

**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): November 18, 2019

Farmer Bros. Co.

(Exact Name of Registrant as Specified in Charter)

001-34249

(Commission File Number)

95-0725980

(I.R.S. Employer
Identification No.)

Delaware
(State or Other Jurisdiction
of Incorporation)

1912 Farmer Brothers Drive, Northlake, Texas 76262

(Address of Principal Executive Offices)

888-998-2468

(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class
Common Stock, \$1.00 par value

Trading Symbol(s)

FARM

Name of Each Exchange on Which Registered
NASDAQ Global Select Market

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))

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 8.01. Other Events.

As of November 18, 2019, representatives of Farmer Bros. Co., a Delaware corporation (the "Company"), will begin making presentations using slides containing the information attached to this Current Report on Form 8-K as Exhibit 99.1 (the "Investor Presentation"). The Company expects to use the Investor Presentation, including on the Company's website, in whole or in part, in connection with presentations to stockholders, proxy advisors and others. The information contained in the Investor Presentation is summary information that is intended to be considered in the context of the Company's Securities and Exchange Commission ("SEC") filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in the Investor Presentation, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

By filing this report on Form 8-K and furnishing this information, the Company makes no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

As provided in General Instruction B.2. of Form 8-K, the information included in this Current Report on Form 8-K, including Exhibit 99.1, is 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 exhibit furnished herewith contains statements intended as "forward-looking statements" that are subject to the cautionary statements about forward-looking statements set forth in such exhibit.

Use of Company Website to Distribute Material Company Information

The Company's website address is www.farmerbros.com. The Company uses its website as a channel of distribution of important company information. Important information, including press releases and financial information regarding the Company, is routinely posted on and accessible on the Investor Relations subpage of the Company's website, which is accessible by clicking on "Investor Relations" on the website home page. The Company also uses its website to expedite public access to time-critical information regarding the Company in advance of or in lieu of distributing a press release or a filing with the SEC disclosing the same information. Therefore, investors should look to the Investor Relations subpage of the Company's website for important and time-critical information. Visitors to the Company's website can also register to receive automatic e-mail notifications alerting them to new information made available on the Investor Relations subpage of the Company's website.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Farmer Brothers Investor Presentation – November 2019

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.

Dated: November 18, 2019

FARMER BROS. CO.

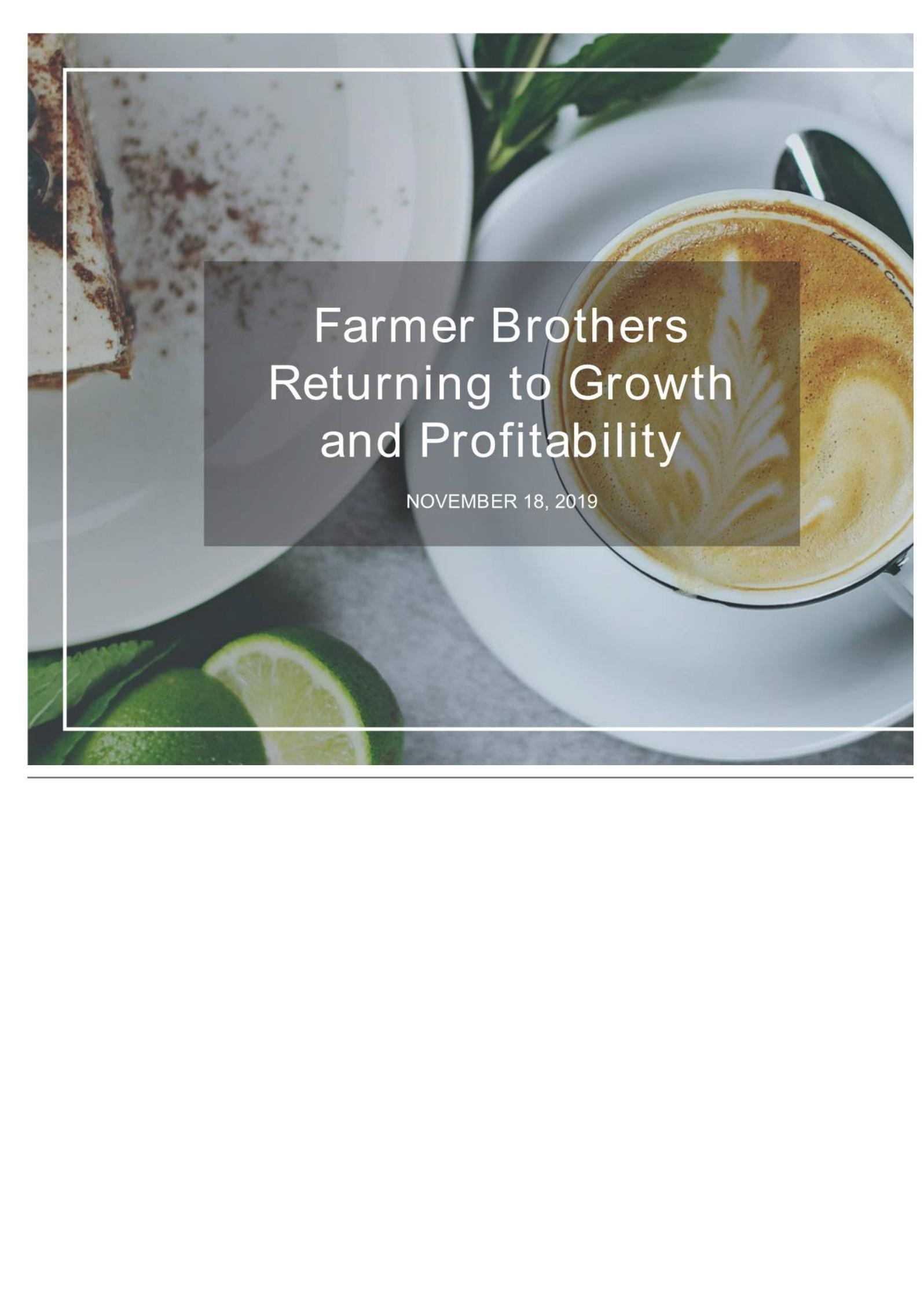
By:

/s/ Scott Lyon

Scott Lyon
Corporate Controller
(interim principal financial and accounting officer)

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Farmer Brothers Investor Presentation - November 2019.

