

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 6, 2025

Farmer Bros. Co.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34249
(Commission File Number)

95-0725980
(I.R.S. Employer
Identification No.)

14501 N Fwy,

Fort Worth, Texas 76177
(Address of Principal Executive Offices) (Zip Code)

682 549-6600
(Registrant's Telephone Number, Including Area Code)

None
(Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, \$1.00 par value	FARM	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02. Results of Operations and Financial Condition.

On February 6, 2025, Farmer Bros. Co., a Delaware corporation (the "Company") issued a press release announcing its financial results for its second fiscal quarter ended December 31, 2024. The earnings release can be found on the Company's website at www.farmerbros.com under "Investors." A copy of the earnings release is furnished herewith as Exhibit 99.1, and incorporated herein by reference.

The Company will host an audio-only investor conference call at 5:00 p.m. Eastern time (4:00 p.m. Central time) on February 6, 2025 to review the Company's results for its second fiscal quarter ended December 31, 2024. Interested parties may access the webcast via the Investors section of the Company's website. Participants who pre-register will receive an email with dial-in information, which will allow them to bypass the live operator. A replay of the webcast will be available two hours after the end of the live webcast and for at least 30 days on the Investors section of the Company's website.

As provided in General Instruction B.2. of Form 8-K, the information and exhibits furnished pursuant to Item 2.02 of this report are being "furnished" and shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, shall not be incorporated by reference into any registration statement or other document filed pursuant to the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing. In addition, the exhibits furnished herewith contain statements intended as "forward-looking statements" that are subject to the cautionary statements about forward-looking statements set forth in such exhibits.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release of Farmer Bros. Co. dated February 6, 2024
104	Cover Page Interactive Data File (embedded in the cover page formatted in Inline XBRL)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 6, 2025

FARMER BROS. CO.

By:

/s/ Vance Ratliff Fisher

Vance Ratliff Fisher
Chief Financial Officer
(principal financial officer)



Farmer Brothers Coffee reports second quarter fiscal 2025 financial results

Second quarter fiscal 2025 net sales of \$90 million.

Second quarter fiscal 2025 gross margin increase of 270 basis points year-over-year to 43.1%

Reported second quarter net income of \$210,000 and improved adjusted EBITDA¹ of \$5.9 million

Fort Worth, Texas, Feb. 6, 2025 – Farmer Bros. Co. (NASDAQ: FARM) today reported its second quarter fiscal 2025 financial results for the period ended Dec. 31, 2024. The company filed its Form 10-Q which can be found on the Investor Relations section of the company's website.

"The second quarter was one of our strongest performing quarters in quite some time despite the challenging market environment," said Farmer Brothers President and Chief Executive Officer John Moore. "We saw continued improvements in sales, operating expenses and adjusted EBITDA¹, as well as gross margins above 43% for the second straight quarter. Farmer Brothers' core focus at this time is on driving growth in top line, coffee pounds and customer counts, while continuing to optimize operations."

"Looking ahead, we continue to focus on executing and navigating difficult macroeconomic conditions and believe these results underscore the positive impact of the changes we have made to focus on DSD operations and optimize the business over the last 18 months. We feel we are better positioned than we have been in a long time to realize significant positive gains and long-term growth and profitability once market conditions become more favorable."

Second quarter 2025 business highlights

- Enhanced leadership team in January with the addition of Vice President of Sales Brian Miller to lead the sales force and the transition of Vice President and Chief Field Operations Officer Tom Bauer to an operations-focused leadership role.
- Completed additional milestones related to SKU rationalization and brand pyramid initiatives, which are on track to be completed in the third quarter of fiscal 2025.
- Rolled out specialty tier coffee brand to select customers with a full roll out slated by the end of the third quarter of fiscal 2025.
- Continued progress related to direct store delivery (DSD) route optimization and customer penetration efforts.

