Carrols Restaurant Group, Inc. (TAST)

Fourth Quarter and Full Year Earnings Call

February 2021

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, including the impact of COVID-19 on our business, 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

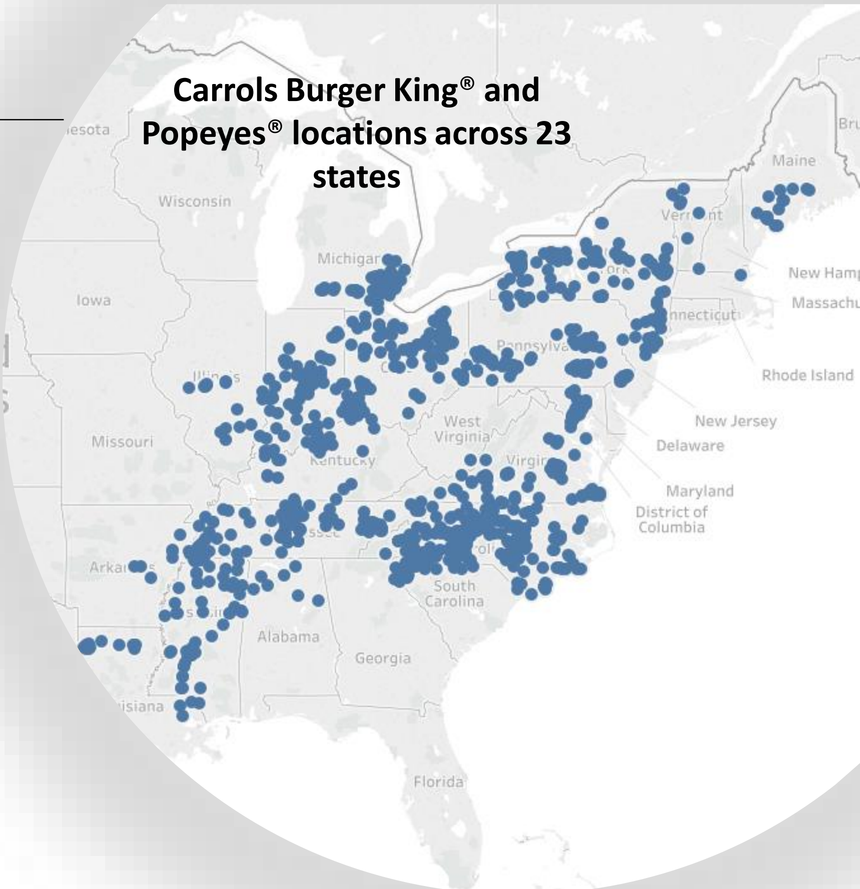
- EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Income (Loss) are non-GAAP financial measures. We are presenting these financial measures because we believe they provide a more meaningful comparison of our core business operating results, as well as to those of other similar 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 the Appendix to this presentation and to our filings with the SEC for a reconciliation of these non-GAAP measures to the appropriate GAAP measures.

- Free Cash Flow is a non-GAAP financial measure and may not necessarily be comparable to other similarly titled captions of other companies due to differences in methods of calculation. We believe that Free Cash Flow, when viewed with the Company's results of operations in accordance with GAAP and the accompanying reconciliation set forth in the Appendix, provide useful information about the Company's cash flow for liquidity purposes and to service the Company's debt. However, Free Cash Flow is not a measure of liquidity under GAAP and, accordingly, should not be considered as an alternative to the Company's consolidated statement of cash flows and net cash provided by operating activities, net cash used for investing activities and net cash provided by financing activities as indicators of liquidity or cash flow.

- We direct you to the Appendix to this presentation and to our filings with the SEC for a reconciliation of these non-GAAP measures to the appropriate GAAP measures.

