

A top-down photograph of coffee-related items on a dark, textured surface. Two metal bowls are the central focus. The upper bowl is filled with finely ground, dark brown coffee. The lower bowl is filled with whole, dark brown coffee beans, with a single bright green coffee leaf tucked into the bowl. Scattered around the bowls are more coffee beans and a small pile of ground coffee. The lighting is dramatic, highlighting the textures of the coffee and the metallic sheen of the bowls.

Farmer Brothers[®]

Investor Presentation

March 2024

Certain statements contained in this presentation are forward-looking statements within the meaning of federal securities laws and regulations. These statements are based on management’s current expectations, estimates, forecasts and projections about us, our future performance, our financial condition, our products, our business strategy, our beliefs and our management’s assumptions. These forward-looking statements can be identified by the use of words like “anticipates,” “estimates,” “projects,” “expects,” “plans,” “believes,” “intends,” “will,” “could,” “may,” “assumes” and other words of similar meaning. These statements are based on management’s beliefs, assumptions, estimates and observations of future events based on information available to our management at the time the statements are made and include any statements that do not relate to any historical or current fact. These statements are not guarantees of future performance and they involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed, implied or forecast by our forward-looking statements due in part to the risks, uncertainties and assumptions set forth in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023, filed with the Securities and Exchange Commission (the “SEC”) on September 12, 2023, as amended by that certain Amendment No. 1 to Form 10-K, filed with the SEC on October 27, 2023 (as amended, the “2023 Form 10-K”), as well as those described from time to time in our other filings with the SEC. We intend these forward-looking statements to speak only at the time of this communication and do not undertake to update or revise these statements as more information becomes available except as required under federal securities laws and the rules and regulations of the SEC.

Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, severe weather, levels of consumer confidence in national and local economic business conditions, the impact of labor market conditions, the increase of costs due to inflation, an economic downturn caused by any pandemic, epidemic or other disease outbreak, comparable or similar to COVID-19, the success of our turnaround strategy, the impact of capital improvement projects, the adequacy and availability of capital resources to fund our existing and planned business operations and our capital expenditure requirements, our ability to meet financial covenant requirements in our credit facility, which could impact, among other things, our liquidity, the relative effectiveness of compensation-based employee incentives in causing improvements in our performance, the capacity to meet the demands of our large national account customers, the extent of execution of plans for the growth of our business and achievement of financial metrics related to those plans, our success in retaining and/or attracting qualified employees, our success in adapting to technology and new commerce channels, the effect of the capital markets as well as other external factors on stockholder value, fluctuations in availability and cost of green coffee, competition, organizational changes, the effectiveness of our hedging strategies in reducing price and interest rate risk, changes in consumer preferences, our ability to provide sustainability in ways that do not materially impair profitability, changes in the strength of the economy, including any effects from inflation, business conditions in the coffee industry and food industry in general, our continued success in attracting new customers, variances from budgeted sales mix and growth rates, weather and special or unusual events, as well as other risks described in this presentation and other factors described in the 2023 Form 10-K and from time to time in our other filings with the SEC.

Results from one period are not necessarily indicative of the results that may be expected for any future period.

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Our Company & Strategy

Farmer Brothers by the Numbers

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Farmer Brothers is a nationwide coffee roaster, wholesaler and service provider, specializing in regular and specialty coffee, and allied products, such as tea and food items.