A top-down view of a coffee cup with latte art, a plate with a dessert, and lime slices. The coffee cup is white with a silver handle and contains a latte with a white leaf-shaped latte art design. The plate has a white dessert with brown powder. There are green lime slices and leaves in the foreground.

Farmer Brothers Returning to Growth and Profitability

NOVEMBER 18, 2019

FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation regarding Farmer Bros. Co. (the "Company") are not based on historical fact and are forward-looking statements within the meaning of federal securities laws and regulations. These statements are based on management's current expectations, assumptions, estimates and observations of future events and include any statements that do not directly relate to any historical or current fact; actual results may differ materially due in part to the risk factors set forth the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission (the "SEC"). These forward-looking statements can be identified by the use of words like "anticipates," "estimates," "projects," "expects," "plans," "believes," "intends," "will," "could," "assumes" and other words of similar meaning. Owing to the uncertainties inherent in forward-looking statements, actual results could differ materially from those set forth in forward-looking statements. We intend these forward-looking statements to speak only at the time of this presentation 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, the impact of capital improvement projects, the adequacy and availability of capital resources to fund the Company's existing and planned business operations and the Company's capital expenditure requirements, the relative effectiveness of compensation-based employee incentives in causing improvements in Company performance, the capacity to meet the demands of the Company's large national account customers, the extent of execution of plans for the growth of Company business and achievement of financial metrics related to those plans, the success of the Company to retain and/or attract qualified employees, the success of the Company's adaptation 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, the Company's ability to provide sustainability in ways that do not materially impair profitability, changes in the strength of the economy, business conditions in the coffee industry and food industry in general, the Company's 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 the Company's most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC, and other factors described from time to time in the Company's filings with the SEC.

AGENDA

Part I: Introduction

Part II: Executing a Turnaround Strategy

Part III: Enhanced Corporate Governance

Part IV: Highly Qualified and Engaged Board

Part V: Dissident Candidates Are Not Qualified and Do Not Add Value

Part VI: Conclusion

A close-up photograph of a person's hands operating a coffee machine. The person is wearing a dark, long-sleeved sweater. They are holding a metal steam wand and directing it towards a stainless steel pitcher. A plume of white steam is rising from the wand. The background is blurred, showing what appears to be a kitchen or cafe setting. The text "PART I: INTRODUCTION" is overlaid in the center of the image in a white, sans-serif font.

PART I: INTRODUCTION

NOTE
Company logos not owned by Farmer Brothers.

New Leadership Focused on Turnaround Initiatives

- ✓ New CEO appointed September 2019, new Chief Supply Chain Officer appointed November 2019 and most recently initiated search for new CFO with public company experience
- ✓ Focused on 5 strategic turnaround initiatives in an effort to return company to growth and profitability
- ✓ Made progress in recent quarters to address execution and performance issues; addressing scrap levels and reducing coffee brewing equipment expense
- ✓ Improved company's management of working capital and debt

Highly Qualified Board & Corporate Governance Aligned with Stockholders

- ✓ Highly qualified and engaged Board of Directors with the right mix of skills and expertise to drive stockholder value
- ✓ Board has made refreshment a priority: 4 of 8 Board members are new directors added in the past two years
- ✓ Independent Board and corporate governance aligned with stockholder interests
- ✓ Completed change in leadership to address company performance
- ✓ Proposed declassification of the Board

Dissident Group Offers NO Plan & Adds NO Value

- ✗ The Grossman Group has proposed NO plan and states its nominees will have the trust of employees
- ✗ The Grossman Group's proposed nominees are substantially less qualified than the Board's nominees
- ✗ The Board believes that the Grossman Group is focused on taking over the Board for personal interests
- ✗ The Farmer family has not been aligned on these actions in the past

WINNING

We are positioning
Farmer Brothers to
WIN AND GROW



FARMER BROTHERS HIGHLIGHTS

MARKET OPPORTUNITY

A significant opportunity = to expand market share in the \$84.8B coffee industry growing at 4-9% annually

INDUSTRY LEADERSHIP

Purposeful leadership in sustainability, ethical sourcing and waste elimination creates superior customer offerings

COMPREHENSIVE CAPABILITIES

A business model designed to effectively and efficiently deliver across all stages of the coffee business

CAPACITY TO GROW

Continued focus on leveraging investment in state-of-the-art Northlake facility, creating significant opportunities for customer acquisition and sustainable long-term growth

NEW LEADERSHIP

New CEO overseeing change and increased focus on performance improvement

ROBUST DSD NETWORK

Implementing decentralized structure with branch level control to drive improved customer wins and retention and reduce turnover

REFINING DIRECT SHIP

Focused on growth opportunities with mid- and small-size customers and balancing revenue and margin with large accounts

IMPROVING PERFORMANCE

Reducing debt levels, efficiently managing working capital [and improving free cash flow]

NOTE
Volume & Growth
Technomic AFH Beverage Study 2018 RSE, 2016-2018 CAGR; 2018 Mintel Coffee & Tea report

NEW MANAGEMENT WITH CLEAR VISION

Positive change is underway led by newly appointed President and CEO, Deverl Maserang

