

McDonald's Reports Second Quarter 2019 Results

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McDonald's Corporation today announced results for the second quarter ended June 30, 2019.

McDonald's President and Chief Executive Officer Steve Easterbrook said, "With the strong results we achieved in the second quarter, we have now experienced 16 consecutive quarters of positive global comparable sales. By putting our customers at the centre of all our efforts to run great restaurants, enhance the customer experience and provide delicious menu offerings, we will continue to successfully execute our Velocity Growth Plan."

Second quarter highlights:

- Global comparable sales increased 6.5%, reflecting strong comparable sales across all segments.
- Consolidated revenues were flat with the prior year (increased 3% in constant currencies), reflecting strong comparable sales, partly offset by the impact of refranchising.
- Systemwide sales increased 8% in constant currencies.
- Consolidated operating income increased 1% (4% in constant currencies).
- Diluted earnings per share of \$1.97 increased 4% (7% in constant currencies), including \$0.08 per share of strategic charges. Excluding these current year charges as well as the prior year strategic restructuring charges of \$0.09 per share, diluted earnings per share was \$2.05 for the quarter, an increase of 3% (7% in constant currencies).
- The Company returned \$2.0 billion to shareholders through share repurchases and dividends.

In the U.S., second quarter comparable sales increased 5.7%, reflecting successful national and local deal offerings, including the 2 for \$5 Mix and Match deal, the continued positive impact from our Experience of the Future deployment, and strength in our core menu items. Operating income for the quarter increased 5% as a result of the comparison to the strategic restructuring charge in the prior year. Excluding this charge, operating income decreased 3%, reflecting lower gains on sales of restaurant businesses, partly offset by higher franchised margin dollars.

In the International Operated segment, second quarter comparable sales increased 6.6%, reflecting positive results across all markets, primarily driven by the U.K., France and Germany. The segment's operating income increased 3% (8% in constant currencies), primarily due to sales-driven improvements in franchised margin dollars.

Steve Easterbrook concluded, "By engaging our guests on their terms, whether it's through delivery, an enhanced dining experience at one of our Experience of the Future restaurants, or through our evolving digital offerings, we're becoming a better McDonald's. We will continue to focus on our customers with innovative solutions to further elevate the guest experience and drive growth."

In the International Developmental Licensed segment, second quarter comparable sales increased 7.9%, reflecting strong sales performance across all geographic regions.