

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-34249
FARMER BROS. CO.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation of
Organization)

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 Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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, par value \$1.00 per share	FARM	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

<input type="checkbox"/>	<input type="checkbox"/>
Large accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>
	<input type="checkbox"/>
	<input type="checkbox"/>

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES NO

As of February 9, 2026, the registrant had 21,727,157 shares outstanding of its common stock, par value \$1.00 per share, which is the registrant's only class of common stock.

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PART I - FINANCIAL INFORMATION (UNAUDITED)
Item 1. Financial Statements

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

	<u>December 31, 2025</u>	<u>June 30, 2025</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,186	\$ 6,796
Restricted cash	178	178
Accounts receivable, net of allowance for credit losses of \$652 and \$650, respectively	25,527	24,758
Inventories	49,395	49,839
Prepaid expenses	4,351	3,975
Total current assets	<u>83,637</u>	<u>85,546</u>
Property, plant and equipment, net	25,704	27,845
Intangible assets, net	7,933	9,033
Right-of-use operating lease assets	33,875	38,347
Other assets	301	461
Total assets	<u>\$ 151,450</u>	<u>\$ 161,232</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	38,704	37,669
Accrued payroll expenses	8,199	12,692
Right-of-use operating lease liabilities - current	15,263	16,773
Other current liabilities	3,784	3,893
Total current liabilities	<u>65,950</u>	<u>71,027</u>
Long-term borrowings under revolving credit facility	21,300	14,300
Accrued pension liabilities	6,509	7,322
Accrued workers' compensation liabilities	2,513	2,619
Right-of-use operating lease liabilities - noncurrent	19,258	22,195
Other long-term liabilities	262	221
Total liabilities	<u>\$ 115,792</u>	<u>\$ 117,684</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$1.00 par value, 50,000,000 shares authorized; 21,720,306 and 21,560,985 shares issued and outstanding as of December 31, 2025 and June 30, 2025, respectively	21,720	21,561
Additional paid-in capital	82,508	81,666
Accumulated deficit	(53,761)	(44,870)
Accumulated other comprehensive loss	(14,809)	(14,809)
Total stockholders' equity	<u>\$ 35,658</u>	<u>\$ 43,548</u>
Total liabilities and stockholders' equity	<u>\$ 151,450</u>	<u>\$ 161,232</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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,	
	2025	2024	2025	2024
Net sales	\$ 88,923	\$ 90,021	\$ 170,524	\$ 175,086
Cost of goods sold	56,656	51,182	105,821	98,930
Gross profit	32,267	38,839	64,703	76,156
Selling expenses	26,706	26,760	52,509	53,987
General and administrative expenses	8,805	9,534	17,602	20,786
Net losses on disposal of assets	892	1,527	1,909	3,193
Operating expenses	36,403	37,821	72,020	77,966
(Loss) income from operations	(4,136)	1,018	(7,317)	(1,810)
Other (expense) income:				
Interest expense	(1,200)	(1,922)	(2,524)	(3,713)
Other, net	470	1,033	950	783
Total other expense	(730)	(889)	(1,574)	(2,930)
(Loss) income before taxes	(4,866)	129	(8,891)	(4,740)
Income tax (benefit) expense	—	(81)	—	52
Net (loss) income	\$ (4,866)	\$ 210	\$ (8,891)	\$ (4,792)
Net (loss) income available to common stockholders per common share, basic and diluted	\$ (0.22)	\$ 0.01	\$ (0.41)	\$ (0.23)
Weighted average common shares outstanding—basic	21,669,663	21,314,911	21,631,753	21,289,073
Weighted average common shares outstanding—diluted	21,669,663	22,357,699	21,631,753	21,289,073

The accompanying notes are an integral part of these unaudited consolidated financial statements.

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS (UNAUDITED)
(In thousands)

	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net (loss) income	\$ (4,866)	\$ 210	\$ (8,891)	\$ (4,792)
Other comprehensive income (loss), net of taxes:				
Unrealized (losses) gains on derivatives designated as cash flow hedges	—	(6)	—	1
Gain on derivatives designated as cash flow hedges reclassified to cost of goods sold	—	(181)	—	(303)
Total comprehensive (loss) income	\$ (4,866)	\$ 23	\$ (8,891)	\$ (5,094)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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

	Common Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
Balance at June 30, 2025	21,560,985	\$ 21,561	\$ 81,666	\$ (44,870)	\$ (14,809)	\$ 43,548
Net loss	—	—	—	(4,025)	—	(4,025)
Share-based compensation	—	—	482	—	—	482
Issuance of common stock and stock option exercises	41,027	41	(41)	—	—	—
Balance at September 30, 2025	21,602,012	\$ 21,602	\$ 82,107	\$ (48,895)	\$ (14,809)	\$ 40,005
Net loss	—	—	—	(4,866)	—	(4,866)
Share-based compensation	—	—	519	—	—	519
Issuance of common stock and stock option exercises	118,294	118	(118)	—	—	—
Balance at December 31, 2025	21,720,306	\$ 21,720	\$ 82,508	\$ (53,761)	\$ (14,809)	\$ 35,658

	Common Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total
Balance at June 30, 2024	21,264,327	\$ 21,265	\$ 79,963	\$ (30,354)	\$ (25,325)	\$ 45,549
Net loss	—	—	—	(5,002)	—	(5,002)
Cash flow hedges, net of taxes	—	—	—	—	(116)	(116)
Share-based compensation	—	—	495	—	—	495
Issuance of common stock and stock option exercises	3,896	3	(3)	—	—	—
Balance at September 30, 2024	21,268,223	\$ 21,268	\$ 80,455	\$ (35,356)	\$ (25,441)	\$ 40,926
Net income	—	—	—	210	—	210
Cash flow hedges, net of taxes	—	—	—	—	(187)	(187)
Share-based compensation	—	—	541	—	—	541
Issuance of common stock and stock option exercises	83,173	83	(83)	—	—	—
Balance at December 31, 2024	21,351,396	\$ 21,351	\$ 80,913	\$ (35,146)	\$ (25,628)	\$ 41,490

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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

	Six Months Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (8,891)	\$ (4,792)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Depreciation and amortization	5,208	5,817
Net losses on disposal of assets	1,909	3,193
Net losses on derivative instruments	—	3,183
401(k) and share-based compensation expense	1,001	1,037
Provision for credit losses	464	322
Change in operating assets and liabilities:		
Accounts receivable, net	(1,233)	(782)
Inventories	444	4,458
Derivative assets, net	—	(3,635)
Other assets	(208)	(115)
Accounts payable	1,033	(3,795)
Accrued expenses and other	(5,520)	155
Net cash (used in) provided by operating activities	<u>\$ (5,793)</u>	<u>\$ 5,046</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment	(3,762)	(5,362)
Proceeds from sales of property, plant and equipment	50	165
Net cash used in investing activities	<u>\$ (3,712)</u>	<u>\$ (5,197)</u>
Cash flows from financing activities:		
Proceeds from Credit Facilities	7,000	7,000
Repayments on Credit Facilities	—	(7,000)
Payments of finance lease obligations	(98)	(96)
Payment of financing costs	(7)	(24)
Net cash provided by (used in) financing activities	<u>\$ 6,895</u>	<u>\$ (120)</u>
Net (decrease) in cash and cash equivalents and restricted cash	(2,610)	(271)
Cash and cash equivalents and restricted cash at beginning of period	6,974	6,005
Cash and cash equivalents and restricted cash at end of period	<u>\$ 4,364</u>	<u>\$ 5,734</u>
Supplemental disclosure of non-cash investing and financing activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 3,356	\$ 8,890
Non cash additions to property, plant and equipment	—	54

The accompanying notes are an integral part of these unaudited consolidated financial statements.

FARMER BROS. CO.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Introduction and Basis of Presentation

Farmer Bros. Co., a Delaware corporation (including its consolidated subsidiaries unless the context otherwise requires, the "Company," or "Farmer Bros."), is a leading coffee roaster, wholesaler, equipment servicer and distributor of coffee, tea and other allied products. The Company serves a wide variety of customers, from small independent restaurants and foodservice operators to large institutional buyers like restaurants, department and convenience store retailers, hotels, casinos, healthcare facilities, and gourmet coffee houses, as well as grocery chains with private brand and consumer-branded coffee and tea products, and foodservice distributors.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States ("GAAP") for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation of the interim financial data have been included. Operating results for the three and six months ended December 31, 2025 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2026.

The accompanying unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2025, filed with the Securities and Exchange Commission (the "SEC") on September 11, 2025, as amended by the Form 10-K/A filed on October 24, 2025 (as amended, the "2025 Form 10-K").

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its direct and indirect wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company reviews its estimates on an ongoing basis using currently available information. Changes in facts and circumstances may result in revised estimates and actual results may differ from those estimates.

Note 2. Summary of Significant Accounting Policies

For a detailed discussion about the Company's significant accounting policies, see Note 2, "*Summary of Significant Accounting Policies*," in the Notes to Consolidated Financial Statements in the 2025 Form 10-K.

During the three and six months ended December 31, 2025, there were no significant updates made to the Company's significant accounting policies.

