

McDonald's Overall Sales Slump in February, U.S. Results Horrendous

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Photo: Reuters/Mike Blake

McDonald's ([MCD](#)) reported a horrific sales month for February, especially in the U.S., where same-store sales slumped 4%, a far-worse result than analysts had estimated.

Overall, global comparable sales fell 1.7%. The Asia-Pacific, Middle East and Africa again was weak, with sales down 4.4%, as recent news in Japan about foreign items in food continued to keep customers away. Europe was brighter, standing as the only major region with a positive number. There, same-store sales were up 0.7%.

The report was the first of its type under new CEO Steve Easterbrook. However, he started his new position only on March 1, and it will be some time before he's viewed as truly owning the monthly reports. His first week did include attending a gathering with franchisees and major news on a planned change around the chicken McDonald's sells, but the latest data make clear the challenges in front of the world's largest publicly traded restaurant operator.

According to Consensus Metrix, analysts were planning for system-wide sales to fall 0.3%. In the U.S., a 0.7% drop was forecast, while in APMEA, a 3.1% decline was projected -- so the world number, U.S. and APMEA all trailed the forecast. Europe was better, since the outlook was for a 0.2% increase. Shares of McDonald's were down about 1% to \$96.19 in premarket trading.

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The U.S. again was dragged down by "ongoing aggressive competitive activity." McDonald's main competitors, for the most part, haven't had this issue -- though they're also dealing with competition, they've been gaining sales as the Golden Arches loses customers. In both 2013 and 2014, the number of transactions at McDonald's locations decreased. The company has been trying, as a result, to improve its brand image, remodel stores, and restructure the menu, and most recently said it would [start selling chicken](#) that wasn't given certain antibiotics, a major step toward the "natural" food idea at restaurants that's drawing more adherents.

On Monday, the company noted that "consumer needs and preferences have changed, and McDonald's current performance reflects the urgent need to evolve with today's consumers, reset strategic priorities and restore business momentum. The goal going forward is to be a true destination of choice around the world and reassert McDonald's as a modern, progressive burger company."

McDonald's U.S. sales have been dreadful for months, though December and January were slightly positive. The consecutive months of same-store sales growth hadn't been seen in more than a year in McDonald's main market, which has 14,000 of its 36,000 locations.

In Europe, the U.K. and Germany were positive during February, though Russia's results, slow for several months, were negative. APMEA's Japan issues were too much for the region, overshadowing Australia's good month and the fact that the Chinese New Year helped restaurants in China, which had been dented badly by last summer's investigation related to a food supplier.

ORIGINAL LINK: <https://finance.yahoo.com/news/mcdonald-s-overall-sales-slump-in-february--u-s--results-horrendous-124718303.html>