

**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): **May 24, 2017**

**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.)

**1912 Farmer Brothers Drive, Northlake, Texas 76262**  
(Address of Principal Executive Offices)

**888-998-2468**

(Registrant's Telephone Number, Including Area Code)

**13601 North Freeway, Suite 200, Fort Worth, Texas 76177**  
(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 7.01 Regulation FD Disclosure.

As of May 24, 2017, 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, and possibly with modifications, in connection with presentations to investors, analysts 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](http://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	Investor Presentation Slideshow in use beginning May 24, 2017.

**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: May 24, 2017

FARMER BROS. CO.

By: /s/ David G. Robson

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**David G. Robson**

**Treasurer and Chief Financial Officer**

## EXHIBIT INDEX

Exhibit No.

Description

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99.1	Investor Presentation Slideshow in use beginning May 24, 2017.
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The logo is a brown oval with a yellow border, containing the text "Farmer Brothers" in a white serif font. A registered trademark symbol (®) is located to the right of the oval.

Farmer Brothers®

The background image shows a pair of hands cupped together, holding a large quantity of dark brown coffee beans. The hands are positioned in the center, with the beans spilling slightly over the edges. The background is a dark, textured surface, possibly a burlap sack, with some faint, illegible text visible in the upper right corner.

# INVESTOR PRESENTATION

May 2017

# FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation 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 in our most recent 10-K and 10-Q filings. These forward-looking statements can be identified by the use of words like "anticipates," "estimates," "projects," "expects," "plans," "believes," "intends," "will," "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 timing and success of the Company's Corporate Relocation Plan, the timing and success of the Company in realizing estimated savings from third party logistics and vendor managed inventory, the realization of the Company's cost savings estimates, 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 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, our ability to retain employees with specialized knowledge, the effectiveness of our hedging strategies in reducing price 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, 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, changes in the quality or dividend stream of third parties' securities and other investment vehicles in which we have invested our assets, as well as other risks described in this report and other factors described from time to time in our filings with the SEC.

**Note:** All of the financial information presented herein is unaudited.

# CORPORATE OVERVIEW

## ■ National manufacturer, wholesaler, and distributor of foodservice products with over 100 years in the business

- Founded in 1912
- National roaster, manufacturer, wholesaler, and distributor of high-quality branded and private label coffees and distributor of teas, spices, and culinary products

## ■ Differentiated business model

- One of the most complete local, regional, and national Direct Store Delivery (DSD) networks in the coffee industry
- Production capabilities at three quality tiers – value, premium, and specialty
- Substantial experience in coffee sourcing, procurement, roasting, and blending
- Respected sustainability program

## ■ Growth Industry

- Positive growth rates with Specialty coffee and iced coffee beverages forecasted to grow at faster rates\*
- Delivered 7% compound annual growth rate in coffee pounds since Q4 2012

## ■ Experienced management team

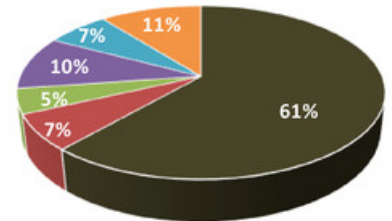
- Significant experience across consumer branded, packaged goods, and beverage companies
- Strong background in turnarounds

## ■ Industry association leadership

- Mike Keown appointed Vice Chairman, World Coffee Research – October 2016

\* Source : 2016 Nielsen Retail Report

FY16 Net Sales - \$544M



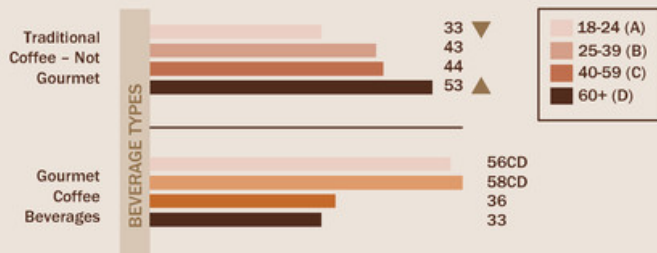
- Coffee (Roast & Ground)
- Coffee (Frozen Liquid)
- Tea (Iced & Hot)
- Culinary
- Spice
- Other beverages