Second quarter fiscal 2025 financial results

- Net sales of \$90 million compared to \$89.5 million in the second quarter of fiscal 2024.
- Gross profit of \$38.8 million or 43.1%, compared to \$36.1 million or 40.4%, in the prior year period. The increase in gross profit was primarily a result of improved pricing compared to the prior year period.
- Operating expenses were \$37.8 million, or 42% of net sales compared to \$31.7 million, or 35.4% of net sales in the prior year period. The \$6.1 million increase was primarily driven by a \$7.7 million decrease in net gains related to asset disposals as there were no branch sales in the second quarter of fiscal 2025.
- Net income was \$210,000, which included a \$1.5 million net loss associated with the disposal of assets, compared to \$2.7 million for the second quarter of fiscal 2024, which included a \$6.1 million net gain associated with disposal of assets.
- Adjusted EBITDA¹ was \$5.9 million, an increase of almost \$3.6 million, compared to \$2.3 million in the second quarter of fiscal 2024.

Balance Sheet and Liquidity

As of Dec. 31, 2024, the company had \$5.5 million of unrestricted cash and cash equivalents, \$0.2 million in restricted cash, \$23.3 million in outstanding borrowings and \$23.7 million of borrowing availability under its revolving credit facility.

Investor Conference Call

Farmer Brothers published its full second quarter fiscal 2025 financial results for the period ended Dec. 31, 2024, with the filing of its Form 10-Q, which will be available on the Investor Relations section of the company's website after the close of market Thursday, Feb. 6.

The company will also host an audio-only investor conference call and webcast at 5 p.m. Eastern on Thursday, Feb. 6 to provide a review of the quarter and business update. The live audio webcast along with the press release will be available on the Investor Relations section of the company's website. Callers who pre-register will be emailed dial-in details and a unique PIN to gain immediate access to the call and bypass the live operator. An audio-only replay of the webcast will be archived for at least 30 days on the Investor Relations section of farmerbros.com and will be available approximately two hours after the end of the live webcast.

About Farmer Brothers

Founded in 1912, Farmer Brothers Coffee Co. is a national coffee roaster, wholesaler, equipment servicer and distributor of coffee, tea and culinary products. The company's product lines include organic, Direct Trade and sustainably produced coffee, as well as tea, cappuccino mixes, spices and baking/biscuit mixes.

¹ Adjusted EBITDA is a non-GAAP measure. Please refer to "Non-GAAP Financial Measures" below for an explanation and reconciliation of Adjusted EBITDA and other related non-GAAP measures to comparable GAAP measures.

Farmer Brothers Coffee Co. delivers extensive beverage planning services and culinary products to a wide variety of U.S.-based customers, ranging from small independent restaurants and foodservice operators to large institutional buyers, such as restaurant, department and convenience store chains, hotels, casinos, healthcare facilities and gourmet coffee houses, as well as grocery chains with private brand coffee and consumer branded coffee and tea products and foodservice distributors. The company's primary brands include Farmer Brothers, Boyd's, Cain's, China Mst and West Coast Coffee. You can learn more at farmerbros.com

Forward-looking Statements

This press release and other documents we file with the Securities and Exchange Commission (the "SEC") contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, that are based on 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. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls and conference calls. 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, 2024 filed with the SEC on September 12, 2024, as amended by the Form 10-K/A filed on October 25, 2024 (as amended, the "2024 Form 10-K"), as well as those discussed elsewhere in this Quarterly Report on Form 10-Q and other factors described from time to time in our filings with 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, developments related to pricing cycles and volumes, the impact of labor market shortages, the increase of costs due to inflation, an economic downturn caused by any pandemic, epidemic or other disease outbreak, 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 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, 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, uncertainties and assumptions described in the 2024 Form 10-K and other factors described from time to time in our filings with the SEC.

Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results. Any or all of the forward-looking statements contained in this press release and any other public statement made by us, including by our management, may turn out to be incorrect. We are including this cautionary note to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for forward-looking statements. We expressly disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise, except as required under federal securities laws and the rules and regulations of the SEC.

