CARROLS RESTAURANT GROUP, INC. (NASDAQ: TAST)

Investor Presentation

November 2019

Safe Harbor Statement

Under the Private Securities Litigation Reform Act of 1995

Our presentation includes, and our response to various questions may include, forward-looking statements. Forward-looking statements, written, oral or otherwise made, represent the Company's expectation or belief concerning future events.

Without limiting the foregoing, these statements are often identified by the words "may", "might", "believes", "thinks", "anticipates", "plans", "expects", "intends" or similar expressions. In addition, expressions of our strategies, intentions or plans, are also forward-looking statements.

Such statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown.

You are cautioned not to place undue reliance on these forward-looking statements as there are important factors that could cause actual results to differ materially from those in forward-looking statements, many of which are beyond our control.

Investors are referred to the full discussion of risks and uncertainties as included in Carrols Restaurant Group, Inc.'s filings with the Securities and Exchange Commission (SEC) including, without limitation, its Annual Report on Form 10-K.

Non-GAAP Financial Measures

EBITDA, Adjusted EBITDA and Restaurant-Level EBITDA are non-GAAP financial measures. We are presenting these financial measures because we believe they provide a more meaningful comparison of our core business operating results, as well as to those of other similar companies. We believe that these measures, when viewed with our results of operations in accordance with GAAP, provide useful information about our operating performance and permit investors to gain an understanding of the factors and trends affecting our ongoing cash earnings, from which capital investments are made and debt is serviced.

These are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income (loss) or cash flow from operating activities as indicators of operating performance or liquidity. We direct you to our filings with the SEC for a reconciliation of these non-GAAP measures to the appropriate GAAP measures.

Company Overview

Established in 1960, Carrols Restaurant Group, Inc. ("Carrols" or the "Company") is a leading operator and growth platform of top-tier restaurant brands in the United States

Diversified scaled franchisee with 1,093 locations across two leading brands[(1)]

- Largest Burger King ("BKC") franchisee in the United States, with 1,032 in 23 states
- Top 10 Popeyes Louisiana Kitchen ("Popeyes" of "PLK") franchisee in the United States with 61 in 6 states
- Positive comparable restaurants sales growth in 29 of the last 32 quarters
- Consistent top-line sales supported by iconic brands and supportive franchisor partners
- Experienced management team keenly focused on restaurant-level profitability and efficient operations

Well positioned for expansion and growth

- Recent transformative acquisition of Cambridge Franchise Holdings ("Cambridge" or "CFH") adding a second brand, expanded ROFR and shift to attractive Southern and Southeastern states
- Control franchisor's Right of First Refusal ("ROFR") for Burger King in 17 states and Popeyes in 2 states
- Acquired ~630 Burger King restaurants since May 2012 (excluding CFH), track record of solid integration
- Two largest shareholders invested in long-term success
  - RBI, 15% fully diluted – franchisor partner
  - Cambridge Franchise Holdings, 24% fully diluted – affiliate of Garnett Station Partners, engaged board member, strong record of generating returns

(1) As of September 29, 2019

Investment Highlights

Strong Base Business	**Best-in-Class Operator of Iconic Brands**	• Largest US BKC franchisee • Top ten Popeyes franchisee • Top three multi-concept operator in the US
	Mature, Stable and Scaled Base Business	• 59-year operating history of best in class operations led by experienced, successful management team • Positive comps in 29 of the last 32 quarters • Consistent margin profile in face of commodity, labor and discounting headwinds • Successful integration of ~630 acquired locations since 2012
Compelling Growth Profile	**Engaged, Aligned and Long-Term Partners**	• RBI, parent company of both BKC and Popeyes, strongly focused on unit growth and franchisee profitability • Cambridge Franchise Holdings, long term shareholder and board member
	Capital Structure Provides Dry Powder for Growth	• Successful refinance into covenant-lite capital structure • Adjusted net leverage of 4.0x[1] and current covenants provide ample liquidity and flexibility to pursue growth initiatives
	Multiple Clear and Compelling Growth Opportunities	• Extended ROFR and recharged development agreement to support M&A and new unit development • Operational improvement at Cambridge • Acquisition opportunities in existing and new (Cambridge) markets at compelling valuations (typically 3.5-4.5x RL EBITDA) • Platform in place to manage additional acquisitions and new unit development

(1) Net leverage ratio based on Consolidated EBITDA as defined in our Senior Credit Facility

Franchisor Relationship Provides Foundation for Future Success

- Following Carrols' merger with Cambridge, RBI continues to be a significant shareholder in TAST at 15.4% on a fully diluted basis
- TAST is their sole equity investment in a U.S. based BKC franchisee
- Ownership signifies RBI's confidence in the Company's senior leadership
- RBI's on-going board presence reflects vested interest in TAST strategic direction
- Provides the Company a direct line to provide input to franchisor
- RBI has a history of segment leading products: Impossible Whopper, Chicken Fries, Popeyes Chicken Sandwich, etc.

restaurant brands international

Hamburgers

Existing Carrols Brand

- Since 1954
- Universally known for flame-grilled burgers; in 100+ countries & U.S. territories
- Over 17,750 restaurants

Chicken

Existing Carrols Brand

- Since 1972
- Differentiated, rich Louisiana heritage, operating in the U.S. and over 25 foreign countries
- Over 3,100 restaurants

Coffee & Baked Goods

- Since 1964
- Undisputed QSR leader in Canada with growing U.S. and international presence
- Over 4,800 restaurants

Infrastructure and Team to Support Future Growth

- Robust and scalable infrastructure with capacity to support continued growth across multiple concepts
- Strong management team with deep bench strength and broad functional expertise
- Our size affords us the ability to optimize technology and ensure consistent application of operating controls across all of our restaurants

Tenured Personnel

- Deeply tenured operating management
- Regional structure with capacity to grow (15 Region Directors post-merger)
- District Manager span of control of 7-8 units

+

Robust & Scalable Technology

- State of the art point-of-sale systems
- Inventory and production control systems
- Scheduling and labor management systems
- HR and financial back office support
- Centralized standard cost system for both labor and cost of sales
- Robust management reporting at all levels

+

Broad Capabilities

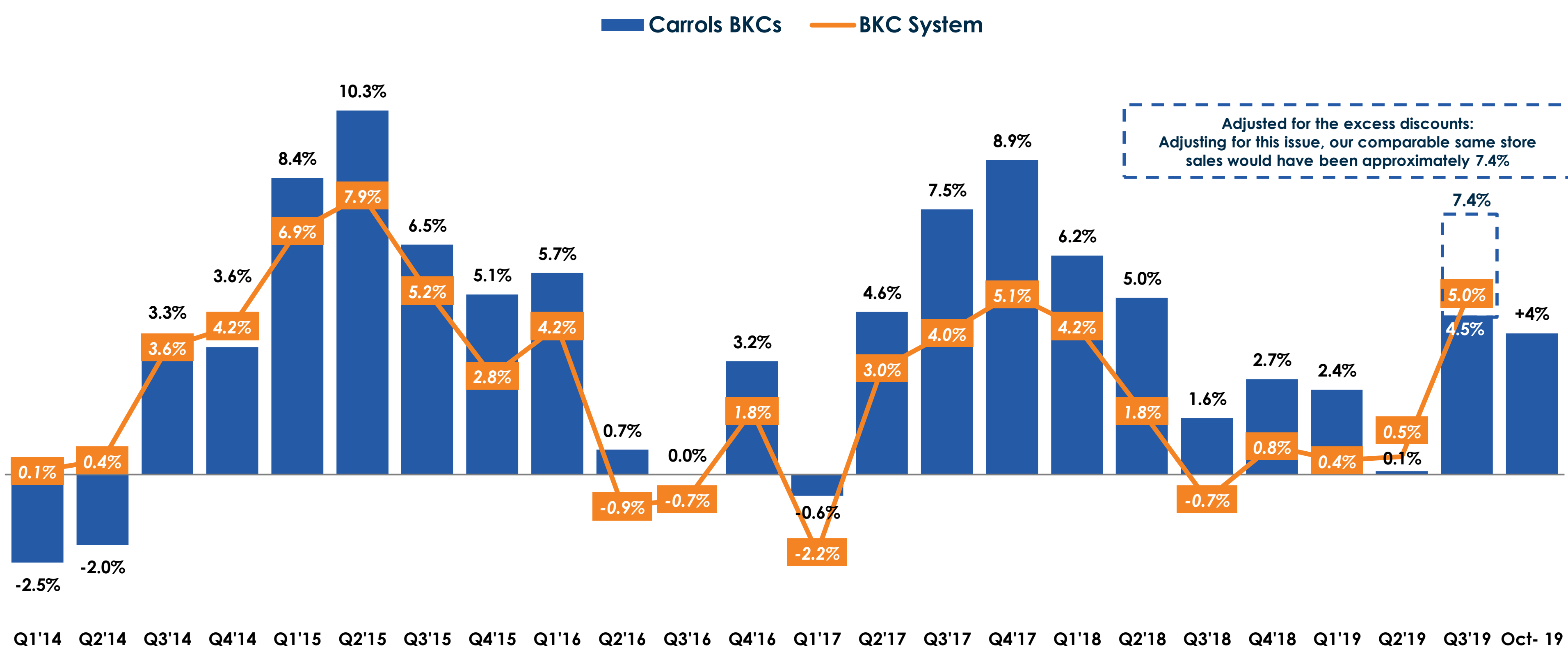
- Training, marketing, construction management
- Broad real estate and site development experience
- Extensive expertise integrating and managing acquisitions
- Strict P&L controls
- Strong transactional and capital markets expertise