About the Company

- Carrols is one of the largest restaurant franchisees in the United States, operating 1,074 restaurants across the Burger King® and Popeyes® brands
- With 1,009 Burger King® restaurants, Carrols is the largest Burger King® Franchisee, operating 14% of the U.S. Burger Kings®
- Carrols consistently outperforms the same store sales in the U.S. Burger King® restaurant base
- Carrols recently added and has now integrated one of the fastest growing QSR operators in the U.S. to our portfolio, which included 65 Popeyes® restaurants
- Carrols' two largest shareholders are 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



Carrols Burger King® and Popeyes® locations across 23 states

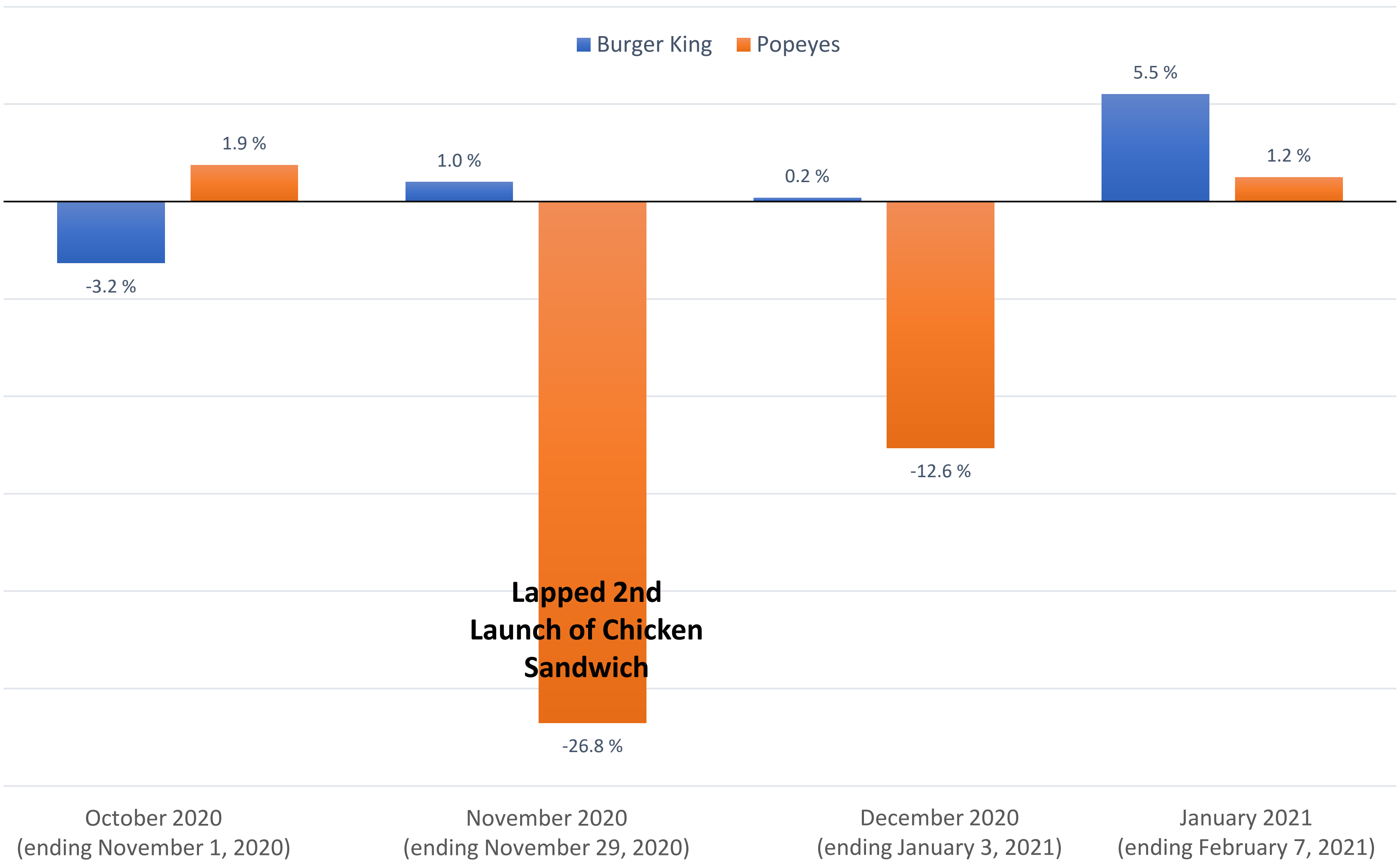
Please note store count is as of January 03, 2021.