- Seasoned executive; 30+ years of leadership in business turnarounds, operation excellence and global supply chain transformations
- Deep experience in the food and beverage industry
- Led a successful turnaround at Earthbound Farm Organic, by returning the company to profitability and delivering record operational execution metric

Newly appointed Chief Supply Chain Officer

- Innovative leader with successful record overseeing complex company operations
- Deep operations, supply chain experience and is focused on driving quality service levels up and costs out of the supply chain

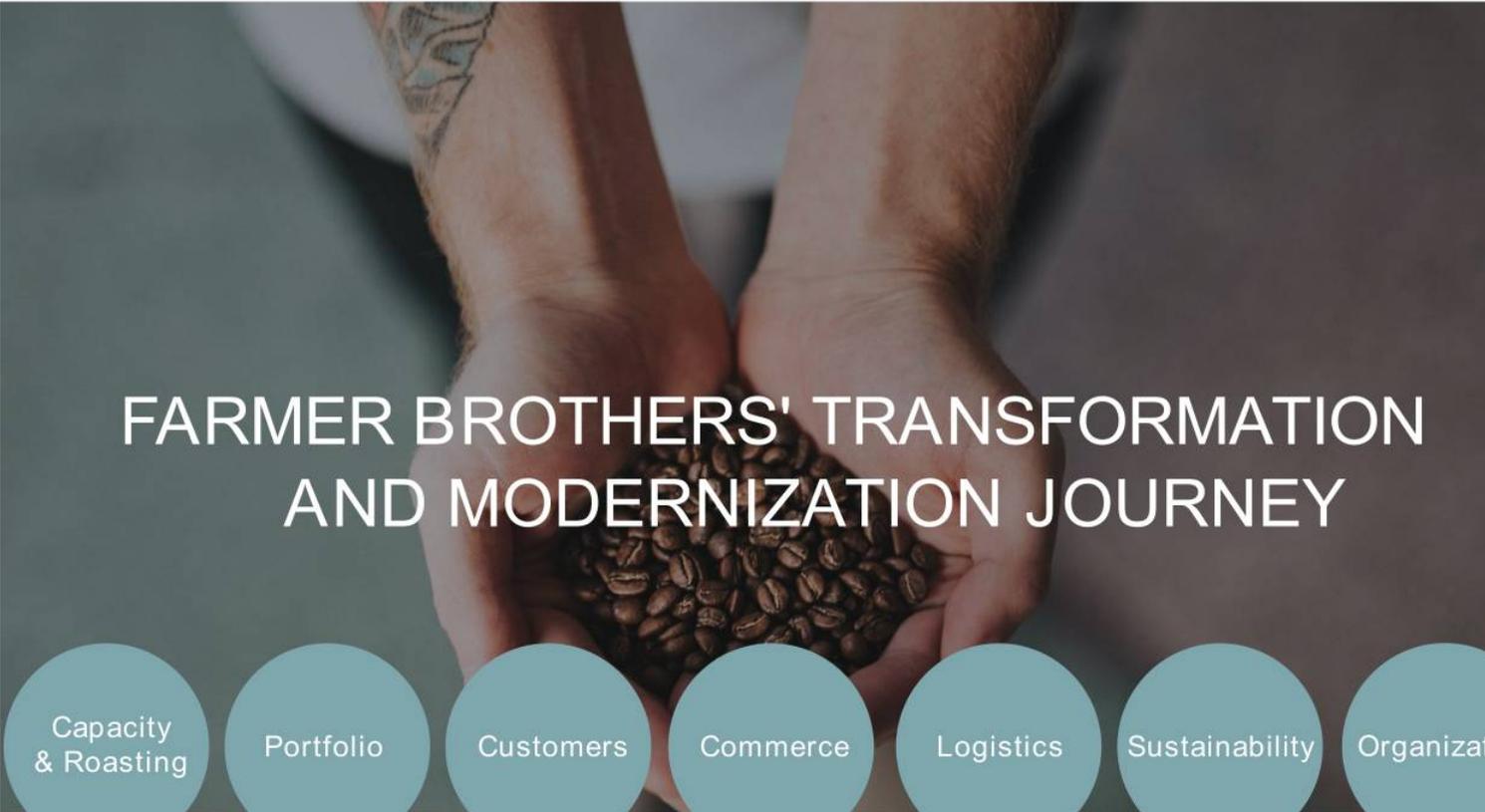
Search underway for permanent Chief Financial Officer

- Solid finance team in place for ongoing execution through transition
 - Searching for external candidate with public company experience
-



PART II: EXECUTING A TURNAROUND STRATEGY

NOTE
Please see appendix for sources.



FARMER BROTHERS' TRANSFORMATION AND MODERNIZATION JOURNEY

Capacity & Roasting

Built new DFW facility and transitioned away from aging facility in CA

Portfolio

Expanded portfolio with growth in premium and specialty categories

Customers

Addressed premiumization of coffee for coffee-forward customers while optimizing offerings to traditional customer base

Commerce

Optimized routes and distribution footprint; growing sales from roastery direct ship and third-party distributor

