Prices as of 2026-09-25 close · Financials through 2026 Q2 (2026-06-30; 10-Q filed 2026-08-07); subsequent 8-K from the Sept 23 investor day

McDonald's MCD

McDonald's: US comparable sales growth slows to 0.8%; after a 30% decline the shares trade at about 18x earnings

The business is stable but decelerating. Trailing 12-month revenue was $27.7B (+6.3%, with a significant currency contribution; Q2 revenue grew only 2% in constant currency), operating margin was 46.2% and free cash flow $7.8B. The shares are down approximately 30% from their February high. The immediate catalyst was the September 23 investor day, at which the company committed approximately $8.5B of franchisee support through 2036 (rent relief and capital support) and, according to media reports, guided US Q3 comparable sales to "slightly negative"; the shares declined 5.6% on the day. On data verification, yfinance's core figures match the filings, but it understates free cash flow by approximately $1.5B and includes $14.7B of lease liabilities in total debt. Shareholders' equity is negative (-$1.0B), so price-to-book and ROE are not meaningful.

Rating · 12 months · vs S&P 500	Price	Market cap	1-year change	Current-year P/E
Buy Confirmed 2026-10-01 · Rating definitions	$236.50 2026-09-25 close	$167.4B Consumer Cyclical	-19.8% YTD -21.1%	18.3x EPS 12.90 (consensus)

Next earnings 2026-11-05 yfinance calendar

01

The market

Indices: As of 2026-09-25, the S&P 500 is up 13.1% year to date and the Nasdaq up 16.5%. Over the past month, however, the Dow declined 3.1% and the Russell 2000 5.6%, as flows concentrated in large-cap technology.

Sector: The consumer discretionary ETF (XLY) is down 6.8% year to date and 5.4% over one month, reflecting broad weakness across consumer stocks. MCD is down 21.1% year to date, underperforming its sector by 14 percentage points, as company-specific issues compound the sector headwind.

Rates: The 10-year Treasury yield stands at 5.18%, up approximately 52bp over the month. The Fed raised rates by 25bp on September 16.

Implications for MCD (our inference): ① The dividend yield of approximately 3.2% is now well below the 10-year Treasury yield, reducing the stock's appeal as a defensive "bond proxy"; ② higher oil prices and interest rates squeeze low- and middle-income consumers and weigh on restaurant traffic; ③ over the past year the stock has shown almost no correlation with the S&P 500 (correlation coefficient 0.01), and its performance is driven mainly by company-specific factors.

Indices and sector

	Last	1W	1M	3M	YTD	1Y
S&P 500	7,743.41	+1.2%	+0.9%	+5.3%	+13.1%	+17.2%
Nasdaq Composite	27,068.72	+2.1%	+3.6%	+7.0%	+16.5%	+20.9%
Dow Jones Industrial	51,828.62	+0.3%	-3.1%	-0.1%	+7.8%	+12.8%
Russell 2000	2,837.55	-0.8%	-5.6%	-5.7%	+14.3%	+17.7%
Consumer Cyclical sector ETF	110.56	-0.2%	-5.4%	-3.1%	-6.8%	-5.6%
MCD	**236.50**	**-4.7%**	**-10.8%**	**-11.7%**	**-21.1%**	**-19.8%**

Rates, volatility and relative performance

VIX	10-year Treasury yield	US Dollar Index	Beta vs S&P	3M excess return
14.87	5.18%	100.97	0.01	-17.0%
1M -0.34	1M +52bp	1M +1.80	1-year correlation 0.01	vs S&P 500

1Y excess return
-37.0%
vs S&P 500

Macro and market events

Date	Event	What it means for this stock	Source
2026-09-16	Fed raises rates by 25bp to 3.75%–4.00%, its first hike since 2023; the dot plot indicates one further hike this year	Higher borrowing costs pressure disposable income and may reduce the frequency of dining out (our inference); a higher risk-free rate reduces the relative appeal of high-dividend defensive stocks (our inference).	CNBC

