

# BAB, Inc. Reports Results for 2nd Quarter FY 2025

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DEERFIELD, Ill., July 03, 2025 (GLOBE NEWSWIRE) -- BAB, Inc. (**OTCQB: BABB**), announced its financial results for the second quarter ended May 31, 2025.

For the quarter ended May 31, 2025 BAB had revenues of \$808,000 and net income of \$154,000, or \$0.02 per share earnings, versus revenues of \$883,000 and net income of \$146,000, or a \$0.02 per share, for the same quarter last year. Our total revenue for the three months ended May 31, 2025 decreased compared to the prior period primarily due to a decrease in marketing fund expenses, which drive the recognition of marketing fund revenue. Under U.S. GAAP, we recognize marketing fund revenue at the time the related marketing fund expenses are incurred. As marketing fund revenue and expense directly offset each other in any given period, the decline has no impact on net income.

For the six months ended May 31, 2025, revenues were \$1,566,000 and net income was \$271,000, or \$0.04 per share, versus revenues of \$1,719,000 and net income of \$244,000, or \$0.03 per share for the same period in 2024. Our total revenue for the six months ended May 31, 2025 decreased compared to the prior period primarily due to a decrease in marketing fund expenses, which drive the recognition of marketing fund revenue. Under U.S. GAAP, we recognize marketing fund revenue at the time the related marketing fund expenses are incurred. As marketing fund revenue and expense directly offset each other in any given period, the decline has no impact on net income.

Total operating expenses for the three months ended May 31, 2025, were \$608,000, versus \$696,000, in 2024. The change in operating expenses for the quarter May 31, 2025 was primarily due to a decrease in marketing fund expenses of \$80,000, a decrease in professional services of \$15,000, employee benefits of \$14,000 and a decrease in occupancy expense of

\$6,000, offset by an increase in payroll of \$7,000 an increase in other expenses of \$20,000. Total operating expenses for the six months ended May 31, 2025 were \$1,218,000 versus \$1,410,000 for May 31, 2024. Marketing expenses accounted for \$122,000 of the decrease for the six months of 2025 compared to same period 2024. The Marketing Department is planning on increased spending in the third and fourth quarters of fiscal 2025 as they complete scheduled marketing projects. In addition, in the six months for May 31, 2025 there was a decrease of \$35,000 in employee benefit expense, a decrease in professional fees of \$16,000 and a decrease in other expenses of \$19,000 versus 2024.

BAB, Inc. franchises and licenses Big Apple Bagels®, My Favorite Muffin®, SweetDuet® frozen yogurt and Brewster's® Coffee. The Company's stock is traded on the OTCQB under the symbol BABB and its website can be visited at [www.babcorp.com](http://www.babcorp.com).

*Certain statements in this press release constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "forecast," "estimate," "project," "intend," "expect," "should," "would," "believe" and similar expressions and all statements which are not historical facts are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which could cause the company's actual results, performance (financial or operating), or achievements to differ from the future results, performance (financial or operating), or achievements expressed or implied by such forward-looking statements. The above factors are more fully discussed in the company's SEC filings.*

(TABLE FOLLOWS)

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**BAB, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

Quarter Ended			Six Months Ended		
		%			%
05/31/25	05/31/24	Change	05/31/25	05/31/24	Change

**REVENUES**

Royalty fees from						
franchised stores	\$511,879	\$513,474	-0.3%	\$969,073	\$973,163	-0.4%

Franchise and area development fee revenue	3,583	9,215	-61.1%	12,166	19,461	-37.5%
Licensing fees and other income	65,975	53,513	23.3%	140,353	160,101	-12.3%
Marketing Fund Revenue	227,049	306,636	-26.0%	444,095	566,047	-21.5%
Total Revenue	808,486	882,838	-8.4%	1,565,687	1,718,772	-8.9%

**OPERATING COSTS AND EXPENSES**

Selling, general and administrative	379,698	388,771	-2.3%	771,694	842,334	-8.4%
Depreciation and amortization	981	981	0.0%	1,961	1,961	0.0%
Marketing Fund Expenses	227,049	306,636	-26.0%	444,095	566,047	-21.5%
Total Expense	607,728	696,388	-12.7%	1,217,750	1,410,342	-13.7%

Income from operations	200,758	186,450	7.7%	347,937	308,430	12.8%
Interest expense	-	-	-	-	-	-
Interest/other income	13,734	16,735	-17.9%	28,622	32,260	-11.3%
Income taxes	(60,200)	(57,500)	4.7%	(106,000)	(96,500)	9.8%
<b>NET INCOME</b>	<b>\$154,292</b>	<b>\$145,685</b>	<b>5.9%</b>	<b>\$270,559</b>	<b>\$244,190</b>	<b>10.8%</b>

Earnings per share - basic and diluted	\$0.02	\$0.02	N/M	\$0.04	\$0.03	N/M
Average number of shares outstanding	7,263,508	7,263,508		7,263,508	7,263,508	