BAB, Inc. Reports Results for 3rd Quarter FY 2025

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

For the quarter ended August 31, 2025 BAB had revenues of $769,000 and net income of $168,000, or $0.02 per share earnings, versus revenues of $872,000 and net income of $160,000, or $0.02 per share, for the same quarter last year. Our total revenue for the three months ended August 31, 2025 decreased compared to the prior period due to a decrease in marketing fund expenses of $106,000, 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 nine months ended August 31, 2025, revenues were $2,334,000 and net income was $438,000, or $0.06 per share, versus revenues of $2,591,000 and net income of $405,000, or $0.06 per share for the same period in 2024. Our total revenue for the nine months ended August 31, 2025 decreased compared to the prior period primarily due to a decrease in marketing fund expenses of $229,000, 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. Royalty revenue, decreased $11,000, franchise fee revenue decreased $14,000, and License fee and other income decreased $3,000 for the nine months ended August 31, 2025 compared to same period 2024.

Total operating expenses for the quarter ended August 31, 2025, were $550,000, versus $667,000, in 2024. The change in operating expenses for the quarter was primarily due to a decrease in marketing fund expenses of $106,000. In addition, there was a decrease in 2025 in professional fees of $6,000, employee benefits of $17,000, offset by an increase in payroll of $4,000, travel of $3,000 and other expenses of $5,000 in 2025 compared to the same period 2024.

Total operating expenses for the nine months ended August 31, 2025 were $1,767,000 versus $2,077,000 for August 31, 2024. The change in operating expenses for the nine months was primarily due to a decrease in marketing fund expenses of $229,000, a decrease in employee benefit expense of $52,000, a decrease in professional fees of $22,000, a decrease in occupancy of $8,000 and a decrease of $9,000 in general expenses. This was offset by an increase of $8,000 in payroll and $2,000 in advertising and promotion compared to same nine months of 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.

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	Nine Months Ended

	08/31/25	08/31/24	% Change	08/31/25	08/31/24	% Change
REVENUES						
Royalty fees from franchised stores	$511,736	$519,299	-1.5%	$1,480,809	$1,492,463	-0.8%
Franchise and area development fee revenue	3,082	9,298	-66.9%	15,248	28,759	-47.0%
Licensing fees and other income	66,785	49,869	33.9%	207,138	209,969	-1.3%
Marketing Fund Revenue	186,930	293,469	-36.3%	631,025	859,516	-26.6%
Total Revenue	768,533	871,935	-11.9%	2,334,220	2,590,707	-9.9%
OPERATING COSTS AND EXPENSES						
Selling, general and administrative	361,690	372,561	-2.9%	1,133,384	1,214,895	-6.7%
Depreciation and amortization	1,081	981	10.2%	3,042	2,942	3.4%
Marketing Fund Expenses	186,930	293,469	-36.3%	631,025	859,516	-26.6%
Total Expense	549,701	667,011	-17.6%	1,767,451	2,077,353	-14.9%
Income from operations	218,832	204,924	6.8%	566,769	513,354	10.4%
Interest/other income	14,597	17,903	-18.5%	43,219	50,164	-13.8%
Income taxes	(65,800)	(62,500)	5.3%	(171,800)	(159,000)	8.1%
NET INCOME	**$167,629**	**$160,327**	**4.6%**	**$438,188**	**$404,518**	**8.3%**
Earnings per share - basic and diluted	$0.02	$0.02	N/M	$0.06	$0.06	N/M
Average number of shares outstanding	7,263,508	7,263,508		7,263,508	7,263,508	