Date	Event	What it means for this stock	Source
2026-09-09	US-Iran conflict escalates; oil rises above $100 per barrel	Higher oil prices increase consumer fuel spending and constrain restaurant spending (our inference), while also raising transport and raw material costs. Media reports put US diesel prices at $6.23 per gallon this month.	AP / The Columbian
2026-09-26	Bloomberg: restaurant traffic declined on a net basis in every month but one between August 2025 and July 2026 as consumers resisted price increases	The industry-wide traffic decline is consistent with the company's own description of its US business in Q2: "negative traffic, growth driven by average check" (10-Q).	Bloomberg

02

Events

2026-09-24

Negative News

CEO expects inflation to remain elevated for "many years"; beef costs have nearly doubled over 5 years

Management's cautious view on costs and the consumer environment implies limited pricing headroom, leaving margin improvement more dependent on efficiency gains (our inference).

Source: 24/7 Wall St.; Bloomberg

2026-09-24

Negative Analyst ratings

At least 6 brokers lower price targets on the same day

BTIG $350 → $295, BMO $335 → $310, Evercore $320 → $300, JPMorgan $280 → $260, TD Cowen $282 → $270, RBC $290 → $285; ratings were largely maintained (yfinance rating data). Market expectations were revised down broadly following the investor day.

Source: yfinance 评级变动

2026-09-23

Negative News

Media reports: US Q3 comparable sales guided "slightly negative"; 50,000-restaurant target deferred to 2028

Neither item appears in the 8-K press release; both originate from the investor day presentation, are based on media reports and could not be verified in SEC filings. US comparable sales grew only 0.8% in Q2, the weakest rate in more than a year; a negative Q3 would indicate continued deceleration.

Source: Bloomberg; 24/7 Wall St.

2026-09-23

Negative 8-K

Investor day outlines NEXT strategy, including approximately $8.5B of franchisee support through 2036

Targets disclosed in the 8-K: operating margin in the low-to-mid 50% range by 2030 (TTM currently 46.2%); base capex of approximately $3B a year in 2027–2030, plus cumulative capital partnership support of $1.5–2B; and 2030 free cash flow conversion (FCF ÷ net income) in the "mid-to-high 80% range". Approximately $5B of the $8.5B partnership support will be deployed before 2030, in the form of rent relief and capital support. As rent is the principal source of franchise revenue, rent relief will directly reduce revenue (our inference). Current TTM conversion is approximately 88% (est.), so the 2030 target does not represent an improvement on the current level. Media reports quoted the CFO as citing a payback period of 5–6 years on the company's own investment. The shares declined 5.6% on the day.

Source: 8-K item 7.01（2026-09-23）；媒体报道

2026-08-04

Unclear 8-K

US leadership change: Joe Erlinger steps down; Skye Anderson appointed

According to the 8-K, Mr. Erlinger will remain as an adviser until early 2027 with unchanged compensation. In the press release, the CEO stated that the US business has "an opportunity to raise the bar and accelerate performance". The change is directly linked to the US slowdown; its effectiveness will become evident over the coming quarters.

Source: 8-K item 5.02（2026-08-04）

2026-08-04

Neutral Earnings

Q2 results: GAAP EPS $3.32, adjusted $3.38, global comparable sales +1.3%

Adjusted EPS exceeded consensus by 1.8% (yfinance). However, US comparable sales rose only 0.8%, driven by average check and product mix while traffic declined; China comparable sales were negative. Revenue grew 4%, or only 2% in constant currency. SG&A rose 17%, reflecting employee costs (including incentive compensation) and the cost of the global franchisee convention (10-Q).

Red is positive, green is negative (Chinese market colours), grey is neutral, blue is still unclear.