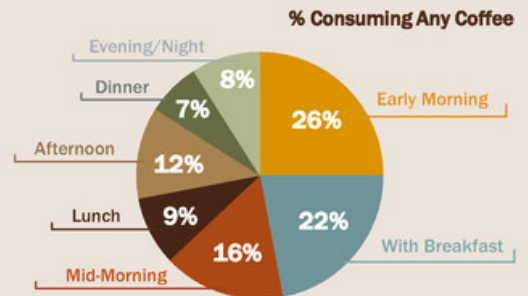


# COFFEE CONSUMPTION TRENDS

## CONSUMPTION & OCCASION



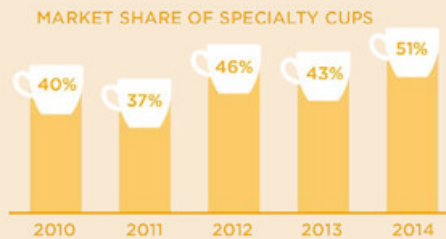
- Gourmet penetration has surpassed traditional coffee among Millennials



- Coffee is no longer just a "morning" drink.

## "SPECIALTY"IZATION

- Specialty coffee consumption surpassed "traditional" coffee in 2014 and has remained steady



## COLD BREW

115% Growth (All Channels '15)



- \$7.9M retail sales
- 339% growth since 2010
- Quality improving; line extensions hitting the market (e.g., nitro brew)

Sources : The Hartman Group, SCAA, Datassential, Mintel

Farmer Brothers



# 2017 MEGA COFFEE TRENDS

## Farmer to Consumer

### Reuse & Upcycle

- Farmers use the coffee cherry skins to produce coffee flour so they can use it for baking
- Consumers enjoyed steeped skins (Cascara) as an emerging specialty beverage
- Next: Cascara sodas and adult beverages



## Beneficial Cred

### Coffee Reputation gets a healthy boost

- Off the line: Bulletproof Coffee
- Media Blitz on healthy benefits
- Further support from health Experts (Webmd, Mayo Clinic)
- Focus: Phytochemicals & Caffeine



## Processing Protocol

### Pre-Harvest to Pre-Cup

- Coffee houses are beginning to entice consumers by promoting "least processed"
- This is new-age transparency that furthers authenticity and goodwill



## Cold Brew

### Nitro Goes Mainstream

- Small but expanding as early adopters drive growth
- Reduces need for sweetener due to creamy mouthful
- RTD options starting to surface. Will they make the grade?



## Culinary Elite

### Coffee as Culinary Star

- Coffee becomes a go-to ingredient for chefs, making an increased appearance on menus.
- Trending: Food & Alcohol pairings, Season pushes; varietals



## Flavor(full)

### Flavor with Purpose

- Consumers seeking health benefits and flavors as a single solution
- Coffee & tea offer a viable foundation
- Trending: Ethnic spices, seeds, nut milks, antioxidants, flavanoids



According to Mintel research, 57% of consumers say they are adventurous eaters while 82% claim to be open to trying new flavors. The millennial generation has proven to be the most adventurous, driving the growth of ethnic flavors in retail and foodservice.

Source : Datassential Foodbytes; June 2015; July 2015

Farmer Brothers®

# MULTI-TIER COFFEE & TEA PORTFOLIO

## SPECIALTY — Handcrafted. Fresh. Sustainable.

ARTISAN COLLECTION  
● ● ● BY FARMER BROTHERS™

PANACHE™  
YOUR NEIGHBORHOOD'S BEST COFFEE™

COLLABORATIVE  
COFFEE  
FARM DIRECT

## PREMIUM — Fresh. Contemporary. Diverse.

METROPOLITAN™  
BY FARMER BROTHERS

UNMOMENTO®



CHINAMIST.



## TRADITIONAL — Traditional coffees for the classic consumer



CAIN'S  
BY FARMER BROTHERS



## Product Categories



# PRIVATE BRAND PROGRAM DEVELOPMENT

## OUR MODEL

### SPECIALTY COFFEE AT SCALE



### TOTAL PARTNERSHIP MODEL



## WHY WE'RE DIFFERENT

01

### QUALITY

- Cup scores / buying philosophy
- State-of-the-art roastery
- Extensive coffee innovation expertise

02

### CONSISTENCY

- 40 years of wholesaling
- Exacting quality standards
- "7 Year Journeyman" roaster training

03

### LEADERSHIP

- SCAA, Roasters Guild
- Industry leading green coffee buying
- >100 independent coffeehouse accounts