110+

Years of coffee
excellence

**\$340
million**

Full year 2023 net
sales⁽¹⁾

20+

million

Coffee pounds⁽¹⁾

49

States

250+

Delivery routes

~30,000

Food and beverage
establishments
served

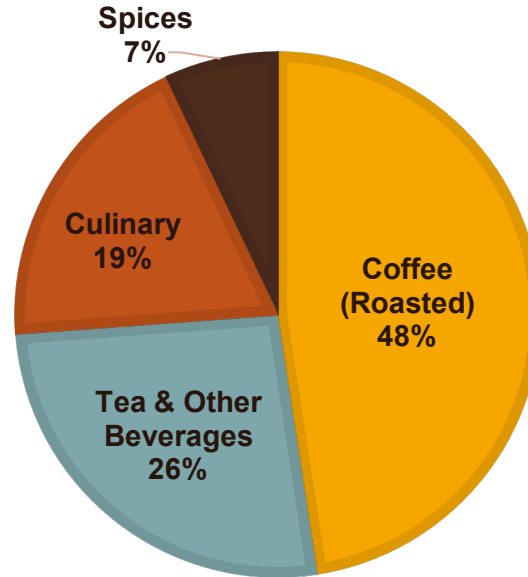


Providing Coffee Solutions Across Several Brands and Customer Channels

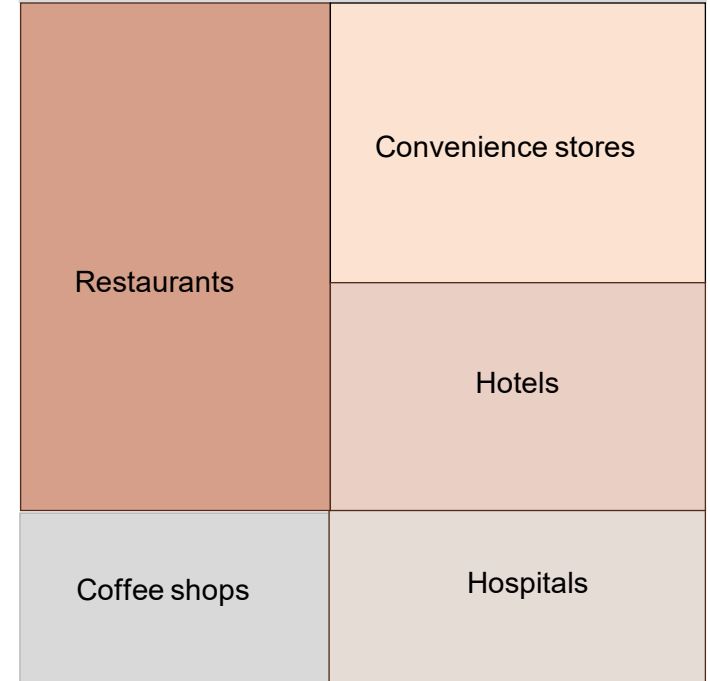
Established Brands



Attractive Category Mix



Diverse Customer Base⁽¹⁾



Clearing the Path to Profitable Growth

June 2023 divestiture of direct ship business focuses Farmer Brothers on its strongest and largest business and sets the foundation for free cash flow inflection.

- 1 **Strengthened balance sheet** through application of proceeds to pay down debt.
- 2 **Streamlined focus** on our higher-margin business – direct store delivery (DSD).
- 3 **Restructured DSD operations** to drive sales growth opportunities.
- 4 **Removed volatile, inefficient direct ship exposure.**

Transaction component	Direct ship business and Northlake, Texas facility
Sale price	\$100 million ⁽¹⁾
Use of proceeds	Paid off \$45 million term loan and \$45 million asset-backed loan Saved approximately \$6.5 million in interest
Projected annual revenue post-divestiture	\$350 million+

⁽¹⁾After contractual adjustments and expenses, netted approximately \$90 million.

World-class Coffee Sourcing & Roasting Capability

Farmer Brothers®

Extraordinary Sourcing and Quality Control Organization

- Team of six Coffee Quality Institute Certified Q Graders

Global Supply Chain Access

- Access to 95% of global green coffee supply chains through trade relationships developed over decades
- Direct Trade sourcing relationships in Brazil, Colombia, Peru, Nicaragua, El Salvador, Guatemala, Burundi, Ethiopia, Rwanda and Sumatra

Best-in-class Roasting Capability

- Reduced from three roasting facilities running radically under capacity to one Safe Quality Food (SQF) Certified roasting facility in Portland, Oregon running at fully optimized capacity utilization
- Experienced roastmaster team manufacturing high-quality small batch roasting at scale



Leveraging Our DSD Network

Optimizing DSD for turnkey service and growth

Nationwide reach

A leading, independent U.S. coffee and tea distribution network

Sticky customer relationships

Long-term partnerships fostering loyal customer ties enhanced by customer experience initiatives

Robust fleet and skilled personnel

Nationwide, experienced fleet

Trusted supplier relationships

Long-standing ties with leading global green coffee and allied suppliers

Combined product and service flywheel

On-trend, allied products and equipment sales and service create compelling value proposition



Key Leadership



John Moore
President and
Chief Executive Officer



Brad Bollner
Interim Chief Financial Officer



Tom Bauer
Chief Commercial Officer,
Head of DSD



Jared Vitemb
General Counsel



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Investment Drivers

Sale of direct ship business

Sale of direct ship business in June 2023 eliminated lower gross margin business, improved roasting efficiency and streamlined business for DSD operations.