Source: 8-K item 2.02（2026-08-04）

Analyst rating changes, last 90 days (28; latest 12 shown)

Date	Firm	Action	Rating	Target
2026-09-24	BMO Capital	main	Outperform → Outperform	335 → 310
2026-09-24	JP Morgan	main	Overweight → Overweight	280 → 260
2026-09-24	Evercore ISI Group	main	Outperform → Outperform	320 → 300
2026-09-24	RBC Capital	main	Sector Perform → Sector Perform	290 → 285
2026-09-24	BTIG	main	Buy → Buy	350 → 295
2026-09-24	TD Cowen	main	Hold → Hold	282 → 270
2026-09-21	UBS	main	Buy → Buy	340 → 320
2026-09-17	Citigroup	main	Buy → Buy	345 → 310

Date	Firm	Action	Rating	Target
2026-09-16	BTIG	reit	Buy → Buy	350 → 350
2026-09-16	Seaport Global	init	– → Neutral	0 → 0
2026-09-15	RBC Capital	main	Sector Perform → Sector Perform	295 → 290
2026-09-14	Deutsche Bank	main	Buy → Buy	325 → 300

yfinance aggregate, not individually verified. up = upgrade, down = downgrade, main = maintain, init = initiate, reit = reiterate.

03

Rating and scorecard

Our rating

Buy Expected to beat the S&P 500 by 10–20 points in total return over 12 months · Weighted scorecard 3.05

Publisher's rating: Buy, one notch above the rule-based Neutral (weighted scorecard score 3.05).

The scoring rules assign momentum a score of 1: the shares are down approximately 30% from their February high and closed at a one-year low on September 25. In our view, the principal negatives are largely reflected in the share price, and the current valuation understates the company's profitability and cash-flow quality:

Valuation is attractive. At 18.3x current fiscal-year earnings, the stock trades approximately 16% below the peer median of 21.7x, with a free cash flow yield of approximately 4.6% and a dividend yield of approximately 3.2%.

The high-margin franchise model is unchanged. Approximately 95% of restaurants are franchised and operating margin exceeds 46%, the highest among peers; Q2 operating margin was 47.0%, broadly unchanged year on year.

The $8.5B franchisee support is a defensive investment with a manageable impact. The program runs through 2036 and is intended to restore US traffic. It will weigh on rent income and free cash flow for several years, but at approximately 5% of market capitalization it does not alter the underlying earnings power of the business.

Key risks and conditions for a rating change: the shares remain in a downtrend; analysts may continue to reduce EPS estimates after the investor day, which would raise the P/E (our inference); including lease liabilities, net debt/EBITDA is approximately 3.6x and shareholders' equity is negative. Confirmation of negative US comparable sales in Q3, a reduction in 2027 guidance, or a significant cut to EPS estimates would each lead to a downgrade.

Ratings are research opinions based on public information, written for all readers and not tailored to anyone's finances. Rules and distribution: Rating definitions

Fundamentals	Valuation	Momentum	Earnings quality	Risk
2 / 5	4 / 5	1 / 5	4 / 5	4 / 5

A higher risk score means lower risk. The five dimensions are weighted into a suggested rating, which the publisher confirms.

Why these scores

Fundamentals
2 / 5

Nominal TTM revenue growth of +6.3% falls in the 3-point band, but the score is reduced by one notch: ① currency contributed significantly, with Q2 constant-currency revenue up only 2% and first-half revenue up 3% (8-K); ② comparable sales have decelerated markedly, globally from 3.8% a year earlier to 1.3% and in the US from 2.5% to 0.8%, and media report that US Q3 guidance has turned negative; ③ US traffic is declining, leaving growth dependent on pricing. Margins remain high and stable: Q2 operating margin was 47.0% versus 47.2% a year earlier.

`Revenue TTM +6.3%, Q2 constant currency +2%; US comparable sales Q2 +0.8%; operating margin TTM 46.2%`

Valuation
4 / 5

The current fiscal-year P/E of 18.3x is approximately 16% below the peer median of 21.7x, which falls in the 4-point band. The PEG ratio is approximately 2.4 (18.3 ÷ 7.5% expected 2027 EPS growth), close to but below the 2.5 threshold for a markdown, so no adjustment is made. Revenue growth of 3.7% is slightly below the peer median of 4.6%. Note that the discount mainly reflects slower growth and the post-investor-day reset in expectations; analysts may continue to reduce EPS estimates following the investor day, which would raise the P/E (our inference).

