

MCDONALDS CORP
Form 10-Q
May 07, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended March 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission File Number 1-5231

McDONALD'S CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

36-2361282

(I.R.S. Employer
Identification No.)

One McDonald's Plaza

Oak Brook, Illinois

(Address of Principal Executive Offices)

(630) 623-3000

(Registrant's Telephone Number, Including Area Code)

60523

(Zip Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

958,514,890

(Number of shares of common stock
outstanding as of March 31, 2015)

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McDONALD'S CORPORATION

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEET

In millions, except per share data	(unaudited) March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and equivalents	\$1,634.8	\$2,077.9
Accounts and notes receivable	1,091.8	1,214.4
Inventories, at cost, not in excess of market	98.8	110.0
Prepaid expenses and other current assets	767.4	783.2
Total current assets	3,592.8	4,185.5
Other assets		
Investments in and advances to affiliates	900.5	1,004.5
Goodwill	2,593.5	2,735.3
Miscellaneous	1,767.1	1,798.6
Total other assets	5,261.1	5,538.4
Property and equipment		
Property and equipment, at cost	37,551.0	39,126.1
Accumulated depreciation and amortization	(14,249.3)	(14,568.6)
Net property and equipment	23,301.7	24,557.5
Total assets	\$32,155.6	\$34,281.4
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable	\$702.0	\$860.1
Income taxes	372.1	166.8
Other taxes	317.0	330.0
Accrued interest	182.4	233.7
Accrued payroll and other liabilities	1,178.4	1,157.3
Total current liabilities	2,751.9	2,747.9
Long-term debt	14,291.8	14,989.7
Other long-term liabilities	1,997.6	2,065.9
Deferred income taxes	1,711.0	1,624.5
Shareholders' equity		
Preferred stock, no par value; authorized – 165.0 million shares; issued – none	—	—
Common stock, \$.01 par value; authorized – 3.5 billion shares; issued – 1,660.6 million shares	16.6	16.6
Additional paid-in capital	6,312.3	6,239.1
Retained earnings	43,290.0	43,294.5
Accumulated other comprehensive income	(2,482.0)	(1,519.7)
Common stock in treasury, at cost; 702.1 and 697.7 million shares	(35,733.6)	(35,177.1)
Total shareholders' equity	11,403.3	12,853.4
Total liabilities and shareholders' equity	\$32,155.6	\$34,281.4
See Notes to condensed consolidated financial statements.		

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CONDENSED CONSOLIDATED STATEMENT OF NET INCOME (UNAUDITED)

In millions, except per share data	Quarters Ended	
	March 31, 2015	2014
Revenues		
Sales by Company-operated restaurants	\$3,914.1	\$4,490.5
Revenues from franchised restaurants	2,044.8	2,209.8
Total revenues	5,958.9	6,700.3
Operating costs and expenses		
Company-operated restaurant expenses	3,354.3	3,767.1