Carrols Has The People, Systems And In-house Expertise To Support A Larger Organization

Carrols Has Consistently Outperformed The Burger King System…

- Positive comparable restaurant sales in 29 of the last 32 quarters
- Driven by effective Burger King promotions, marketing and restaurant remodeling initiatives
- Historically, Carrols' sales trends have generally outperformed the Burger King system

Comparable Restaurant Sales – Pro Forma Carrols Burger Kings vs. the BKC System

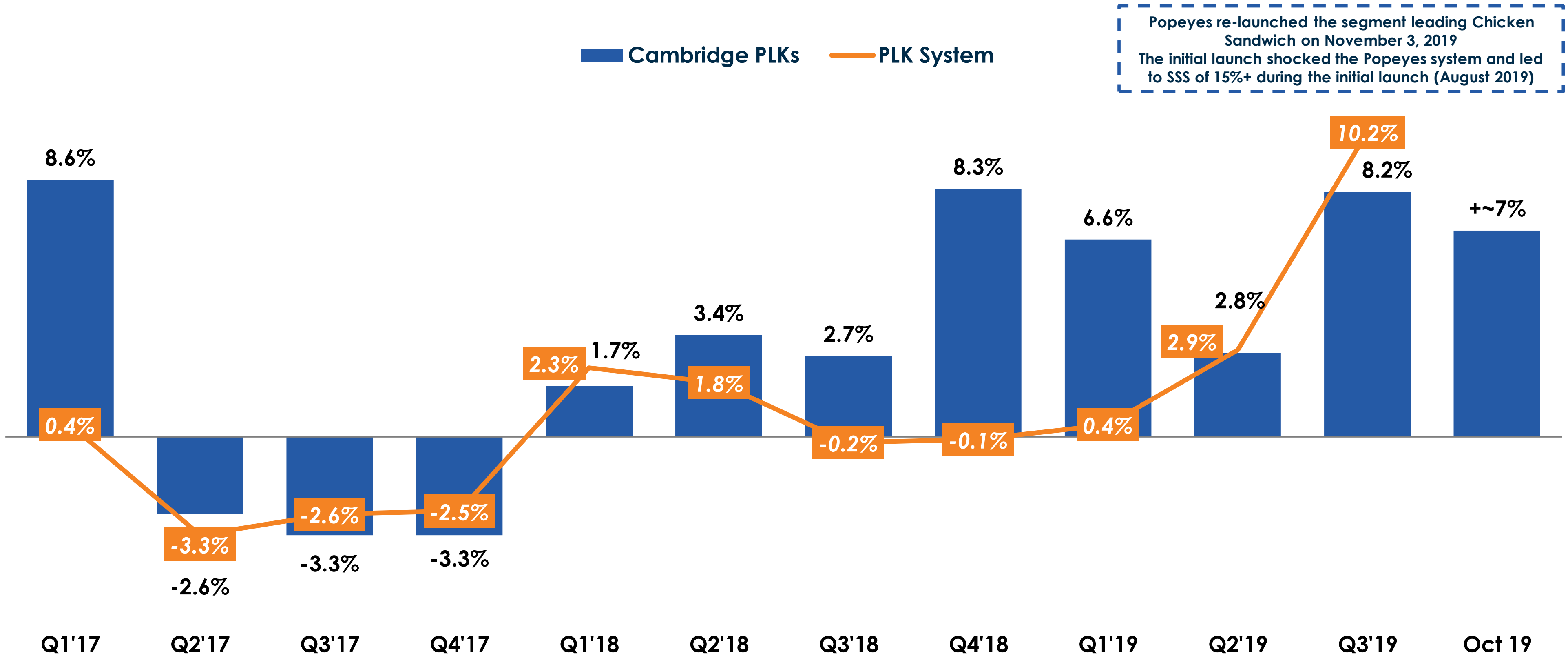


Note: As presented by RBI, system comparable restaurant sales are combined for U.S. and Canadian restaurants prior to Q1'16 and are for U.S. restaurants only beginning Q1'16

… And Maintained Strong Same Store Sales Momentum in Popeyes

- Positive comparable restaurant sales in the last 7 quarters, including an 8.2% increase in Q3'19
- Propelled by innovative Popeyes marketing campaigns and efficient remodeling practices
- Cambridge's sales trends have generally outperformed the Popeyes system

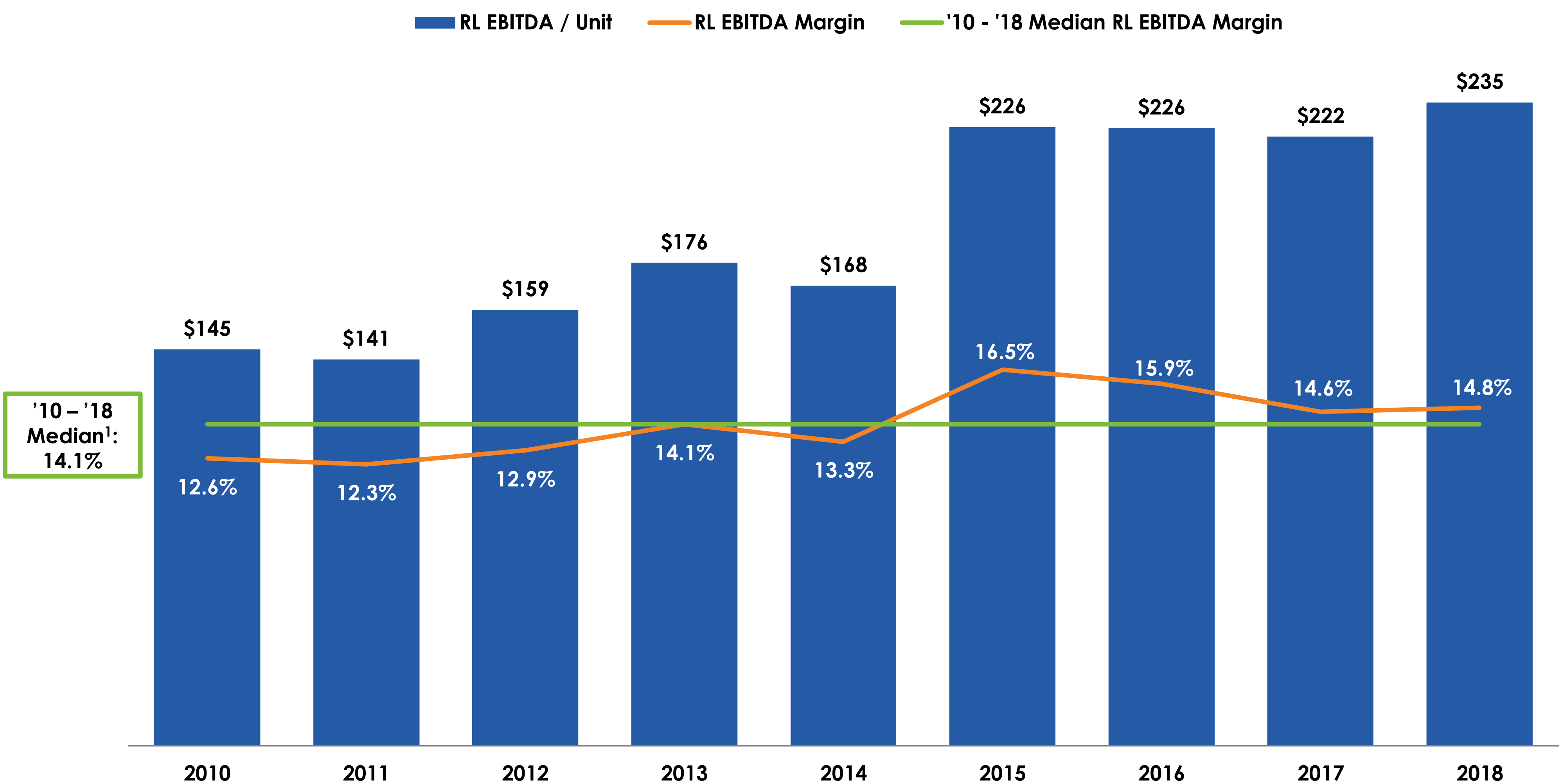
Comparable Restaurant Sales – Cambridge Popeyes vs. the PLK System