`Current-year P/E 18.3x vs peer median 21.7x; PEG about 2.4; revenue growth 3.7% vs peer median 4.6%`

Momentum
1 / 5

The stock has underperformed significantly over every horizon, trailing the S&P 500 by 17.0, 43.2, 37.0 and 34.2 percentage points over 3 months, 6 months, 1 year and year to date, respectively. The share price is below its 50-day (-10.2%) and 200-day (-19.1%) moving averages, closed at a 1-year low on September 25, and the drawdown continues to widen.

`Excess return 3M -17.0%, 1Y -37.0%; -29.3% from 1-year high`

Earnings quality
4 / 5

Core indicators are sound: non-operating items are small; TTM free cash flow / net income is approximately 0.88; receivable days are stable at 32–34 (est.). One point is deducted because the adjusted figures consistently exclude restructuring charges: "Accelerating the Organization" has incurred $795M of cumulative costs since 2023, approximately $250M is expected in 2026 and the program will not conclude until 2027 (10-Q). Charges that recur over multiple years should not be treated as one-off. "Other operating income" also includes gains on restaurant sales ($70M in the first half), which are too small to warrant a deduction.

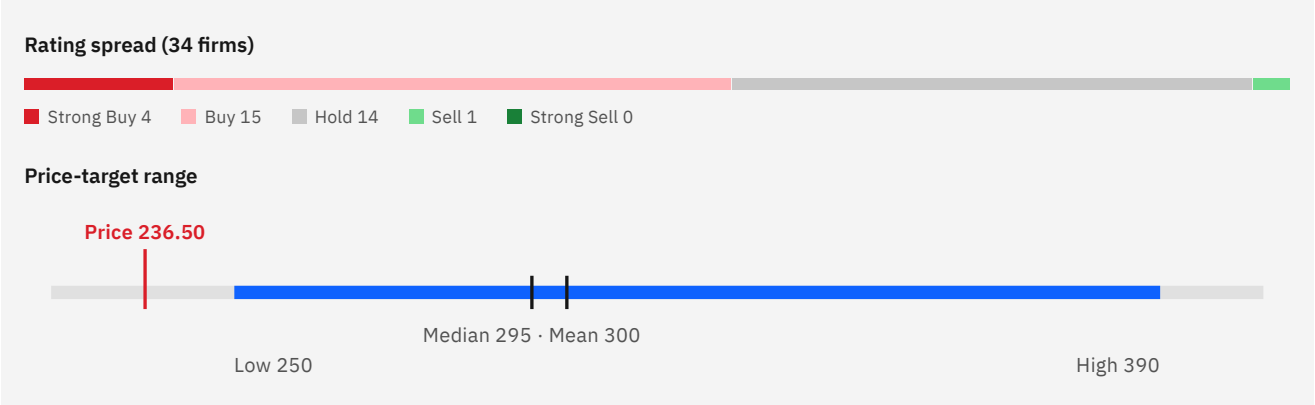
`FCF $7.8B / net income $8.8B = 0.88; cumulative restructuring charges $795M`

Risk
4 / 5

One point is deducted from 5: the $8.5B of franchisee partnership support represents approximately 5.1% of market capitalization ($167.4B), above the 5% threshold (8-K, 2026-09-23). No other deductions apply: 1-year volatility of 19.2% and maximum drawdown of -29.3% are both within thresholds; approximately 95% of restaurants are franchised, so there is no single-customer concentration; interest-bearing debt is $39.9B and net debt / EBITDA approximately 2.6x (est.). Including the $14.7B of lease liabilities, however, the ratio rises to approximately 3.6x, and with negative shareholders' equity (-$1.0B), leverage is elevated, although mitigated by highly stable cash flow.

`Partnership support $8.5B = 5.1% of market cap; net debt / EBITDA about 2.6x (about 3.6x including leases, est.)`

What Wall Street thinks



yfinance aggregate of 29 analysts; update time unknown. We show the spread and do not endorse any target.