Carrols Restaurant Group Q4 2020 Highlights

$31.8M of Adjusted EBITDA	Adjusted EBITDA was $31.8M, reflecting a margin improvement of 190bps compared to the same period a year ago. This margin improvement was due to the impact of a 53rd week in 2020 as well as labor and other operating expense efficiencies [a]
Strong Free Cash Flow	Generated $9.4M of Free Cash Flow in the fourth quarter and $56.1M in full year 2020 [b]
Increased Liquidity	Ended the quarter with more than $201M of liquidity[c] and an Adjusted Leverage Ratio of 3.82x (as defined in our senior credit facility)
Stock Repurchase	Utilized $10.0M of cash to repurchase 1.5 million shares of common stock for an average price of $6.52, with $11.0M remaining for additional repurchases
Amendment of ADA	Eliminated certain franchise fee prepayments and reduced new build commitment from 193 to 50 restaurants over the next five years. ROFR also eliminated

(a) Please see Appendix for Reconciliation of EBITDA and Adjusted EBITDA.
(b) Please see Appendix for Reconciliation of Free Cash Flow.
(c) Liquidity equals borrowing availability under our Revolving Credit Facility plus cash and cash equivalents.

Monthly Same Store Sales Trends



Please note: February 2021 same store sales are not yet available as the reporting period ends March 7, 2021.

Q4 2020 Financial Summary

Q4 2020		
Total Restaurant Sales:	\$420.5 million (\$28.4 million in the 14th week)	Up 5.8% compared to \$397.6 million in Q4 2019
Adjusted Restaurant-Level EBITDA (a):	\$51.9 million (≈\$6.3 million in the 14th week)	Up 21.0% compared to \$42.9 million in Q4 2019
Adjusted EBITDA (a):	\$31.8 million (≈\$5.3 million in 14th week)	Up 39.5% compared to \$22.8 million in Q4 2019
Income (Loss) from Operations:	\$1.6 million	Compared to \$(4.6) million in Q4 2019
Net Loss:	\$18.6 million	Compared to a net loss of \$9.9 million in Q4 2019
Loss Per Share:	\$0.37 per diluted share	\$0.20 per diluted share in Q4 2019
Adjusted Net Loss (a):	\$5.0 thousand	Compared to a net loss of \$6.1 million in Q4 2019
Adjusted Diluted Loss Per Share (a):	\$0.00 per diluted share	\$0.12 per diluted share in Q4 2019

(a) Please see Appendix for Reconciliation of Adjusted Restaurant-Level EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings Per Share.

Full Year 2020 Financial Summary

Full Year 2020		
Total Restaurant Sales:	$1,547.5 million ($28.4 million in the 53rd week)	Up 6.5% compared to $1,452.5 million in 2019
Adjusted Restaurant-Level EBITDA (a):	$181.6 million (≈$6.3 million in the 53rd week)	Up 16.3% compared to $156.1 million in 2019
Adjusted EBITDA (a):	$107.9 million (≈$5.3 million in 53rd week)	Up 24.9% compared to $86.4 million in 2019
Income (Loss) from Operations:	$4.1 million	Compared to $(8.7) million in 2019
Net Loss:	$29.5 million	Compared to a net loss of $31.9 million in 2019
Loss Per Share:	$0.58 per diluted share	$0.74 per diluted share in 2019
Adjusted Net Loss (a):	$3.7 million	Compared to a net loss of $15.3 million in 2019
Adjusted Diluted Loss Per Share (a):	$0.07 per diluted share	$0.35 per diluted share in 2019

(a) Please see Reconciliation of Adjusted Restaurant-Level EBITDA, Adjusted EBITDA, Adjusted Net Income and Adjusted Earnings Per Share.