Carrols has Demonstrated Consistent Restaurant-Level EBITDA Growth over a Long Period of Time

$ Thousands

Per Unit Restaurant Level EBITDA[2]

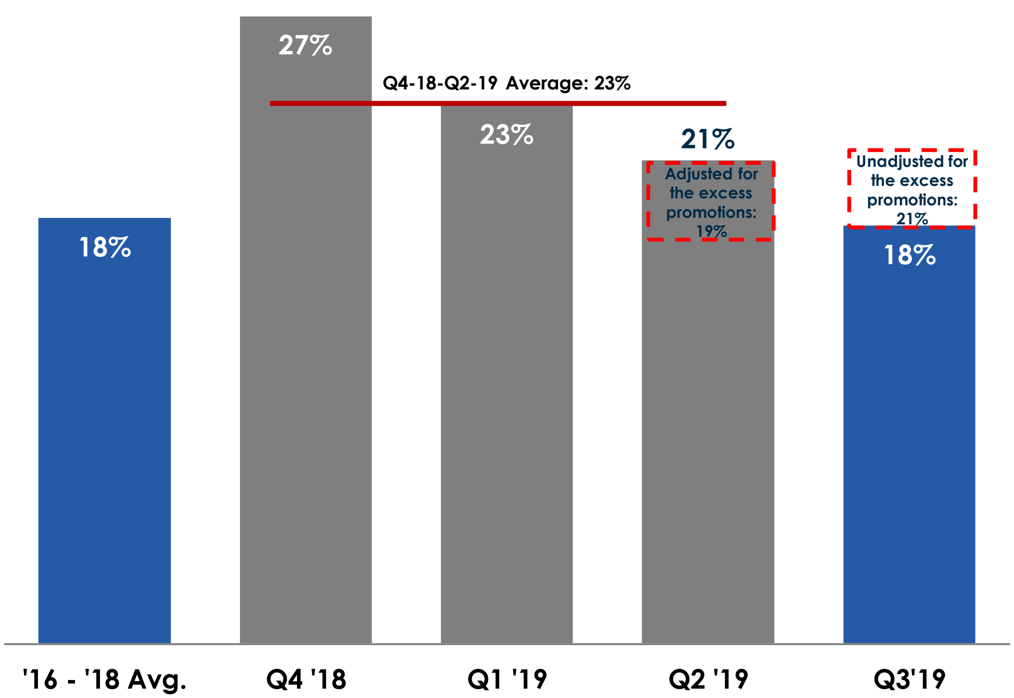


(1) Reflects straight median
(2) Core business reflects 271 units open, owned and operated since 2010 (includes closures)

Promotion and Discount Trends Have Normalized, Resulting in a More Normalized Margin Profile

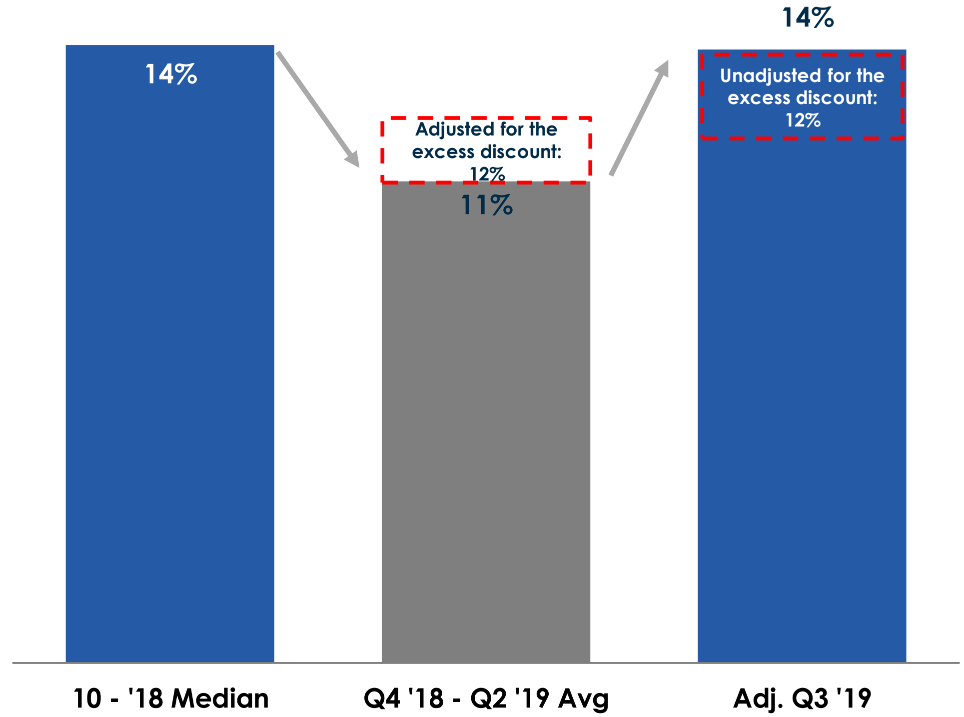
Promotions and Discounts % Sales

Discounting Ramped up Significantly in Q4 '18-1H 2019	However, Recent Trends Reflect a Reversion to More Normalized Discount Environment



Restaurant Level EBITDA Margin

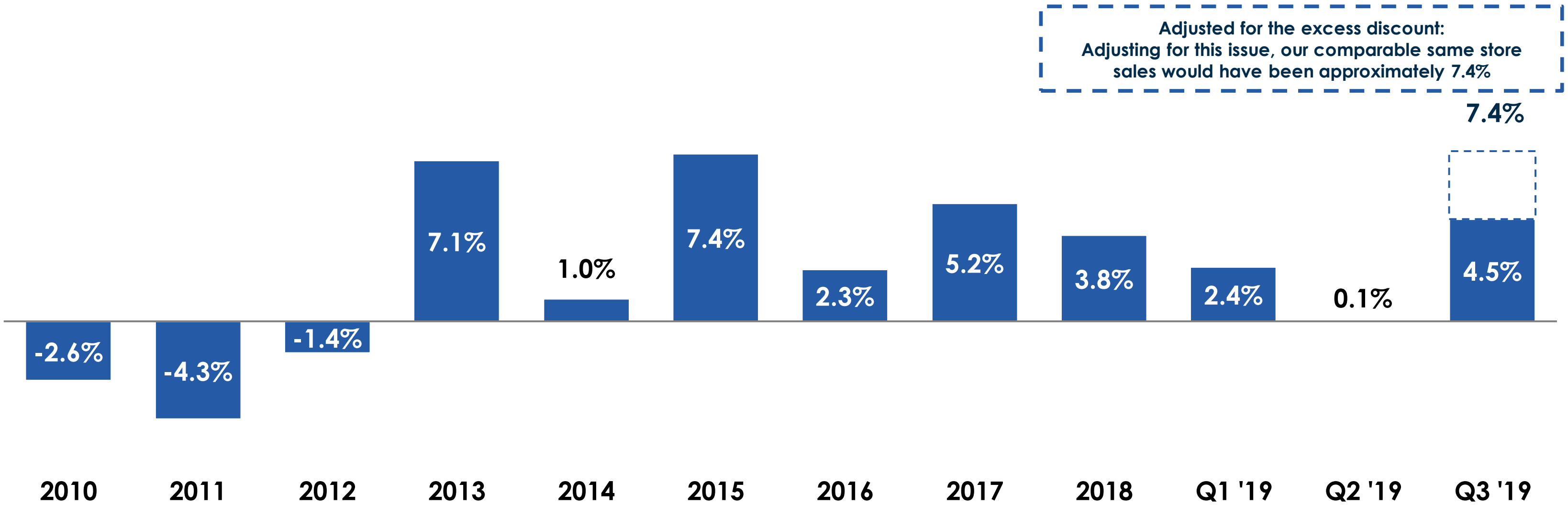
Every 100bps of increased discounting is ~$3MM of annual EBITDA
October promotions and discounts were at similar levels to Q3 2019 levels (~19%)



