

Income Statement for “Average” U.S. McDonald’s Franchisee (Per Traditional Store)

	Dollar Amount	% of Net Sales
Net Sales	\$2,700,000	100.0%
Food Costs	\$810,000	30.0%
Paper Costs	\$108,000	4.0%
Total Cost of Sales	\$918,000	34.0%
Gross Profits	\$1,782,000	66.0%
Crew Payroll	\$540,000	20.0%
Manager Payroll	\$108,000	4.0%
Payroll Taxes	\$54,000	2.0%
Advertising	\$108,000	4.0%
Promotions	\$13,500	0.5%
Outside Services	\$27,000	1.0%
Linen	\$5,400	0.2%
Operating Supplies	\$27,000	1.0%
Maintenance & Repair	\$40,500	1.5%
Utilities	\$81,000	3.0%
Cash Over/Short	\$2,700	0.1%
Miscellaneous	\$13,500	0.5%
Controllable Expenses	\$1,020,600	37.8%
Profit After Controllables	\$761,400	28.2%
Rent & Fees	\$391,500	14.5%
Legal & Accounting	\$8,100	0.3%
Insurance	\$54,000	2.0%
Taxes & Licenses	\$27,000	1.0%
Miscellaneous Income/Expenses	\$2,700	0.1%
Depreciation/Amortization	\$94,500	3.5%
Interest Expense	\$27,000	1.0%
Net Non-Product	\$2,700	0.1%
Total Non-Controllable Expenses	\$607,500	22.5%
Store-Level Operating Income	\$153,900	5.7%

Source: Janney Capital Markets