Logistics

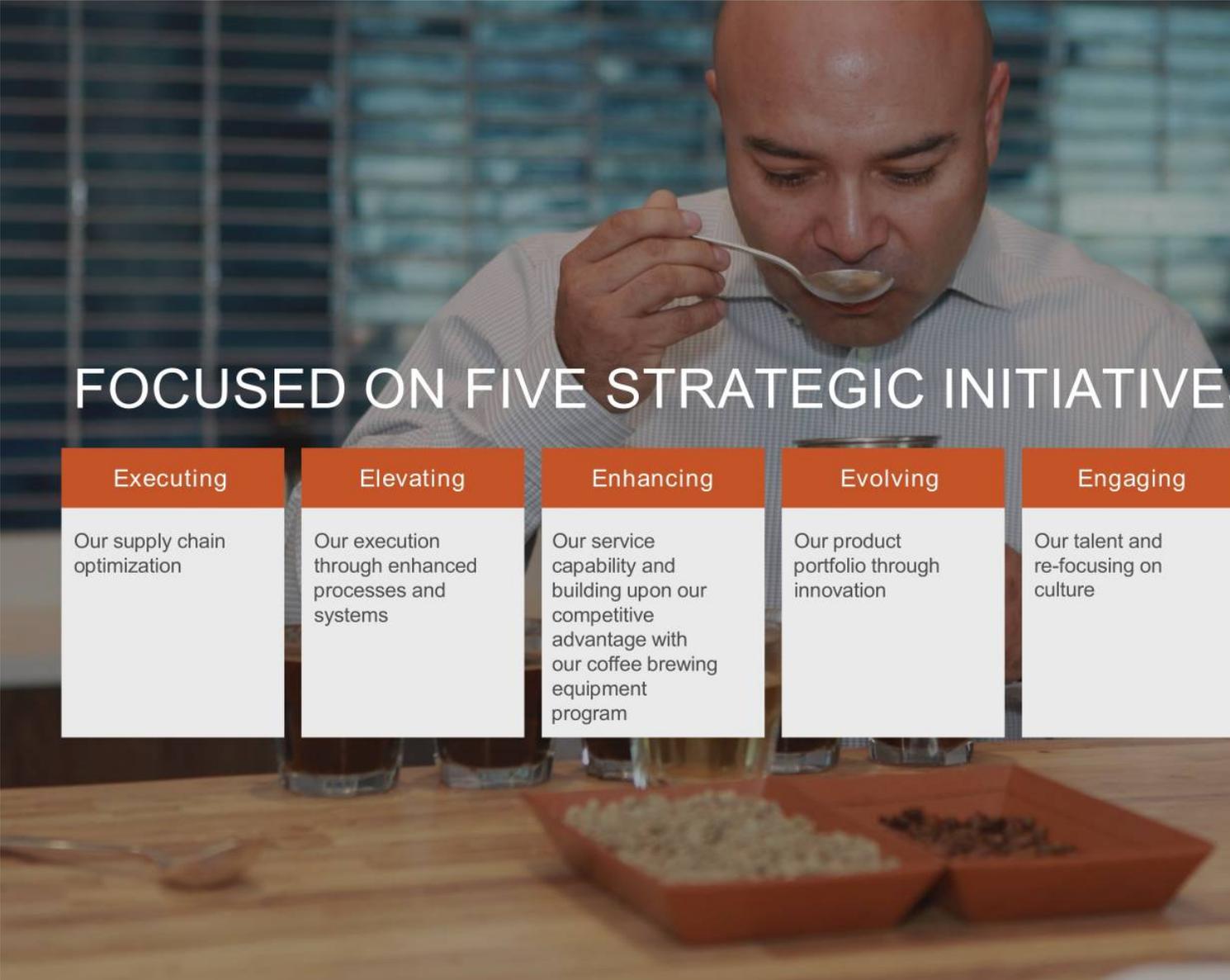
Outsourced long-haul to 3PL and implemented fleet management for more efficient distribution network

Sustainability

Longstanding direct trade relationships, innovative partnerships, and proprietary sustainability certification - Project D.I.R.E.C.T.

Organizational

Integrated la acquisition (Boys) and built in-house sustainability capabilities



FOCUSED ON FIVE STRATEGIC INITIATIVE

Executing

Our supply chain optimization

Elevating

Our execution through enhanced processes and systems

Enhancing

Our service capability and building upon our competitive advantage with our coffee brewing equipment program

Evolving

Our product portfolio through innovation

Engaging

Our talent and re-focusing on culture



EXECUTING OUR SUPPLY CHAIN OPTIMIZATION

- Completed sale-leaseback of Houston facility
- Optimizing manufacturing and roasting network to better serve customers across direct ship and DSD
- Transferring volume from Houston to other roasting facilities
- Addressing processes to reduce scrap and meet fill rate goals and seeing progress

ELEVATING OUR EXECUTION THROUGH ENHANCED PROCESSES AND SYSTEMS

- Implemented new Business Intelligence tool for improved service and profitability analysis
- Piloting new handheld technology from leading provider for DSD route drivers
- Seeing early successes with 24/7 customer call center and field employee call center



ENHANCING & EVOLVING

ENHANCING OUR SERVICE CAPABILITY AND CREATING A COMPETITIVE ADVANTAGE WITH OUR COFFEE BREWING EQUIPMENT PROGRAM

- Completing coffee brewing equipment refurbishment project, which will reduce our capital need and provide a compelling sustainability story
- Developing a new Digital Equipment Transformation Initiative to leverage IoT, predictive analytics and big data to revolutionize coffee brewing equipment
- Looking at offerings for hybrid customers

EVOLVING OUR PRODUCT PORTFOLIO THROUGH INNOVATION

- Restarting our innovation pipeline to focus on customer and consumer needs by delivering new products that will lead the category
- Continuing to rationalize SKU count and optimize our assortment
- Differentiating our product portfolio allows us to increase product margins, improve customer retention and gain new customers



ENGAGING OUR TALENT AND RE-FOCUSING ON PEOPLE & CULTURE

- Leveraging strong legacy of Farmer Brothers' 100+ years
- Re-invigorating a culture of hard work, recognition and fun based on engagement of entire Farmer Brothers family
- Leveraging strong leadership and talent across the organization, including DSD and IT
- Engaging new highly qualified industry talent – new Chief Supply Chain Officer, search underway for new Chief Financial Officer

People are at the foundation of every company –
especially the case of a company in the midst of a turnaround

(Unaudited)	FY 2016 ¹	FY 2017 ¹	FY 2018 ¹	FY 2019 ¹
NET SALES (In Thousands)	\$544,382	\$541,500	\$606,544	\$595,942
GROSS MARGIN ²	31.4%	34.5%	34.1%	30.1%
ADJUSTED EBITDA ^{2,3} (In Thousands)	\$31,017	\$42,985	\$47,562	\$31,882
COFFEE VOLUME (GREEN) (Pounds In Thousands)	90,669	95,499	107,429	108,098
COFFEE VOLUME GROWTH	3.4%	5.3%	12.5%	FLAT

1. Fiscal years ending June 30.

2. Prior year financial information has been retrospectively adjusted to reflect the impact of certain changes in accounting principles and corrections to previously issued financial statements.