Value Proposition Alignment

Strategic reduction in brand count will optimize procurement, sales and all points in between. Coffee quality and product mix positioned in multiple market tiers to provide ideal value proposition per client.

Improved pricing and margins

AI-driven pricing engine optimizes margin while retaining customers. Price changes made nimbly, mitigating commodity risk. New DSD leadership focused on simple, profit-focused targets.

Large, established DSD network

Approximately 30,000 established customer relationships allow for scaled rollout of new on-trend products and services.



Nationwide Distribution & Servicing Network

Farmer Brothers®

One of the largest independent networks, serving approximately 30,000 establishments across 49 states.

Roasting Facility

Portland, Oregon

Distribution Centers

Rialto, California

Northlake, Illinois

Moonachie, New Jersey

Portland, Oregon

Corporate Headquarters

Northlake, Texas (corporate HQ)⁽¹⁾

Equipment Refurbishing Centers

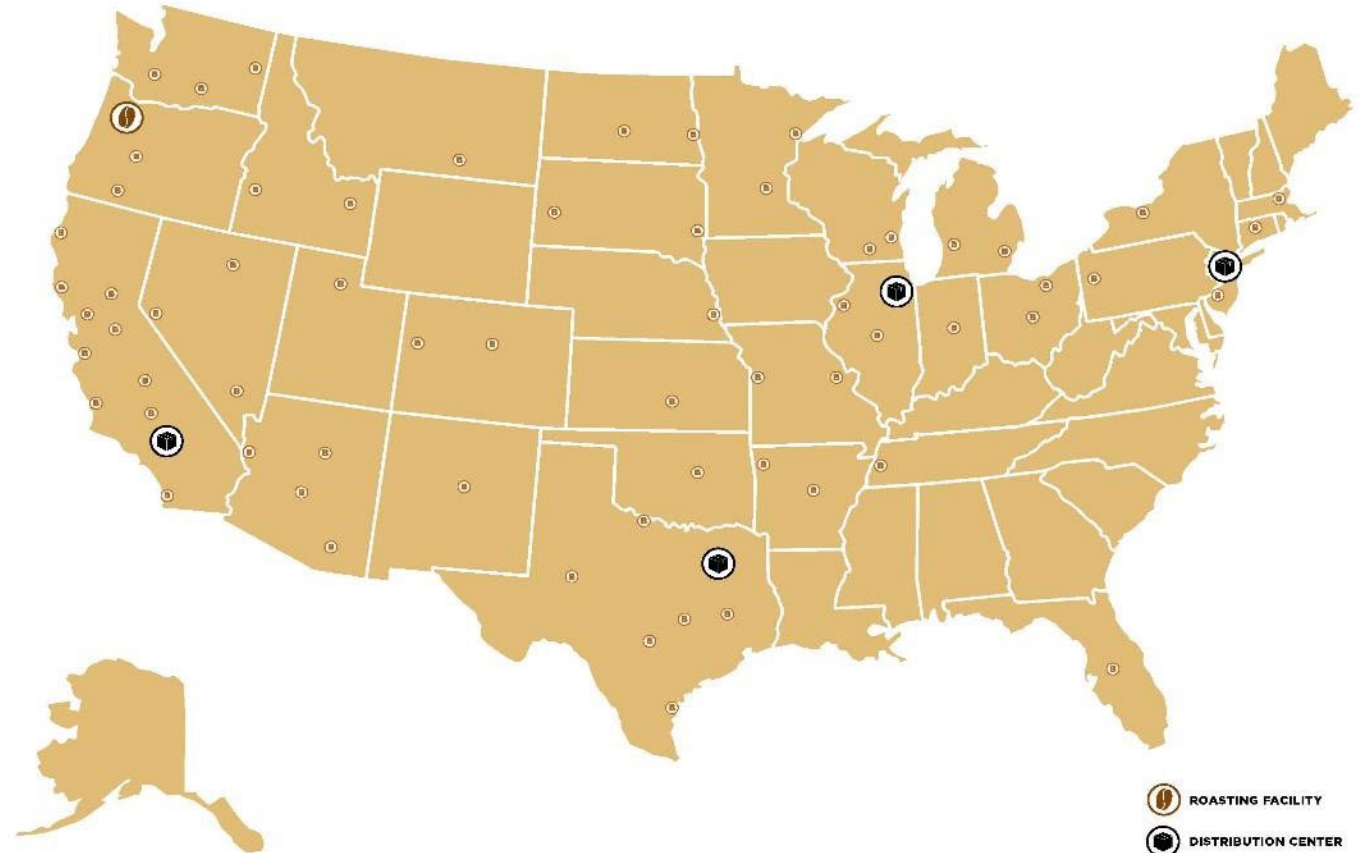
Oklahoma City, Oklahoma

Portland, Oregon

80 branch warehouses

242 delivery routes

130 service tech routes



