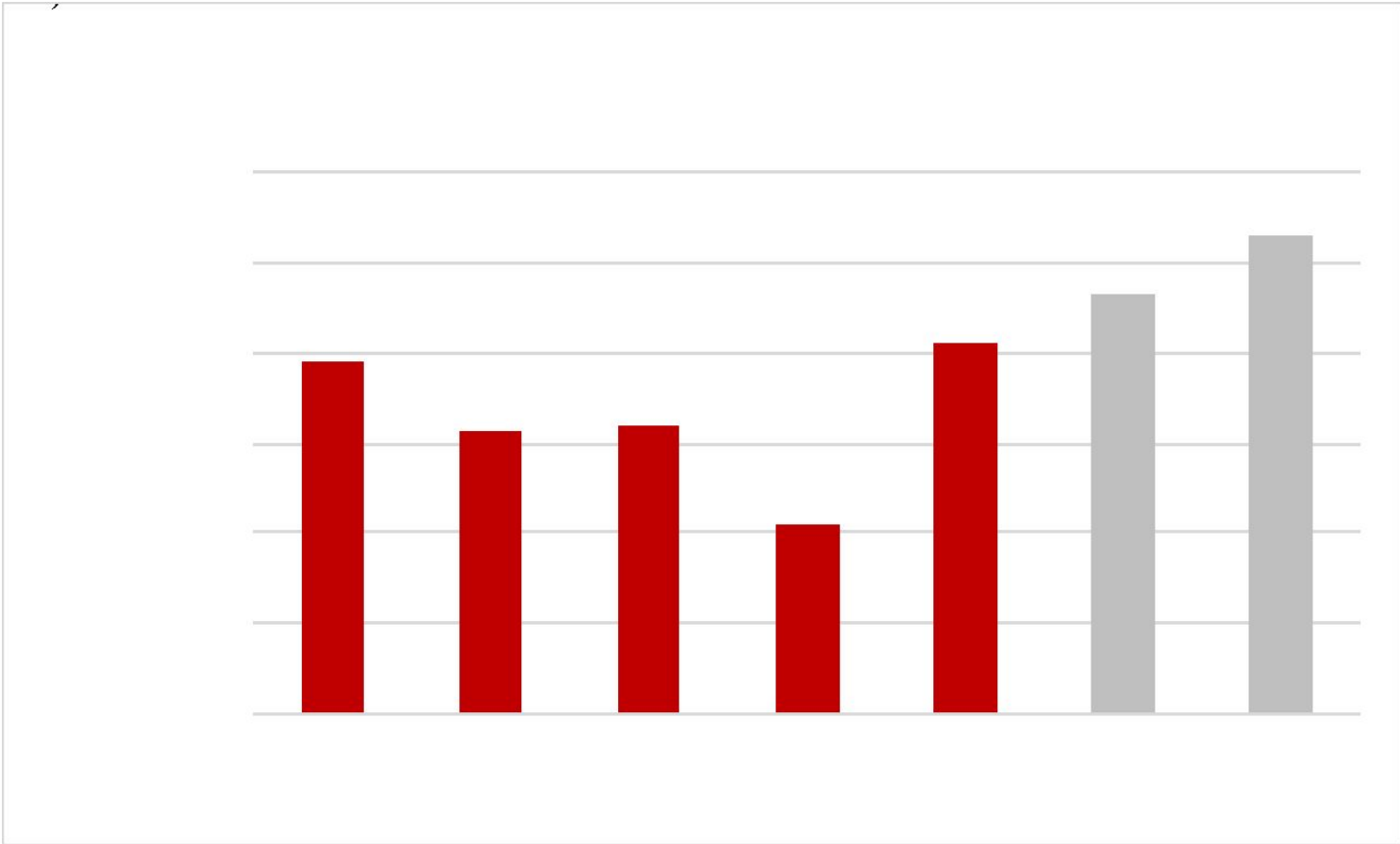


Yield gap on 2-year and 10-year Treasuries

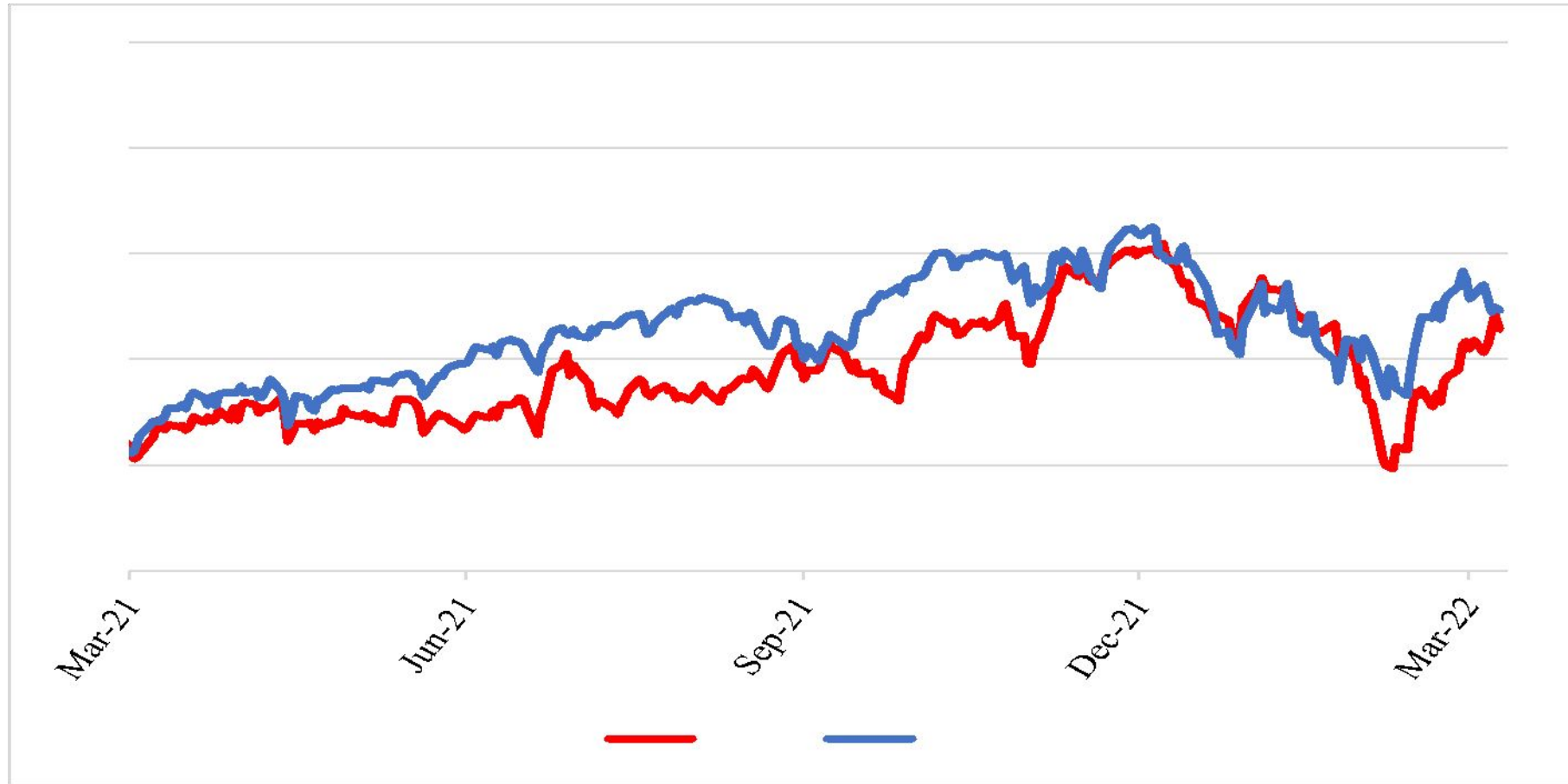


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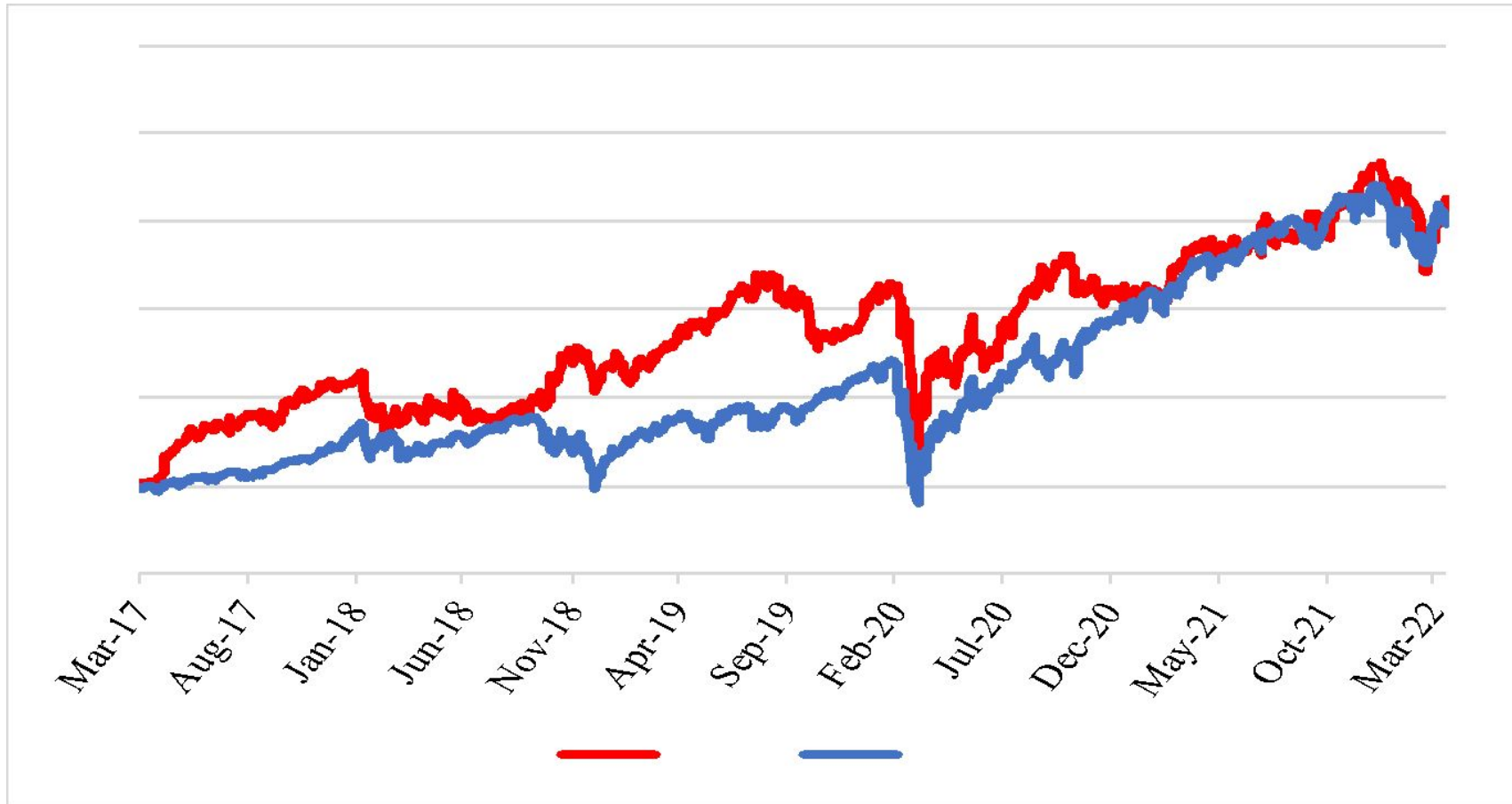
Revenue Growth



1 Year Price Performance



5 Year Price Performance



Investment Risks



Bull

- Increasing franchised restaurants to make up 95% of their restaurants
- Improvement digital technology
- Interest rate swap agreements

Bear

- Shifts in demand towards healthy eating could hurt their sales.
- Supply chain interruptions may increase costs or reduce revenues.
- Recession concerns