Q4 2020 Adjusted EBITDA

($ in millions)	Three Months Ended			
(unaudited)	**Jan 03, 2021** *(14 weeks)*		**Dec 29, 2019** *(13 weeks)*	
Restaurant Revenue	$	420.5	$	397.6
Other Revenue		-		3.5
Total Revenue		**420.5**		**401.1**
Cost of Sales		123.9		119.0
Cost of Sales %		*29.5%*		*29.7%*
Restaurant Labor		135.6		132.9
Restaurant Labor %		*32.3%*		*33.1%*
Advertising & Royalties		34.9		33.1
Other Operating Expenses		44.8		44.0
Rent		29.5		29.2
Adjusted Restaurant-Level EBITDA (a)		**51.9**		**42.9**
Adjusted Restaurant-Level EBITDA margin		*12.3%*		*10.7%*
G&A Expense (excl stock comp)		22.6		21.8
Less: Integration, acq., abandoned sites, litigation costs and other non-recurring expenses		(2.5)		(1.6)
Adjusted G&A Expense		20.0		20.2
Adjusted EBITDA (a)	**$**	**31.8**	**$**	**22.8**
Adjusted EBITDA margin		*7.6%*		*5.7%*

(a) Please see Appendix for Reconciliations of Adjusted Restaurant-Level EBITDA and Adjusted EBITDA.

Full Year 2020 Adjusted EBITDA

($ in millions)	Twelve Months Ended	
(unaudited)	Jan 03, 2021 (53 weeks)	Dec 29, 2019 (52 weeks)
Restaurant Revenue	$ 1,547.5	$ 1,452.5
Other Revenue	-	10.3
Total Revenue	**1,547.5**	**1,462.8**
Cost of Sales	452.7	432.0
Cost of Sales %	*29.3%*	*29.5%*
Restaurant Labor	498.1	485.3
Restaurant Labor %	*32.2%*	*33.2%*
Advertising & Royalties	128.0	120.7
Other Operating Expenses	168.7	161.5
Rent	118.4	107.1
Adjusted Restaurant-Level EBITDA (a)	**181.6**	**156.1**
Adjusted Restaurant-Level EBITDA margin	*11.7%*	*10.7%*
G&A Expense (excl stock comp)	78.8	79.0
Less: Integration, acq., abandoned sites, litigation costs and other non-recurring expenses	(5.1)	(9.2)
Adjusted G&A Expense	73.7	69.8
Adjusted EBITDA (a)	**$ 107.9**	**$ 86.4**
Adjusted EBITDA margin	*7.0%*	*5.9%*

(a) Please see Reconciliations of Adjusted Restaurant-Level EBITDA and Adjusted EBITDA.

Capitalization Overview

($ in millions) As of:	Jan 03, 2021	Sept 27, 2020	June 28, 2020	March 29, 2020
Cash & Cash Equivalents	$ 65.0	$ 67.8	$ 46.0	$ 41.3
Revolver due 2024 (a)	$ -	$ -	$ -	$ 111.8
Term Loan B due 2026 (b)	418.6	419.7	420.8	421.8
Term Loan B-1 due 2026 (c) (d)	74.6	75.0	75.0	-
Finance Lease Liabilities	0.9	1.1	1.4	2.0
Total Debt	$ 494.2	$ 495.7	$ 497.1	$ 535.5
Total Funded Net Debt (per Credit Agreement)	***$ 429.2***	***$ 428.0***	***$ 451.2***	***$ 494.3***
TTM Covenant EBITDA (per Credit Agreement)	***112.4***	***105.3***	***107.8***	***98.8***
Total Net Leverage Ratio	***3.82x***	***4.06x***	***4.18x***	***5.00x***
Total Liquidity Available (e)	$ 201.1	$ 204.0	$ 182.2	$ 50.2

(a) The Second Amendment to Credit Agreement dated March 25, 2020 increased the total Revolver capacity $15.4M to $130.4M. The Third Amendment to Credit Agreement dated April 8, 2020 increased the total Revolver capacity $15.4M to $145.8M.