Cash Equivalents

At December 31, 2025, we had \$4.2 million of unrestricted cash and cash equivalents and \$0.2 million in restricted cash. The restricted cash is related to a third party service agreement.

Concentration of Credit Risk

At December 31, 2025 and June 30, 2025, the financial instruments which potentially expose the Company to concentration of credit risk consist of cash in financial institutions (in excess of federally insured limits) and trade receivables.

The Company estimates its credit risk for accounts receivable at the amount recorded on the balance sheet. The accounts receivable are generally short-term and all estimated credit losses have been appropriately considered in establishing the allowance for credit losses. There were no individual customers with balances over 10% of the Company's accounts receivable balance.

Recent Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs") issued by the Financial Accounting Standards Board (the "FASB"). ASUs not listed below were assessed and either determined to be not

applicable or expected to have minimal impact on its consolidated financial statements.

The following table provides a brief description of the recent ASUs applicable to the Company:

Standard	Description	Effective Date	Effect on the Financial Statements or Other Significant Matters
In December 2023, the FASB issued ASU No. 2023-09, "Income Taxes (Topic 740)", Improvements to Income Tax Disclosures	The amendments in this Update address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information.	Effective for annual periods beginning after December 15, 2024.	The Company is still evaluating the impact of this standard.
In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures.	The amendments in this Update are to improve the disclosures about a public business entity's expenses and address requests for more detailed information about the types of expenses in commonly presented expense captions.	Effective for annual periods beginning after December 15, 2026.	The Company is still evaluating the impact of this standard.

Note 3. Leases

The Company has entered into leases for building facilities, vehicles and other equipment. The Company's leases have remaining contractual terms through March 31, 2032, some of which have options to extend the lease for up to 10 years. For purposes of calculating operating lease liabilities, lease terms are deemed not to include options to extend the lease renewal until it is reasonably certain that the Company will exercise that option. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The components of lease expense are as follows:

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Operating lease expense	\$ 4,438	\$ 4,904	\$ 9,133	\$ 9,134
Finance lease expense:				
Amortization of finance lease assets	41	41	82	82
Interest on finance lease liabilities	1	4	2	8
Total lease expense	\$ 4,480	\$ 4,949	\$ 9,217	\$ 9,224

Maturities of lease liabilities are as follows:

(In thousands)	December 31, 2025	
	Operating Leases	Finance Leases
2026	\$ 8,480	\$ —
2027	12,113	—
2028	8,837	—
2029	5,422	—
2030	2,186	—
Thereafter	1,375	—
Total lease payments	38,413	—
Less: interest	(3,892)	—
Total lease obligations	\$ 34,521	\$ —

Lease term and discount rate:

	December 31, 2025	June 30, 2025
Weighted-average remaining lease terms (in years):		
Operating lease	3.9	4.0
Finance lease	0.0	0.5
Weighted-average discount rate:		
Operating lease	6.54 %	6.56 %
Finance lease	0.00 %	6.50 %

Other Information:

(In thousands)	Six Months Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 9,026	\$ 8,532
Operating cash flows from finance leases	2	8
Financing cash flows from finance leases	96	96

Note 4. Derivative Instruments

Derivative Instruments Held

Coffee-Related Derivative Instruments

The Company is exposed to commodity price risk associated with its price to be fixed green coffee purchase contracts, which are described further in Note 2, "Summary of Significant Accounting Policies," in the Notes to the Consolidated Financial Statements in the 2025 Form 10-K. The Company utilizes forward and option contracts to manage exposure to the variability in expected future cash flows from forecasted purchases of green coffee attributable to commodity price risk. Certain of these coffee-related derivative instruments utilized for risk management purposes have been designated as cash flow hedges, while other coffee-related derivative instruments have not been designated as cash flow hedges or do not qualify for hedge accounting despite hedging the Company's future cash flows on an economic basis.

All derivative instruments designated and not designated as cash flow hedges were settled as of March 2025.

Statements of Operations and Statement of Comprehensive Income (Loss)

The following table presents pretax net gains and losses for the Company's derivative instruments designated as cash flow hedges, as recognized in "AOCI" and "Cost of goods sold".

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,		Financial Statement Classification
	2025	2024	2025	2024	
Net (losses) gains recognized in AOCI - Coffee-related	—	(6)	—	1	AOCI
Net gains recognized in earnings - Coffee-related	—	181	—	303	Cost of goods sold

For the three and six months ended December 31, 2025 and 2024, there were no gains or losses recognized in earnings as a result of excluding amounts from the assessment of hedge effectiveness.

Net losses on derivative instruments in the Company's consolidated statements of cash flows include net losses on coffee-related derivative instruments designated as cash flow hedges reclassified to cost of goods sold from AOCI. Gains and losses on coffee-related derivative instruments not designated as accounting hedges are included in "Other, net" in the Company's consolidated statements of operations and in Net losses on derivative instruments in the Company's consolidated statements of cash flows.

Net losses recorded in "Other, net" are as follows:

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net losses on coffee-related derivative instruments (1)	\$ —	\$ (2,055)	\$ —	\$ (3,486)
Non-operating pension and other postretirement benefits	488	1,012	976	2,024
Other (losses) gains, net	(18)	2,076	(26)	2,245
Other, net	\$ 470	\$ 1,033	\$ 950	\$ 783

(1) Excludes net losses on coffee-related derivative instruments designated as cash flow hedges recorded in cost of goods sold in the three and six months ended December 31, 2024.

Offsetting of Derivative Assets and Liabilities

The Company has agreements in place that allow for the financial right of offset for derivative assets and liabilities at settlement or in the event of default under the agreements. Additionally, under certain coffee derivative agreements, the Company maintains accounts with its counterparties to facilitate financial derivative transactions in support of its risk management activities.

Cash Flow Hedges

Changes in the fair value of the Company's coffee-related derivative instruments designated as cash flow hedges are deferred in AOCI and subsequently reclassified into cost of goods sold in the same period or periods in which the hedged forecasted purchases affect earnings, or when it is probable that the hedged forecasted transaction will not occur by the end of the originally specified time period.

Note 5. Accounts Receivable, Net

(In thousands)	December 31, 2025	June 30, 2025
Trade receivables	\$ 25,313	\$ 24,332
Other receivables (1)	866	1,076
Allowance for credit losses	(652)	(650)
Accounts receivable, net	<u>\$ 25,527</u>	<u>\$ 24,758</u>

(1) Includes vendor rebates and other non-trade receivables.

There was no material change in the allowance for credit losses during the six months ended December 31, 2025.

Note 6. Inventories

(In thousands)	December 31, 2025	June 30, 2025
Coffee		
Processed	\$ 19,720	\$ 21,174
Unprocessed	7,322	5,813
Total	<u>\$ 27,042</u>	<u>\$ 26,987</u>
Tea and culinary products		
Processed	19,020	19,807
Unprocessed	47	34
Total	<u>\$ 19,067</u>	<u>\$ 19,841</u>
Coffee brewing equipment parts	3,286	3,011
Total inventories	<u>\$ 49,395</u>	<u>\$ 49,839</u>

In addition to product cost, inventory costs include expenditures such as direct labor and certain supply, freight, warehousing, overhead variances, purchase price variance and other expenses incurred in bringing the inventory to its existing condition and location. The "Unprocessed" inventory values as stated in the above table represent the value of raw materials and the "Processed" inventory values represent all other products consisting primarily of finished goods.

Note 7. Property, Plant and Equipment

(In thousands)	December 31, 2025	June 30, 2025
Buildings and facilities	\$ 20,430	\$ 20,288
Machinery, vehicles and equipment	77,810	85,495
Capitalized software	10,048	9,983
Office furniture and equipment	6,577	6,660
	<u>\$ 114,865</u>	<u>\$ 122,426</u>
Accumulated depreciation	(90,079)	(95,499)
Land	918	918
Property, plant and equipment, net	<u>\$ 25,704</u>	<u>\$ 27,845</u>

Coffee Brewing Equipment ("CBE") and Service

Capitalized CBE included in machinery, vehicles and equipment above are:

(In thousands)	December 31, 2025	June 30, 2025
Coffee Brewing Equipment	\$ 47,867	\$ 52,757
Accumulated depreciation	(29,503)	(31,124)
Coffee Brewing Equipment, net	<u>\$ 18,364</u>	<u>\$ 21,633</u>

Depreciation expense related to capitalized CBE and other CBE related expenses provided to customers and reported in cost of goods sold were as follows:

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Depreciation expense in COGS	\$ 1,507	\$ 1,850	\$ 3,036	\$ 3,738
CBE Costs excl. depreciation exp	6,951	7,074	13,996	14,280

Other expenses related to CBE provided to customers, such as the cost of servicing that equipment (including service employees' salaries, cost of transportation and the cost of supplies and parts), are considered directly attributable to the generation of revenues from the customers. Therefore, these costs are included in cost of goods sold.