04

### SUSTAINABILITY

- LEED® Silver certified roastery
- Corporate sustainability program
- Longstanding direct trade relationships

05

### PARTNERSHIP

- Dedicated Market Insights Manager
- Account Management philosophy
- Strong collaborative approach

## THE BENEFIT

REPEAT PURCHASE

CONFIDENCE & TRUST

CREDIBILITY

SECURITY & RESPECT

INNOVATION &  
DIFFERENTIATION

Farmer Brothers®

# NATIONWIDE DISTRIBUTION NETWORK









7 Manufacturing Facilities/Distribution Centers and 114 branch warehouses





# OUR SUSTAINABILITY PROGRAMS

**Our focused sustainability programs are a key component to winning new business**

ENVIRONMENTAL	SOCIAL
 <p>First roaster in the Northwest to be LEED® Silver Certified</p>	 <p>Innovative direct trade program pays farmers more for quality and invests in their long term coffee productivity</p>
 <p>100% renewable energy is part of our ongoing carbon footprint reduction strategy at our roasting facilities</p>	 <p>Strong partnership with FairTrade USA, offering a wide range of single origins and blends. Ethical consumers place emphasis here.</p>
 <p>14% reduction in our electric use, 28,000 MT (or 6.8%) reduction in our carbon footprint while increasing volume</p>	 <p>Active participation and supporter Rainforest Alliance that helps farmers farm while conserving the environment while boosting crop yields.</p>
 <p>Certified USDA and OCIA coffees from all major growing regions, including blends and single origins.</p>	 <p>Long term “Cause Coffee” programs with MercyCorps® and Philanthropy Partners support community aid projects at origin</p>

\* LEED certification at our Northlake Tx headquarters facility projected in 2017

# EXPERIENCED SENIOR MANAGEMENT TEAM

Name	Title	Prior Experience
Mike Keown	President and Chief Executive Officer	 
David Robson	Treasurer and Chief Financial Officer	 
Tom Mattei	General Counsel and Assistant Secretary	 
Ellen lobst	Chief Operations Officer	 
Scott Bixby	Senior Vice President/General Manager of DSD	 
Scott Siers	Senior Vice President/General Manager of Direct-Ship	 
Gerard Bastiaanse	Senior Vice President, Marketing	 
Suzanne Gargis	Vice President, Human Resources	 

Note: The marks displayed above are the properties of these companies. Use in this presentation does not imply endorsement of this presentation.



# INDUSTRY ASSOCIATION LEADERSHIP

- **World Coffee Research**
  - Mike Keown appointed Vice Chairman of the Board of Directors
- **Specialty Coffee Association of Sustainability Council**
  - Council Member
- **Pacific Coast Coffee Association**
  - Board Member
- **Roasters Guild**
- **Charitable Support**
  - Coalition for Coffee Communities Board Member
  - FMI Leadership Counsel, Feeding America



The marks displayed above are the properties of those organizations.



# MOVING FORWARD

May 2017

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## CURRENT STRATEGIC OBJECTIVES

- **Increase production efficiency to improve competitiveness**
  - Completed Corporate Relocation Plan
  - Implement supply chain cost reduction and efficiency initiatives
  - Leverage ERP system to reduce unnecessary costs
  - Maintain quality reputation as a competitive strength
  - Improve planning, forecasting, and further simplifying the supply chain
  - Reassess work processes
- **Drive volume growth from a larger national account base and enhance teamwork across the National Account and DSD organizations**
- **Redefine the DSD Model**
  - Announced restructuring of the Company's DSD sales model in February 2017
  - Leverage mobile sales and fleet routing tools to improve efficiency
  - Invest in high-growth and profitable markets and consider leaving low-profit markets
  - Continue to pursue strategies to improve or create profitable scale in targeted markets

# GROWTH EXPANSION OPPORTUNITIES

- **Positive industry trends**
  - ~3-5% aggregate annual growth rates expected with specialty coffee and iced coffee beverages growing at higher rates<sup>1</sup>
  - Consumption dynamic changing
- **Large addressable market**
  - Potential market share improvement through new customers and territory objectives
  - Currently hold small percentage of the addressable market
    - Less than 1% market share<sup>2</sup>
    - Capitalize on consumers increasing interest in sustainability
- **Market continues to expand with new categories and products**
  - Ice coffee, cold brew, premium coffee channels
- **Opportunistic M&A activities**
  - Fragmented market with many regional players
  - Strong balance sheet and equity position
  - Low debt, with net borrowings net of cash and short term investments of \$12.0 million as of March 31, 2017
  - Additional borrowing capacity, with a \$75.0 million revolving credit facility and a \$50.0 million accordion feature in place
    - \$13.1m in availability as of 3/31/17

