SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K **CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the **Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 29, 2019

J & J SNACK FOODS CORP.

(Exact name of registrant as specified in its charter)

0-14616

22-1935537

New Jersey

	(State or Other	(Commission		(I.R.S. Employer				
	Jurisdiction of Organization)	File Number)		Identification No.)				
		6000 Central Highway, Pennsauke (Address of principal executive						
]	Registrant's telephone number, including	garea code: (856) 665-9533					
		$\frac{N/A}{A}$ (Former name or former address, if cl	hanged since last report)					
Sec	urities registered pursuant to Section 12(b)) of the Exchange Act:						
	<u>Title of Each Class</u> Common Stock, no par value	Trading Symbol(s) JJSF	Name of Each Exchange of The NASDAQ Globa	~				
Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):								
	Written communications pursuant to Rul	e 425 under the Securities Act (17 CFR	230.425)					
	Soliciting material pursuant to Rule 14a-	12 under the Exchange Act (17 CFR 24	0.14a-12)					
	Pre-commencement communications pur	rsuant to Rule 14d-2 (b) under the Exch	ange Act (17 CFR 240.14d-2(b))					
	Pre-commencement communications p	oursuant to Rule 13e-4(c) under the E	xchange Act (17 CFR 240.13e-4(c))					
ndicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).								
Ξm	erging growth company \square							
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.								
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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

On July 29, 2019, J & J Snack Foods Corp. issued a press release regarding its earnings for the third quarter of fiscal 2019.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

Exhibit Number Description of Document

99.1 <u>Press Release dated July 29, 2019</u>

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 hereunto duly authorized.

J & J SNACK FOODS CORP.

By: /s/ Gerald B. Shreiber

Gerald B. Shreiber President

/s/ Dennis G. Moore

Dennis G. Moore Chief Financial Officer

Date: July 29, 2019

EXHIBIT INDEX

Exhibit Number Description of Document

99.1 Press Release dated July 29, 2019

IMMEDIATE RELEASE FOR:

Contact:

Dennis G. Moore Senior Vice

Chief Financial Officer

(856) 532-6603

President



J & J SNACK FOODS REPORTS THIRD QUARTER SALES AND EARNINGS

Pennsauken, NJ, July 29, 2019 - J & J Snack Foods Corp. (NASDAQ-JJSF) today announced sales and earnings for the third quarter ended June 29, 2019.

Sales increased 7% to \$326.7 million from \$306.2 million in last year's third quarter. Net earnings increased 18% to \$30.9 million in the current quarter from \$26.1 million last year. Earnings per diluted share increased 17% to \$1.63 for the third quarter from \$1.39 last year. Operating income increased 12% to \$39.0 million in the current quarter from \$34.9 million in the year ago quarter.

For the nine months ended June 29, 2019, sales increased 4% to \$874.6 million from \$837.5 million in last year's nine months. Net earnings decreased to \$68.8 million in the nine months from \$80.2 million last year. Earnings per diluted share decreased to \$3.64 from \$4.27 last year. Operating income increased 8% to \$85.9 million this year from \$79.6 million last year.

Net earnings for last year's nine months benefitted from a \$20.9 million, or \$1.11 per diluted share, gain on the re-measurement of deferred tax liabilities and were impacted by a \$1.2 million, or \$.06 per diluted share, provision for the one-time repatriation tax, both of which resulted from the Tax Cuts and Jobs Act enacted in December 2017. This year's nine months benefitted by a reduction of approximately \$900,000 in tax, or \$.05 per diluted share, as the one-time repatriation tax was recorded on an estimated basis at December 30, 2017 and was revised downward in this year's first quarter.

Gerald B. Shreiber, J & J's President and Chief Executive Officer, commented, "We are pleased to report improved performance and increased operating income across all of our business segments in this quarter. We continue to be focused on improving our margins and revenue going forward."

J&J Snack Foods Corp. is a leader and innovator in the snack food industry, providing nutritional and affordable branded niche snack foods and beverages to foodservice and retail supermarket outlets. Manufactured and distributed nationwide, our principal products include SUPERPRETZEL, BAVARIAN BAKERY and other soft pretzels, ICEE and SLUSH PUPPIE frozen beverages, LUIGI'S, MINUTE MAID* frozen juice bars and ices, WHOLE FRUIT sorbet and frozen fruit bars, MARY B'S biscuits and dumplings, DADDY RAY'S fig and fruit bars, TIO PEPE'S and CALIFORNIA CHURROS, THE FUNNEL CAKE FACTORY funnel cakes, and several bakery brands within COUNTRY HOME BAKERS and HILL & VALLEY. For more information, please visit http://www.jjsnack.com.

