Carrols Restaurant Group, Inc.

(Nasdaq: TAST)

Investor Presentation

August 2018

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.

Overview

Carrols is the largest Burger King franchisee in the U.S.

- 807 restaurants with geographical diversity across 17 states [1]
- 2017 sales of $1.09B; adjusted EBITDA of $91.4M
- LTM Q2’18 sales $1.14B; adjusted EBITDA of $101.8M

Best-in-class operator with strong P&L performance

- Historical performance has generally exceeded overall U.S. BK system
- Positive comparable restaurant sales growth in 25 of past 28 quarters
- Strong financial momentum with significant growth opportunities

Well positioned for expansion and growth

- Control franchisor’s Right of First Refusal (“ROFR”) in 20 states which BKC assigned to Carrols in 2012
- Have acquired 578 Burger King restaurants since May 2012
- BKC holds 21% equity interest in Carrols
- Preapproved for expansion in ROFR states; potential to grow beyond
- Over 75% of restaurants have been reimaged to updated “20/20” design since 2012

[1] Restaurant count as of July 1, 2018

Carrols Has a Long Operating History

Established in 1960, Carrols has a 58 year operating history driven by numerous M&A and capital markets transactions, and supported by a deep and experienced management team

1960s

1960
Founded as a fast-food hamburger company

1969
IPO

1970s 1980s

1976
Became largest Burger King franchisee by converting 78 Carrols restaurants

1986
Went private in LBO

1990s

1993 – 1997
Expanded from 195 to 335 units including 142 acquired BK restaurants

1998
Acquired Pollo Tropical

2000s

2000
Acquired Taco Cabana

2006
IPO

1998 – 2011
Expanded Fiesta Restaurant Group by 65% to ~250 units

2010s

2012
Spin-off of Fiesta (“FRGI”)

Acquired 278 units from BKC

2014
$71M equity offering

Acquired 123 Burger Kings

2015s

2015
$200M debt refinancing raised $35M

Acquired 55 Burger Kings

2016
Acquired 56 Burger Kings

2017
Acquired 64 Burger Kings

Today

807 Burger King Restaurants Across 17 States (1)

>23,500 Employees

(1) As of July 1, 2018.

Investment Highlights

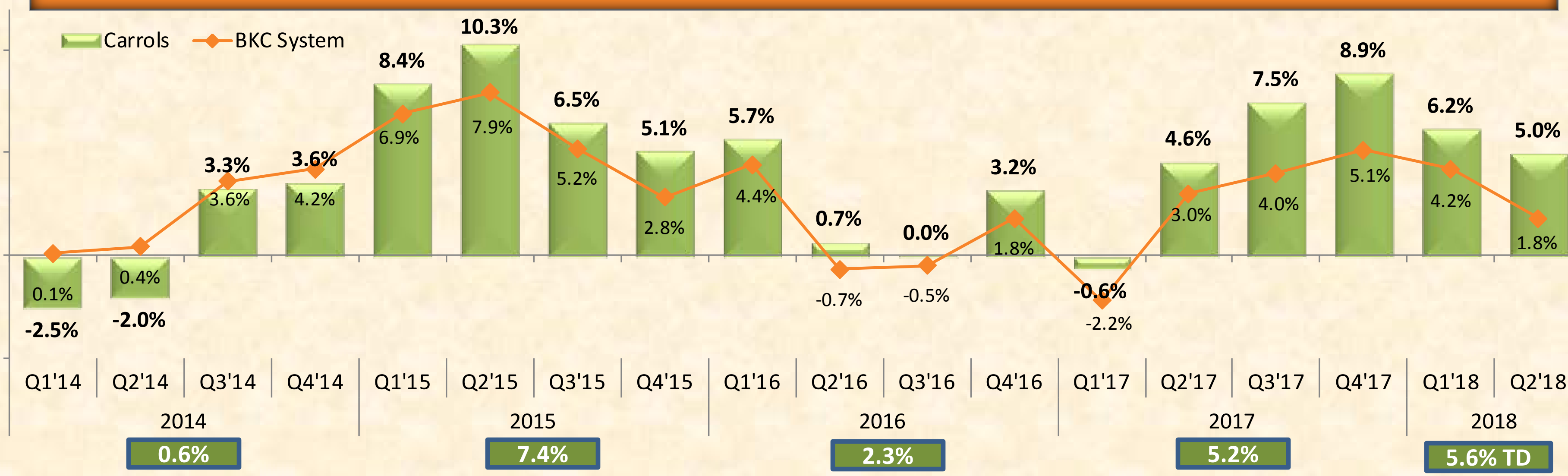
Carrols Provides a Potential Growth Opportunity with Attractive Risk/Reward Profile