3. Adjusted EBITDA is a non-GAAP financial measure and is unaudited; a reconciliation of this non-GAAP measure to its corresponding GAAP measure is included in the appendix.

(Unaudited)	Q2 2019 ¹	Q3 2019 ¹	Q4 2019 ¹	Q1 2020 ¹
NET SALES (In Thousands)	\$159,773	\$146,679	\$142,050	\$138,600
GROSS MARGIN ²	33.3%	27.2%	26.6%	29.3%
ADJUSTED EBITDA ^{2,3} (In Thousands)	\$12,443	\$4,535	\$3,937	\$4,016
COFFEE VOLUME (GREEN) (Pounds In Thousands)	27,398	27,873	27,379	25,958

Improvement in controls and processes driving margin expansion and reduction in costs; focused on balancing revenue and margin to grow EBITDA

1. Quarters for fiscal years ending June 30, 2019 and June 30, 2020.

2. Prior year financial information has been retrospectively adjusted to reflect the impact of certain changes in accounting principles and corrections to previously issued financial statements.

3. Adjusted EBITDA is a non-GAAP financial measure and is unaudited; a reconciliation of this non-GAAP measure to its corresponding GAAP measure is included in the appendix.

WORKING CAPITAL

(as of Sept. 30, 2019)
(in thousands)



	June 30, 2019	Sept. 30, 2019
Borrowings under revolving credit facility	\$92,000	\$85,000

Debt reached peak of \$140.0 million on January 10, 2019. By August 31, 2019, reduced to \$10 million and at September 30, 2019 further reduced to \$85.0 million.

Accounts receivables reached month end peak of \$79.5 million on December 31, 2018. By June 30, 2019, reduced to \$55.2 million and at September 30, 2019 were \$57.5 million.

Inventory reached month end peak of \$115.5 million on December 31, 2018. By June 30, 2019, reduced to \$87.9 million and at September 30, 2019 were \$91.7 million.

Under Interim CEO, Chris Mottern, completed sale of assets for \$17.8 million, which were used to improve liquidity and pay down debt. Subsequently, completed sale-leaseback of Houston plant for \$10.0 million.

Company expects improvements in management of inventory levels, accounts receivables, and debt throughout the remainder of fiscal 2020.

A photograph of a person's hands holding a large quantity of dark brown coffee beans. The person has a tattoo on their left forearm. The background is blurred, showing other people in a crowd. The text "PART III: ENHANCED CORPORATE GOVERNANCE" is overlaid in white, bold, sans-serif font in the center of the image.

PART III: ENHANCED CORPORATE GOVERNANCE



EFFECTIVE BOARD LEADERSHIP

- Engaged, independent Board with significant industry and operational expertise that is relevant to the Company's turnaround strategy
- Regular evaluation of skills and experience
- Strong gender diversity
- 7 of 8 directors are independent; independent Board leadership with Randy Clark as Independent Chairman
- 4 of 8 Board members are new directors added in the past two years
- Took decisive action regarding company financial performance; replaced CEO
 - Ad hoc search committee and ad hoc transition committee to focus on the CEO search and management transition; disbanded upon the CEO hiring
 - Agreed on departure of CFO and COO



- Since 2018, all long-term incentives are performance-related, taking the form of options (which have no value if the share price doesn't increase) or performance vesting share units
 - Compensation for interim CEO was below market rate and paid in stock
 - Board compensation in line with market norms and is delivered appropriately
 - Strong stock ownership guidelines for directors and executives in line with market practices
-

COMMITTED TO BOARD REFRESHMENT

- Farmer Brothers' Board of Directors recognizes the importance of having the right collection of skills, expertise and experience and is committed to continuously reviewing its capabilities.
- In the last two years, we have appointed four new directors, all of whom are independent, and all of whom have brought valuable additional skills and knowledge:
 - Allison Boersma, elected to the Board in December 2017, is an experienced CFO with a deep expertise in overseeing manufacturing strategy
 - David Ritterbush, elected to the Board in December 2017, is a seasoned CEO with substantial DSD and supply chain expertise
 - Stacy Loretz-Congdon, elected to the Board in December 2018, served as a public company CFO and brings substantial distribution experience
 - Deverl Maserang elected to the Board in September 2019

In addition to these new Directors, Hami Assadi rejoined the Farmer Brothers Board in 2019, bringing deep historical knowledge of the Company and significant Board experience

Farmer Brothers' Board has the right mix of expertise, company knowledge and diverse perspectives to deliver value to stockholders



Declassifying Board of Directors

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- ✓ The Board continuously evaluates the Company's corporate governance in order to implement best practices
 - ✓ We believe declassifying the Board will best serve the interests of stockholders
 - ✓ Declassification to take place over a three-year period; entire Board to stand for election at 2022 Annual Meeting
 - ✓ Declassification process is identical to duplicative Grossman Group Proposal

A close-up photograph of a person's hands operating a coffee machine. The person is wearing a dark, long-sleeved sweater. They are holding a glass cup under the spout of the machine, and coffee is being poured into it. The background is blurred, showing what appears to be a kitchen or cafe setting. The text "PART IV: HIGHLY QUALIFIED AND ENGAGED BOARD" is overlaid in white, bold, sans-serif font in the center of the image.

