

Derek Ladgenski Quoted in *Restaurant Dive* on Private Equity's Growing Appetite for Restaurant Franchisees

November 24, 2025

Katten Private Credit Partner Derek Ladgenski was featured in a *Restaurant Dive* analysis exploring why private equity firms are increasingly targeting restaurant franchise portfolios. The piece highlights how improving financing conditions are catalyzing franchisee acquisitions and reshaping dealmaking dynamics in the restaurant sector.

Derek underscored the favorable fundraising and lending backdrop powering these transactions, noting, "It's definitely a good time to get out there. The inflows to the debt market that help support these deals are as high as they've ever been, and there are a lot of lenders out there looking to place dollars into the right deals."

He emphasized the strategic fit between private equity and the franchise model. "Their model is uniquely aligned with franchises. There's a trifecta of opportunities for private equity," Derek said. Because franchise systems generate stable cash flows and enable disciplined growth through development agreements, private equity sponsors can effectively deploy capital across multiple channels, including delayed draw term loans and institutional relationships beyond traditional bank financing.

Derek also highlighted the durable runway for consolidation within franchised systems. "You're typically never going to buy the entirety or even a majority of the franchisees under one brand," he observed. "So, there are always other groups that may be willing to sell to you."

For franchise groups contemplating a sale, Derek stressed execution readiness and credibility with institutional buyers. "Selling to a private equity group requires you to have your ducks in a row. You need financials that are presentable, ideally even audited financials," he said. Just as importantly, he cautioned sellers on deal certainty and follow-through. "When you commit, commit. You don't want to be seen as a shaky seller, where people aren't going to invest the time and energy to get across the finish line with you if you've been down the aisle too many times."

"Why private equity is buying restaurant franchisees," *Restaurant Dive*, November 19, 2025

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