- Positioned for continued expansion. Controls ROFR in 20 states and is preapproved for expansion
- Supported by the strength of an iconic global brand; BKC holds 21% equity interest in Carrols
- Effective Burger King strategic initiatives, along with operating improvements at acquired restaurants, are driving improved financial results
- Multiple growth opportunities; acquisition focused growth strategy has a better risk/reward profile
- Leverage of best-in-class operations and strict P&L disciplines creates a compelling valuation arbitrage with respect to acquisitions
- Systems and infrastructure in place to support additional growth
- Experienced management team with proven track record of creating shareholder value

Positive Comparable Restaurant Sales Trends

- Positive comparable restaurant sales in 25 of last 28 quarters
- Driven by effective Burger King promotions, marketing and restaurant remodeling initiatives
- Historically, Carrols' sales trends have generally outperformed the Burger King system
- Comparable sales increase of 5.2% in 2017 vs. 2.3% increase in 2016
- Q2'18 comparable sales of 5.0% vs. 4.6% in Q2'17

Comparable Restaurant Sales – Carrols vs. the BK System



Note: Burger King system comparable restaurant sales are for U.S. only beginning in Q1'17; U.S. and Canadian restaurants prior to Q1'17.

Effective Burger King Menu and Marketing Strategy

Effective marketing and promotional campaigns are driving top-line sales

- Barbell pricing strategy with balanced marketing approach
  - Value promotions used to drive traffic
  - Premium products build brand and drive growth in core business
- Food-centric advertising targets broad demographic base and has expanded brand appeal
- Using differentiating products and social media to effectively appeal to BK's younger customers
- Increased promotional activity over past two years driving higher QSR sales

Premium products + value promotions = Balanced approach to drive sales and profitable traffic

Value Promotions – Drive Traffic

Premium – Build Brand, Check and Core Business

Remodeling Investments; 2018 Capital Spending

- Over 75% of restaurants have been reimaged to updated “20/20” design since 2012
- Reimaged restaurants have experienced an average sales lift of ~10-12% with cash on cash returns of 12-15%
- Have reduced remodeling to 30-35 units in 2017 and 2018 increasing free cash flow available for acquisitions and building new restaurants
- Total 2018 spending before growth capex anticipated to be $58 to $62M. Planned spending for 13 to 15 new units and remaining 2017 construction costs estimated to be $20 to $25M.

Interior Images (Before and After Reimage)

Exterior Images (Before and After Reimage)