(b) Term Loan B has an interest rate of LIBOR plus 3.25% and a maturity date of April 30, 2026.

(c) Term Loan B-1 has an interest rate of LIBOR (with 1.00% floor) plus 6.25% and a maturity date of April 30, 2026.

(d) On June 23, 2020, the Fifth Amendment to our Senior Credit Facilities increased Term Loan B-1 borrowings in the aggregate principal amount of $75 million. Net proceeds were used to pay down the balance of the Revolver.

(e) Liquidity equals borrowing availability under our Revolving Credit Facility plus cash and cash equivalents. As of Jan 03, 2021, Sept 27, 2020, June 28, 2020 and March 29, 2020, there were $9.7 million of letters of credit issued under the Revolving Credit Facility.

Appendix

Consolidated Statements of Operations

(in thousands, except share and per share amounts)	Three Months Ended (a)		Twelve Months Ended (a)	
(unaudited)	**Jan 03, 2021**	**Dec 29, 2019**	**Jan 03, 2021**	**Dec 29, 2019**
Revenue:				
Restaurant Sales	$ 420,530	$ 397,639	$ 1,547,502	$ 1,452,516
Other Revenue	-	3,433	-	10,249
Total Revenue	**420,530**	**401,072**	**1,547,502**	**1,462,765**
Costs and Expenses:				
Cost of Sales	123,880	118,954	452,738	431,969
Restaurant wages and related expenses	135,624	132,876	498,127	485,278
Restaurant rent expense	29,470	29,241	118,444	107,147
Other restaurant operating expenses	63,285	62,741	236,059	227,364
Advertising expense	16,454	16,088	60,735	58,689
General and administrative expenses (b) (c)	24,243	23,025	84,051	84,734
Depreciation and amortization	20,780	21,061	81,727	74,674
Impairment and other lease charges	5,002	1,787	12,778	3,564
Other expense (income), net (d)	161	(138)	(1,271)	(1,911)
Total Costs and Expenses	**418,899**	**405,635**	**1,543,388**	**1,471,508**
Income (loss) from operations	1,631	(4,563)	4,114	(8,743)
Interest expense	7,124	7,431	27,283	27,856
Loss on extinguishment of debt	-	-	-	7,443
Income (loss) before income taxes	(5,493)	(11,994)	(23,169)	(44,042)
Provision (benefit) for income taxes	13,134	(2,088)	6,294	(12,123)
Net loss	$ (18,627)	$ (9,906)	$ (29,463)	$ (31,919)
Basic and diluted net loss per share (e) (f)	$ (0.37)	$ (0.20)	$ (0.58)	$ (0.74)
Basic weighted average common shares outstanding	50,372	50,643	50,751	43,422

(a) The Company uses a 52 or 53 week fiscal year that ends on the Sunday closest to December 31. The three and twelve months ended January 3, 2021 included fourteen and fifty-three weeks, respectively. The three and twelve months ended December 29, 2019 included thirteen and fifty-two weeks, respectively.

(b) General and administrative expenses include acquisition and integration costs of $1.5 million for the three months ended December 29, 2019 and $0.3 million and $8.5 million for the twelve months ended January 3, 2021 and December 29, 2019, respectively. General and administrative expenses include a reduction of expense of $0.1 million for the three months ended January 3, 2021.

(c) General and administrative expenses include stock-based compensation expense of $1.7 million and $1.2 million for the three months ended January 3, 2021 and December 29, 2019, respectively, and $5.2 million and $5.8 million for the twelve months ended January 3, 2021 and December 29, 2019, respectively.