Source : (1) 2016 Nielsen Retail Report (2) Specialty Coffee Association of American Dec 2015

## RECENT ACCOMPLISHMENTS

- **Strengthened management team**
  - Adding talent to manage for future growth
  - Expertise in turnaround stories
- **Recently announced supply chain rationalization/simplification**
  - DSD restructure targets annual savings of \$2.0 million - \$2.6 million to be realized fully by fiscal Q2-18 after incurring 1x costs of \$3.7 million - \$4.9 million
  - Better addresses unique needs of customers and quicker response to industry trends
- **Recent customer wins in fiscal 2017**
  - Examples: Allsup, SSP, Comcast, Skyline Healthcare, Stop N Save convenience stores
- **Enhanced specialty coffee program and resources**
- **Added new capabilities – i.e., in national account sales, sustainability**
- **Expanded grower sustainability programs at home and abroad**



# CORPORATE RELOCATION PLAN

- **New HQ and distribution center in Northlake, Texas up and running**
  - Effectively transitioned all remaining key functions into the new facility
  - Installed roasters in new state-of-the-art facility
  - Expect to be fully operational by fiscal year end 2017
- **Annual savings estimated \$18 million - \$20 million**
  - Third Party Logistics (3PL) for long-haul deliveries added
  - Vendor - managed inventories added for select items
  - Closure of Torrance facility has driven improvement in Gross Margin
  - Expect to realize full savings by the back half of FY2018
  - Recently consolidated Oklahoma Distribution Center activity into our Northlake, Texas Distribution Center
  - \$3 - \$5m in savings expected to be realized in FY18
- **Restructuring costs related to corporate relocation plan estimated at \$31.6 million cash costs**
  - \$30.7 million of cash costs recognized through Q3 2017
- **Continue to assess manufacturing, distribution, and supply chain activities for additional savings**



## RECENT ACQUISITIONS

### ■ China Mist Brands, Inc.

- Acquired October 2016 for ~\$11.2 million including working capital adjustments (before earnout)
- Strong premium tea brand
  - Fast growing market segment
- National distribution in over 20,000 foodservice locations
- Strong management team



### ■ West Coast Coffee

- Acquired in February 2017 for ~\$14.7 million including working capital adjustments (before earnout)
- Portland, Oregon-based coffee manufacturer and distributor
- Primarily focused on convenience store, grocery and foodservice channels
  - Distribution to over 2,000 locations
- Broadens Farmer Bros.' reach in Northwest



Farmer Brothers

The image is a composite background for a financial report cover. It features a dark brown, semi-transparent overlay on a lighter brown background. In the center, a black pen with silver accents is positioned diagonally. Behind the pen is a white ceramic coffee cup. At the bottom, a line graph with multiple data series is visible, though the text on the graph is illegible. The overall aesthetic is professional and business-oriented.