Multiple Growth Opportunities with a Focus on Acquisitions

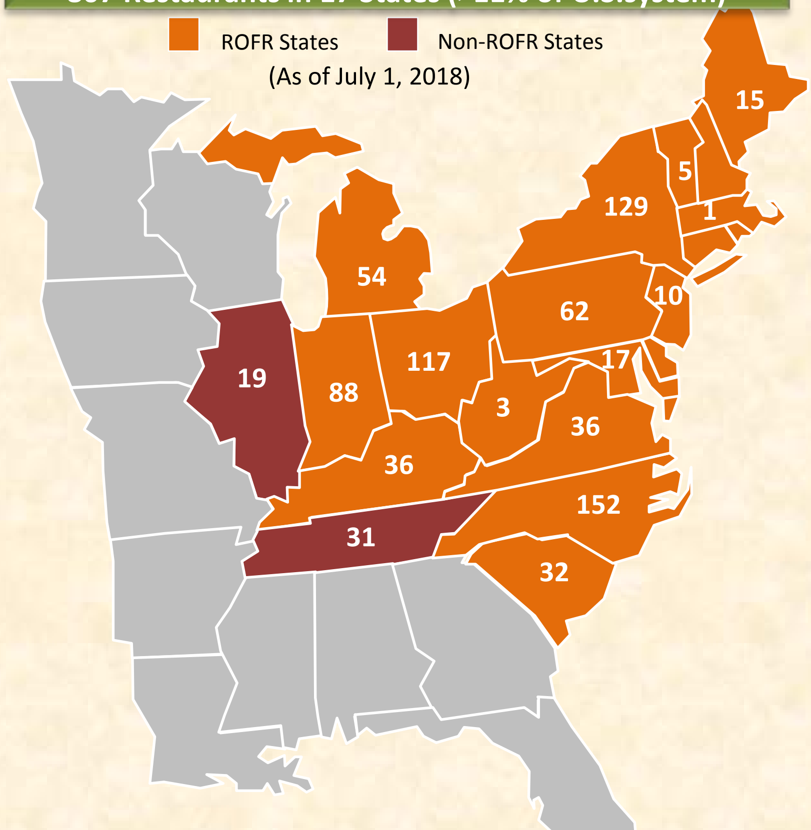
Compared to traditional company-owned business models, Carrols' growth opportunities offer a reasonably predictable risk/reward profile

- Growth through acquisition of existing restaurants is a lower risk expansion strategy as historical sales and cost structure are known for any given location
- Future EBITDA growth is much less reliant on new unit development
- Our size enables more consistent operating execution of Burger King sales and marketing initiatives in our markets
- Franchisee acquisitions provide a compelling valuation arbitrage and builds shareholder value
  - Our restaurant margins are generally 200-400 bps higher than many smaller franchisees
  - 2014-2016 acquisition multiples: ~3.5-4.0x restaurant EBITDA are anticipated to be ~2.5-3.0x post integration (within 18 months)
- Wide geographic footprint provides opportunities to fill in markets including selective new unit development

Organic Growth → Franchisee Acquisitions → New Store Development → Restaurant Remodels → Growth with an Attractive Risk/Return Profile

Positioned to Execute Expansion Strategy

Largest BK Franchisee -
807 Restaurants in 17 States (>11% of U.S.system)



Positioned for Expansion

- Control Burger King's right of first refusal (ROFR) in a 20-state area [(1)]
- Preapproved to expand to 1,000 restaurants in the ROFR territory
- Ability to expand beyond this region with Burger King approval
- BKC holds 21% equity interest in Carrols
- Have acquired 578 restaurants since May 2012
- Demonstrated ability to effectively integrate acquisitions and improve operating performance

There are over 2,000 additional franchised restaurants in the 20-state ROFR area[(2)]

(1) ROFR includes Washington, D.C. and excludes specified markets (i.e., NYC, Boston and Hartford metro markets).
(2) Information based on Burger King's 2016 Franchise Disclosure Document. Includes ~270 units in non-ROFR markets in NY, CT and MA.