**PART IV: HIGHLY QUALIFIED
AND ENGAGED BOARD**

REFRESHED BOARD HAS RIGHT MIX OF EXPERTISE, KNOWLEDGE AND PERSPECTIVES

	Independent Director	C-Suite Experience	Other Public Board Experience	Extensive Food and Beverage Industry Experience	Finance Experience	Operational Experience	M&A Experience
Randy Clark	✓	✓	X	✓	✓	✓	✓
Allison Boersma	✓	✓	X	✓	✓	✓	X
Charles Marcy	✓	✓	✓	✓	✓	✓	✓
Christopher Mottern	✓	✓	✓	✓	✓	✓	✓
David Ritterbush	✓	✓	X	✓	X	✓	✓
Deveral Maserang	X	✓	X	✓	X	✓	✓
Hamideh Assadi	✓	X	X	X	✓	✓	X
Stacy Loretz-Congdon	✓	✓	X	✓	✓	X	✓
# of Directors with Specific Experience	7	7	2	7	6	7	6

DEVERL MASERANG



- ✓ Brings more than 30 years of leadership in turnarounds, global supply-chain transformations, creating shared service structures and integrating transportation and distribution groups
 - ✓ Deep experience in the food and beverage industry
 - ✓ Most recently served as President and CEO of Earthbound Farm Organic, where he led the company to deliver record operational execution metrics and return the company to profitability
 - ✓ Prior to that, served as Managing Partner at TADD Holdings
 - ✓ Served for three years as Executive Vice President Global Supply Chain at Starbucks
 - ✓ Served in various operating and supply chain roles during his ten years at Chiquita Brands
 - ✓ Served in logistics management roles and gained experience in direct store delivery at Pepsi Bottling Group
-

CHRISTOPHER MOTTERN



- ✓ Brings over three decades of senior executive experience in the food and beverage industry, spanning manufacturing, supply chain, consumer branding, risk oversight, along with financial and accounting expertise
 - ✓ Independent business consultant and served as Interim CEO of Farmer Brothers from May 7, 2019 until September 13, 2019 (when Mr. Maserang was appointed as permanent successor)
 - ✓ Instrumental in addressing challenges and laying the groundwork for Farmer Brothers' current strategy during his time as interim CEO
 - ✓ Previously served as President and CEO and a member of the Board of Directors of Peet's Coffee & Tea, Inc, and led the company through its IPO.
 - ✓ Served as President of The Heublein Wines Group and as President and CEO of Capri Sun, Inc.
 - ✓ Served as a director, including lead director, and member of the finance committee, of a number of private companies
-

CHARLES MARCY



- ✓ Brings over four decades of experience as a senior executive, or advisor of companies in the food industry, including in his Strategic Planning role at Maxwell House Coffee and overseeing Frozen Dessert DSD Operations for Breyers Ice Cream at Kraft
 - ✓ Relevant expertise in the food industry as well as public company board, corporate governance and executive compensation experience
 - ✓ Most recently served as Chief Executive Officer of Turtle Mountain, LLC, privately held natural foods company
 - ✓ Previously served in executive roles including:
 - President and CEO and Director of Healthy Food Holdings;
 - President, CEO and Director of Horizon Organic Holdings;
 - President, CEO and Director of the Sealright Corporation; and,
 - President of the Golden Grain Company, a subsidiary of Quaker Oats Company
 - ✓ Currently serves as the Chair of the Audit Committee at B&G Foods and on the Board of three high growth private food companies
 - ✓ Current member of NACD's Board Advisory Services faculty, frequently presenting to various boards on Director effectiveness
-