Note 8. Intangible Assets

The following is a summary of the Company's amortized and unamortized intangible assets:

(In thousands)	Weighted Average Amortization Period as of December 31, 2025	December 31, 2025			June 30, 2025		
		Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Amortized intangible assets:							
Customer relationships	1.3	\$ 33,003	\$ (29,592)	\$ 3,411	\$ 33,003	\$ (28,492)	\$ 4,511
Unamortized intangible assets:							
Trademarks, trade names and brand name with indefinite lives		4,522	—	4,522	4,522	—	4,522
Total intangible assets		\$ 37,525	\$ (29,592)	\$ 7,933	\$ 37,525	\$ (28,492)	\$ 9,033

Aggregate amortization expense for the three months ended December 31, 2025 and 2024 was \$0.5 million, respectively. Aggregate amortization expense for the six months ended December 31, 2025 and 2024 was \$1.1 million, respectively.

Note 9. Employee Benefit Plans

Single Employer Pension Plans

In the third quarter of fiscal 2025, we completed a full settlement of the defined benefit plan (the "Hourly Employees' Plan") through the purchase of nonparticipating annuities and lump sum elections. In the fourth quarter of fiscal 2025, we completed a partial settlement of the defined benefit plan (the "Farmer Bros. Plan") through the purchase of nonparticipating annuities and lump sum elections.

As of December 31, 2025, the Company has one defined benefit pension plan for certain employees, the Farmer Bros. Plan.

The net periodic benefit cost for the defined benefit pension plan is as follows:

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Interest cost	\$ 665	\$ 1,216	\$ 1,330	\$ 2,432
Expected return on plan assets	(550)	(1,161)	(1,101)	(2,322)
Amortization of net loss (1)	62	149	125	298
Net periodic benefit cost	\$ 177	\$ 204	\$ 354	\$ 408

(1) These amounts represent the estimated portion of the net loss in AOCI that is expected to be recognized as a component of net periodic benefit cost over the current fiscal year.

Weighted-Average Assumptions Used to Determine Net Periodic Benefit Cost

	December 31, 2025	June 30, 2025
Discount rate	5.45%	5.35%
Expected long-term return on plan assets	7.00%	7.00%

Multiemployer Pension Plans

The Company participates in one multiemployer defined benefit pension plan that is union sponsored and collectively bargained for the benefit of certain employees subject to collective bargaining agreements, called the Western Conference of Teamsters Pension Plan ("WCTPP"). The Company makes contributions to this plan generally based on the number of hours worked by the participants in accordance with the provisions of negotiated labor contracts. The company also contributes to two defined contribution pension plans ("All Other Plans") that are union sponsored and collectively bargained for the benefit of certain employees subject to collective bargaining agreements.

Contributions made by the Company to the multiemployer pension plans were as follows:

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Contributions to WCTPP	\$ 307	\$ 321	\$ 667	\$ 692
Contributions to All Other Plans	19	10	35	20

Multiemployer Plans Other Than Pension Plans

The Company participates in nine multiemployer defined contribution plans other than pension plans that provide medical, vision, dental and disability benefits for active, union-represented employees subject to collective bargaining agreements. The plans are subject to the provisions of the Employee Retirement Income Security Act of 1974, and provide that participating employers make monthly contributions to the plans in an amount as specified in the collective bargaining agreements. Also, the plans provide that participants make self-payments to the plans, the amounts of which are negotiated through the collective bargaining process. The Company's participation in these plans is governed by collective bargaining agreements which expire on or before January 31, 2028.

401(k) Plan

Farmer Bros. Co. 401(k) Plan (the "401(k) Plan") is available to all eligible employees. The 401(k) Plan match portion, to the extent a match is approved by the Company's Board of Directors, is available to all eligible employees. Participants in the 401(k) Plan may choose to contribute a percentage of their annual pay subject to the maximum contribution allowed by the Internal Revenue Service. The Company's matching contribution is discretionary, based on approval by the Company's Board of Directors.

Effective August 1, 2024, the Company suspended the 401(k) matching program.

Note 10. Debt Obligations

The following table summarizes the Company's debt obligations:

(In thousands)	Debt Origination Date	Maturity	Principal Borrowing Amount	December 31, 2025		June 30, 2025	
				Carrying Value	Weighted Average Interest Rate	Carrying Value	Weighted Average Interest Rate
Revolver	Various	4/26/2027	N/A	\$ 21,300	6.05 %	\$ 14,300	6.48 %

Revolver Facility

The Company maintains a senior secured credit facility composed of (a) the Revolver Credit Facility Agreement (as amended from time to time, the "Revolver Credit Facility Agreement") and various loan documents relating thereto including the Guaranty and Security Agreement, dated as of April 26, 2021 (the "Revolver Security Agreement" and, together with the Revolver Credit Facility Agreement, the "Revolver Agreements"), by and among the Borrowers, as grantors, and Wells Fargo, as administrative agent, and (b) a Credit Agreement, dated as of April 26, 2021 (the "Term Credit Facility Agreement") by and among the Borrowers, MGG Investment Group LP ("MGG"), as administrative agent, and the lenders party thereto, and various loan documents relating thereto including the Guaranty and Security Agreement, dated as of April 26, 2021 (the "Term Security Agreement"), by and among the Borrowers, as grantors, and MGG, as administrative agent. The Revolver Credit Facility Agreement was subsequently amended by (i) that certain Increase Joinder and Amendment No. 2 to Credit Agreement, dated August 8, 2022, (ii) that certain Amendment No. 3 to Credit Agreement, dated August 31, 2022, (iii) that certain Consent and Amendment No. 4 to Credit Agreement, dated June 30, 2023 and (iv) that certain Consent and Amendment No. 5 to Credit Agreement, dated December 4, 2023. The Company has no outstanding loans under the Term Credit Facility Agreement. For a detailed discussion about the Company's Revolver Credit Facility Agreement and Term Credit Facility Agreement, see Note 12, "Debt Obligations" in the Notes to Consolidated Financial Statements in the 2025 Form 10-K.

The following is a summary description of the key terms of the Revolver Agreements as in effect as of the date hereof.

The Revolver Credit Facility Agreement, among other things, includes:

1. a commitment of up to \$75.0 million ("Revolver") calculated as the lesser of (a) \$75.0 million or (b) the amount equal to the sum of (i) 85% of eligible accounts receivable (less a dilution reserve), plus (ii) the lesser of: (a) 80% of eligible raw material inventory, eligible in-transit inventory and eligible finished goods inventory (collectively, "Eligible Inventory"), and (b) 85% of the net orderly liquidation value of Eligible Inventory, minus (c) applicable reserve;
2. sublimit on letters of credit of \$10.0 million;
3. maturity date of April 26, 2027 and has no scheduled payback required on the principal prior to the maturity date;
4. fully collateralized by all existing and future capital stock of the Borrowers (other than the Company) and all of the Borrowers' personal and real property;
5. interest under the Revolver is either if the relevant Obligation is a SOFR Loan, at a per annum rate equal to Term SOFR plus the SOFR Margin (1.75%), and otherwise, at a per annum rate equal to the Base Rate (the greater of the Federal Funds Rate + 0.5% or Term SOFR +1%) plus the Base Rate Margin (0.75%); and

6. in the event that Borrowers' availability to borrow under the Revolver falls below \$9.375 million, the financial covenant requires the Company to meet or exceed a fixed charge coverage ratio of at least 1.00:1.00 at all such times.

The Revolver Agreements contain customary affirmative and negative covenants and restrictions typical for a financing of this type that, among other things, require the Company to satisfy certain financial covenants and restrict the Company's and its subsidiaries' ability to incur additional debt, pay dividends and make distributions, make certain investments and acquisitions, repurchase its stock and prepay certain indebtedness, create liens, enter into agreements with affiliates, modify the nature of its business, transfer and sell material assets and merge or consolidate. Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the Revolver Credit Facility Agreement becoming immediately due and payable and termination of the commitments.

There are no required principal payments on the Revolver debt obligation.

At December 31, 2025, the Company had outstanding borrowings on the Revolver Credit Facility of \$21.3 million and had utilized \$4.7 million of the letters of credit sublimit. At December 31, 2025, the Company had \$24.6 million available for borrowing under the Revolver Credit Facility.

As of December 31, 2025, the Company was in compliance with all of the financial covenants under the Revolver Credit Facility Agreement. Furthermore, management believes the Company will be in compliance with the related financial covenants under the Credit Facility Agreement for the next 12 months.

Note 11. Share-based Compensation

Farmer Bros. Co. Amended and Restated 2017 Long-Term Incentive Plan (the "2017 Plan")

As of December 31, 2025, there were 510,592 shares available under the 2017 Plan including shares that were forfeited under the prior plans for future issuance.

Farmer Bros. Co. 2020 Inducement Incentive Award Plan (the "2020 Inducement Plan")

As of December 31, 2025, there were 6,246 shares available under the 2020 Inducement Plan.

Non-qualified stock options with time-based vesting ("NQOs")

One-third of the total number of shares subject to each stock option vest ratably on each of the first three anniversaries of the grant date, contingent on continued employment, and subject to accelerated vesting in certain circumstances. There were no NQOs granted, exercised or cancelled during the six months ended December 31, 2025.

As of December 31, 2025, there were 13,245 NQOs exercisable and outstanding with a weighted average remaining life of 0.8 years. The weighted average exercise price of NQO's was \$15.70. The NQOs have an intrinsic value of zero at December 31, 2025.