Acquired 300 Restaurants Over Past 4 Years – Acquired 578 since May 2012

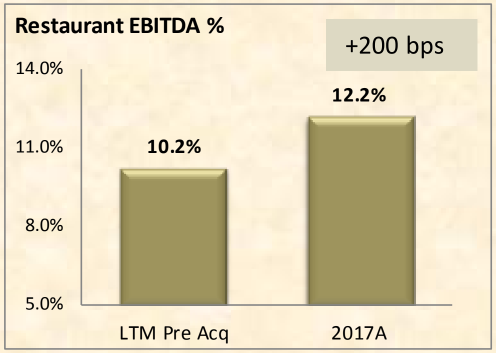
Date	# of Units	Markets	# of Fee Owned
		2014 – Acquired 123 Restaurants	
4/30/14	4*	Fort Wayne, IN	
6/30/14	4*	Pittsburgh, PA market	1
7/22/14	21	Rochester, NY and Southern Tier Western NY	
10/8/14	30*	Eastern North Carolina	12
11/4/14	64	Nashville, TN; Springfield, IL; Terre Haute, IN; Evansville, IN	
		2015 – Acquired 55 Restaurants	
3/31/15	4	Northern Vermont	
8/5/15	5*	Rock Hill and Fort Mill, South Carolina	
10/1/15	5*	Wheeling, WV market	1
10/20/15	1	Kalamazoo, MI	
11/17/15	8	Evansville market	5
12/1/15	23*	Detroit, MI market	10
12/8/15	9	Northern New Jersey	

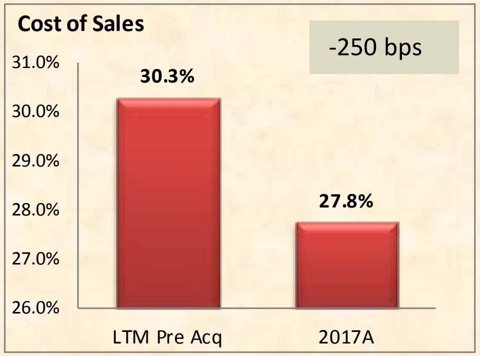
Date	# of Units	Markets	# of Fee Owned
		2016 – Acquired 56 Restaurants	
2/23/16	12*	Central Pennsylvania	
5/25/16	6*	Detroit, MI	5
7/14/16	4*	Detroit, MI	3
8/23/16	7	Portland, ME	6
10/4/16	3	Raleigh, NC	
11/8/16	7	Columbus, OH	6
11/15/16	17	Pittsburgh & Johnstown , PA	
		2017 – Acquired 64 Restaurants	
2/28/17	43	Cincinnati, OH	
6/6/17	17*	Maryland (Baltimore, Washington markets)	
11/28/17	4	Maine	
		Q1 2018 – Acquired 1 Restaurant	
2/14/18	1	Fishkill, NY (Hudson Valley)	

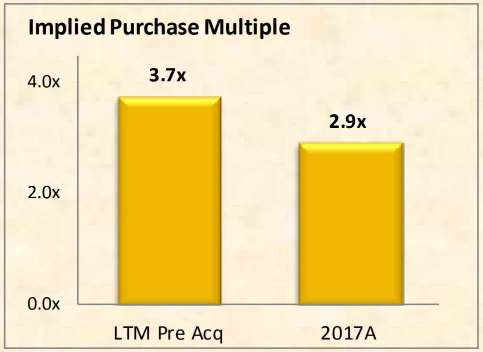
* Acquisition made following exercise of right of first refusal.