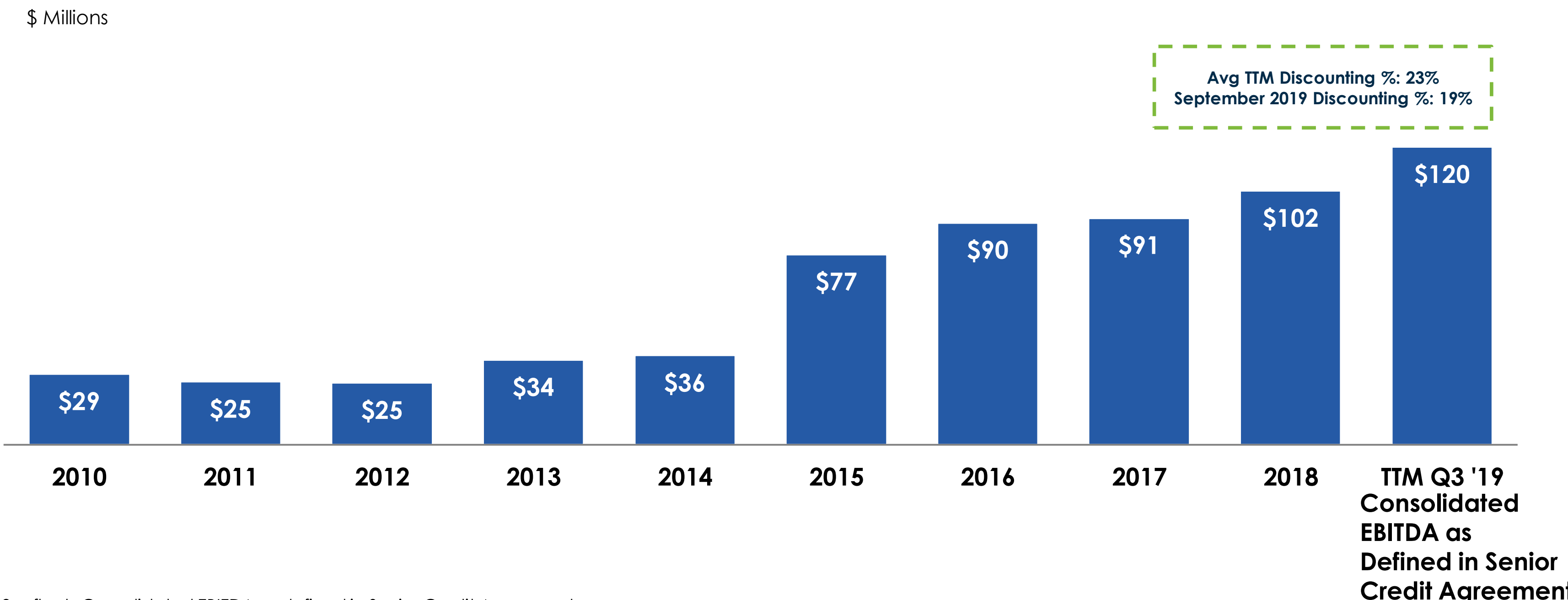
Note: Reflects legacy Carrols stores only (excludes Cambridge); Q3 2019 figures reflect adjusted promotions and discounts as % of sales and restaurant level margins for excess discounts run during July and August 2019

Normalized Discounting Environment Should Lead to Enhanced EBITDA Growth vs. Year to Date '19

Same Store Sales



Adjusted EBITDA[1]

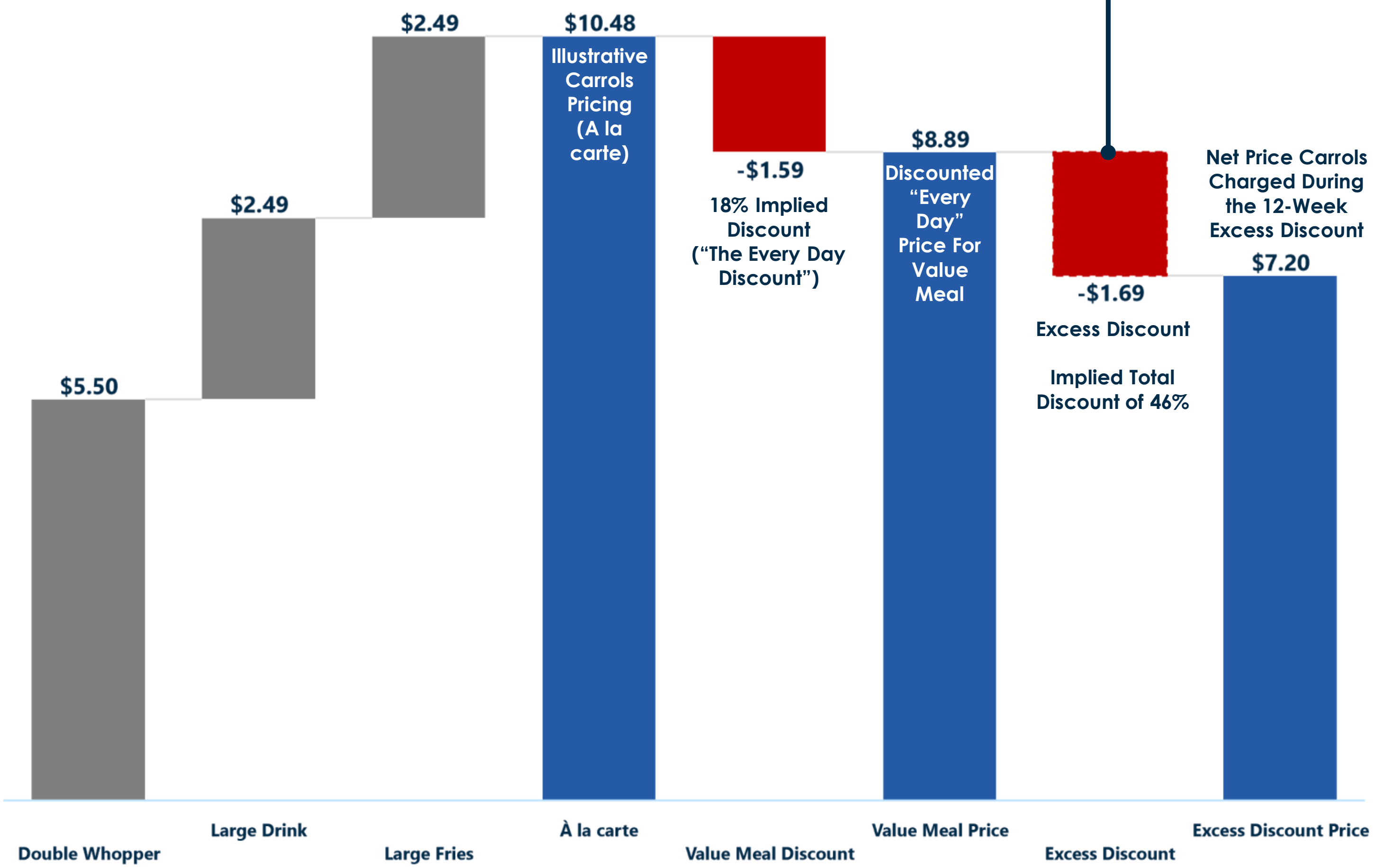


(1) TTM Q3'19 reflects Consolidated EBITDA as defined in Senior Credit Agreement

Q2-19 and Q3-19 Carrols Financial Performance Impacted by Excess Discounts Provided by Carrols On Burger King $4,$5,$6 Promotion

Illustrative Excess Discount Net Pricing Impact (Double Whopper, Large Drink and Fries Example)

Q2-19 and Q3-19 Lost Sales:
Carrols aggregated each instance of this excess discount to calculate the lost sales attributable to excess discounts ($8.3mm in Q3-2019, $12.4mm YTD)

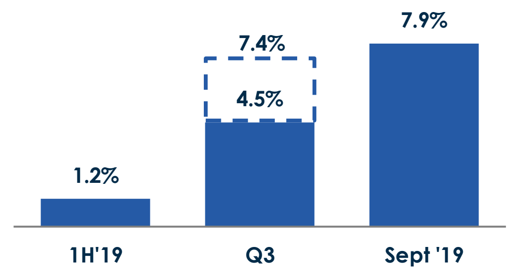


Q2-19 and Q3-19 Impact

In order to calculate the lost revenue impact due to the excess discounts, Carrols analyzed data on a ticket level basis. In aggregate, Carrols gave excess discounts to 5.9mm tickets at an average discount of $1.41 per ticket. The total impact to net revenue was $8.3mm or $7.3mm of EBITDA for Q3 ($12.4mm of net revenue or $10.9mm of EBITDA YTD)

2019 Same Store Sales[1]

Adjusted for the excess discounts:
Adjusting for this issue, our comparable same store sales would have been approximately 7.4% for the quarter (vs. 4.5% reported SSS)