Restricted Stock Units ("RSUs")

The following table summarizes restricted stock activity for the six months ended December 31, 2025:

Outstanding and Nonvested Restricted Stock Awards:	Shares Awarded	Weighted Average Grant Date Fair Value (\$)
Outstanding and nonvested at June 30, 2025	803,175	2.54
Granted	468,750	1.85
Vested/Released	(211,142)	2.83
Cancelled/Forfeited	—	—
Outstanding and nonvested at December 31, 2025	<u>1,060,783</u>	<u>2.17</u>

The weighted average grant date fair value of RSUs granted during the quarter ended December 31, 2025 and 2024 were \$1.85 and \$2.13, respectively. The total grant-date fair value of restricted stock granted during the six months ended December 31, 2025 was \$0.9 million. The total fair value of awards vested during the six months ended December 31, 2025 and 2024 were \$0.3 million and \$0.5 million, respectively.

At December 31, 2025 and June 30, 2025, there was \$1.5 million and \$1.3 million, respectively, of unrecognized compensation cost related to restricted stock. The unrecognized compensation cost related to restricted stock at December 31, 2025 is expected to be recognized over the weighted average period of 1.2 years. Total compensation expense for restricted stock was \$0.3 million and \$0.3 million, respectively, in the three months ended December 31, 2025 and 2024. Total compensation expense for restricted stock was \$0.7 million and \$0.7 million, respectively, in the six months ended December 31, 2025 and 2024.

Performance-Based Restricted Stock Units ("PBRsUs")

The following table summarizes PBRsU activity for the six months ended December 31, 2025:

Outstanding and Nonvested PBRsUs:	PBRsUs Awarded	Weighted Average Grant Date Fair Value (\$)
Outstanding and nonvested at June 30, 2025	834,317	2.53
Granted	—	—
Vested/Released	—	—
Cancelled/Forfeited	—	—
Outstanding and nonvested at December 31, 2025	<u>834,317</u>	<u>2.53</u>

The weighted average grant date fair value of PBRsUs granted during the quarter ended December 31, 2024 was \$2.21. There were no PBRsUs granted or vested during the six months ended December 31, 2025. There were no PBRsUs vested during the six months ended December 31, 2024.

At December 31, 2025 and June 30, 2025, there was \$1.0 million and \$1.3 million, respectively, of unrecognized PBRsU compensation cost. The unrecognized PBRsU compensation cost at December 31, 2025 is expected to be recognized over the weighted average period of 1.5 years. Total compensation expense for PBRsUs was \$0.2 million and \$0.2 million, respectively, for the three months ended December 31, 2025 and 2024. Total compensation expense for PBRsUs was \$0.3 million and \$0.4 million, respectively, for the six months ended December 31, 2025 and 2024.

Cash-Settled Restricted Stock Units ("CSRSUs")

CSRSUs vest in equal installments over a three-year period from the grant date, and are cash-settled upon vesting based on the closing share price of Common Stock on the vesting date.

The CSRSUs are accounted for as liability awards, and compensation expense is measured at fair value on the date of grant and recognized on a straight-line basis over the vesting period net of forfeitures. Compensation expense is remeasured at each reporting date with a cumulative adjustment to compensation cost during the period based on changes in the closing share price of Common Stock.

The following table summarizes CSRSU activity for the six months ended December 31, 2025:

Outstanding and Nonvested CSRSUs:	CSRSUs Awarded	Weighted Average Grant Date Fair Value (\$)
Outstanding and nonvested at June 30, 2025	781,263	2.36
Granted	725,000	1.85
Vested/Released	(319,931)	2.58
Cancelled/Forfeited	(27,000)	2.02
Outstanding and nonvested at December 31, 2025	<u>1,159,332</u>	<u>1.99</u>

The weighted average grant date fair value of CSRSUs granted during the year ended December 31, 2025 and 2024 were \$1.85 and \$2.13. There were no CSRSUs granted during the quarter ended December 31, 2025. The total grant-date fair value of CSRSUs granted during the six months ended December 31, 2025 was \$1.3 million. The total fair value of awards vested was \$0.5 million and \$0.4 million during the six months ended December 31, 2025 and 2024, respectively.

At December 31, 2025 and June 30, 2025, there was \$1.7 million and \$0.8 million, respectively, of unrecognized compensation cost related to CSRSUs. The unrecognized compensation cost related to CSRSUs at December 31, 2025 is expected to be recognized over the weighted average period of 1.5 years. Total compensation expense for CSRSUs was \$0.2 million and \$0.2 million, respectively for the three months ended December 31, 2025 and 2024. Total compensation expense for CSRSUs was \$0.4 million and \$0.4 million, respectively for the six months ended December 31, 2025 and 2024.

Note 12. Other Current Liabilities

Other current liabilities consist of the following:

<u>(In thousands)</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Accrued workers' compensation liabilities	\$ 944	\$ 696
Finance lease liabilities	—	96
Other (1)	2,840	3,101
Other current liabilities	<u>\$ 3,784</u>	<u>\$ 3,893</u>

(1) Includes accrued property taxes, sales and use taxes and insurance liabilities.

Note 13. Other Long-Term Liabilities

Other long-term liabilities include the following:

<u>(In thousands)</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Deferred compensation (1)	262	221
Other long-term liabilities	<u>\$ 262</u>	<u>\$ 221</u>

(1) Includes cash-settled restricted stock units liabilities.

Note 14. Income Taxes

The income tax (benefit) expense and the related effective tax rates are as follows (in thousands, except effective tax rate):

	<u>Three Months Ended December 31,</u>		<u>Six Months Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Income tax (benefit) expense	\$ —	\$ (81)	\$ —	\$ 52
Effective tax rate	0.0 %	(62.8)%	0.0 %	(1.1)%

The Company's interim tax provision is determined using an estimated annual effective tax rate and adjusted for discrete taxable events that may occur during the quarter. The Company recognizes the effects of tax legislation in the period in which the law is enacted. Deferred tax assets and liabilities are remeasured using enacted tax rates expected to apply to taxable income in the years the Company estimates the related temporary differences to reverse. The Company evaluates its deferred tax assets quarterly to determine if a valuation allowance is required. In making such assessment, significant weight is given to evidence that can be objectively verified, such as recent operating results, and less consideration is given to less objective indicators such as future income projections.

Income tax expense in the three months ended December 31, 2025 was \$0 thousand compared to income tax benefit of \$81 thousand in the three months ended December 31, 2024, which primarily relates to state income tax in prior year period.

Income tax expense in the six months ended December 31, 2025 was \$0 thousand compared to \$52 thousand in the six months ended December 31, 2024, which primarily relates to state income tax in prior year period.

On July 4, 2025, H.R. 1, a bill to provide for reconciliation pursuant to title II of H. Con. Res. 14, informally known as the One Big Beautiful Bill Act (the "Act") was signed into law. The Act did not have a material impact on the Company's operating results for the quarter ended December 31, 2025.

The Company files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by U.S. federal, state and local tax authorities. With limited exceptions, as of December 31, 2025, the Company is no longer subject to income tax audits by taxing authorities for any years prior to June 30, 2021. Although the outcome of tax audits is always uncertain, management does not believe the outcome of any future audit will have a material adverse effect on the Company's consolidated financial statements.

Note 15. Net Loss Per Common Share

Basic net (loss) income per common share is calculated by dividing net (loss) income attributable to the Company by the weighted average number of common shares outstanding during the periods presented. Diluted net (loss) income per common share is calculated by dividing diluted net (loss) income attributable to the Company by the weighted average number of common shares outstanding adjusted to include the effect, if dilutive, of the exercise of in-the-money stock options, unvested performance-based restricted stock units, and RSUs, during the periods presented. The calculation of dilutive shares outstanding excludes out-of-the-money stock options (i.e., such option's exercise prices were greater than the average market price of our common shares for the period). Potentially dilutive securities include unvested RSUs and performance-based restricted stock units. For the three and six months ended December 31, 2025 and 2024, shares of the

Company's outstanding stock options were not included in the computation of diluted (loss) income per common share as their effects were anti-dilutive.

The following table presents the computation of basic and diluted net earnings loss per common share:

(In thousands, except share and per share amounts)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net (loss) income from operations available to common stockholders	\$ (4,866)	\$ 210	\$ (8,891)	\$ (4,792)
Weighted average shares outstanding - basic	21,669,663	21,314,911	21,631,753	21,289,073
Effect of dilutive securities:				
Shares issuable under RSUs and PBSRUs	—	1,042,788	—	—
Weighted average common shares outstanding - diluted	21,669,663	22,357,699	21,631,753	21,289,073
Net (loss) income per common share available to stockholders—basic and diluted	\$ (0.22)	\$ 0.01	\$ (0.41)	\$ (0.23)

Note 16. Revenue Recognition

The Company's primary sources of revenue are sales of coffee, tea and culinary products. The Company recognizes revenue when control of the promised good or service is transferred to the customer and in amounts that the Company expects to collect. The timing of revenue recognition takes into consideration the various shipping terms applicable to the Company's sales.

