

# McDonald's UK restaurants take huge hit as profit plummets by over £100m

McDonald's UK has seen its pre-tax profits significantly reduced by over £100m in 2023, despite nearing the £2bn turnover milestone.

The American fast-food behemoth recorded a pre-tax profit of £66.3m for its operations in the UK, a stark decrease from the £170.8m reported in 2022, as reported by [City AM](#).

Operating profit at McDonald's plummeted from £165.4m to a mere £10.7m.

Yet, according to the latest filings with Companies House, the company's turnover saw an upswing from £1.59bn to £1.83bn during the same timeframe.

Turnover from McDonald's owned restaurants jumped from £703m to £942m, while income from licensees experienced a marginal decline from £894.3m to £893.5m.

Inflationary pressures on food, paper, and utility costs have been cited by McDonald's as factors affecting its financial performance.

Despite these challenges, McDonald's remains 'confident' about the future.

A board-approved statement read: "The level of business and the period end financial position remain satisfactory, in spite of the ongoing challenges presented by the inflationary environment, both for the company and the wider McDonald's system."

"The directors are confident of being able to develop the

business further in the future.”

“Total sales in 2024 have so far grown since 2023 due to the strength of the brand and the success of delivery and drive-thru services.”

These figures emerge following a report by City AM that indicated “bold” price increases at a McDonald’s franchise empire had driven a sales surge of over £15m in its most recent fiscal year.

AG Restaurants, helmed by Andrew Gibson, is a significant player in the UK’s dining sector with 27 establishments across [Glasgow](#) and a workforce exceeding 3,000. The company has disclosed a turnover of £135.2m for 2023, marking an increase from the previous year’s £120.1m.

Additionally, its pre-tax profit saw growth, rising from £1.8m to £2.3m. The McDonald’s franchisee has indicated that it intends to mitigate any adverse effects of its price hikes through a “strong marketing calendar”.

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