PART V: DISSIDENT
CANDIDATES ARE
NOT QUALIFIED AND
DO NOT ADD VALUE

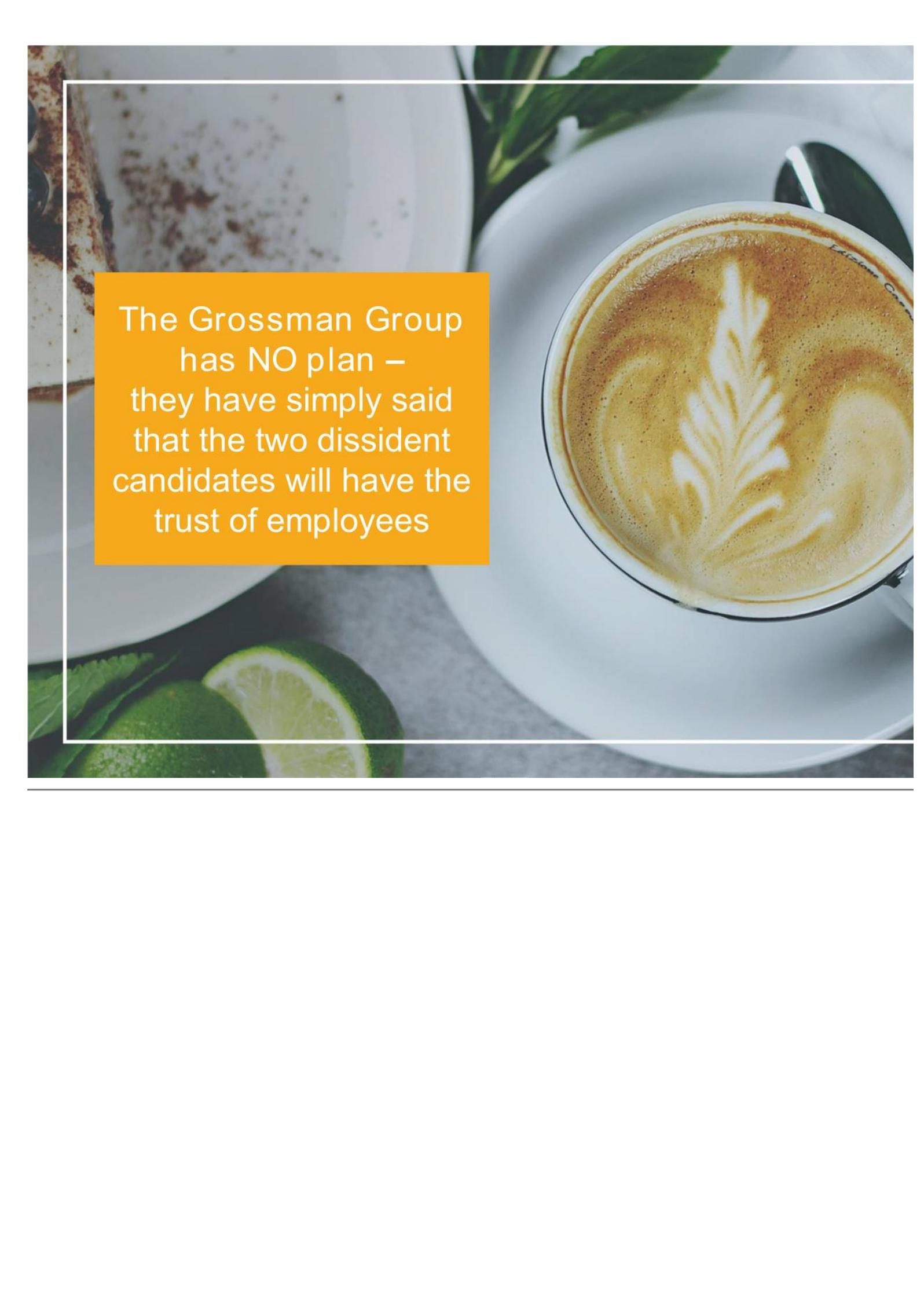


SITUATION OVERVIEW

- Jeanne Farmer Grossman, representing the Grossman Group, has nominated two candidates to stand for election to Farmer Brothers' Board of Directors at the Company's 2019 Annual Meeting
- Farmer Brothers' Board and its advisors have held multiple discussions with Ms. Grossman over the past year to better understand her perspective and avoid a costly and distracting proxy contest
- The Board made numerous requests to meet with the Grossman Group's nominees, but neither Ms. Grossman nor her counsel responded to such requests; nonetheless the Board reviewed the candidates of the Grossman Group and considered their credentials and qualifications
- The Board believes that electing the Grossman Group's nominees would put Farmer Brothers and stockholders' investment at significant risk
- The Board determined that the Grossman Group's nominees lack the skill sets and experience needed to support Farmer Brothers' turnaround progress
- The Board believes that the actions the Company has taken recently and the actions that the Company continues to take will lead to improved financial performance and enhanced value creation for all Farmer Brothers stockholders
- Jeanne Farmer Grossman does NOT appear to have a long-term stockholder mindset, as she has sold down almost 47% of her position since 2018.

NOTE

Data obtained from Jeanne Farmer Grossman's 13-D filings in 2018 and 2019.



The Grossman Group
has NO plan –
they have simply said
that the two dissident
candidates will have the
trust of employees

GROSSMAN GROUP'S NOMINEES LACK SKILLS AND EXPERIENCE NEEDED TO SUPPORT COMPANY'S PROGRESS

TOM MORTENSON

- Previously nominated in 2016 as part of dissident slate put forth by Carol Farmer Waite and was NOT elected by stockholders
- Does not appear that he has worked in a professional environment since retiring from Farmer Brothers in 2015
- Knowledge of Farmer Brothers is dated; no food and beverage industry experience outside of Farmer Brothers
- No C-level executive experience and has never served on the Board of a public company
- No apparent academic credentials related to basic competencies required for public company board service

JONATHAN WAITE

- Ms. Grossman's nephew and the son of Carol Farmer Waite; was a member of the group that put forth dissident slate of directors in 2016
 - Employment with Farmer Brothers terminated in 2017, and his experience as a construction consultant since then would not add value to the Board
 - Knowledge of Farmer Brothers is dated; no food and beverage industry experience outside of Farmer Brothers
 - No C-level executive experience and has never served on the Board of a public company
 - No apparent academic credentials related to basic competencies required for public company board service
 - Does NOT appear to have a long-term stockholder mindset; has consistently sold down stock ownership position in the Company
-

FARMER BROTHERS' STRONG QUALIFIED NOMINEES

	CEO Experience	Public Board Experience	Extensive Food and Beverage Industry Experience	Finance Experience	Operational Experience	M&A Experience	Recent Company Knowledge
Charles Marcy	✓	✓	✓	✓	✓	✓	✓
Christopher Mottern	✓	✓	✓	✓	✓	✓	✓
Deveral Maserang	✓	X	✓	X	✓	✓	✓
Tom Mortenson	X	X	X	X	✓	X	X
Jonathan Waite	X	X	X	X	✓	X	X

Operational experience is already well represented on the Board, with seven of eight Board members having significant operational experience



PART VI: CONCLUSION



ELECTING THE GROSSMAN GROUP'S NOMINEES WOULD PUT FARMER BROTHER AT SIGNIFICANT RISK

The Board believes that the actions the Company has taken recently and the actions that the Company continues to take will lead to improved financial performance and enhanced value creation for all Farmer Brothers stockholders

Executing our turnaround strategy

Confident in our new leadership

We see opportunities ahead for Farmer Brothers

The Grossman Group nominees add NO value and
are NOT qualified to serve on our Board

The Grossman Group Has NO Plan

A photograph of a person's hands holding a dark-colored mug filled with coffee. The person is wearing a patterned sweater. The background is dark and out of focus. The word "APPENDIX" is overlaid in white, bold, uppercase letters in the center of the image.

