

# Investment Banking Update

## FAIRNESS OPINION



Has Agreed to Acquire

### Cambridge Franchise Holdings, LLC

The undersigned provided a fairness opinion to the Board of Directors of Carrols Restaurant Group, Inc.

**Stephens Inc.**

## Transaction Details

- On February 20, 2019, Carrols Restaurant Group, Inc. (NASDAQ: TAST) ("Carrols"), the largest Burger King franchisee in the U.S., announced that it has entered into a definitive agreement and Plan of Merger to acquire Cambridge Franchise Holdings, LLC ("Cambridge")
- Cambridge operates 166 Burger King and 55 Popeyes restaurants in 10 Southeastern and Southern states
- Cambridge's owners will receive approximately 7.36 million shares of Carrols common stock and 9% PIK Series C Convertible Preferred Stock that will be convertible into approximately 7.45 million shares of Carrols common stock. Additionally, approximately \$100 million of net debt will be assumed from Cambridge
- The transaction will be structured as a tax-free merger. There is no cash consideration as part of the transaction
- Stephens Inc. provided a fairness opinion to the Board of Directors of Carrols Restaurant Group, Inc.

## According to the Company Press Release

### Carrols Restaurant Group, Inc.

Carrols is the largest Burger King franchisee in the United States with 849 restaurants as of December 30, 2018 and has operated Burger King restaurants since 1976.

### Cambridge Franchise Holdings, LLC

Cambridge Franchise Holdings was founded in 2014 when Matt Perelman and Alex Sloane partnered with Ray Meeks to grow his 23-unit Burger King business. Since 2014, Meeks, Perelman and Sloane have grown Cambridge to include 166 Burger King and 55 Popeyes restaurants throughout the Southeast.

Source: Company press release.

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