Improved Financial Performance at Acquired Restaurants

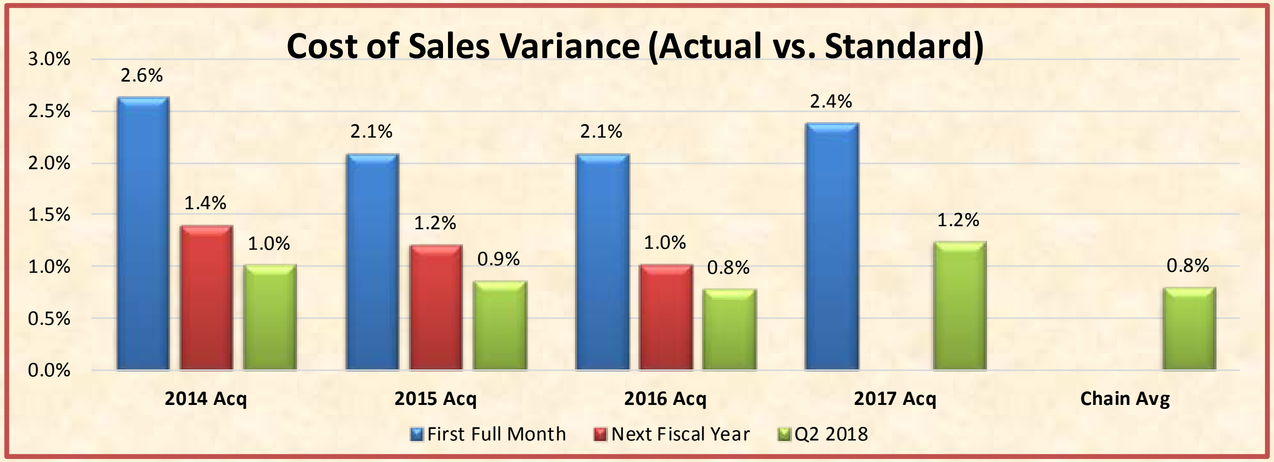
2014-2016 acquisitions (234 restaurants). Comparison of pre-acquisition and post acquisition performance.







(Multiple of restaurant EBITDA)



Notes:

(1) CGS variance reflects difference from actual to standard usage for food, beverage, condiment and paper costs. Represents quantity variances costed at standard costs in order to remove commodity cost flucuations for comparability of performance measurement.

(2) Compares variance from standard for first month following acquisition, to the fiscal year following acquisition, and to the second quarter of 2018.

Experienced Team with a Proven Track Record

Carrols has an experienced management team with a proven track record of achieving strong operating performance

- Senior leadership has extensive operating, M&A, capital markets and integration expertise
- Strong operating culture. Deep bench includes nine Regional Directors with 28 years average tenure in the Burger King system and 111 District Managers with 17 years average tenure in the Burger King system.

Senior Leadership	Position	Age	Years with Carrols
Dan Accordino	Chairman of the Board, Chief Executive Officer, President & Director	67	46
Paul Flanders	Vice President, Chief Financial Officer	61	21
Rick Cross	Vice President, Real Estate	55	34
Jerry DiGenova	Vice President, Human Resources	61	44
Joe Hoffman (1)	Divisional Vice President (3 Regions)	54	24
Bill Myers	Vice President, General Counsel	62	17

(1) Effective 5/24/17. Total 39 years in BK system.

Infrastructure and Team to Support Future Growth

Robust and scalable infrastructure with capacity to support continued growth

- 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 (9 Region Directors)
- District Manager span of control of 7-8 units

+

Robust and Scalable Technology

- State of the art point-of-sale system
- 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