The Company delivers products to customers through Direct-store-delivery ("DSD") to the Company's customers at their place of business and directly from the Company's warehouse to the customer's warehouse, facility or address. Each delivery or shipment made to a third party customer is to satisfy a performance obligation. Performance obligations generally occur at a point in time and are satisfied when control of the goods passes to the customer. The Company is entitled to collection of the sales price under normal credit terms in the regions in which it operates.

The Company disaggregates net sales from contracts with customers based on the characteristics of the products sold:

(In thousands)	Three Months Ended December 31,				Six Months Ended December 31,			
	2025		2024		2025		2024	
	\$	% of total	\$	% of total	\$	% of total	\$	% of total
Net Sales by Product Category:								
Coffee (Roasted)	\$ 45,475	51.1 %	\$ 42,354	47.0 %	\$ 87,182	51.1 %	\$ 81,586	46.6 %
Tea & Other Beverages (1)	23,256	26.2 %	25,302	28.1 %	43,246	25.4 %	49,072	28.0 %
Culinary	14,131	15.9 %	15,992	17.8 %	27,889	16.4 %	31,546	18.0 %
Spices	4,873	5.5 %	5,154	5.7 %	9,885	5.8 %	10,443	6.0 %
Delivery Surcharge	1,188	1.3 %	1,219	1.4 %	2,322	1.3 %	2,439	1.4 %
Net sales	\$ 88,923	100.0 %	\$ 90,021	100.0 %	\$ 170,524	100.0 %	\$ 175,086	100.0 %

(1) Includes all beverages other than roasted coffee, including frozen liquid coffee, and iced and hot tea, including cappuccino, cocoa, granitas, and concentrated and ready-to drink cold brew and iced coffee.

The Company does not have any material contract assets and liabilities as of December 31, 2025. Receivables from contracts with customers are included in "Accounts receivable, net" on the Company's consolidated balance sheets.

Note 17. Commitments and Contingencies

For a detailed discussion about the Company's commitments and contingencies, see Note 18, "Commitments and Contingencies" in the Notes to Consolidated Financial Statements in the 2025 Form 10-K. During the six months ended December 31, 2025, other than the following, or as otherwise disclosed herein, there were no material changes in the Company's commitments and contingencies.

Purchase Commitments

As of December 31, 2025, the Company had committed to purchase green coffee inventory totaling \$39.6 million under fixed-price contracts, and \$12.4 million in inventory and other purchases under non-cancelable purchase orders.

Legal Proceedings

The Company is a party to various pending legal and administrative proceedings. It is management's opinion that the outcome of such proceedings will not have a material impact on the Company's financial position, results of operations, or cash flows.

Note 18. Business Information

The Company operates as one operating segment. The Company is a leading coffee roaster, wholesaler, equipment servicer and distributor of coffee, tea and other allied products manufactured under our owned brands, as well as under private labels on behalf of certain customers. The Company uses a centralized management structure, and its strategies and initiatives are implemented and executed consistently across the organization. The Company uses shared resources for sales, procurement, and general and administrative activities across its distribution facility, branch warehouses and operations. The Company's branch warehouses form a single network to reach its customers; it is common for a single customer to make purchases from several different facilities. Capital projects, whether for cost savings or generating incremental revenue, are evaluated based on estimated economic returns to the organization as a whole.

The Company's consolidated results represent the results of its one operating segment based on how the Company's chief operating decision maker (the "CODM"), the Chief Executive Officer (the "CEO"), views the business for purposes of evaluating performance and making operating decisions.

The CODM utilizes the U.S. GAAP measurement of consolidated net income to assess financial performance and allocate resources. This financial metric is used by the CODM to make key operating decisions, such as allocation of budget between net sales, cost of goods sold, distribution costs and selling and administrative costs. The measure of segment assets is reported on the Company's Consolidated Balance Sheets as total consolidated assets. In addition, the measure of capital expenditures, depreciation and amortization is reported on the Company's Consolidated Statements of Cash Flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q and other documents we file with 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 Exchange Act, 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, 2025 filed with the SEC on September 11, 2025, as amended by the Form 10-K/A filed on October 24, 2025 (as amended, the "2025 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 conditions; the increase of costs due to inflation; changes in taxes, tariffs, duties governmental laws and regulations; 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 large national account customers; the extent of execution of plans for the growth of our business and achievement of financial metrics related to those plans, our success in retaining and/or attracting qualified employees; our success in adapting to technology and new commerce channels; the effect of the capital markets as well as other external factors on stockholder value; fluctuations in availability and cost of green coffee; competition; organizational changes; the effectiveness of our hedging strategies in reducing price; changes in consumer preferences; our ability to provide sustainability in ways that do not materially impair profitability; changes in the strength of the economy, including any effects from inflation; business conditions in the coffee industry and food industry in general; our continued success in attracting new customers; variances from budgeted sales mix and growth rates; weather and special or unusual events, as well as other risks described in this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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.

Financial Data Highlights (in thousands, except per share data and percentages)

	Three Months Ended December 31,		Favorable (Unfavorable)		Six Months Ended December 31,		Favorable (Unfavorable)		
	2025	2024	Change	% Change	2025	2024	Change	% Change	
Income Statement Data:									
Net sales	\$ 88,923	\$ 90,021	\$(1,098)	(1.2)%	\$ 170,524	\$ 175,086	\$ (4,562)	(2.6)%	
Gross margin	36.3 %	43.1 %	(6.8)%	NM	37.9 %	43.5 %	(5.6)%	NM	
Operating expenses as a % of sales	40.9 %	42.0 %	1.1%	NM	42.2 %	44.5 %	2.3 %	NM	
(Loss) income from operations	\$ (4,136)	\$ 1,018	\$(5,154)	(506.3)%	\$ (7,317)	\$ (1,810)	\$ (5,507)	(304.3)%	
Net (loss) income	\$ (4,866)	\$ 210	\$(5,076)	(2,417.1)%	\$ (8,891)	\$ (4,792)	\$ (4,099)	(85.5)%	
Operating Data:									
Coffee pounds	5,188	5,332	(144)	(2.7)%	9,884	10,195	(311)	(3.1)%	
EBITDA (1)	\$ (1,736)	\$ 3,743	\$(5,479)	(146.4)%	\$ (2,487)	\$ 2,335	\$ (4,822)	(206.5)%	
EBITDA Margin (1)	(2.0)%	4.2 %	(6.2)%	NM	(1.5)%	1.3 %	(2.8)%	NM	
Adjusted EBITDA (1)	\$ 484	\$ 5,899	\$(5,415)	(91.8)%	\$ 1,848	\$ 7,317	\$ (5,469)	(74.7)%	
Adjusted EBITDA Margin (1)	0.5 %	6.6 %	(6.1)%	NM	1.1 %	4.2 %	(3.1)%	NM	
Percentage of Total Net Sales By Product Category									
Coffee (Roasted)	51.1 %	47.0 %	4.1%	8.7%	51.1 %	46.6 %	4.5%	9.7%	
Tea & Other Beverages (2)	26.2 %	28.1 %	(1.9)%	(6.8)%	25.4 %	28.0 %	(2.6)%	(9.3)%	
Culinary	15.9 %	17.8 %	(1.9)%	(10.7)%	16.4 %	18.0 %	(1.6)%	(8.9)%	
Spices	5.5 %	5.7 %	(0.2)%	(3.5)%	5.8 %	6.0 %	(0.2)%	(3.3)%	
Delivery Surcharge	1.3 %	1.4 %	(0.1)%	NM	1.3 %	1.4 %	(0.1)%	(7.1)%	
Net sales	100.0 %	100.0 %	—%	NM	100.0 %	100.0 %	—%	NM	
Other data:									
Total capital expenditures	\$ 1,831	\$ 2,032	\$ 201	9.9 %	\$ 3,762	\$ 5,362	\$ 1,600	29.8%	
Depreciation and amortization expense	2,595	2,920	325	11.1 %	5,208	5,817	609	10.5%	

NM - Not Meaningful

(1) EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. See "Non-GAAP Financial Measures" below for a reconciliation of these non-GAAP measures to their corresponding GAAP measures.

(2) Includes all beverages other than roasted coffee, frozen liquid coffee, and iced and hot tea, including cappuccino, cocoa, granitas, and concentrated and ready-to-drink cold brew and iced coffee.

