

CONFERENCE TAKEAWAYS

Restaurant Finance & Development Conference (RFDC) 2024: Returning to Dealmaking Amid Optimism and Evolving Strategies

Each November, RFDC draws operators, investors, lenders, and advisors to Las Vegas to discuss the state of the industry and chart a path forward. This year, conversations centered on the challenges operators face, innovative strategies driving diversification, and an overarching sense of optimism for the future.

The discussions revealed a dynamic industry in transition, where resilience and adaptability are key to success. Here are the major takeaways:

Navigating the Divide

A widening divide is emerging between top-performing brands and those struggling to adapt to today's challenges. Operators catering to cost-conscious or lower-income consumers are feeling the brunt of economic volatility, as they are more sensitive to inflation and price increases. Rising costs for food and labor further compound the pressure, making it difficult for these brands to maintain margins.

In contrast, brands serving higher-income demographics appear better insulated from these trends, leveraging loyal customer bases and the ability to sustain price increases without significant traffic declines. Operators with efficient processes and strong value propositions continue to outperform, widening the gap between the industry's winners and those left behind.

For struggling operators, this environment has prompted

Ready to Strategize for What's Ahead?



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As the restaurant industry evolves, resilience and creativity are driving transformation. At G2, we empower operators and investors to embrace complexity and uncover opportunities that fuel growth and innovation.”

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difficult decisions. Many are turning their attention to exit strategies, while others are restructuring operations to enhance efficiency.

Thinking Outside The Box

RFDC 2024 showcased a creative evolution as operators and investors explored opportunities beyond the traditional restaurant model. Multi-unit operators are increasingly branching into adjacent sectors like fitness and car washes, building diversified portfolios that help mitigate industry-specific risks.

This strategy leverages operators' expertise in scalable business models and reduces reliance on the cyclical nature of the restaurant business. Investors are also taking notice with interest growing in alternative revenue streams that complement the multi-unit model. The move toward diversification represents a step toward the growing wave of optimism across the industry.

Dealmaking Reignited

Amid ongoing market shifts, attendees at RFDC conveyed a strong sense of optimism about the industry's future. Many anticipate a surge in M&A activity following the 2024 election and expected interest rate reductions. These factors are posed to unlock capital, empowering operators to scale their businesses or explore exit opportunities as market conditions stabilize.

Looking ahead, both operators and investors are prioritizing resilience and adaptability to navigate an evolving landscape. With a more favorable economic outlook on the horizon, the industry appears primed for renewed confidence, accelerated growth and transformative opportunities.

Turning Insights Into Action

At G2 Capital Advisors, our mission is to empower businesses to navigate market complexities and seize opportunities for growth. Here's how to stay ahead:

1. Broaden Horizons: As markets shift, exploring adjacent opportunities or focusing on core strengths through strategic M&A can mitigate risk. Targeted investments in high-growth areas position companies to capitalize on emerging trends.

2. Prioritize Execution: Operational efficiency is now a critical differentiator. Whether navigating rising costs, labor pressures, or supply chain issues, businesses that streamline operations and focus on value creation can maintain a competitive edge.

3. Explore New Capital Solutions: In today's tight lending market, businesses need creative capital strategies. Aligning financing approaches with market realities—such as exploring alternative lenders, private credit, or flexible debt structures—can provide the runway needed to grow or pivot strategically.

Looking Ahead

With optimism building across the industry and an expected increase in dealmaking activity, the time to prepare for future opportunities is now. Companies that succeed will adapt, innovate, and embrace complexity with bold strategies.

At G2 Capital Advisors, we turn market trends into actionable strategies for our clients. Whether it's navigating financing challenges, uncovering opportunities in untapped markets, or driving operational improvements, we bring deep expertise and tailored solutions to every engagement.

The restaurant industry is evolving—are you ready to grow with it? Let's discuss how G2's experience and insight can help your business succeed in today's shifting landscape.

Navigating the challenges and opportunities in today's restaurant industry requires the right partner. G2 Capital Advisors brings a unique blend of industry expertise, tailored strategies, and a deep commitment to driving results. Whether you're exploring growth opportunities, optimizing operations, or evaluating strategic options, our team is here to help.

Reach out to learn how our Consumer & Retail team can support your goals.

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