(d) Other expense (income), net, for the three months ended January 3, 2021, included a net gain of $0.4 million related to adjustments to insurance recoveries from previous property damage at our restaurants and a loss on disposal of assets of $0.5 million. Other expense (income), net, for the twelve months ended January 3, 2021, included a gain of $2.1 million related to insurance recoveries from property damage at four of our restaurants, a net gain on sale-leaseback transactions of $0.2 million, and loss on disposal of assets of$1.0 million. Other expense (income), net, for the twelve months ended December 29, 2019 included, among other things, a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted our restaurants.

(e) Basic net loss per share was computed without attributing any loss to preferred stock and non-vested restricted shares as the effect would have been anti-dilutive for the periods presented.

(f) Diluted net loss per share was computed including shares issuable for convertible preferred stock and non-vested restricted shares unless their effect would have been anti-dilutive for the periods presented.

Reconciliation of EBITDA and Adjusted EBITDA

($ in thousands) (unaudited)	Three Months Ended (a)		Twelve Months Ended (a)	
Reconciliation of EBITDA and Adjusted EBITDA: (b)	**Jan 03, 2021**	**Dec 29, 2019**	**Jan 03, 2021**	**Dec 29, 2019**
Net loss	$ (18,627)	$ (9,906)	$ (29,463)	$ (31,919)
Provision (benefit) for income taxes	13,134	(2,088)	6,294	(12,123)
Interest expense	7,124	7,431	27,283	27,856
Depreciation and amortization	20,780	21,061	81,727	74,674
EBITDA	**22,411**	**16,498**	**85,841**	**58,488**
Impairment and other lease charges	5,002	1,787	12,778	3,564
Acquisition and integration costs (c)	(100)	2,844	273	10,827
Abandoned development costs (d)	1,718	63	3,464	256
Pre-opening costs (e)	59	386	163	1,449
Litigation and other professional expenses (f)	839	86	1,384	502
Other expense (income), net (g)(h)	161	(138)	(1,271)	(1,911)
Stock-based compensation expense	1,679	1,238	5,223	5,753
Loss on extinguishment of debt	-	-	-	7,443
Adjusted EBITDA	**$ 31,769**	**$ 22,764**	**$ 107,855**	**$ 86,371**

Please see slide 16 for footnotes

Reconciliation of Adjusted Restaurant-Level EBITDA

($ in thousands) (unaudited)	**Three Months Ended (a)**		**Twelve Months Ended (a)**	
Reconciliation of Adjusted Restaurant-Level EBITDA: (b)	**Jan 03, 2021**	**Dec 29, 2019**	**Jan 03, 2021**	**Dec 29, 2019**
Income (loss) from operations	**$ 1,631**	**$ (4,563)**	**$ 4,114**	**$ (8,743)**
Add:				
General and administrative expenses	24,243	23,025	84,051	84,734
Restaurant integration costs (c)	—	1,362	-	2,364
Pre-opening costs (e)	59	386	163	1,449
Depreciation and amortization	20,780	21,061	81,727	74,674
Impairment and other lease charges	5,002	1,787	12,778	3,564
Other expense (income), net (g)(h)	161	(138)	(1,271)	(1,911)
Adjusted Restaurant-Level EBITDA	**$ 51,876**	**$ 42,920**	**$181,562**	**$ 156,131**

Please see slide 16 for footnotes

Reconciliation of Adjusted Net Loss

(in thousands, except share and per share amounts) (unaudited)	**Three Months Ended (a)**		**Twelve Months Ended (a)**	
Reconciliation of Adjusted net income (loss): (b)	**Jan 03, 2021**	**Dec 29, 2019**	**Jan 03, 2021**	**Dec 29, 2019**
Net loss	**$(18,627)**	**$ (9,906)**	**$ (29,463)**	**$ (31,919)**
Add:				
Impairment and other lease charges	5,002	1,787	12,778	3,564
Acquisition and integration costs (c)	(100)	2,844	273	10,827
Abandoned development costs (d)	1,718	63	3,464	256
Pre-opening costs (e)	59	386	163	1,449
Litigation and other professional expenses (f)	839	86	1,384	502
Other expense (income), net (g) (h)	161	(138)	(1,271)	(1,911)
Loss on extinguishment of debt	-	-	-	7,443
Income tax effect on above adjustments (i)	(1,920)	(1,257)	(4,199)	(5,534)
Valuation allowance for deferred taxes (j)	12,863		13,138	
Adjusted Net Loss	**$ (5)**	**$ (6,135)**	**$ (3,733)**	**$ (15,323)**
Adjusted diluted net loss per share (k)	$ -	$ (0.12)	$ (0.07)	$ (0.35)
Adjusted diluted weighted average common shares outstanding	50,372	50,643	50,751	43,422