(1) Reflects Carrols internal same store sales comp; adjustment based on excess discount based on internal Carrols analysis

Cambridge Integration Update: On Track To Provide 2020 Impact

The Cambridge integration remains on-track and is expected to lead to improved guest satisfaction, accelerated sales trends and improved margins at the Cambridge restaurants in 2020

In Process

Increase Labor & Install Carrols Systems

- Following the Carrols acquisition playbook, Carrols significantly added labor costs to the Cambridge restaurants during Q2/Q3 and began installation of our point-of-sale systems (resulting in approximately 50 days of lost restaurant sales at the Cambridge stores)

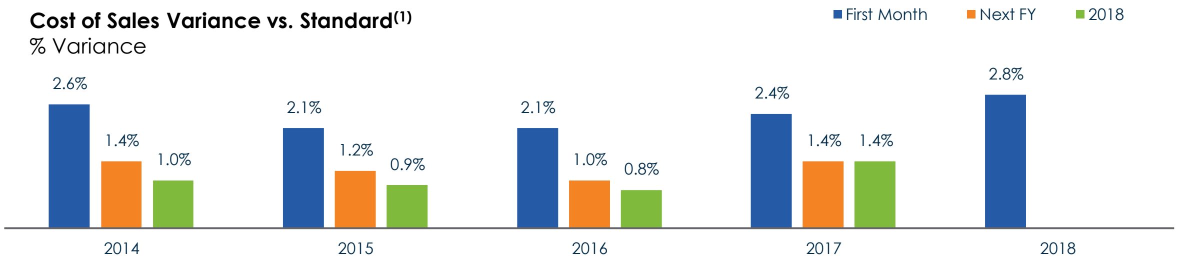
Increased Labor and installation of Carrols systems and processes drives long term P&L improvements

Anticipated in 2020

Reduce COGS

- Integration of the Carrols systems and processes drives significant P&L improvements (notably at the COGS line)

Performance on Historically Acquired Restaurants

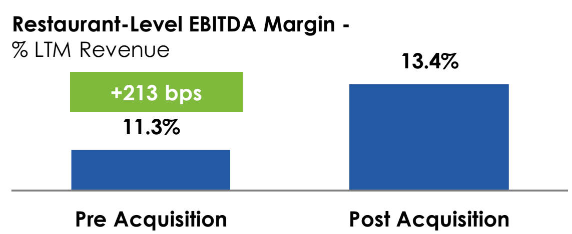


Drive SSS and Store-Level Margins

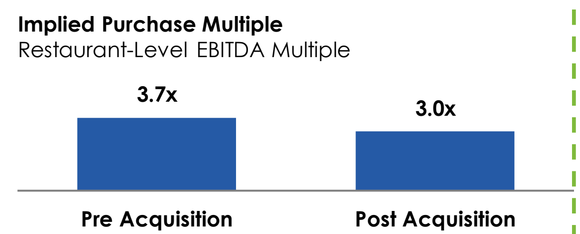
- **The Carrols playbook, developed over 630 unit acquisitions is designed to increase store level labor to drive customer satisfaction (and SSS) and integrate the Carrols systems and processes to drive P&L improvements (Note: CFH BK AUV of $1.3mm)**

Performance on Historically Acquired Restaurants

Enabling Investment in Labor and Customer Service Driving Overall Margin Increase[2]



And Averaging Down Implied Acquisition Multiple by ~20%[2]

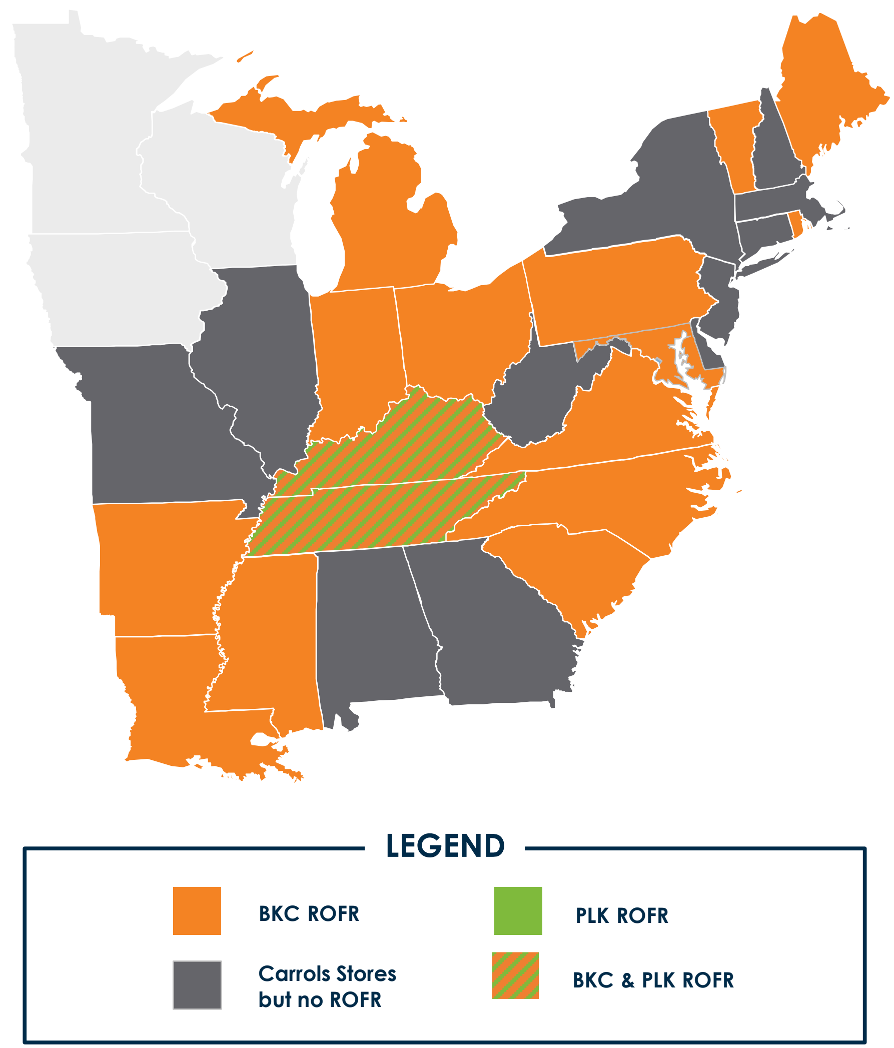


(1) 2015-2018 Acquisitions (219 restaurants) – Comparison of Pre-Acquisition and Post Acquisition Performance
(2) Results for 342 restaurants acquired 2014-2018

The Transformative Cambridge Acquisition Enhances ROFR Key for Future Acquisitions…

	Pre-Merger		Combined
	Carrols[1]	Cambridge	
# States / # ROFR States	18 / 20	10 / 5	23 / 17[2]
ROFR Size	Largest	2nd Largest	Largest + Favorable Territories
ROFR Acquisition Potential (Ex. New Builds)	Up to 1,000 Burger King`s	KY and TN	Up to 500 Additional Acquired Burger Kings / Popeyes (2 States)

ROFR Geography

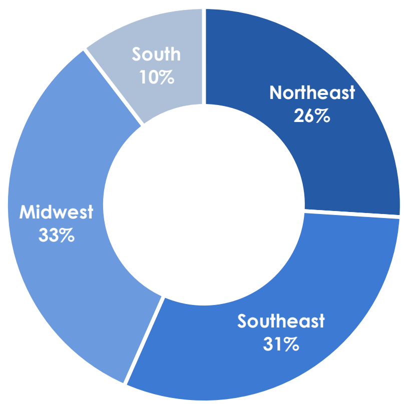


(1) BKC ROFR includes Washington, D.C. and excludes specified markets (i.e., NYC, Boston and Hartford metro markets)
(2) Kentucky is an overlapping ROFR state for Popeyes only

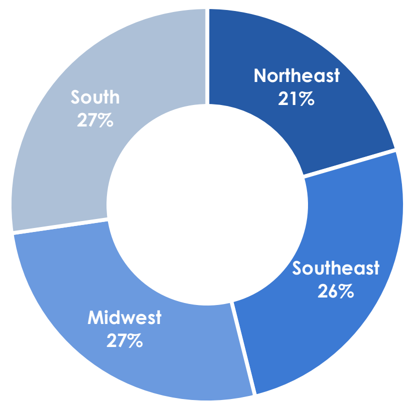
…And Shifts Existing Portfolio Towards More Attractive Geographic Diversification