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FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(In thousands, except share and per share data)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net sales	\$ 90,021	\$ 89,453	\$ 175,086	\$ 171,340
Cost of goods sold	51,182	53,344	98,930	104,444
Gross profit	38,839	36,109	76,156	66,896
Selling expenses	26,760	28,141	53,987	54,969
General and administrative expenses	9,534	9,655	20,786	22,486
Net losses (gains) from sale of assets	1,527	(6,138)	3,193	(12,922)
Operating expenses	37,821	31,658	77,966	64,533
Income (loss) from operations	1,018	4,451	(1,810)	2,363
Other (expense) income:				
Interest expense	(1,922)	(1,907)	(3,713)	(4,129)
Other, net	1,033	324	783	3,195
Total other expense	(889)	(1,583)	(2,930)	(934)
Income (loss) before taxes	129	2,868	(4,740)	1,429
Income tax (benefit) expense	(81)	164	52	32
Net income (loss)	\$ 210	\$ 2,704	\$ (4,792)	\$ 1,397
Net income (loss) available to common stockholders per common share, basic and diluted	\$ 0.01	\$ 0.13	\$ (0.23)	\$ 0.07
Weighted average common shares outstanding—basic	21,314,911	20,728,699	21,289,073	20,565,492
Weighted average common shares outstanding—diluted	22,357,699	20,917,562	21,289,073	20,740,303

FARMER BROS. CO.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share and per share data)

	<u>December 31, 2024</u>	<u>June 30, 2024</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,488	\$ 5,830
Restricted cash	246	175
Accounts receivable, net of allowance for credit losses of \$710, in both periods	35,608	35,147
Inventories	52,771	57,230
Short-term derivative assets	550	11
Prepaid expenses	4,829	4,236
Assets held for sale	352	352
Total current assets	<u>99,844</u>	<u>102,981</u>
Property, plant and equipment, net	30,984	34,002
Intangible assets, net	10,133	11,233
Right-of-use operating lease assets	36,858	35,241
Other assets	1,300	1,756
Total assets	<u>\$ 179,119</u>	<u>\$ 185,213</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	44,629	48,478
Accrued payroll expenses	10,900	10,782
Right-of-use operating lease liabilities - current	16,090	14,046
Short-term derivative liability	2,624	730
Other current liabilities	3,649	2,997
Total current liabilities	<u>77,892</u>	<u>77,033</u>
Long-term borrowings under revolving credit facility	23,300	23,300
Accrued pension liabilities	11,553	12,287
Accrued postretirement benefits	811	789
Accrued workers' compensation liabilities	2,557	2,378
Right-of-use operating lease liabilities - noncurrent	21,290	21,766
Other long-term liabilities	226	2,111
Total liabilities	<u>\$ 137,629</u>	<u>\$ 139,664</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$1.00 par value, 50,000,000 shares authorized; 21,351,396 and 21,264,327 shares issued and outstanding as of December 31, 2024 and June 30, 2024, respectively	21,351	21,265
Additional paid-in capital	80,913	79,963
Accumulated deficit	(35,146)	(30,354)
Accumulated other comprehensive loss	(25,628)	(25,325)
Total stockholders' equity	<u>\$ 41,490</u>	<u>\$ 45,549</u>
Total liabilities and stockholders' equity	<u>\$ 179,119</u>	<u>\$ 185,213</u>

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended December 31,	
	2024	2023
Cash flows from operating activities:		
Net (loss) income	\$ (4,792)	\$ 1,397
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities		
Depreciation and amortization	5,817	5,792
Net losses (gains) on disposal of assets	3,193	(14,136)
Net losses on derivative instruments	3,183	429
401(k) and share-based compensation expense	1,037	2,970
Provision for credit losses	322	450
Change in operating assets and liabilities:		
Accounts receivable, net	(782)	13,044
Inventories	4,458	(6,193)
Derivative (liabilities) assets, net	(3,635)	(779)
Other assets	(115)	1,146
Accounts payable	(3,795)	(15,936)
Accrued expenses and other	155	949
Net cash provided by (used in) operating activities	<u>\$ 5,046</u>	<u>\$ (10,867)</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(5,362)	(6,853)
Proceeds from sales of property, plant and equipment	165	20,497
Net cash (used in) provided by investing activities	<u>\$ (5,197)</u>	<u>\$ 12,430</u>
Cash flows from financing activities:		
Proceeds from Credit Facilities	7,000	2,279
Repayments on Credit Facilities	(7,000)	(2,000)
Payments of finance lease obligations	(96)	(96)
Payment of financing costs	(24)	(58)
Net cash (used in) provided by financing activities	<u>\$ (120)</u>	<u>\$ 125</u>
Net (decrease) increase in cash and cash equivalents and restricted cash	(271)	1,688
Cash and cash equivalents and restricted cash at beginning of period	6,005	5,419
Cash and cash equivalents and restricted cash at end of period	<u>\$ 5,734</u>	<u>\$ 7,107</u>
Supplemental disclosure of non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 8,890	\$ 6,456
Non-cash issuance of ESOP and 401(K) common stock	—	326
Non cash additions to property, plant and equipment	54	52