Please see slide 16 for footnotes

Footnotes

(a) The Company uses a 52 or 53 week fiscal year that ends on the Sunday closest to December 31. The three and twelve months ended January 3, 2021 included fourteen and fifty-three weeks, respectively. The three and twelve months ended December 29, 2019 included thirteen and fifty-two weeks, respectively.

(b) Within our presentation, we make reference to EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss which are non-GAAP financial measures. EBITDA represents net loss before income taxes, interest expense and depreciation and amortization. Adjusted EBITDA represents EBITDA as adjusted to exclude impairment and other lease charges, acquisition and integration costs, stock-based compensation expense, loss on extinguishment of debt, abandoned development costs, restaurant pre-opening costs, non-recurring litigation costs and other non-recurring income or expense. Adjusted Restaurant-Level EBITDA represents income (loss) from operations as adjusted to exclude general and administrative expenses, depreciation and amortization, impairment and other lease charges, restaurant-level integration costs, pre-opening costs, and other non-recurring income or expense. Adjusted Net Loss represents net loss as adjusted, net of tax, to exclude impairment and other lease charges, acquisition costs and integration costs, abandoned development costs, pre-opening costs, non-recurring litigation costs, loss on extinguishment of debt and other non-recurring income or expense. We are presenting Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss because we believe that they provide a more meaningful comparison than EBITDA and net loss of the Company's core business operating results, as well as with those of other similar companies. Additionally, we present Adjusted Restaurant-Level EBITDA because it excludes restaurant integration costs, restaurant pre-opening costs, other expense (income), and the impact of general and administrative expenses such as salaries and expenses associated with corporate and administrative functions that support the development and operations of our restaurants, legal, auditing and other professional fees. Although these costs are not directly related to restaurant-level operations, these expenses are necessary for the profitability of our restaurants. Additionally, this financial measure may not be comparable to a similarly titled caption for other companies. Management believes that Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss, when viewed with the Company's results of operations in accordance with GAAP and the accompanying reconciliations in the table above, provide useful information about operating performance and period-over-period growth, and provide additional information that is useful for evaluating the operating performance of the Company's core business without regard to potential distortions. Additionally, management believes that Adjusted EBITDA and Adjusted Restaurant-Level EBITDA 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. However, EBITDA, Adjusted EBITDA, Adjusted Restaurant-Level EBITDA and Adjusted Net Loss are not measures of financial performance or liquidity under GAAP and, accordingly, should not be considered as alternatives to net income (loss) from operations or cash flow from operating activities as indicators of operating performance or liquidity. Also, these measures may not be comparable to similarly titled captions of other companies. The tables above provide reconciliations between Net Loss and EBITDA, Adjusted EBITDA and Adjusted Net Loss and between Income (loss) from operations and Adjusted Restaurant-Level EBITDA.

(c) Acquisition and integration costs for the three and twelve months ended January 3, 2021 mostly include legal and professional fees incurred in connection with the acquisition of 165 Burger King and 55 Popeyes restaurants from Cambridge Franchise Holdings, LLC in 2019, which were included in general and administrative expense. Acquisition and integration costs for the three and twelve months ended December 29, 2019 include certain legal and professional fees; corporate payroll, and other costs related to the integration of the Cambridge merger and one-time repair costs which are included in Adjusted Restaurant-Level EBITDA.