Results of Operations

The following table sets forth information regarding our consolidated results of operations for the three and six months ended December 31, 2025 and 2024 (in thousands, except percentages):

	Three Months Ended December 31,		Favorable (Unfavorable)		Six Months Ended December 31,		Favorable (Unfavorable)	
	2025	2024	Change	% Change	2025	2024	Change	% Change
	Net sales	\$ 88,923	\$ 90,021	\$(1,098)	(1.2)%	\$ 170,524	\$ 175,086	\$(4,562)
Cost of goods sold	56,656	51,182	(5,474)	(10.7)%	105,821	98,930	(6,891)	(7.0)%
Gross profit	32,267	38,839	(6,572)	(16.9)%	64,703	76,156	(11,453)	(15.0)%
Selling expenses	26,706	26,760	54	0.2%	52,509	53,987	1,478	2.7%
General and administrative expenses	8,805	9,534	729	7.6%	17,602	20,786	3,184	15.3%
Net losses on disposal of assets	892	1,527	635	NM	1,909	3,193	1,284	40.2%
Operating expenses	36,403	37,821	1,418	3.7%	72,020	77,966	5,946	7.6%
(Loss) income from operations	(4,136)	1,018	(5,154)	NM	(7,317)	(1,810)	(5,507)	(304.3)%
Other (expense) income:								
Interest expense	(1,200)	(1,922)	722	37.6%	(2,524)	(3,713)	1,189	32.0%
Other, net	470	1,033	(563)	(54.5)%	950	783	167	NM
Total other expense	(730)	(889)	159	NM	(1,574)	(2,930)	1,356	NM
(Loss) income before taxes	(4,866)	129	(4,995)	NM	(8,891)	(4,740)	(4,151)	(87.6)%
Income tax (benefit) expense	—	(81)	(81)	NM	—	52	52	NM
Net (loss) income	\$ (4,866)	\$ 210	\$(5,076)	NM	\$ (8,891)	\$ (4,792)	\$(4,099)	(85.5)%

NM - Not Meaningful

Three and Six Months Ended December 31, 2025 Compared to Three and Six Months Ended December 31, 2024

Net Sales

Net sales in the three months ended December 31, 2025 decreased \$1.1 million, or 1.2%, to \$88.9 million from \$90.0 million in the three months ended December 31, 2024. The decrease in net sales for the three months ended December 31, 2025 was primarily due to declining volumes compared to the prior period.

Net sales in the six months ended December 31, 2025 decreased \$4.6 million, or 2.6%, to \$170.5 million from \$175.1 million in the six months ended December 31, 2024. The decrease in net sales for the six months ended December 31, 2025 was primarily due to declining volumes compared to the prior period.

The following table presents the effect of changes in unit sales, and unit pricing and product mix in the three and six months ended December 31, 2025 compared to the same period in the prior fiscal year (in millions):

	Three Months Ended December 31, 2025 vs. 2024	Six Months Ended December 31, 2025 vs. 2024
Effect of change in unit sales	\$ (9.4)	\$ (19.2)
Effect of pricing and product mix changes	8.3	14.6
Total (decrease) increase in net sales	\$ (1.1)	\$ (4.6)

Unit sales decreased 9.6%, and average unit price increased by 9.3% in the three months ended December 31, 2025 as compared to the same period in the prior fiscal year, resulting in a decrease in our net sales of 1.2%. Average unit price increased during the three months ended December 31, 2025 primarily due to price increases to customers. There were no new product category introductions which had a material impact on our net sales in the three months ended December 31, 2025 or 2024.

Unit sales decreased 10.2%, and average unit price increased by 8.5% in the six months ended December 31, 2025 as compared to the same period in the prior fiscal year, resulting in a decrease in our net sales of 2.6%. Average unit price increased during the six months ended December 31, 2025 primarily due to price increases to customers. There were no new product category introductions which had a material impact on our net sales in the six months ended December 31, 2025 or 2024.

Gross Profit

Gross profit decreased to \$32.3 million for the three months ended December 31, 2025, compared to \$38.8 million for the three months ended December 31, 2024. Gross margin decreased to 36.3% for the three months ended December 31,

2025 from 43.1% for the three months ended December 31, 2024. The decrease in gross profit was primarily due to increased costs of goods sold related to the rise in green coffee commodity costs compared to the same period in the prior fiscal year.

Gross profit decreased to \$64.7 million for the six months ended December 31, 2025, compared to \$76.2 million for the six months ended December 31, 2024. Gross margin decreased to 37.9% for the six months ended December 31, 2025 from 43.5% for the six months ended December 31, 2024. The decrease in gross profit was primarily due to increased costs of goods sold related to the rise in green coffee commodity costs compared to the same period in the prior fiscal year.

Operating Expenses

In the three months ended December 31, 2025, operating expenses decreased \$1.4 million to \$36.4 million, or 40.9% of net sales, from \$37.8 million, or 42.0% of net sales in the prior year period. There was a \$0.1 million decrease in selling expenses and a \$0.7 million decrease in general and administrative expenses. The decrease in selling expenses during the three months ended December 31, 2025 was primarily due to compensation related costs. The decrease in general and administrative expenses during the three months ended December 31, 2025 was primarily due to a decrease in benefits related costs. There was a \$0.9 million loss on disposal of assets during the three months ended December 31, 2025 compared to a \$1.5 million loss for three months ended December 31, 2024.

In the six months ended December 31, 2025, operating expenses decreased \$5.9 million to \$72.0 million, or 42.2% of net sales, from \$78.0 million, or 44.5% of net sales in the prior year period. There was a \$1.5 million decrease in selling expenses and a \$3.2 million decrease in general and administrative expenses. The decrease in selling expenses during the six months ended December 31, 2025 was primarily due to compensation related costs. The decrease in general and administrative expenses during the six months ended December 31, 2025 was primarily due to a decrease in compensation and benefits related costs. There was a \$1.9 million loss on disposal of assets during the six months ended December 31, 2025 compared to a \$3.2 million loss for six months ended December 31, 2024.

Total Other Expense

Interest expense in the three months ended December 31, 2025 decreased \$0.7 million to \$1.2 million from \$1.9 million in the prior year period. The decrease is primarily related to a decrease in pension related interest costs.

Interest expense in the six months ended December 31, 2025 decreased \$1.2 million to \$2.5 million from \$3.7 million in the prior year period. The decrease is primarily related to a decrease in pension related interest costs.

Other, net was a gain of \$0.5 million in the three months ended December 31, 2025 compared to \$1.0 million gain in the prior year period. Other, net was a gain of \$1.0 million in the six months ended December 31, 2025 compared to \$0.8 million gain in the prior year period. The Company had a \$1.9 million legal settlement for the quarter ending December 31, 2024.

Income Taxes

In the three months ended December 31, 2025 and December 31, 2024, we recorded income tax expense of \$0 thousand and income tax benefit of \$81 thousand, respectively. In the six months ended December 31, 2025 and December 31, 2024, we recorded income tax expense of \$0 thousand and \$52 thousand, respectively. See [Note 14, Income Taxes](#), of the Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Non-GAAP Financial Measures

In addition to net (loss) income 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 (loss) income excluding the impact of:

- income tax (benefit) expense;
- 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 (loss) income excluding the impact of:

- income tax (benefit) expense;
- interest expense;
- depreciation and amortization expense;
- 401(k) and share-based compensation expense;
- net losses on disposal of assets;
- strategic initiative costs; 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 pretax pension and postretirement benefits. For purposes of calculating Adjusted EBITDA and Adjusted EBITDA Margin, we are also excluding the impact severance and strategic initiative costs, as these items 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 (loss) income to EBITDA (unaudited):

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net (loss) income	\$ (4,866)	\$ 210	\$ (8,891)	\$ (4,792)
Income tax (benefit) expense	—	(81)	—	52
Interest expense (1)	535	694	1,196	1,258
Depreciation and amortization expense	2,595	2,920	5,208	5,817
EBITDA	\$ (1,736)	\$ 3,743	\$ (2,487)	\$ 2,335
EBITDA Margin	(2.0)%	4.2%	(1.5)%	1.3%

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

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

(In thousands)	Three Months Ended December 31,		Six Months Ended December 31,	
	2025	2024	2025	2024
Net (loss) income	\$ (4,866)	\$ 210	\$ (8,891)	\$ (4,792)
Income tax (benefit) expense	—	(81)	—	52
Interest expense (1)	535	694	1,196	1,258
Depreciation and amortization expense	2,595	2,920	5,208	5,817
401(k) and share-based compensation expense	519	541	1,001	1,037
Net losses on disposal of assets	892	1,527	1,909	3,193
Strategic initiative costs (2)	809	—	1,396	—
Severance costs	—	88	29	752
Adjusted EBITDA	\$ 484	\$ 5,899	\$ 1,848	\$ 7,317
Adjusted EBITDA Margin	0.5 %	6.6 %	1.1 %	4.2 %

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

(2) Cost related to evaluation of strategic alternatives.

Our Business

We are a leading coffee roaster, wholesaler, equipment servicer and distributor of coffee, tea and other allied products manufactured under our owned brands, as well as under private labels on behalf of certain customers. We were founded in 1912, incorporated in California in 1923, and reincorporated in Delaware in 2004. We operate in one business segment.

We serve a wide variety of customers, from small independent restaurants and foodservice operators to large institutional buyers like restaurants, department and convenience store retailers, hotels, casinos, healthcare facilities, and gourmet coffee houses, as well as grocery chains with private brand and consumer-branded coffee and tea products, and foodservice distributors. Through our sustainability, stewardship, environmental efforts, and leadership we are not only committed to serving the finest products available, considering the cost needs of the customer, but also focus on their sustainable cultivation, manufacture and distribution whenever possible.