# FINANCIAL OVERVIEW

May 2017

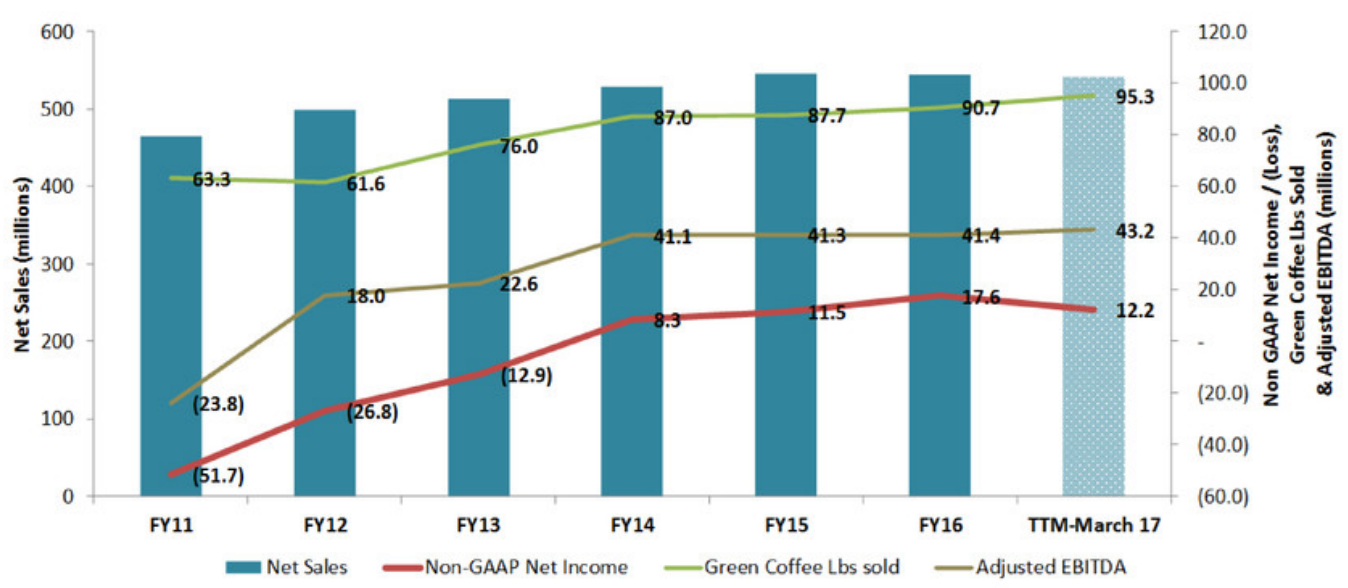
# STRONG BALANCE SHEET

<i>(In millions)</i>	<b>March 31, 2017</b>	
<i>Cash and Cash Equivalents</i>	\$	5.7
<i>Short-Term Investments</i>		26.5
<i>Accounts and Notes Receivable</i>		50.4
<i>Inventories</i>		60.7
<i>Other Current Assets</i>		5.1
<i>Net PP&amp;E</i>		172.0
<i>Other Assets</i>		102.5
<b>Total Assets</b>	<b>\$</b>	<b>422.9</b>
<i>Total Liabilities excluding Credit Facility</i>		170.7
<i>Credit Facility</i>		44.2
<i>Stockholders' Equity</i>		208.0
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$</b>	<b>422.9</b>

Numbers presented are rounded  
 Inventory – recorded under LIFO methodology  
 PP&E – includes 52 owned properties

Farmer Brothers®

# DELIVERING VOLUME AND PROFITABILITY GROWTH



- Coffee pounds CAGR of 7.4% from FY 2011 through March 2017
- Non GAAP net income CAGR of 15.1% from FY 2014 – March 2017(1)

(1) See reconciliation of non GAAP measure to most comparable GAAP measure at the end of this presentation

# FY 18 OUTLOOK

- We believe we can grow coffee pounds at market rates or faster
- Our acquisition of China Mist provides new opportunities to expand tea products across our existing customer base as well as increase coffee penetration within China Mist's existing customer base
- Net revenues outside of tea and coffee are expected to grow at slower rates
- We currently believe that gross margins in FY 18 will be impacted by approximately 60 – 80bps from higher depreciation at our new Northlake, Tx facilities
- We currently believe that gross margin dollars are expected to grow approximately in the 2% - 3% range
- We anticipate continued adjusted EBITDA growth, improving 50bps to 100bps in FY 18 over FY 17
- Expected cash tax rate of 3% - 4% with \$66m in deferred tax assets remaining to utilize
- Annual maintenance CapX of \$20m - \$22m anticipated for FY18
- Investment CapX for FY18 still under review
- We expect that our strong balance sheet would allow us to pursue opportunistic acquisitions or future investment in our production facilities



# KEY ACTIVITIES TO PROPEL FUTURE GROWTH

- **Strong product market with growing categories**
  - Increased coffee and tea consumption
- **Upgrading manufacturing facilities and distribution practices**
  - New Northlake facility can initially increase system wide roasting capacity by up to 25% to support increased demand with longer term potential to nearly double capacity
- **Initiating programs to win new customers**
  - Cost and innovation programs
  - Coffee sourcing leadership
  - Sustainability leadership
- **Strong senior management with experience in turnarounds**
- **Acquiring select capabilities and brands to broaden our reach**
  - China Mist Brands – acquired October 2016
  - West Coast Coffee – acquired February 2017

**Positioning Farmer Bros. for Profitable Revenue Growth**



The logo is an oval with a brown background and a yellow border. It contains the text "Farmer Brothers" in a white serif font, with a registered trademark symbol (®) to the right.