(d) Abandoned development costs for the three and twelve months ended January 3, 2021 and December 29, 2019 represents the write-off of capitalized costs due to the abandoned development of future restaurant locations.

(e) Pre-opening costs for the three and twelve months ended January 3, 2021 and December 29, 2019 include training, labor and occupancy costs incurred during the construction of new restaurants.

(f) Litigation and other professional expenses for the three and twelve months ended January 3, 2021 and December 29, 2019 include costs pertaining to an ongoing lawsuit with one of the Company's former vendors, costs to settle a class action claim, as well as other non-recurring professional service expenses.

(g) Other expense (income), net for the three months ended January 3, 2021 included a net gain related to adjustments to insurance recoveries from previous property damage at restaurants of $0.4 million and a loss on disposal of assets of $0.5 million. For the twelve months ended January 3, 2021, other expense (income), net included gains related to insurance recoveries from property damage at four of the Company's restaurants of $2.1 million, a net gain on twelve sale-leaseback transactions of $0.2 million and a loss on disposal of assets of $1.0 million.

(h) Other expense (income), net for the twelve months ended December 29, 2019 included a $1.9 million gain related to a settlement with Burger King Corporation for the approval of new restaurant development by other franchisees which unfavorably impacted the Company's restaurants, net gains on sale-leaseback transactions of $0.6 million, a gain related to an insurance recovery from property damage at two of the Company's restaurants of $0.2 million and a loss on a disposal of restaurant equipment of $0.8 million.

(i) The income tax effect related to the adjustments to Adjusted Net Loss during the periods presented was calculated using an incremental income tax rate of 25.0% for the three and twelve months ended January 3, 2021 and December 29, 2019, respectively.

(j) Reflects the removal of the income tax provision recorded for the establishment of a valuation allowance on all our net deferred income tax assets during the year ended January 3, 2021.

(k) Adjusted Diluted Net Income (Loss) per share is calculated based on Adjusted Net Loss and the dilutive weighted average common shares outstanding for the respective periods, where applicable.

Reconciliation of Free Cash Flow

($ in thousands) (unaudited)	**Three Months Ended**	**Twelve Months Ended**
Reconcilation of Free Cash Flow: (a)	**Jan 03, 2021**	**Jan 03, 2021**
Net cash provided by operating activities (b)	**$ 23,168**	**$ 103,946**
Net cash provided by (used for) investing activities	(13,812)	(47,857)
Add: cash paid for acquisitions	-	-
Total Free Cash Flow	**$ 9,356**	**$ 56,089**

(a) Free Cash Flow is a non-GAAP financial measure and may not necessarily be comparable to other similarly titled captions of other companies due to differences in methods of calculation. Free Cash Flow is defined as cash provided by operating activities less cash used for investing activities, adjusted to add back cash paid for acquisitions. Management believes that Free Cash Flow, when viewed with the Company's results of operations in accordance with GAAP and the accompanying reconciliations in the table above, provides useful information about the Company's cash flow for liquidity purposes and to service the Company's debt. However, Free Cash Flow is not a measure of liquidity under GAAP and, accordingly, should not be considered as an alternative to the Company's consolidated statements of cash flows and net cash provided by operating activities, net cash used for investing activities and net cash provided by financing activities as indicators of liquidity or cash flow. Free Cash Flow for the three months ended January 3, 2021 and December 29, 2019 is derived from the Company's consolidated statements of cash flows for the respective twelve month periods to be presented in the Company’s Consolidated Financial Statements in its Form 10-K for the period ended January 3, 2021 and the Company's consolidated statements of cash flows for the previously reported nine month periods ended September 27, 2020 and September 29, 2019, respectively, contained in the Company’s Form 10-Q for the period ended September 27, 2020.

(b) Working capital changes in the three and twelve months ended January 3, 2021 include $7.3 million and $21.6 million, respectively, related to deferred payments of the employer portion of social security taxes, which will be repaid half at the end of 2021 and the remainder at the end of 2022.