04

Inside the filings

Quarterly results

Quarter end	Revenue	QoQ	YoY	Gross margin	Op. margin	Net income	Diluted EPS	Op. cash flow	Free cash flow
2025-06-30	$6.8B	+14.9%	+5.4%	–	47.2%	$2.3B	3.14	$2.0B	$1.3B
2025-09-30	$7.1B	+3.4%	+3.0%	–	47.4%	$2.3B	3.18	$3.4B	$2.4B
2025-12-31	$7.0B	-1.0%	+9.7%	–	45.0%	$2.2B	–	$2.7B	$1.6B
2026-03-31	$6.5B	-7.0%	+9.4%	–	45.3%	$2.0B	2.78	$2.4B	$1.7B
2026-06-30	$7.1B	+8.9%	+3.7%	–	47.0%	$2.4B	3.32	$2.8B	$2.0B

Source: SEC XBRL. Free cash flow = operating cash flow − capex. Q4 EPS is often missing from XBRL; company figures prevail.

Valuation

Basis	EPS	P/E
GAAP, trailing 12 months	12.32	19.2x
Adjusted, trailing 12 months (street basis)	12.55	18.8x
Current fiscal year estimate (0y)	12.90	18.3x
Next fiscal year estimate (+1y)	13.87	17.1x

Current fiscal-year (2026) EPS estimates range from $12.53–$13.23 and 2027 estimates from $12.90–$14.73, indicating limited dispersion. At the current share price, the dividend yield is approximately 3.2% (yfinance's dividendYield of 3.26 is expressed as a percentage). Price targets have been reduced broadly since the investor day, and the target distribution below may not yet fully reflect these revisions.

At the current price. Forward EPS is the yfinance consensus mean, on an adjusted basis.

What the filings say

Revenue, net income, GAAP EPS, operating cash flow and inventory reconcile with XBRL on a quarterly basis. Discrepancies and points of note:

The 1–2% difference in operating income reflects a definitional difference, not a data error: yfinance's Operating Income excludes "other operating (income) expense, net". In Q2, for example, reported operating income was $3,338M, including a $37M gain on this line, while yfinance shows $3.30B; Q1 is treated in the same way (10-Q, 2026-08-07). The line comprises gains on restaurant sales, equity in earnings of affiliates ($122M in the first half), gains and losses on asset disposals, and restructuring charges. This report uses the reported figure.

Quality of growth: Q2 revenue rose 4%, or only 2% in constant currency; first-half revenue rose 6%, or 3% in constant currency (8-K, 2026-08-04). US comparable sales growth was driven by average check and product mix, while traffic was negative (10-Q).

SG&A up 17%: driven by employee costs (including incentive compensation) and the 2026 global franchisee convention; first-half SG&A was 2.2% of systemwide sales, compared with 2.1% a year earlier (10-Q). The investor day target is approximately 1.9% by 2030 (8-K, 2026-09-23).

Robust cash flow: TTM operating cash flow was $11.3B, capex $3.6B and free cash flow $7.8B, a conversion rate of approximately 88% (est.). First-half share repurchases were $1.25B and dividends $2.64B (10-Q).

Debt: interest-bearing long-term debt is $39.9B, with $1.16B issued and $0.58B repaid in the first half; Q2 interest expense was $409M (+5%). No 8-K under item 8.01 or 2.03 was identified; issuance was conducted under existing shelf registration capacity (10-Q).

Buried in the filings

$8.5B of franchisee partnership support: through 2036, with approximately $5B deployed before 2030 as rent relief and capital support; in addition, base capex of approximately $3B a year in 2027–2030 plus cumulative capital partnership of $1.5–2B (8-K, 2026-09-23). None of these commitments has yet been recognized on the balance sheet.

2030 financial targets: operating margin in the low-to-mid 50% range; G&A of approximately 1.9% of systemwide sales; free cash flow conversion in the "mid-to-high 80% range"; the contribution of new restaurants to systemwide sales growth declining from close to 2.5% in 2027 to approximately 2% in 2030 (8-K, 2026-09-23).