Non-GAAP Financial Measures

In addition to net income (loss) determined in accordance with U.S. generally accepted accounting principles ("GAAP"), we use the following non-GAAP financial measures in assessing our operating performance:

"EBITDA" is defined as net income (loss) excluding the impact of:

- income tax expense (benefit);
- interest expense; and
- depreciation and amortization expense.

"EBITDA Margin" is defined as EBITDA expressed as a percentage of net sales.

"Adjusted EBITDA" is defined as net income (loss) excluding the impact of:

- income tax expense (benefit);
- interest expense;
- depreciation and amortization expense;
- 401(k) and share-based compensation expense;
- net losses (gains) on disposal of assets; and
- severance costs.

"Adjusted EBITDA Margin" is defined as Adjusted EBITDA expressed as a percentage of net sales.

For purposes of calculating EBITDA and EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin, we have excluded the impact of interest expense resulting from non-cash pretaxpension and postretirement benefits. For purposes of calculating Adjusted EBITDA and Adjusted EBITDA Margin, beginning with the period ended June 30, 2024 and any period thereafter, we are also excluding the impact of the loss related to sale of business, as this item is not reflective of our ongoing operating results.

We believe these non-GAAP financial measures provide a useful measure of the Company's operating results, a meaningful comparison with historical results and with the results of other companies, and insight into the Company's ongoing operating performance. Further, management utilizes these measures, in addition to GAAP measures, when evaluating and comparing the Company's operating performance against internal financial forecasts and budgets.

We believe that EBITDA facilitates operating performance comparisons from period to period by isolating the effects of certain items that vary from period to period without any correlation to core operating performance or that vary widely among similar companies. These potential differences may be caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of facilities and equipment (affecting relative depreciation expense). We also present EBITDA and EBITDA Margin because (i) we believe that these measures are frequently used by securities analysts, investors and other interested parties to evaluate companies in our industry, (ii) we believe that investors will find these measures useful in assessing our ability to service or incur indebtedness, and (iii) we use these measures internally as benchmarks to compare our performance to that of our competitors.

EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin, as defined by us, may not be comparable to similarly titled measures reported by other companies. We do not intend for non-GAAP financial measures to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP.

Set forth below is a reconciliation of reported net income (loss) to EBITDA (unaudited):

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net income (loss)	\$ 210	\$ 2,704	\$ (4,792)	\$ 1,397
Income tax (benefit) expense	(81)	164	52	32
Interest expense (1)	694	692	1,258	1,699
Depreciation and amortization expense	2,920	2,844	5,817	5,792
EBITDA	\$ 3,743	\$ 6,404	\$ 2,335	\$ 8,920
EBITDA Margin	4.2 %	7.2 %	1.3 %	5.2 %

(1) Excludes interest expense related to pension plans and postretirement benefit plans.

Set forth below is a reconciliation of reported net income (loss) to Adjusted EBITDA (unaudited):

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2024	2023	2024	2023
Net income (loss)	\$ 210	\$ 2,704	\$ (4,792)	\$ 1,397
Income tax (benefit) expense	(81)	164	52	32
Interest expense (1)	694	692	1,258	1,699
Depreciation and amortization expense	2,920	2,844	5,817	5,792
401(k) and share-based compensation expense	541	1,350	1,037	2,902
Net losses (gains) on disposal of assets	1,527	(7,352)	3,193	(14,136)
Loss related to sale of business (2)	—	1,214	—	1,214
Severance costs	88	695	752	2,960
Adjusted EBITDA	\$ 5,899	\$ 2,311	\$ 7,317	\$ 1,860
Adjusted EBITDA Margin	6.6 %	2.6 %	4.2 %	1.1 %

(1) Excludes interest expense related to pension plans and postretirement benefit plans.

(2) Result of the settlements related to the divestiture of Direct Ship business which included gains related to coffee hedges and settlement of liabilities.