APPENDIX

RECONCILIATION OF ADJUSTED EBITDA TO GAAP (Unaudited)

(IN THOUSANDS)	YEAR ENDED JUNE 30					THREE MONTHS ENDED SEPTEMBER 30	
	2015 ¹	2016 ¹	2017 ¹	2018	2019	2018	2019
Net (Loss) Income, As Reported	\$(9,708)	\$71,791	\$22,551	\$(18,280)	\$(73,595)	\$(2,986)	4,654
Income Tax Expense (Benefit)	402	(72,239)	14,815	17,312	40,111	(1,287)	(107)
Interest Expense ²	769	425	2,185	3,177	6,036	1,203	1,276
Income From Short-term Investments	(1,251)	(2,204)	(1,853)	(19)	—	—	—
Depreciation And Amortization Expense	24,179	20,774	22,970	30,464	31,065	7,728	7,617
Esop And Share-based Compensation Expense	5,691	4,342	3,959	3,822	3,723	912	869
Restructuring And Other Transition Expenses ³	10,432	16,533	11,016	662	4,733	4,467	-
Net Gain From Sale Of Torrance Facility	—	—	(37,449)	—	—	—	—
Net Gains From Sale Of Spice Assets	—	(5,603)	(919)	(770)	(593)	—	—
Net Losses (Gains) From Sales Of Other Assets	394	(2,802)	(1,210)	(196)	1,058	(81)	(12,605)
Impairment Losses On Intangible Assets	—	—	—	3,820	—	—	—
Pension Withdrawal Expense	—	—	—	—	—	—	—
Non-recurring 2016 Proxy Contest-related Expenses	—	—	5,186	—	—	—	—
Acquisition And Integration Costs ⁴	—	—	1,734	7,570	6,123	1,011	—
Pension Settlement Charge ⁵	—	—	—	—	10,948	—	—
Severance	—	—	—	—	2,273	—	2,312
ADJUSTED EBITDA	\$30,908	\$31,017	\$42,985	\$47,562	\$31,882	\$10,967	\$4,016
ADJUSTED EBITDA MARGIN	5.7%	5.7%	7.9%	7.8%	5.3%	7.4%	2.9%

NOTE

- Prior year financial information has been retrospectively adjusted to reflect the impact of certain changes in accounting principles and corrections to previously issued financial statements.
- Beginning in the first quarter of fiscal 2019, for purposes of calculating Adjusted EBITDA and Adjusted EBITDA Margin, we have excluded the impact of interest expense resulting from the adoption of ASU 2017-07 because such interest expense is not reflective of our ongoing operating results.
- In the three months ended September 30, 2018 and year ended June 30, 2019, includes \$3.4 million, including interest, assessed by the WC Pension Trust representing the Company's share of the WCTPP unfunded benefits due to the Company's partial withdrawal from the WCTPP as a result of employment actions taken by the Company in 2016 in connection with the Corporate Relocation Plan, net of payments of \$0.8 million.
- Beginning in fiscal 2017, we modified the calculation of Adjusted EBITDA and Adjusted EBITDA Margin to exclude acquisition and integration costs. We have not adjusted the historical presentation of Adjusted EBITDA and Adjusted EBITDA Margin because acquisition and integration costs in prior periods were not material to the Company's results of operations.
- In the second quarter of fiscal 2019, we modified the calculation of Adjusted EBITDA and Adjusted EBITDA Margin to exclude a non-cash pretax pension settlement charge resulting from the amendment and termination of the Farmer Bros. Pension Plan for Salaried Employees effective December 1, 2018. This modification to our non-GAAP financial measures was made because such expenses are not reflective of our ongoing operating results and adjusting for them will help investors with comparability of our results.

IMPORTANT ADDITIONAL INFORMATION AND WHERE TO FIND IT

Farmer Bros. Co. has filed a definitive proxy statement and accompanying WHITE proxy card with the SEC in connection with the solicitation of proxies from the Company's stockholders in connection with the matters to be considered at the Company's 2019 Annual Meeting. Additional information regarding the identity of participants, and their direct or indirect interests, by security holder or otherwise, is set forth in the Company's definitive proxy statement, including the schedules and appendices thereto.

THE COMPANY URGES ITS INVESTORS AND STOCKHOLDERS TO READ CAREFULLY AND IN THEIR ENTIRETY THE DEFINITIVE PROXY STATEMENT (INCLUDING ANY SUPPLEMENTS OR AMENDMENTS), THE ACCOMPANYING WHITE PROXY CARD AND ANY OTHER DOCUMENTS THAT THE COMPANY MAY FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Farmer Bros. Co., certain of its directors and certain of its executive officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the matters to be considered at the Company's 2019 Annual Meeting. Information regarding the names of the Company's directors and executive officers and their respective interests in the Company's securities or otherwise is set forth in the Company's definitive proxy statement for its 2019 Annual Meeting. To the extent holdings of the Company's securities have changed since the amounts set forth in the Company's definitive proxy statement for the 2019 Annual Meeting, such changes have been reflected on Initial Statements of Beneficial Ownership on Form 3, Statements of Change in Ownership on Form 4 or Annual Statements of Changes in Beneficial Ownership of Securities on Form 5 filed with the SEC. These documents are available free of charge at the SEC's website at www.sec.gov.

Copies of the definitive proxy statement (including any supplements or amendments), the accompanying WHITE proxy card, and any other documents filed by the Company with the SEC are available free of charge at the SEC's website at www.sec.gov. Copies are available free of charge at the Investor Relations section of the Company's website at www.farmerbros.com.