Farmer Brothers®

The background image shows a pair of hands holding a large quantity of dark brown coffee beans. The hands are positioned in the center, with the beans spilling out from between them. The background is a dark, textured surface, possibly a burlap sack, with some light-colored stitching visible.

# INVESTOR PRESENTATION

May 2017

# APPENDIX

Farmer Brothers®

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## MOST RECENT RESULTS – Q3 2017 VS Q3 2016

- Green coffee pounds increased 6.9%
- Revenue increased 2.8%
- Solid margins of 38.9%, essentially flat with last year when excluding start up costs for our new Northlake facility
- EBITDA increased 52.7%
- Adjusted EBITDA increased 24.0%
- Adjusted EBITDA margin increased to 8.8%, or 150 bps, over last year and the highest EBITDA % performance this year
- Adjusted EBITDA dollars reached \$12.2m Vs. \$9.8M last year

## SELECTED FINANCIAL DATA

	Three Months Ended March 31,		
(In thousands, except per share data)	2017	2016	Y-o-Y Change
<u>Income statement data:</u>			
Net sales	\$ 138,187	\$ 134,468	2.80%
Gross margin	38.9%	39.1%	-20 bps
Income from operations	\$ 2,058	\$ 306	572.50%
Net income	\$ 1,594	\$ 1,192	33.70%
Net income per common share—diluted	\$ 0.10	\$ 0.07	\$ 0.03
<u>Operating data:</u>			
Coffee pounds	24,395	22,821	6.90%
Non-GAAP net income	\$ 3,049	\$ 4,022	-24.20%
Non-GAAP net income per diluted common share	\$ 0.17	\$ 0.24	\$ (0.07)
EBITDA	\$ 10,049	\$ 6,580	52.70%
EBITDA Margin	7.30%	4.90%	+240 bps
Adjusted EBITDA	\$ 12,180	\$ 9,820	24.00%
Adjusted EBITDA Margin	8.80%	7.30%	+150 bps
<u>Balance sheet and other data:</u>			
Total capital expenditures excluding new facility	\$ 6,421	\$ 2,876	123.30%
Total capital expenditures	\$ 13,503	\$ 12,564	7.50%
Depreciation and amortization expense	\$ 6,527	\$ 5,234	24.70%

# Q3 FY17 STATEMENTS OF OPERATIONS

	Three Months Ended March 31,		Nine Months Ended March 31,	
(\$ in thousands, except per share data)	2017	2016	2017	2016
Net sales	\$ 138,187	\$ 134,468	\$ 407,700	\$ 410,220
Cost of goods sold	84,367	81,908	247,586	254,173
Gross profit	53,820	52,560	160,114	156,047
GM	38.9 %	39.1 %	39.3 %	38.0 %
Selling expenses	40,377	38,447	117,912	112,741
General and administrative expenses	9,196	10,977	31,925	29,951
Restructuring and other transition expenses	2,547	3,169	9,542	13,855
Net gain from sale of Torrance Facility	—	—	(37,449)	—
Net gains from sales of Spice Assets	(272)	(335)	(764)	(5,441)
Net gains from sales of assets-other	(86)	(4)	(1,525)	(163)
Operating expenses	51,762	52,254	119,641	150,943
Income from operations	2,058	306	40,473	5,104
Other income (expense):				
Dividend income	273	288	808	840
Interest income	147	139	435	359
Interest expense	(517)	(111)	(1,430)	(341)
Other, net	1,044	613	(1,088)	35
Total other income (expense)	947	929	(1,275)	893
Income before taxes	3,005	1,235	39,198	5,997
Income tax expense	1,411	43	15,910	318
Net income	\$ 1,594	\$ 1,192	\$ 23,288	\$ 5,679
Basic net income per common share	\$ 0.10	\$ 0.07	\$ 1.40	\$ 0.34
Diluted net income per common share	\$ 0.10	\$ 0.07	\$ 1.39	\$ 0.34
Weighted average common shares outstanding—basic	16,605,754	16,539,479	16,584,125	16,486,469
Weighted average common shares outstanding—diluted	16,721,774	16,647,415	16,704,200	16,614,275