⁽¹⁾As part of the sale, a 12-month, co-manufacturing and nine-month transition services agreement have been arranged at the Northlake, Texas facility.

Growth Industry with Favorable Pricing Forecast

The Coffee Industry

- Coffee market outlook is improving and expected to reach \$83.24 billion in 2027 at a CAGR of 5.9%.⁽¹⁾
- Barring weather-related disruptions, commodity prices are expected to decline in 2024.⁽²⁾
- Coffee consumption is at a two-decade high, with 66% of Americans drinking coffee every day.⁽³⁾
- Specialty coffee consumption hit a five-year high, with 43% of coffee drinkers choosing specialty coffee, a 20% increase since January 2021.⁽⁴⁾
- Liquid concentrates make up approximately 6% of dispensed hot beverage and is projected to grow in volume by 6% annually.⁽⁵⁾

Coffee prices (U.S. dollars/pounds)



(1) Verified Market Research: Global Coffee Market 2023
(2) Euromonitor 2023
(3) National Coffee Association USA
(4) National Coffee Association USA
(5) Technomic 2022 AFH Beverage Navigator

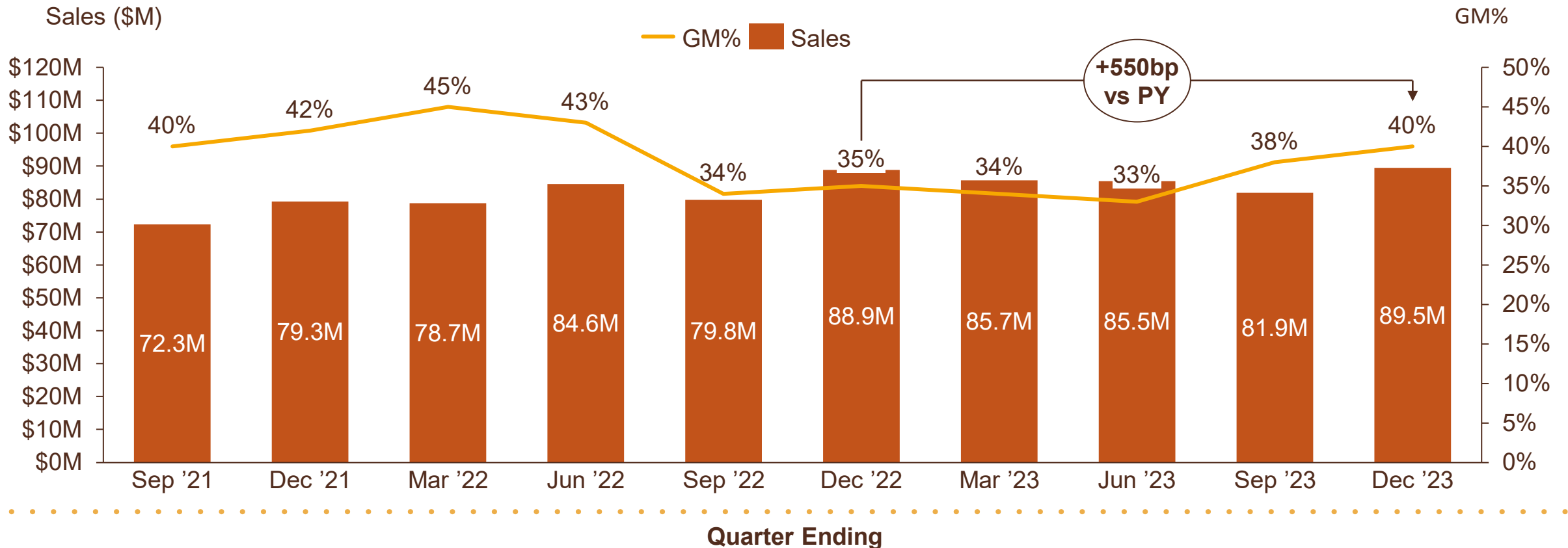
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Financial Highlights