2018 Units By Region[(1)]

Pre-Merger

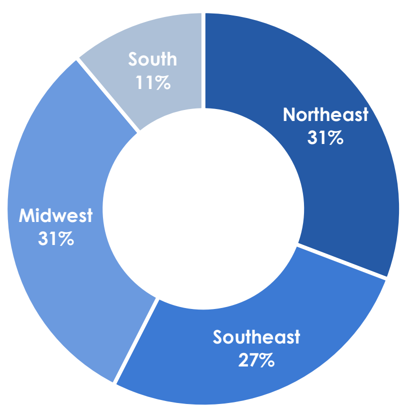


Pro Forma

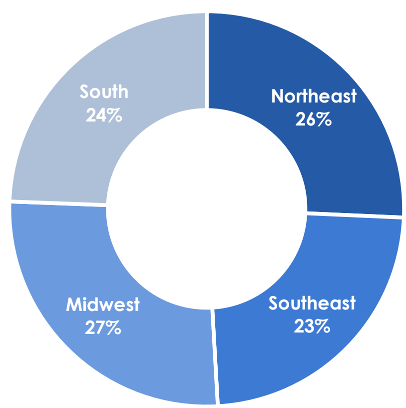


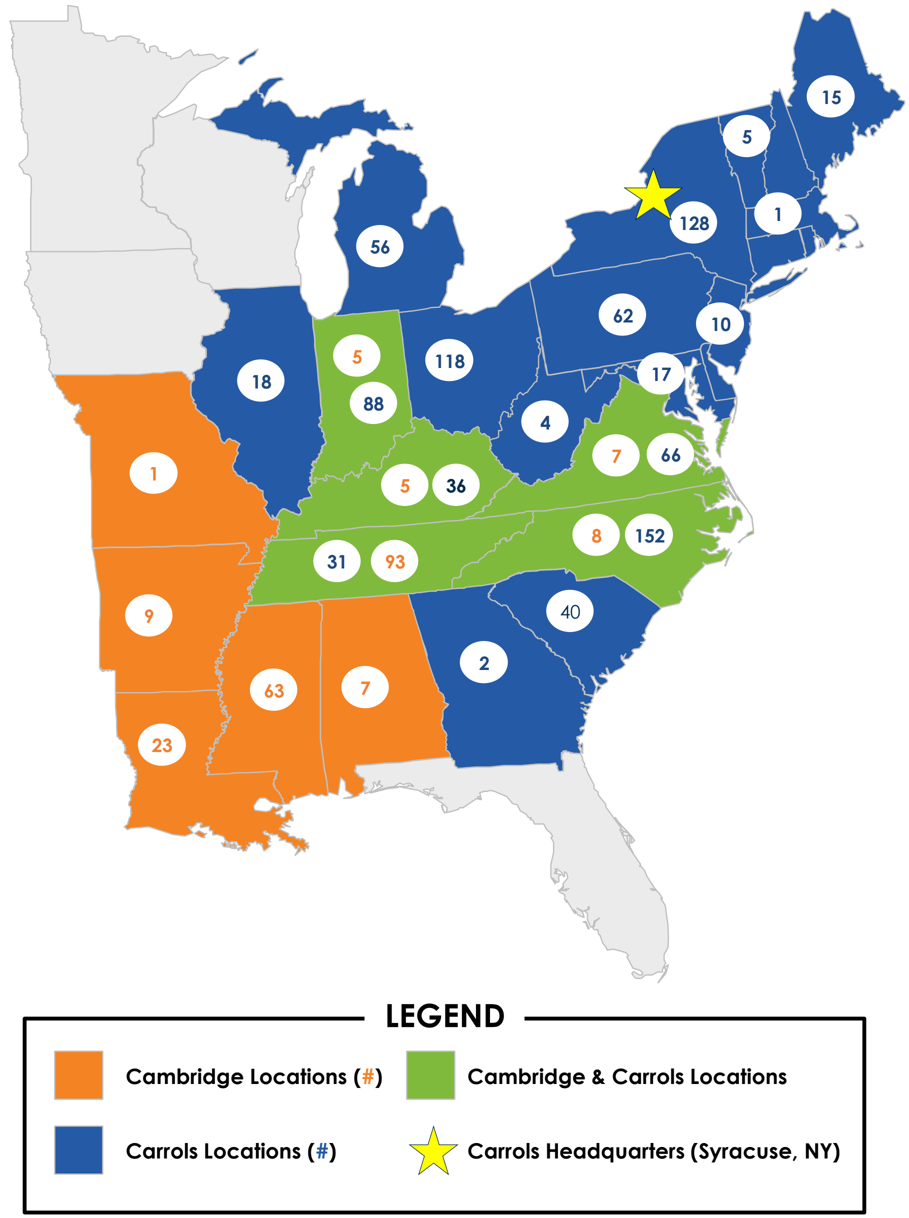
2018 Revenue By Region[(1)]

Pre-Merger



Pro Forma





(1) South: AL, AR, KY, LA, MD, MS, TN, WV | Midwest: IL, IN, MI, MO, OH | Southeast: GA, NC, SC, VA | Northeast: MA, ME, NJ, NY, PA, VT

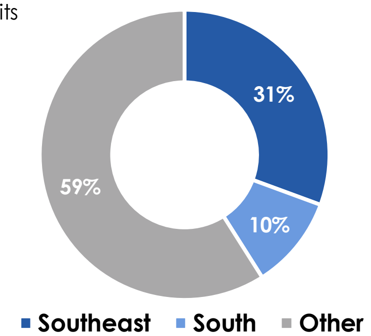
Merger Should Help Mitigate Historical Wage Pressures

Higher concentration of units in lower wage states will offset hyper wage inflation in certain states

With Distribution of Restaurants Shifting Towards Southern US…

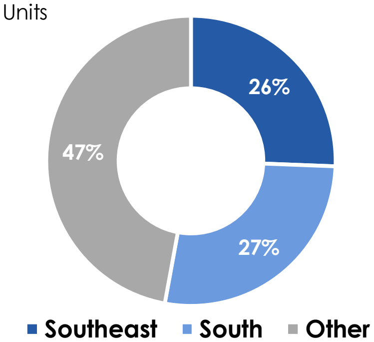
Standalone

% Units



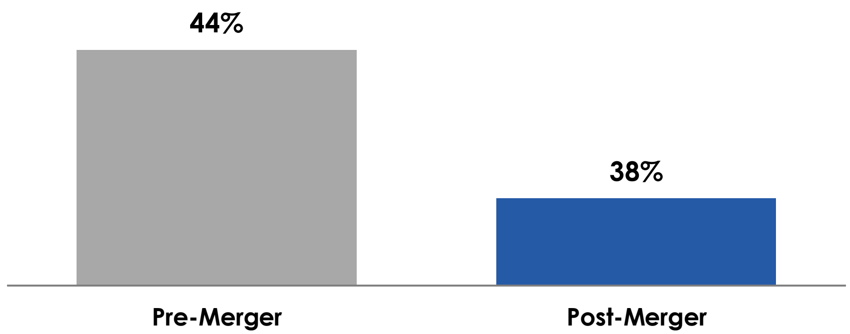
Pro Forma

% Units



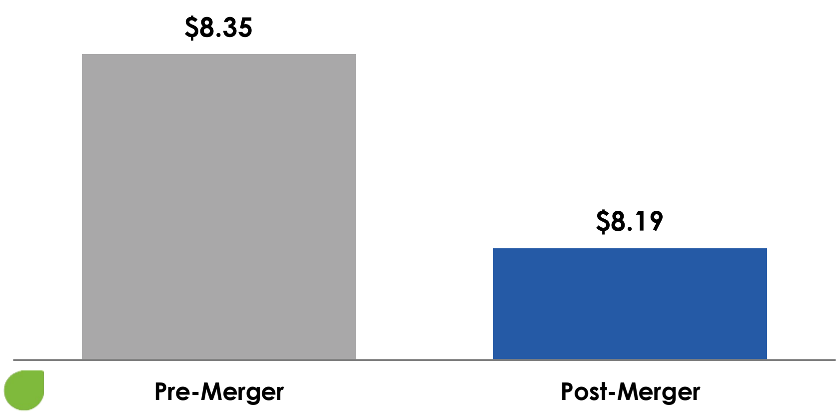
…And Pro Forma Decline in Number of Units in States Above Federal Minimum Wage…