Our product categories consist of a robust line of roast and ground coffee, including organic, Direct Trade, Project D.I.R.E.C.T.®, Fair Trade Certified™® and other sustainably-produced offerings; frozen liquid coffee; flavored and unflavored iced and hot teas; including organic and Rainforest Alliance Certified™; culinary products including premium spices, pancake and biscuit mixes, gravy and sauce mixes, soup bases, dressings, syrups and sauces, and coffee-related products such as coffee filters, cups, sugar and creamers; and other beverages including cappuccino, cocoa, granitas, and other blender-based beverages and concentrated and ready-to-drink cold brew and iced coffee. We offer a comprehensive approach to our customers by providing not only a breadth of high-quality products, but also value added services such as market insight, beverage planning, and equipment placement and service.

We operate a production and distribution facility in Portland, Oregon. We distribute our products from our Portland, Oregon production facility, as well as separate distribution centers in Northlake, Illinois; Moonachie, New Jersey; and Rialto, California. Our products reach our customers primarily through our nationwide DSD network of over 200 delivery routes and over 90 storage locations as of December 31, 2025. DSD sales are primarily made "off-truck" to our customers at their places of business. We operate a large fleet of trucks and other vehicles to distribute and deliver our products through our DSD network, and we rely on 3PL service providers for our long-haul distribution.

We continue to monitor macroeconomic trends and uncertainties such as product cost inflation, the effects of recently implemented tariffs, and the potential impact of modified or additional tariffs, which may have adverse effects on net sales and profitability. As a result of the tariffs announced by the U.S. and potential tariff modifications or the imposition of tariffs or export controls by other countries, we anticipate increased commodity cost volatility, and consumer and economic uncertainty due to rapid changes in global trade policies. Economic pressures on customers and suppliers, including the challenges of high inflation and the effects of increased tariffs, may negatively affect our net sales and profitability in the future.

Liquidity, Capital Resources and Financial Condition

The following table summarizes our debt obligations:

(In thousands)	Debt Origination Date	Maturity	Principal Borrowing Amount	December 31, 2025		June 30, 2025	
				Carrying Value	Weighted Average Interest Rate (1)	Carrying Value	Weighted Average Interest Rate (1)
Revolver	Various	4/26/2027	N/A	\$ 21,300	6.05 %	\$ 14,300	6.48 %

The revolver under the Credit Facility has a commitment of up to \$75.0 million and a maturity date of April 26, 2027. Availability under the revolver is calculated as the lesser of (a) \$75.0 million or (b) the amount equal to the sum of (i) 85% of eligible accounts receivable (less a dilution reserve), plus (ii) the lesser of: (a) 80% of eligible raw material inventory, eligible in-transit inventory and eligible finished goods inventory (collectively, "Eligible Inventory"), and (b) 85% of the net orderly liquidation value of Eligible Inventory, minus (c) applicable reserve. The Term Loan under the Term Credit Facility was fully paid down on June 30, 2023.

The Credit Facility contains customary affirmative and negative covenants and restrictions typical for a financing of this type. Non-compliance with one or more of the covenants and restrictions could result in the full or partial principal balance of the Credit Facility becoming immediately due and payable and termination of the commitments. As of and through December 31, 2025, we were in compliance with all of the covenants under the Credit Facility.

The Credit Facility provides us with increased flexibility to proactively manage our liquidity and working capital, while maintaining compliance with our debt financial covenants, and preserving financial liquidity to mitigate the impact of the uncertain business environment and continue to execute on key strategic initiatives.

At December 31, 2025, the Company had outstanding borrowings on the Revolver Credit Facility of \$21.3 million and had utilized \$4.7 million of the letters of credit sublimit.

Liquidity

We generally finance our operations through cash flows from operations and borrowings under our Credit Facility described above. In light of our financial position, operating performance and current economic conditions, including the state of the global capital markets, there can be no assurance as to whether or when we will be able to raise capital by issuing securities. We believe that the Credit Facility, to the extent available, in addition to our cash flows from operations, collectively, will be sufficient to fund our working capital and capital expenditure requirements for the next 12 months and beyond.

At December 31, 2025, we had \$4.2 million of unrestricted cash and cash equivalents and \$0.2 million in restricted cash. At December 31, 2025, we had \$24.6 million available for borrowing under our Revolver Credit Facility.

Cash Flows

The significant captions and amounts from our consolidated statements of cash flows are summarized below:

Consolidated Statements of cash flows data (in thousands)	Six Months Ended December 31,	
	2025	2024
Net cash (used in) provided by operating activities	\$ (5,793)	\$ 5,046
Net cash used in investing activities	(3,712)	(5,197)
Net cash provided by (used in) financing activities	6,895	(120)
Net (decrease) in cash and cash equivalents and restricted cash	\$ (2,610)	\$ (271)

Operating Activities

Net cash used in operating activities during the six months ended December 31, 2025 was \$5.8 million as compared to net provided by operating activities of \$5.0 million in the six months ended December 31, 2024, a decrease in cash used in operations of \$10.8 million. The change was driven primarily from increased costs related to the rise in green coffee commodity costs.

Investing Activities

Net cash used in investing activities during the six months ended December 31, 2025 was \$3.7 million as compared to \$5.2 million in the six months ended December 31, 2024. The net change in investing activities was primarily due to a decrease in capital expenditures of \$1.6 million in the current period compared to the prior year period.

Financing Activities

Net cash provided by financing activities during the six months ended December 31, 2025 was \$6.9 million as compared to net cash used in financing activities of \$0.1 million in the six months ended December 31, 2024. The increase was primarily due to net borrowing proceeds of \$7.0 million under the Credit Facility in the current year period.

Capital Expenditures

For the six months ended December 31, 2025 and 2024, our capital expenditures paid were \$3.8 million and \$5.4 million, respectively. In fiscal 2026, we anticipate paying between \$9.0 million to \$11.0 million in capital expenditures. We expect to finance these expenditures through cash flows from operations and borrowings under our Credit Facility.

Depreciation and amortization expenses were \$2.6 million and \$2.9 million in the three months ended December 31, 2025 and 2024, respectively. Depreciation and amortization expenses were \$5.2 million and \$5.8 million in the six months ended December 31, 2025 and 2024, respectively.

Purchase Commitments

As of December 31, 2025, the Company had committed to purchase green coffee inventory totaling \$39.6 million under fixed-price contracts, and \$12.4 million in inventory and other purchases under non-cancelable purchase orders.

Contractual Obligations

As of December 31, 2025, the Company had operating and finance lease payment commitments totaling \$34.5 million.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. In applying many of these accounting principles, we need to make assumptions, estimates or judgments that affect the reported amounts of assets, liabilities, revenues and expenses in our consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates or judgments, however, are both subjective and subject to change, and actual results may differ from our assumptions and estimates. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known. For a summary of our significant accounting policies, see *Note 2, Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of our 2025 Form 10-K. For a summary of our critical accounting estimates, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates" in our 2025 Form 10-K.

Recent Accounting Pronouncements

See *Note 2, Summary of Significant Accounting Policies*, of the Notes to Consolidated Financial Statements included in Part I, Item 1 of our 2025 Form 10-K.

Off-Balance Sheet Arrangements

As of December 31, 2025, the Company did not have any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this Item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), carried out an evaluation of the effectiveness of our disclosure controls and procedures

(as defined in Rule 13a-15(e) promulgated under the Exchange Act) as of December 31, 2025. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

Management has determined that there has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) during our fiscal quarter ended December 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The information set forth in [Note 17, Commitments and Contingencies](#), of the Notes to Unaudited Consolidated Financial Statements included in Part I, Item 1 of this Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

For a discussion of our other potential risks and uncertainties, see the information under "Item 1A. Risk Factors" in our 2025 Form 10-K. During the six months ended December 31, 2025, there have been no material changes to the risk factors disclosed in our 2025 Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the fiscal quarter ended December 31, 2025, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Description
3.1	Second Amended and Restated Certificate of Incorporation of Farmer Bros. Co. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on January 12, 2023 and incorporated herein by reference).
3.2	Second Amended and Restated Bylaws of Farmer Bros. Co. (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on February 10, 2025 and incorporated herein by reference).
10.1	Form of Farmer Bros. Co. Amended and Restated 2017 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (filed as Exhibit 10.29 to the Company's Annual Report on Form 10-K filed with the SEC on September 12, 2023 and incorporated herein by reference).
10.2	Form of Farmer Bros Co. Amended and Restated 2017 Long-Term Incentive Plan Restricted Stock Unit Award Agreement (Directors) (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023, filed with the SEC on May 10, 2023 and incorporated herein by reference).
10.3	Form of Indemnification Agreement for Directors and Officers of the Company, as adopted on December 8, 2017 (filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2022, filed with the SEC on September 2, 2022 and incorporated herein by reference).
10.4	First Amendment to the Transaction Bonus Agreement, dated as of December 8, 2025, by and between the Company and John Moore.
10.5	First Amendment to the Transaction Bonus Agreement, dated as of December 8, 2025, by and between the Company and Vance Fisher.
10.6	First Amendment to the Transaction Bonus Agreement, dated as of December 8, 2025, by and between the Company and Jared Vitemb.
31.1*	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Principal Financial Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in Inline XBRL (included in Exhibit 101).

* Filed herewith
 ** Furnished, not filed, herewith

SIGNATURES

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 thereunto duly authorized.

FARMER BROS. CO.