DSD Focus Brings Stronger Margin Profile

Historical DSD gross margins⁽¹⁾ recovering from FY2023 margin erosion toward historical levels in excess of 40%.



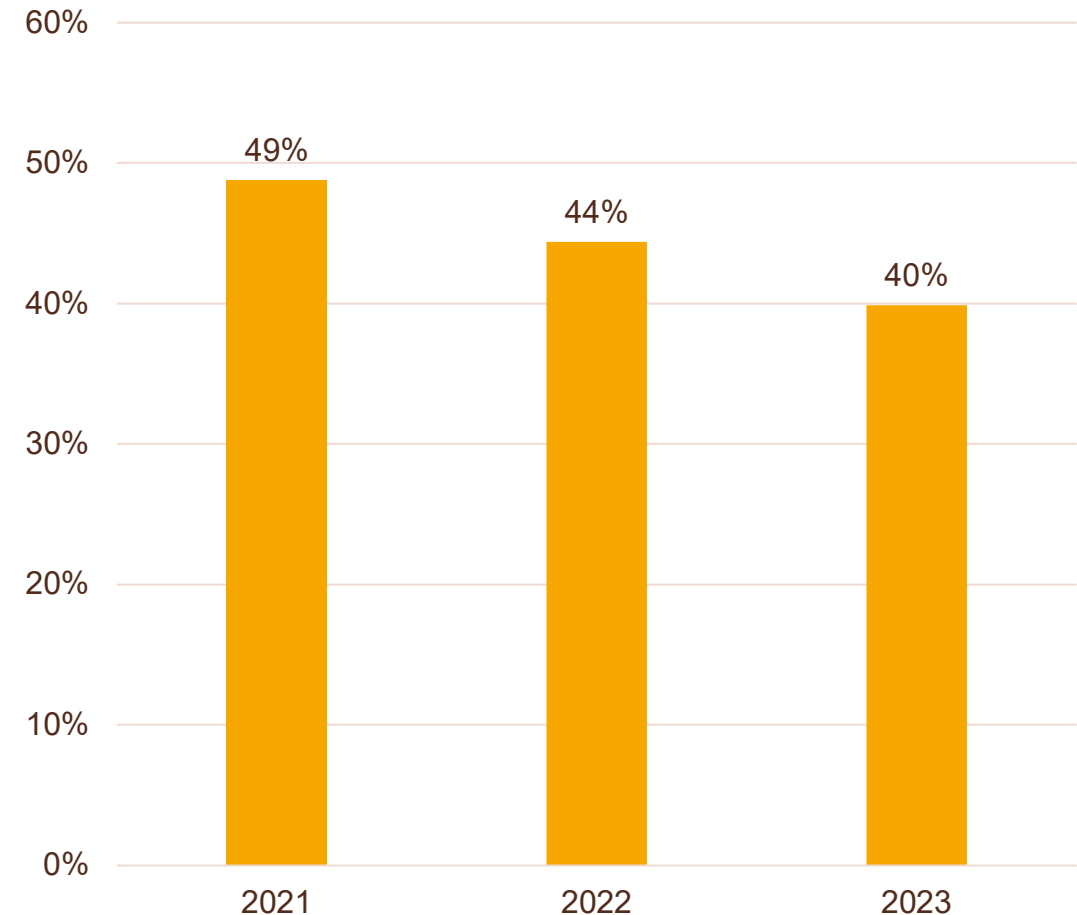
- Q2 FY24 gross margin percentage up 550 basis points compared to Q2 FY23.
- Gains in pricing agility and efficient production indicate sustainably improved gross margins long term.