# RECONCILIATION OF REPORTED NET INCOME TO EBITDA

	Three Months Ended March 31,		Nine Months Ended March 31,	
<b>(\$ in thousands)</b>	2017	2016	2017	2016
Net income, as reported	\$ 1,594	\$1,192	\$ 23,288	\$ 5,679
Income tax expense	1,411	43	15,910	318
Interest expense	517	111	1,430	341
Depreciation & amortization expense	6,527	5,234	16,613	15,721
<b>EBITDA</b>	<b>\$ 10,049</b>	<b>6,580</b>	<b>\$ 57,241</b>	<b>\$ 22,059</b>
<b>EBITDA Margin</b>	<b>7.3 %</b>	<b>4.9 %</b>	<b>14.0 %</b>	<b>5.4 %</b>



# RECONCILIATION OF REPORTED NET INCOME TO ADJUSTED EBITDA

(\$ in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2017	2016	2017	2016
Net income, as reported	\$ 1,594	\$ 1,192	\$ 23,288	\$ 5,679
Income tax expense	1,411	43	15,910	318
Interest expense	517	111	1,430	341
Investment income	(1,156)	(427)	(882)	(1,312)
Depreciation & amortization expense	6,527	5,234	16,613	15,721
Share-based compensation expense	902	837	2,996	3,488
Restructuring and other transition expenses	2,547	3,169	9,542	13,855
Net gain from sales of Torrance Facility	—	—	(37,449)	—
Net gains from sales of Spice Assets	(272)	(335)	(764)	(5,441)
Net (gains) losses from sale of assets	(86)	(4)	(1,525)	(163)
Non-recurring proxy contest-related expenses	196	—	5,186	—
Adjusted EBITDA	\$ 12,180	\$ 9,820	\$ 34,345	\$ 32,486
Adjusted EBITDA Margin	8.8 %	7.3 %	8.4 %	7.9 %

# RECONCILIATION OF REPORTED NET INCOME TO NON-GAAP NET INCOME

(\$ in thousands)	Three Months Ended March 31,		Nine Months Ended March 31,	
	2017	2016	2017	2016
Net income, as reported	\$ 1,594	\$ 1,192	\$ 23,288	\$ 5,679
Non-recurring proxy contest-related expense	196	—	5,186	—
Restructuring and other transition expenses	2,547	3,169	9,542	13,855
Net gain from sales of Torrance Facility	—	—	(37,449)	—
Net gains on Spice Assets	(272)	(335)	(764)	(5,441)
Net (gains) losses on sale of assets-other	(86)	(4)	(1,525)	(163)
Interest expense on sale-leaseback financing obligations	—	—	681	—
Tax impact of non-GAAP adjustments	(930)	—	9,488	—
Non-GAAP net income	\$ 3,049	\$ 4,022	\$ 8,447	\$ 13,930
Weighted average common shares outstanding—basic	16,605,754	16,539,479	16,584,125	16,486,469
Weighted average common shares outstanding—diluted	16,721,774	16,647,415	16,704,200	16,614,275
GAAP net income per common share—diluted	\$ 0.10	\$ 0.07	\$ 1.39	\$ 0.34
Impact of expenses related to additional resources for proxy contest	\$ 0.01	\$ —	\$ 0.31	\$ —
Impact of restructuring and other transition expenses	\$ 0.15	\$ 0.19	\$ 0.57	\$ 0.83
Impact of gain on sale of Torrance Facility	\$ —	\$ —	\$ (2.24)	\$ —
Impact of gains from sale of Spice Assets	\$ (0.02)	\$ (0.02)	\$ (0.05)	\$ (0.33)
Impact of net (gains) losses on sale of assets	\$ (0.01)	\$ (0.00)	\$ (0.09)	\$ (0.01)
Impact of interest expense on sale-leaseback financing obligation	\$ —	\$ —	\$ 0.04	\$ —
Impact of income taxes on non-GAAP adjustments	\$ (0.06)	\$ —	\$ 0.57	\$ —
Non-GAAP net income per common share—diluted	\$ 0.17	\$ 0.24	\$ 0.50	\$ 0.83

The logo is an oval with a brown background and a yellow border. It contains the text "Farmer Brothers" in a white serif font, with a registered trademark symbol (®) to the right.

Farmer Brothers®

The background image shows a pair of hands holding a large quantity of coffee beans. The hands are positioned in the center, with the beans spilling out from between them. The background is a dark, textured surface, possibly a burlap sack, with some faint, illegible text visible. The overall color palette is dark and earthy.

# INVESTOR PRESENTATION

May 2017