By: _____
/s/ John E Moore III
John E Moore III
President and Chief Executive Officer
(principal executive officer)
February 13, 2026

By: _____
/s/ Vance Ratliff Fisher
Vance Ratliff Fisher
Chief Financial Officer
(principal financial officer)
February 13, 2026

December 8, 2025

Re: Amendment to Bonus Opportunities

Dear John Moore:

You previously entered into a Letter Agreement (the "Letter Agreement") with Farmer Bros. Co. (the "Company"), dated August 12, 2025, pursuant to which you were eligible to receive a cash bonus from the Company upon such terms as were set forth in the Letter Agreement. You and the Company wish to amend the Letter Agreement as set forth herein. Capitalized terms used herein but not otherwise defined herein will have their respective meanings as set forth in the Letter Agreement, provided that the term "Agreement" used herein shall mean the Letter Agreement as amended hereby.

You and the Company hereby agree that as of the date hereof, Section 1 of the Letter Agreement is amended and restated as follows:

1. Cash Bonus; Potential PBRSU Grant.

- (a) You will be eligible to receive a one-time cash transaction bonus equal to \$400,000 (the "Transaction Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control on or before January 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Transaction Bonus shall be paid to you in a lump sum on the closing date of such Change in Control.
 - (b) In the event that no Change in Control occurs on or before January 1, 2026, then, in lieu of the Transaction Bonus, you will be eligible to receive a one-time cash bonus equal to \$200,000 (the "Special Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through January 1, 2026, and (ii) the other terms and conditions of this Agreement. If earned under this Agreement, the Special Bonus shall be paid to you in a lump sum on the first payroll date following January 1, 2026.
 - (c) In the event that a Change in Control occurs after January 1, 2026 and on or before April 1, 2026, then you will be eligible to receive a one-time cash bonus equal to \$200,000 (the "Second Special Bonus" and, together with the Special Bonus, the "Special Bonuses"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control after January 1, 2026 and on or before April 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Second Special Bonus shall be paid to you in a lump sum on the closing date of such Change in Control. In addition, and also solely in the event that no Change in Control has been consummated on or before April 1, 2026, the Company will grant to you a performance-based Restricted Stock Unit ("PBRSU") award in the amount of \$300,000 under the LTIP on April 2, 2026. Such PBRSU award shall be granted with such terms as determined by the Compensation Committee of the Board of Directors of the Company in accordance with the LTIP.
 - (d) For the avoidance of doubt, you shall be eligible for either the Transaction Bonus or one or both of the Special Bonuses (subject to the respective terms set forth in Section 1 of this Agreement, including your continuous employment through the applicable vesting
-

date), but in no event shall you be eligible for the Transaction Bonus together with the Special Bonuses.

Except as specifically amended hereby, the Letter Agreement shall remain in full force and effect.

f Compliance Officer and Secretary

ACKNOWLEDGED AND AGREED
This 8th day of December, 2025

/s/John Moore
Name: **John Moore**

December 8, 2025

Re: Amendment to Bonus Opportunities

Dear Vance Fisher:

You previously entered into a Letter Agreement (the "Letter Agreement") with Farmer Bros. Co. (the "Company"), dated August 12, 2025, pursuant to which you were eligible to receive a cash bonus from the Company upon such terms as were set forth in the Letter Agreement. You and the Company wish to amend the Letter Agreement as set forth herein. Capitalized terms used herein but not otherwise defined herein will have their respective meanings as set forth in the Letter Agreement, provided that the term "Agreement" used herein shall mean the Letter Agreement as amended hereby.

You and the Company hereby agree that as of the date hereof, Section 1 of the Letter Agreement is amended and restated as follows:

1. Cash Bonus; Potential PBRSU Grant.

- (a) You will be eligible to receive a one-time cash transaction bonus equal to \$350,000 (the "Transaction Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control on or before January 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Transaction Bonus shall be paid to you in a lump sum on the closing date of such Change in Control.
 - (b) In the event that no Change in Control occurs on or before January 1, 2026, then, in lieu of the Transaction Bonus, you will be eligible to receive a one-time cash bonus equal to \$175,000 (the "Special Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through January 1, 2026, and (ii) the other terms and conditions of this Agreement. If earned under this Agreement, the Special Bonus shall be paid to you in a lump sum on the first payroll date following January 1, 2026.
 - (c) In the event that a Change in Control occurs after January 1, 2026 and on or before April 1, 2026, then you will be eligible to receive a one-time cash bonus equal to \$175,000 (the "Second Special Bonus" and, together with the Special Bonus, the "Special Bonuses"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control after January 1, 2026 and on or before April 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Second Special Bonus shall be paid to you in a lump sum on the closing date of such Change in Control. In addition, and also solely in the event that no Change in Control has been consummated on or before April 1, 2026, the Company will grant to you a performance-based Restricted Stock Unit ("PBRSU") award in the amount of \$75,000 under the LTIP on April 2, 2026. Such PBRSU award shall be granted with such terms as determined by the Compensation Committee of the Board of Directors of the Company in accordance with the LTIP.
 - (d) For the avoidance of doubt, you shall be eligible for either the Transaction Bonus or one or both of the Special Bonuses (subject to the respective terms set forth in Section 1 of this Agreement, including your continuous employment through the applicable vesting
-

date), but in no event shall you be eligible for the Transaction Bonus together with the Special Bonuses.

Except as specifically amended hereby, the Letter Agreement shall remain in full force and effect.

Sincerely,

f Compliance Officer and Secretary

ACKNOWLEDGED AND AGREED

This 8th day of December, 2025

/s/Vance Fisher

Name: **Vance Fisher**

December 8, 2025

Re: Amendment to Bonus Opportunities

Dear Jared Vitemb:

You previously entered into a Letter Agreement (the "Letter Agreement") with Farmer Bros. Co. (the "Company"), dated August 12, 2025, pursuant to which you were eligible to receive a cash bonus from the Company upon such terms as were set forth in the Letter Agreement. You and the Company wish to amend the Letter Agreement as set forth herein. Capitalized terms used herein but not otherwise defined herein will have their respective meanings as set forth in the Letter Agreement, provided that the term "Agreement" used herein shall mean the Letter Agreement as amended hereby.

You and the Company hereby agree that as of the date hereof, Section 1 of the Letter Agreement is amended and restated as follows:

1. Cash Bonus; Potential PBR SU Grant.

- (a) You will be eligible to receive a one-time cash transaction bonus equal to \$200,000 (the "Transaction Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control on or before January 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Transaction Bonus shall be paid to you in a lump sum on the closing date of such Change in Control.
 - (b) In the event that no Change in Control occurs on or before January 1, 2026, then, in lieu of the Transaction Bonus, you will be eligible to receive a one-time cash bonus equal to \$100,000 (the "Special Bonus"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through January 1, 2026, and (ii) the other terms and conditions of this Agreement. If earned under this Agreement, the Special Bonus shall be paid to you in a lump sum on the first payroll date following January 1, 2026.
 - (c) In the event that a Change in Control occurs after January 1, 2026 and on or before April 1, 2026, then you will be eligible to receive a one-time cash bonus equal to \$100,000 (the "Second Special Bonus" and, together with the Special Bonus, the "Special Bonuses"), less applicable taxes and withholdings, subject to (i) your continuous employment with the Company through the consummation of a Change in Control, (ii) the consummation of such Change in Control after January 1, 2026 and on or before April 1, 2026 and (iii) the other terms and conditions of this Agreement. If earned under this Agreement, the Second Special Bonus shall be paid to you in a lump sum on the closing date of such Change in Control. In addition, and also solely in the event that no Change in Control has been consummated on or before April 1, 2026, the Company will grant to you a performance-based Restricted Stock Unit ("PBR SU") award in the amount of \$37,500 under the LTIP on April 2, 2026. Such PBR SU award shall be granted with such terms as determined by the Compensation Committee of the Board of Directors of the Company in accordance with the LTIP.
 - (d) For the avoidance of doubt, you shall be eligible for either the Transaction Bonus or one or both of the Special Bonuses (subject to the respective terms set forth in Section 1 of this Agreement, including your continuous employment through the applicable vesting
-

date), but in no event shall you be eligible for the Transaction Bonus together with the Special Bonuses.
Except as specifically amended hereby, the Letter Agreement shall remain in full force and effect.

Sincerely,

ACKNOWLEDGED AND AGREED

This 8th day of December, 2025

/s/ Jared Vitemb

Name: **Jared Vitemb**

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John E. Moore III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Farmer Bros. Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2026

/s/ JOHN E. MOORE III

John E. Moore III
President and Chief Executive Officer
(principal executive officer)

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Vance Ratliff Fisher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Farmer Bros. Co.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2026

/s/ Vance Ratliff Fisher

Vance Ratliff Fisher
Chief Financial Officer
(principal financial officer)

Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Farmer Bros. Co. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John E Moore III, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 13, 2026

/s/ JOHN E. MOORE III

John E. Moore III
President and Chief Executive Officer
(principal executive officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Principal Financial and Accounting Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Farmer Bros. Co. (the "Company") on Form 10-Q for the quarterly period ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vance Ratliff Fisher, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 13, 2026

/s/ Vance Ratliff Fisher

Vance Ratliff Fisher
Chief Financial Officer
(principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.