+

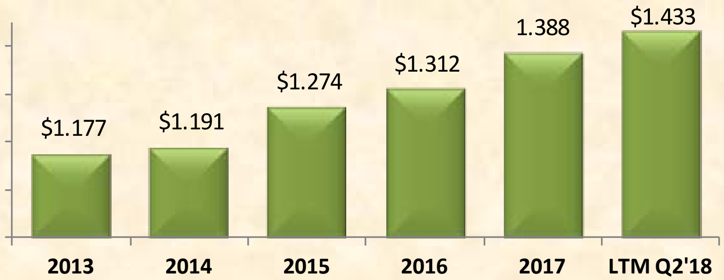
Broad Capabilities

- 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

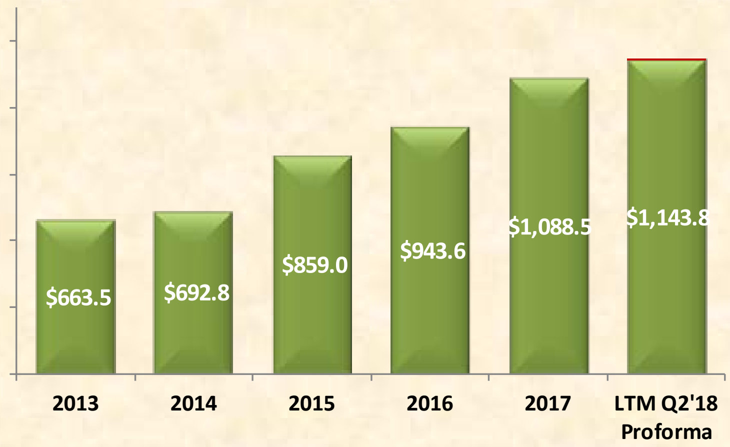
Financial Summary

Average Unit Volume

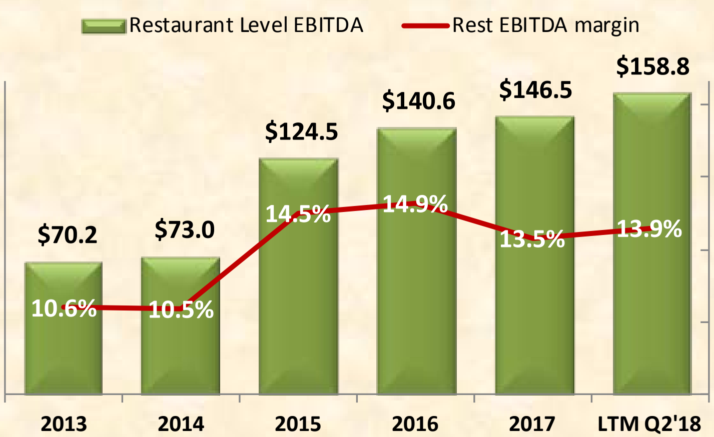


	2013	2014	2015	2016	2017	LTM Q2'18
Beg Units	572	564	674	705	753	799
New units	3	1		4	11	13
Acquired	-	123	55	56	64	5
Closed	(11)	(14)	(24)	(12)	(21)	(10)
Ending Units	564	674	705	753	807	807

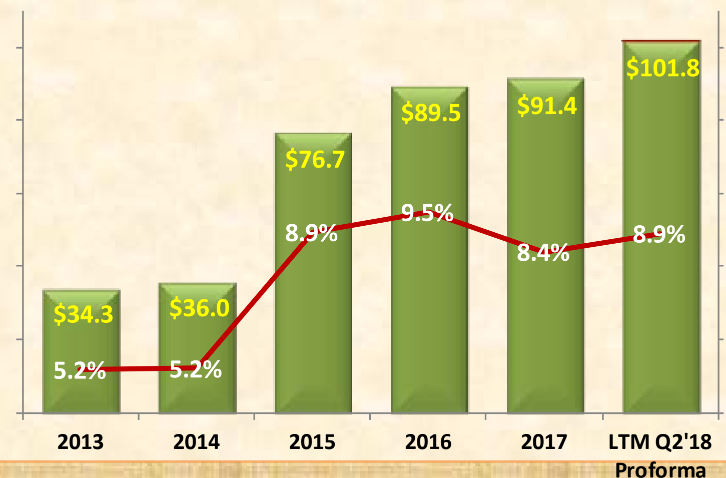
Revenues



Restaurant Level EBITDA



Adjusted EBITDA



EBITDA adjusted to exclude acquisition costs.
2015 includes one extra operating week (~$16M sales; $4M EBITDA)

Financial Results and 2018 Guidance

Financial Results ($ mm)