Ongoing restructuring: "Accelerating the Organization" has incurred $795M of cumulative costs, with approximately $250M more expected in 2026, mainly professional services fees; completion is scheduled for 2027 (10-Q).

Negative shareholders' equity: -$1.02B (2026-06-30), resulting from sustained buybacks and dividends (10-Q). $11.73B remains under the buyback authorization ($15B in total, effective from 2025).

Loan guarantees: approximately $85M, guaranteeing borrowings within the franchise system, carried at zero (10-K, 2026-02-24); the amount is immaterial.

China and Japan affiliates: the carrying value of the investments exceeds the corresponding share of net assets by $1.4B; management sees no indication of impairment. China comparable sales were negative in Q2 (10-Q).

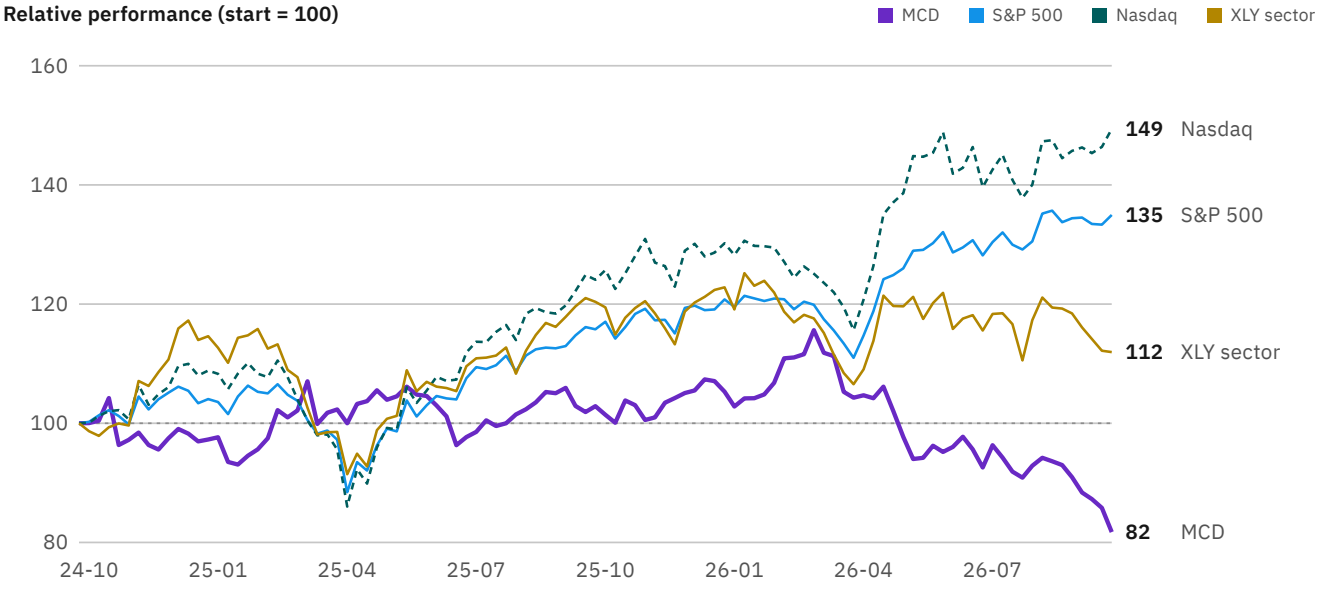
Non-GAAP definition: unchanged; it continues to exclude impairment and other charges/gains (mainly restructuring charges).