Units Located in States Above Minimum Wage
% Units



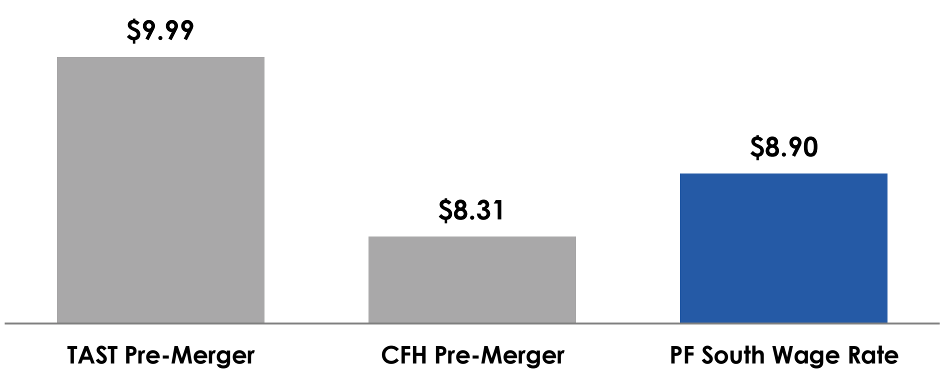
Expect Pro Forma Decline in Average Minimum Wage

Weighted Average Minimum Wage(1)
$ Actuals



Favorable Wage Rate Shift in Southern States

Weighted Average Wage Rate
$ Actuals



(1) Reflects weighted average of state minimum and does not reflect actual wages paid

Multiple Acquisition Targets in Current and New Markets

- M&A traditionally a low-risk expansion strategy for TAST
- New geographic footprint offers attractive new development and acquisition opportunities
- Average acquisition multiples of 3.5-4.5x RL EBITDA, represents compelling capital deployment opportunity
- Pre-approved to expand and acquire additional 500 BKC units in ROFR states
- Unlimited acquisition potential with Popeyes ROFR in Tennessee and Kentucky, and no acquisition limits in non-ROFR states

~1,600
BKC Units

~$2,300
Revenue[1]

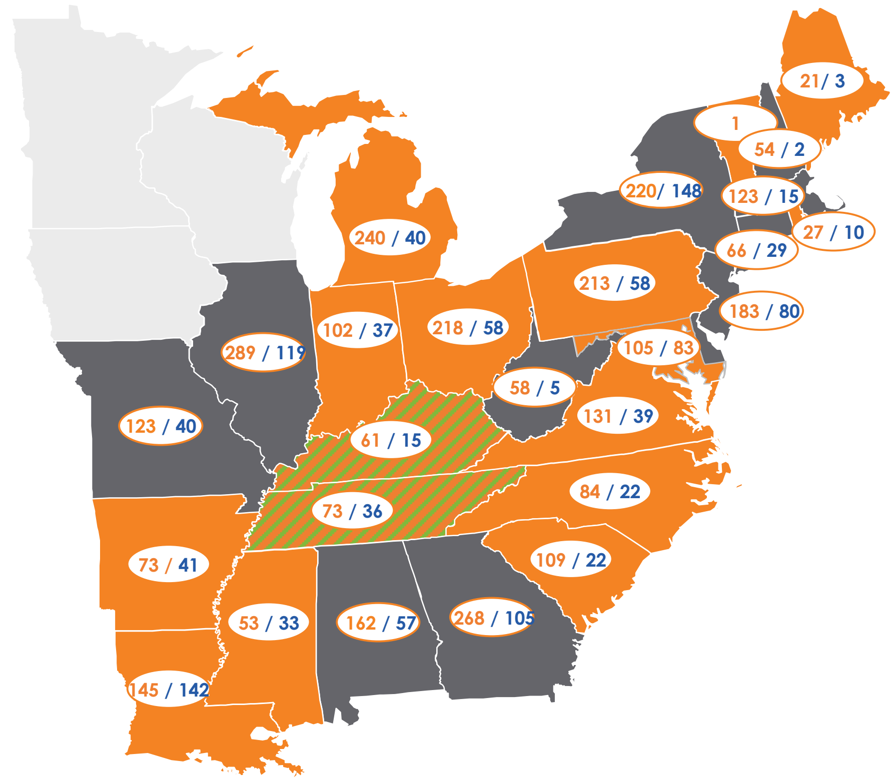
~1,000
PLK Units

~$1,500
Revenue[1]

17 States
BKC ROFR

2 States
PLK ROFR

ROFR Geography and Potential Acquisition Targets



LEGEND

- BKC ROFR
- PLK ROFR
- BKC & PLK ROFR
- Carrols Stores but no ROFR
- # / # Estimated BKC / PLK Acquisition Opportunities

(1) Based on non-Carrols owned units and 2018 domestic AUV for brand

New Unit Development In Both Brands Generate Attractive Returns

Burger King and Popeyes Achieve Excellent New Unit Economics Regardless of Real Estate Strategy

- Strong balance sheet and cash flow allows for sale / leaseback where helpful to secure real estate
- Renegotiated BKC development agreement reset new state development targets
  - Agreed to build and operate 200 new locations over the next five years
- As part of Cambridge acquisition, assumed their existing development agreement
  - 60 new Popeyes locations over the remaining 6 years on the agreement
- White space opportunity for both BKC and Popeyes new unit development in new southern and southeastern markets
- Note: 2019 new builds were 49% sale/leaseback units compared to 51% ground lease units[1]

	Ground Lease	Sale / Leaseback
BKC & PLK Target AUV	$1.4M – $1.6M	$1.4M – $1.6M
EBITDA Margin	15% - 17%	13% - 15%
Cost To Build	$1.5M	$2.2M
Cost To Build (Net Of Sale/Leaseback)	$1.5M	$0.45M
ROI	**14% - 18%**	**39% - 55%**

EBITDA Margin / ROI excludes impact of new unit incentives:

New units receive 1% reduction in royalty and 3% reduction in advertising fund for four years (400 bps increase in 4-wall margin)

(1) Includes two new builds scheduled to open in 2020 for which majority of new build capex has been spent

Large, Untapped Popeye's Opportunity

Path to Large Popeyes Franchisee with Substantial Growth Avenues

Significant Growth Opportunity

Underpenetrated with Significant Growth Opportunity[(1)]

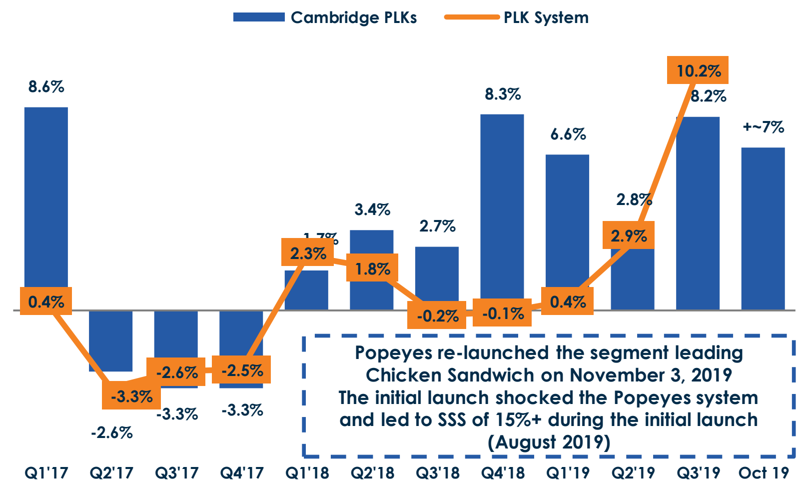
Largest chicken competitor to Popeyes in the US has ~2,200 more units

#1 Barrier to Visitation is Location Inconvenience – Implied opportunity for new builds

Strong Unit Economics: AUV: ~$1.3mm

Strong Same Store Sales Momentum

- Positive comparable restaurant sales in the last 7 quarters, including an 8.2% increase in Q3'19
- Propelled by innovative Popeyes marketing campaigns and RBI leadership (Chicken Sandwich launch)
- Cambridge sales trends have generally outperformed the Popeyes system



Path to Scale Second, Iconic Brand

M&A Opportunity

- ~100 Acquisition Targets representing ~$1bn in revenue
- 2-State ROFR (Unlimited acquisition potential with Popeyes ROFR in Tennessee and Kentucky, and no acquisition limits in non-ROFR states)

Whitespace Opportunity

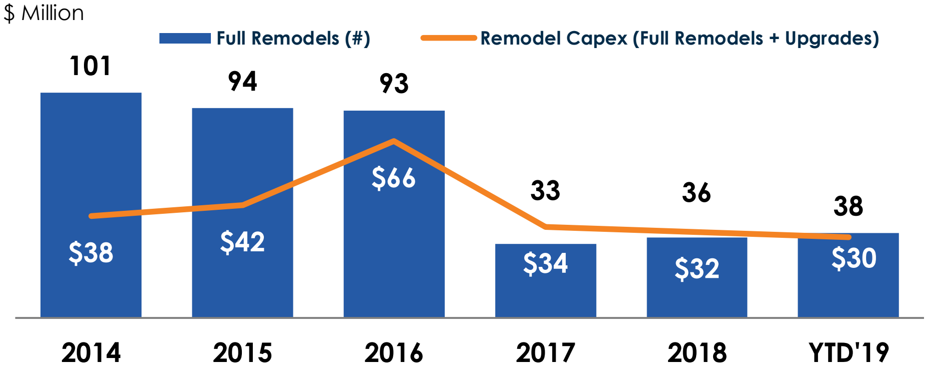
- ~50-100 New Build Opportunity
- Strong balance sheet and cash flow allows for sale / leaseback where helpful to secure real estate