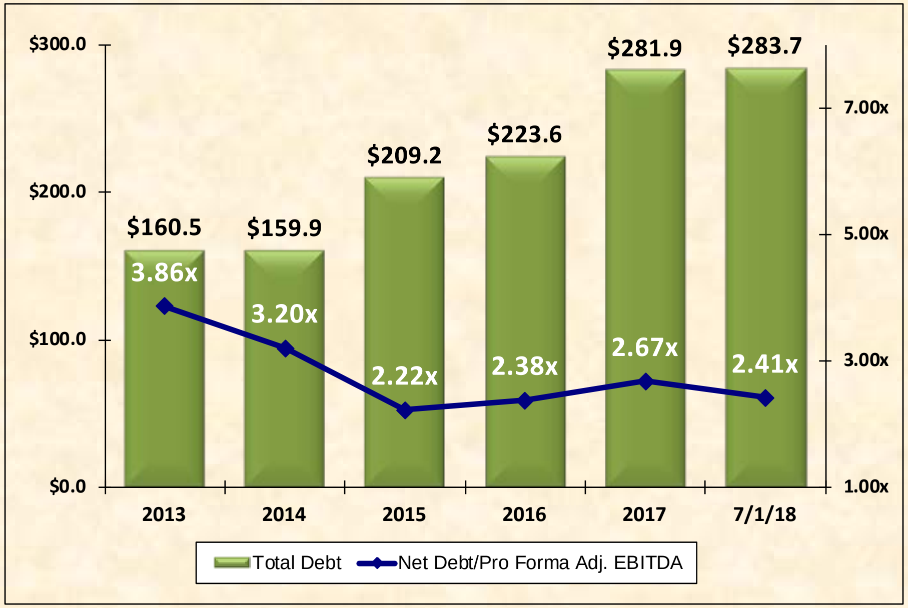
	Fiscal Year			Second Quarter			2018
	2016	2017	Change	2017	2018	Change	Guidance
Sales	$943.6	$1,088.5	$144.9	$279.5	$303.1	$23.6	$1.16 to $1.18B
Total revenue growth			15.4%			8.4%	
Comparable store sales (%)	2.3%	5.2%		4.6%	5.0%		3% to 4%
Restaurant-level EBITDA	140.6	146.5	5.8	40.6	47.4	6.8	
Margin (%)	14.9%	13.5%	-1.4%	14.5%	15.6%	1.1%	
Adjusted EBITDA [1]	89.5	91.4	1.9	27.5	32.8	5.3	$100 to $105M
Margin (%)	9.5%	8.4%	-1.1%	9.8%	10.8%	1.0%	
Income from Operations	35.7	29.5	(6.2)	12.3	13.8	1.5	
Adjusted Net Income [2]	17.9	9.0	(8.8)	6.6	10.0	3.4	
Adjusted Earnings per Share [2]	$ 0.40	$ 0.20	$ (0.20)	$ 0.14	$ 0.22	$ 0.08	

(1) Adjusted EBITDA excludes stock compensation, impairment and other lease charges, acquisition costs and other gains and losses.

(2) Adjusted net income also excludes $30.4M from 2016 reversal of valuation allowance for deferred taxes and 2017 impact of $0.8M for deferred tax revaluation for reduction in Federal tax rate.

Debt and Capital Structure

Debt and Leverage (net of cash)



Capitalization Table ($ M) 7/1/18

Cash	$ 38.2
Debt:	
Revolving Credit Facility ($73M total)	-
Senior Secured 2nd Lien Notes	275.0
Capital leases	4.8
Lease financing obligations	3.9
Total Debt	$ 283.7

- Long history in capital markets with demonstrated ability to prudently employ and manage leverage
- April 2014 equity offering raised $67 million
- April 2015 financing raised $35M (net):
  - $200M senior secured 2nd lien notes (8%)
  - 7 year tenor, non-call 3 years (May 2018)
  - 325 bps reduction in interest rate
- Leverage has decreased over past 5 years due to strong operating performance and EBITDA from new acquisitions
- Capital in place for additional growth:
  - Expanded revolver in Jan 2017 to provide additional capital for acquisitions
  - $75M add-on to senior secured 2nd lien notes in June 2017; proceeds partially used to pay off outstanding revolver
- Anticipate $10-15M of sale/leasebacks in 2018

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