Restaurant Finance & Development Conference (RFDC) 2025:

Finding Opportunities and Addressing Risks in a Moving Market

The increasing prevalence of M&A activity, the intensifying consumer search for value, and a changing brand hierarchy—these were some of the key developments driving conversations at the 2025 Restaurant Finance and Development Conference (RFDC) in Las Vegas. This year's annual meeting of restaurant operators, investors, and lenders revealed an industry in flux, with economic pressures and opportunities motivating movement of all kinds.

Here were the major takeaways:

Bank Consolidation Increases

The preconference M&A activity didn't begin and end with industry brands—a number of large financial institutions with stakes in the space also announced transactions leading up to RFDC. Fifth Third Bank announced that it was acquiring Comerica, while Huntington Bank announced that it was adding Cadence Bank to its portfolio. Synovus and Pinnacle Financial Partners announced a merger of equals, pending regulatory approvals.

Increased consolidation could lead to new opportunities for brands in search of enhanced scale and offerings but could create uncertainty for others as lending limits evolve.

The War Over Value Intensifies

Consumers navigating the inflationary economic climate are more focused than ever before on getting good value for their money. Casual dining operators are largely delivering perceived value—

Chili's, for instance, has experienced an uptick in traffic linked to new value-driven menu items—while QSR brands are largely not. Consequently, many in the QSR market are considering new strategies for managing menu prices and standards while maintaining margins.

Operators attending RFDC across all markets acknowledged that tariffs continue to put pressure on food costs and that above-average cost inflation is creating persistent demand headwinds. In these conditions, brands are doing everything possible to achieve the optimal balance between price and value and customers are responding to those that succeed.

A New Haves and Have-Nots Hierarchy

A shakeup within the industry hierarchy could be on the horizon, as larger franchisees turn their attention away from legacy brands toward newer, more market-ready alternatives. RFDC attendees identified a number of differentiators separating fresh stand-out brands from competitors, including consistent quality, good value for price, growth history and potential, investment in innovative practices and tech, and solid unit economics. Reliable access to labor and willing consumers was another key differentiator, particularly for brands operating in regions where immigration activity is affecting operations.

This reshuffling has borne out in the market, as high-demand brands with outsized unit economics such as 7-Brew, Dave's Hot Chicken, and Nothing Bundt Cakes are driving robust buyer demand and freeing up capital.

M&A Activity Heats Up In 2026

RFDC 2025 unfolded against a backdrop of announced or developing M&A transactions. In the weeks leading up to the conference, Roark Capital and Yum Brands signaled their intent to explore strategic alternatives for companies in their respective portfolios, with the former eyeing the potential sale of Nothing Bundt Cakes and the latter looking to let loose the struggling Pizza Hut brand. This news capped a host of other recent transactions involving multiple brands, including Dave's Hot Chicken, Denny's, Del Taco, Jersey Mike's, Shipley Do-Nuts, and Tropical Smoothie Café.

RFDC attendees interpreted these moves to mean that investment banking M&A pipelines are building, as the bid-ask spread between buyers and sellers is narrowing, with pent-up demand for dealmaking moving to the forefront. This environment bodes well for 2026 and could set the table for a resurgence of M&A activity in the new year.

Market Shifts May Lead to More Lending and Growth

Favorable capital market trends, including falling interest rates and improving access to credit, are creating fertile ground for dealmaking. Those in attendance at RFDC were hopeful that these positive developments would transfer to an opening up of the public markets in 2026 and more readily available access to capital.

Navigating the Road Ahead

Operators, investors, and lenders should prioritize flexibility as the market moves, with both opportunities and risks materializing in equal measure. At G2 Capital Advisors, we help companies maximize industry ebbs and flows and pursue bold but model-aligned strategies that lay the foundation for all manners of success, from stability-building restructuring to market exploration to scaling.

Are you ready to evolve with the restaurant industry? Connect with us to discuss how G2's experience and insights can help you stay grounded and even reach for new heights as the market shifts beneath you.

Connect with Our G2 Restaurant Experts

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