Where the data vendor got it wrong

Item	yfinance	Filing (with the math)
freeCashflow	$6.3B	**$7.8B** = TTM operating cash flow $11.34B – capex $3.58B (sum of four quarters in XBRL)
forwardPE	17.1x	Calculated on **2027** EPS of $13.87; on current fiscal-year (2026) EPS of $12.90, the multiple is **18.3x**
Operating Income (quarterly)	Q2 $3.30B, Q1 $2.88B	As reported: Q2 **$3.34B**, Q1 **$2.95B**. yfinance excludes "other operating (income) expense, net" (10-Q, 2026-08-07)
totalDebt	$54.6B	Interest-bearing long-term debt is **$39.9B**; adding lease liabilities of $14.0B (non-current) + $0.7B (current) yields exactly $54.6B (10-Q)
priceToBook / ROE	-163.6x / n/a	Shareholders' equity is **-$1.02B**; price-to-book and ROE are therefore not meaningful and are not used for valuation
dividendYield	3.26	Expressed as a percentage, i.e. 3.26%

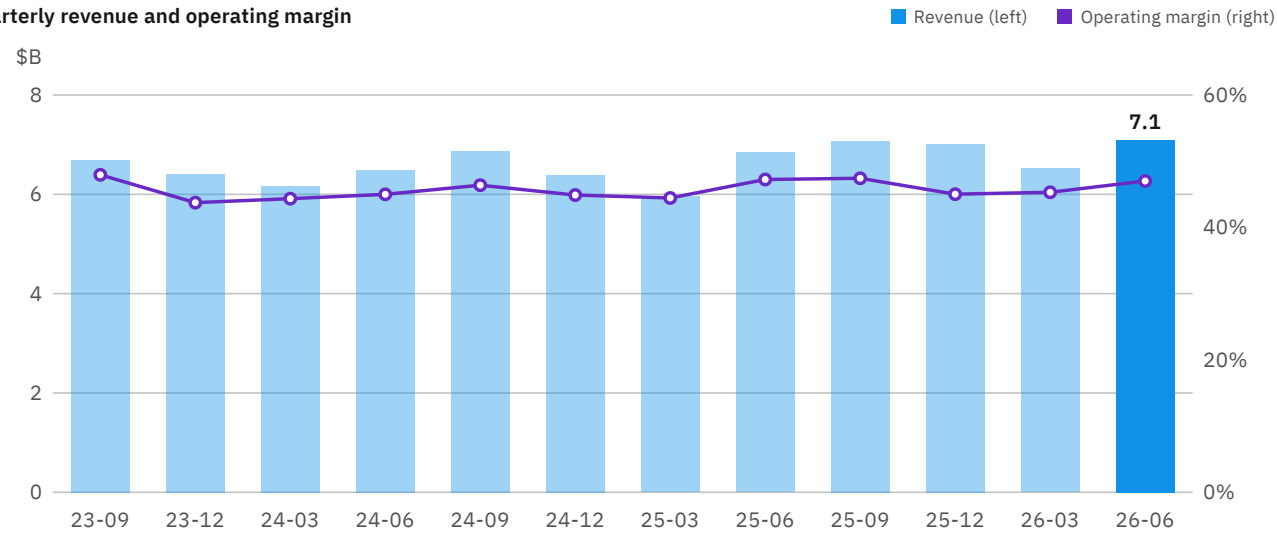
05

Price action



Weekly adjusted closes, indexed to 100 on 2024-09-29. Numbers on the right are end values.

Quarterly revenue and operating margin



Last 12 quarters. Source: SEC XBRL.

06

Peers

Ticker	Name	Mkt cap	1M	YTD	1Y	P/E TTM	P/E CY	Rev growth	Gross margin	Op. margin
MCD	**McDonald's Corporation**	**$167.4B**	**-10.8%**	**-21.1%**	**-19.8%**	**19.2x**	**18.3x**	**+3.7%**	**57.4%**	**46.5%**
YUM	Yum! Brands, Inc.	$37.8B	-9.8%	-7.0%	-6.0%	17.9x	21.7x	+12.2%	45.3%	32.8%
QSR	Restaurant Brands Internatio	$32.8B	-8.8%	+7.8%	+15.0%	18.2x	17.6x	+4.6%	34.1%	27.7%
CMG	Chipotle Mexican Grill, Inc.	$39.6B	-16.1%	-15.3%	-20.3%	29.0x	27.3x	+9.3%	39.4%	16.1%
SBUX	Starbucks Corporation	$108.1B	-12.6%	+14.7%	+16.0%	54.8x	36.6x	-1.4%	22.3%	12.9%
DPZ	Domino's Pizza Inc	$9.7B	-14.7%	-28.7%	-29.4%	16.6x	15.3x	+4.3%	28.7%	19.1%
Peer median		*$37.8B*	*-12.6%*	*-7.0%*	*-6.0%*	*18.2x*	*21.7x*	*+4.6%*	*34.1%*	*19.1%*