(1) RBI Investor Day May 2019 Presentation

Highly-Discretionary Capital Expenditure Requirements

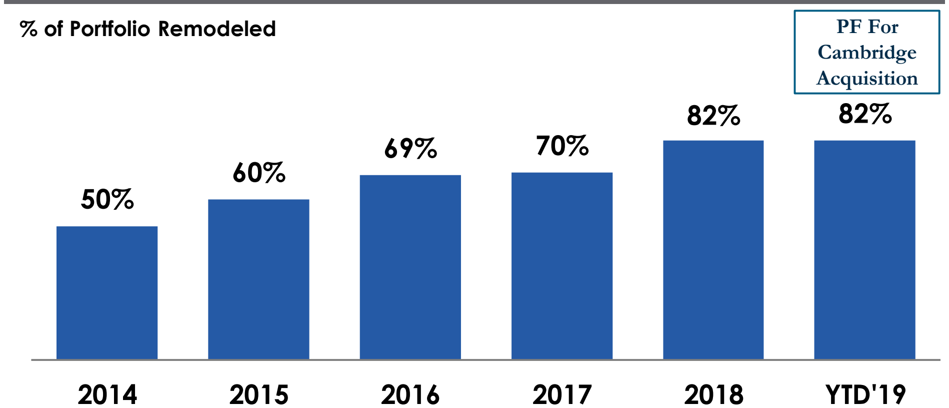
Substantial Portion of Required Renovations / Remodels Complete

Remodel CapEx and Full Remodels[(1)]
$ Million



Resulting in Majority of Portfolio Current Prototype & Low Future Remodel Requirement

% of Portfolio Remodeled



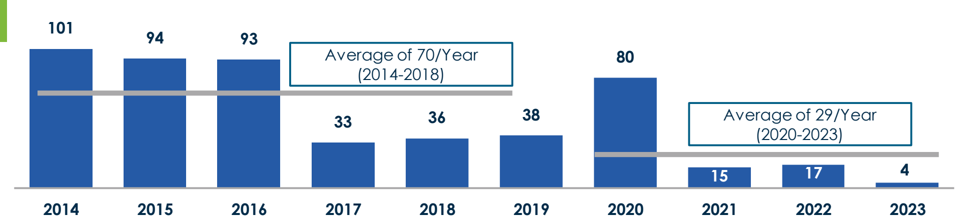
Required Renovations / Remodels Outlook

- Carrols restaurant portfolio is largely up to date with more than 80% of locations current / up to date
- Majority of future remodels will be **cost efficient** upgrades rather than full remodels
  - Given portfolio is ~80% remodeled today, the majority of go-forward full remodels will be in conjunction with acquisitions, the cost of which has historically been factored into purchase price
- Renegotiated Burger King development agreement includes the remodel or upgrade of 748 units to BKC's Burger King of Tomorrow prototype
  - This includes the remodel or upgrade of acquired units, as well as currently owned units
  - Includes contribution of ~$12M in 2019 and 2020 by RBI for upgrades to 60-70 locations where BKC is the landlord
  - Certain restaurants will receive a 0.75% royalty and ad fund rebate incentive for five years

Illustrative Components of Remodels By Type

Type	Description	Estimated Cost
Full Remodel	• Full dining room and exterior • Double Drive-Thru • Outdoor DMB • Kiosks • Increased Height	$500-$650K
Upgrade (with or without dining room)	• Towers and Landscaping • Double Drive-Thru • Outdoor DMB	$150-$250K

Upcoming Franchise Agreement Expirations[2]



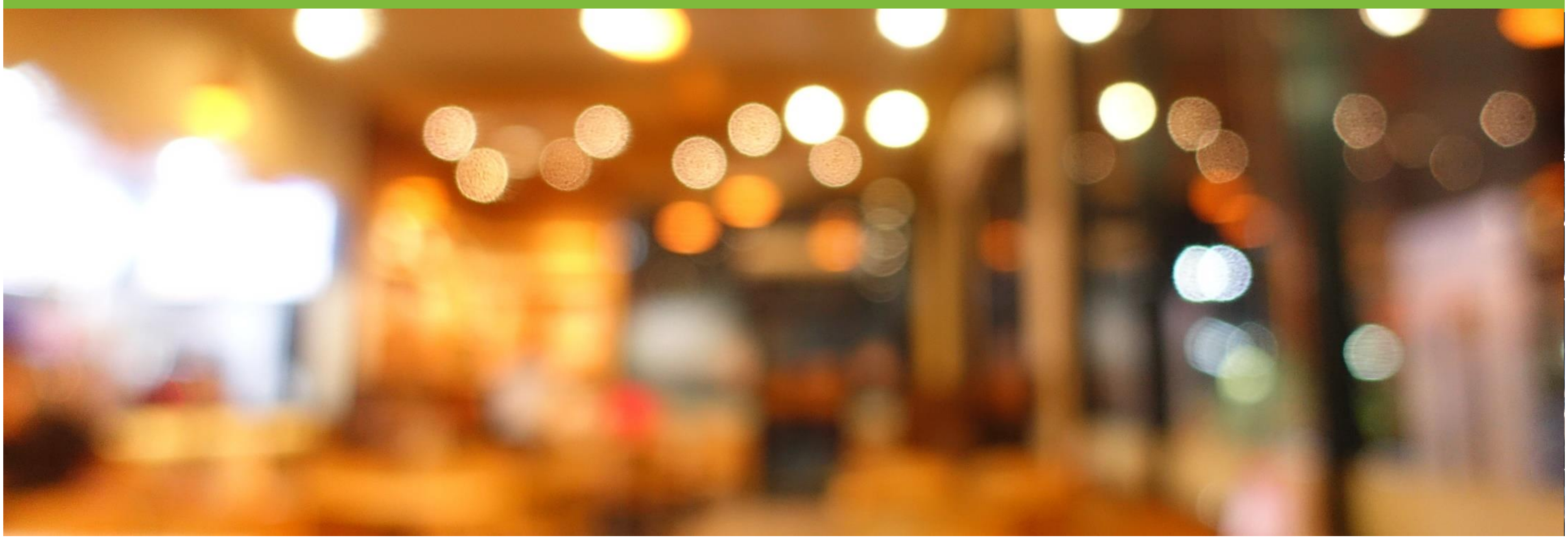
Franchise Agreement expirations are correlated with mandatory full remodels

(1) YTD 2019 reflects Carrols internal figures, includes full remodels (scrape and rebuild, BKLs, and successor remodels)
(2) 2014-2019 reflects full remodels completed, 2020-2023 reflects upcoming franchise agreement expirations for stores that have not yet been remodeled to 20/20 model (note 2020 includes 15 BKLs that will remodeled)

Long-Term Growth Goals

COMPARABLE SALES	2% - 3%
UNIT GROWTH	~5%
ACQUISITIONS (Burger King)	3% - 9%
ACQUISITIONS (Popeyes Louisiana Kitchen)	2% - 3%
ADJUSTED EBITDA GROWTH	Mid- to High-Teens

APPENDIX



Calculations of Common Shares, Dilutive Equivalents, and PF Capitalization

Calculations of Common Shares & Dilutive Equivalents ($mm, shares in thousands)	
Common Shares Outstanding (9/30/19)	51,847.7
BKC Convertible Preferred Stock[1]	9,415.6
Total Diluted Equivalent Common Shares	**61,263.3**
Share Price at 11/08/19	$7.57
Market Capitalization	$463.8M
Net Debt (Based on Q3-2019)[3]	$474.6M
Total Enterprise Value	**$938.4M**

Q3-2019 Covenant Calculation ($mm)	
Cash:	$3.0M
Debt: Long-term debt and finance lease liabilities	$486.5M
Total Covenant Net Debt[2]	**$483.6M**
Consolidated EBITDA as defined in our Senior Credit Facility	**$120.4**
Memo: Net Leverage	**4.0x**

Memo: Q4-19 guidance for sale/leasebacks are now expected to be approximately $44 million to $48 million (previously $15 million to $25 million)

(1) 100 shares of Series B Convertible Preferred Stock held by Burger King is convertible into approximately 9.45 million common shares
(2) Includes deferred financing fees and OID per Senior Credit Facility credit agreement
(3) Includes lease financing obligations (excludes deferred financing fees and OID)