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# Sector Spotlight: Restaurant

Combining more than 40 years of M&A advisory experience, FOCUS Investment Banking drives results for middle market clients across eleven coverage groups. With over 50 professionals, FOCUS boasts a nationwide footprint and access to foreign markets through 36 global partnerships.

## OVERVIEW

**In 2025, the restaurant industry is projected to reach \$1.5 trillion in total sales, marking a 4% year over year increase on 2024.**

With over 700,000 restaurants and food service locations nationwide and a workforce of 15.9 million (up 200,000 from 2024), the sector remains a major driver of employment and economic activity.

## Key Trends

AI and automation are transforming operations.

**79%** of operators are using AI for functions such as reservations, personalized marketing, staff training and reputation management.

**74%** of customers are comfortable with AI-assisted bookings, and many are willing to pay for curated menus and exclusive experiences.

**99%** of businesses report that there are measurable benefits to this.

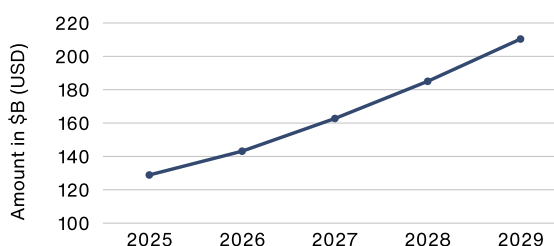
Restaurants are evolving into lifestyle brands, with 87% of diners open to buying merchandise, cookbooks, or meal kits. Digital marketing plays a key role in discovery, with 1 in 3 diners using Google to find restaurants.

## Multi-Unit & Chain Segment

Quick-service restaurants (QSR) chains dominate the industry, with approximately 208,000 locations, while full-service chains have approximately 137,500.

Fast-casual restaurants continue rapid expansion, with a projected 13.7% CAGR through 2029. QSR revenues are forecast to exceed \$330 billion in 2025.

**Projected Fast-Casual Market Size Over Time**



## M&A and Market Restructuring

M&A activity remains strong in Food & Beverage, with approximately 100 deals per quarter. Strategic buyers and private equity are targeting tech-enabled, scalable, and health-forward brands.

Source: Oyster Link - Restaurant Industry Statistics for 2025, National Restaurant Association – State of the Restaurant Industry 2025

## 2025 DEALS

Date	Acquirer	Company	Description
Jan-25	Sun Holdings	Uncle Julio's	Strengthening its portfolio in the Mexican cuisine segment.
Feb-25	Maple Park Capital Partners	Rita's Italian Ice	To expand the brand into new U.S. regions.
Mar-25	Craveworthy Brands	Kinnamons	A cinnamon roll concept founded by NFL star Ndamukong Suh, marking its sixth brand acquisition in under a year.
Mar-25	Flynn Group	45 Pizza Hut Units	Making them the largest Pizza Hut franchisee in the U.S.
Apr-25	Biglari Capital	El Pollo Loco	Attempted to acquire El Pollo Loco, already holding approx. 15% of the company's shares.
May-25	Pappas Restaurants	On the Border	Bought out of bankruptcy, aiming to revitalize the brand.
May-25	DoorDash	SevenRooms	Acquired for \$1.2 billion to enhance its restaurant technology stack.
May-25	DoorDash	Deliveroo	Acquired for £2.9 billion (\$3.9 billion) in cash, expanding its presence across Europe, Asia, and the Middle East.
Jun-25	Roark Capital	Dave's Hot Chicken	Acquired for \$1 billion to support its expansion efforts.

However, financial strain is visible: Red Lobster, TGI Fridays, Rubio's Coastal Grill, and others have filed for bankruptcy or closed stores. Hooters of America filed Chapter 11 and sold over 100 units to franchisees.

## Consumer Behavior

Off-premises dining continues to dominate, with 75% preferring drive-thru, takeaway or delivery, highlighting convenience as a top priority. Experience matters, with 51% of using apps for deals and loyalty rewards.<sup>1</sup>

Stay tuned for our article, a deeper dive into the External Factors Impacting the Sector.

### ABOUT THE AUTHOR



#### Mike McCraw

Managing Director  
mike.mccraw@focusbankers.com  
205-915-8282

Mike McCraw, Managing Director at FOCUS, is an experienced entrepreneur and investment banker and has over 30 years' experience serving clients with mergers & acquisitions, advisory services, and business consulting. Prior to joining FOCUS, McCraw led the Consumer Team at Founders Investment Banking. While there, he helped launch a well-attended annual educational and networking event called the Multi-Unit Summit, bringing together top brand and industry leaders in a relaxed, high-quality environment. McCraw has also served as CFO for several multi-unit companies.

Source: CNN – TGIF files for bankruptcy, Seven Rooms – 2025 US Restaurant Industry Trends, US 2025 Restaurant Trends