yfinance aggregate, not checked against filings. Current-year P/E = price ÷ current fiscal-year (0y) EPS, avoiding forwardPE's next-year basis. Peer source: --peers. Median excludes this stock.

The peer group was selected manually from global quick-service and restaurant chains: YUM, QSR, CMG, SBUX and DPZ (yfinance's automatically generated peers are also restaurant companies, but this set of five is used consistently here). MCD's current fiscal-year P/E of 18.3x is below the peer median of 21.7x and above only QSR (17.6x) and DPZ (15.3x). Its operating margin of 46.5% is the highest in the group, characteristic of a predominantly franchised model with rental income as the main revenue source. Revenue growth of 3.7%, however, ranks fifth of six, ahead of only SBUX, and its 1-year return of -19.8% is only marginally better than CMG (-20.3%) and DPZ (-29.4%). The quick-service sector as a whole is affected by consumer trade-down; in MCD's case, the negative reset

in expectations at the investor day has compounded this. Peer data are yfinance aggregates and have not been verified against individual company filings.

07

Smart money

Who holds it, who is trading it: 3 of the investors we track hold MCD

Investor	Data	Period	Value / range	Portfolio weight	Change
Renaissance Technologies	13F holdings	2026-06-30	$95M	0.1%	Trimmed
George Soros	13F holdings	2026-06-30	$33M	0.4%	Held
Ray Dalio	13F holdings	2026-06-30	$15M	0.1%	Added

From each person's latest published 13F, insider filing or disclosure. 13F data lags by about 45 days. Smart Money →

08

What to watch

2026-10-05

"Make It Golden" program launch (Founder's Day)

Execution of the service and food experience improvement program (8-K, 2026-09-23).

2026 年 10 月下旬

Next FOMC meeting

The dot plot indicates one further hike this year; monitor whether rates and oil prices weigh more heavily on consumers. The exact date is subject to the Federal Reserve calendar.

2026-11-05

2026 Q3 results

Consensus EPS $3.39 and revenue $7.31B (yfinance). Key items: whether US comparable sales turn negative as reported by media, traffic trends, whether SG&A growth moderates, and the accounting treatment of the $8.5B partnership support (rent relief recorded as a reduction in revenue or as an expense).

2026-12-01

Ex-dividend date

Dividend payable December 15 (yfinance calendar).

2027 年

Completion of restructuring; start of NEXT capex program

Whether restructuring charges end on schedule; the impact on free cash flow of approximately $3B a year of base capex plus partnership support from 2027.

2030 年

NEXT medium-term targets

Operating margin in the low-to-mid 50% range, G&A of approximately 1.9%, FCF conversion in the mid-to-high 80% range, and a 1.5-percentage-point share gain in each of chicken and beverages.

Research notes only; not investment advice.

Sources

Market and analyst data: yfinance + SEC EDGAR, as of 2026-09-25 close, delayed. Financials: SEC EDGAR (XBRL and original filings). Macro and news items link to their sources. Red means up, green means down.

Web search: Bloomberg: McDonald's sell-off hits 30%, Yahoo Finance / 24/7 Wall St.: falls 4% on investor day, 24/7 Wall St.: CEO on inflation, CNBC: Fed decision, AP/The Columbian: oil prices.

Financials come straight from SEC EDGAR filings. Market data is delayed; every report names its sources.

Ratings are our research opinions for all readers, not personal buy or sell advice. Investing carries risk. The call is yours.