

BAB, Inc. Reports Profit for Year-ended 11/30/19

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DEERFIELD, Ill., Feb. 05, 2020 (GLOBE NEWSWIRE) – BAB, Inc. (**OTCQB: BABB**) announced its financial results for its fiscal year ended November 30, 2019, reporting net income of \$449,000, or \$0.06 per share.

For the year-ended November 30, 2019, BAB, Inc. had revenues of \$3,070,000 and net income of \$449,000, or \$0.06 per share, versus revenues of \$2,173,000 and net income of \$508,000, or \$0.07 per share, for the same period in 2018. On December 1, 2018, BAB, Inc. adopted Accounting Standards Codification (ASC) 606 utilizing the modified retrospective transition method. The adoption of ASC 606 changes how revenue is recognized for franchise fees, license fees and gift card revenue. Had ASC 606 not been adopted, fiscal 2019 net income would have been \$473,000. A material addition to revenue, due to the adoption of ASC 606, is the inclusion of marketing fund payments in revenues for fiscal 2019 in the amount of \$988,000. This marketing fund adoption did not affect net income because an offsetting amount of \$988,000 is included in expenses.

Total operating expenses for the year ended November 30, 2019, were \$2,596,000 versus \$1,636,000 for the year ended November 30, 2018. Included in fiscal 2019 expenses were Marketing expenses of \$988,000.

BAB, Inc. franchises and licenses Big Apple Bagels®, My Favorite Muffin®, SweetDuet® and Brewster's® Coffee. The Company's stock is traded on the OTCQB under the symbol BABB and its web site can be visited at www.babcorp.com.

BAB, INC.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

Fiscal Year Ended

	2019	2018	% Change
REVENUES			
Royalty fees from franchised stores	\$ 1,645,639	\$ 1,665,016	-1.2%
Franchise and area development fee revenue	33,817	34,500	-2.0%
Licensing fees and other income	402,293	473,815	-15.1%
Marketing Fund revenue	987,943	-	NA
Total Revenue	3,069,692	2,173,331	41.2%
OPERATING COSTS AND EXPENSES			
Selling, general and administrative	1,606,211	1,634,405	-1.7%
Depreciation and amortization	2,057	1,210	70.0%
Marketing Fund expenses	987,943	-	NA
Total Operating Expense	2,596,211	1,635,615	58.7%
Income before interest, other and taxes	473,481	537,716	-11.9%
Interest and other income	612	159	284.9%
Current tax expense	(25,000)	(30,000)	-16.7%
Net Income	\$ 449,093	\$ 507,875	-11.6%
Earnings per share - basic and diluted	0.06	0.07	
Average number of shares outstanding	7,263,508	7,263,508	

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