⁽¹⁾ The figures presented for sales and gross margin as of December 2023 are from continuing operations. For additional information, please refer to our quarterly report on Form 10-Q for the fiscal quarter ended Dec. 31, 2023, filed with the SEC on Feb. 8, 2024.

Steady Gains in Operating Efficiency

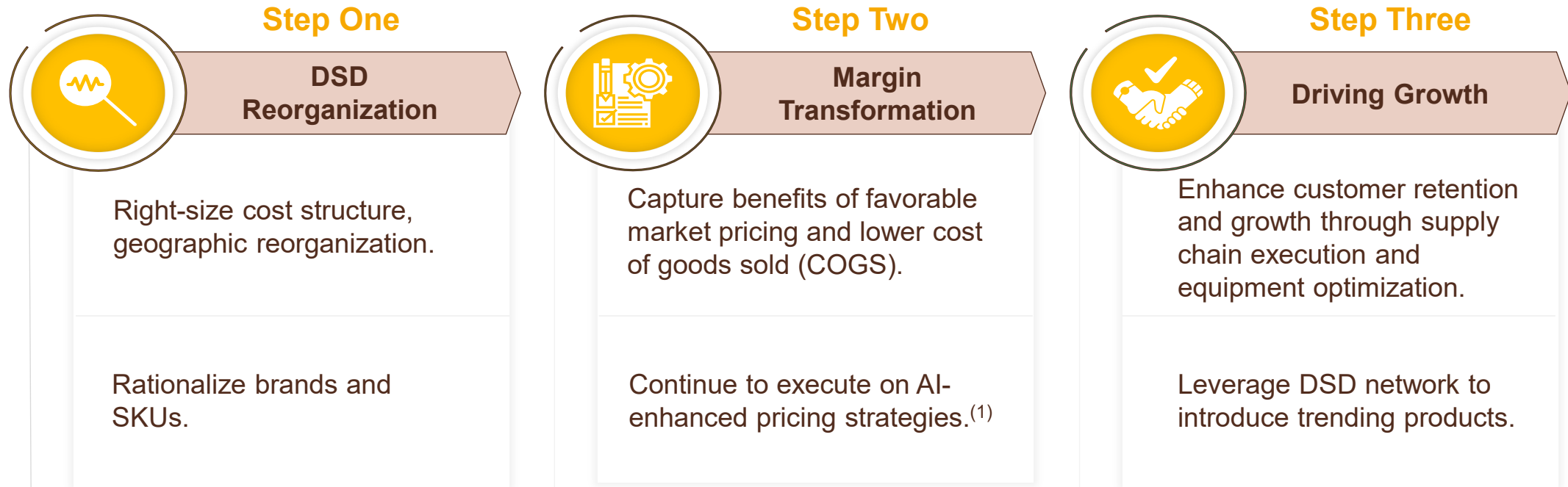
- **Sold Northlake, Texas facility and direct ship customers:** Streamlined assets, reducing maintenance and operational burdens
- **Eliminated non-recurring costs** from direct ship sale and hedging
- **Lowered CAPEX and right-sizing operations** for DSD-focused business
- **Realigning DSD:** Streamlining operations, optimizing sales, warehouse and logistics, and rationalizing brands and SKUs
- **Transitioning to Portland, Oregon facility:** Operational efficiencies, such as logistical advantages, reduced shipping and transportation costs
- **Completing separation from direct ship divestiture:** Leveraged outsourcing for production efficiencies, shared resources, expanded market access, etc.

GAAP Operating Expense as % of Revenue



Path to Free Cash Flow

Foundation in place for positive inflection in the coming quarters



⁽¹⁾Previously-implemented pricing changes informed by our AI-enhanced pricing strategy have been observed to be three to four times more effective than changes made under our November 2022 strategy.



Near-term Enhancements & Outlook

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Fiscal 2023

- Executed direct ship sale at fiscal year end, improving balance sheet
- Launched new AI pricing engine

Fiscal 2024 (first half)

- Commenced leadership transition
- Implemented DSD reorganization
- Sold through older, higher cost inventory
- Achieved 40% gross margins and positive adjusted EBITDA⁽¹⁾ in the second quarter

Fiscal 2024 (second half)

- Accelerate execution as a leaner, re-focused business
- Centralize roasting and production operations to Portland facility
- Capture benefits of pricing tailwinds
- Drive to free cash flow inflection

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