*MINUTE MAID is a registered trademark of The Coca-Cola Company

J & J SNACK FOODS CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF EARNINGS

(Unaudited)

 $(in\ thousands,\ except\ per\ share\ amounts)$

	Three months ended					Nine months ended			
	J	June 29, 2019		June 30, 2018		June 29, 2019		June 30, 2018	
Net Sales	\$	326,701	\$	306,239	\$	874,615	\$	837,550	
Cost of goods sold		225,352		211,764		617,155		592,518	
Gross Profit		101,349		94,475		257,460		245,032	
Operating expenses									
Marketing		26,398		25,589		69,792		69,672	
Distribution		24,447		24,325		70,521		67,901	
Administrative		10,668		9,654		29,909		28,014	
Other general expense (income)		794		38		1,343		(193)	
Total operating expenses		62,307		59,606		171,565		165,394	
Operating Income		39,042		34,869		85,895		79,638	
Other income (expense)									
Investment income		1,953		1,705		5,775		4,687	
Interest expense & other		1,972		(209)		1,920		267	
Earnings before income taxes		42,967		36,365		93,590		84,592	
Income taxes		12,095		10,236		24,838		4,381	
NET EARNINGS	\$	30,872	\$	26,129	\$	68,752	\$	80,211	
Earnings per diluted share	\$	1.63	\$	1.39	\$	3.64	\$	4.27	
Weighted average number of diluted shares		18,947		18,822		18,912		18,801	
Earnings per basic share	\$	1.64	\$	1.40	\$	3.66	\$	4.29	
		18,823		18,698		18,794		18,683	

J & J SNACK FOODS CORP. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(in thousands, except share amounts)

Current saves			une 29, 2019 naudited)	September 29, 2018		
And cash equivalents \$15,000 mm 10.00 Marketable securities held to mantity 140,53 mm 10.20 Accounts receivable, net 140,53 mm 10.20 Inventories 140,65 mm 50.00 Inventories 4,14 mm 50.00 Total current assets 4,04 mm 50.00 Total current assets 2,000 mm 2.00 Total current assets 2,000 mm 2.00 Building 2,000 mm 2.00 Building 2,000 mm 2.00 Marketing equipment 30,707 mm 20,005 Marketing equipment 30,707 mm 20,005 Transportation equipment 30,508 mm 30,707 mm Construction in progress 30,700 mm 30,707 mm Construction in progress 20,000 mm 40,000 mm Total Property, plant and equipment, at cost 30,000 mm 40,000 mm Total Current is maintain from a minization 30,000 mm 10,000 mm Every part and equipment, at cost 30,000 mm 10,000 mm Total conditions assets, net	Assets					
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Accounts receivable, net 146.53 123.241 128.04	Cash and cash equivalents	\$	156,097	\$	111,479	
Prepair speases and other	Marketable securities held to maturity		40,809		21,048	
Prepair despense and othe Total current assets 4,16 5,04 Total current assets 8,07 38,70 Property, plant and equipment, at cost 2,94 2,94 Buildings 30,70 20,305 Plant muchinery and equipment 30,70 20,305 Marketing equipment 30,70 30,95 Transportation equipment 30,70 30,94 Contraction in progress 30,70 30,94 Total Poperty, plant and equipment, at cost 12,79 69,51 Ess accumulated desperit, plant and equipment, at cost 486,51 48,44 Property, plant and equipment, at cost 486,51 48,44 Property, plant and equipment, at cost 75,27 42,67 Les accumulated desperity alient and untiration 486,51 48,44 Property, plant and equipment, at cost 15,27 48,64 Property, plant and equipment, a	Accounts receivable, net		146,553		132,342	
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Property, plant and equipment, at cost	Prepaid expenses and other		4,146		5,044	
Property, plant and equipment, at cost			466,795		382,797	
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Accounts payable 80,237 69,592 Accrued insurance liability 9,281 11,217 Accrued liabilities 14,098 8,031 Accrued compensation expense 17,177 20,297 Dividends payable 9,413 8,438 Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091		\$	330	¢	324	
Accrued insurance liability 9,281 11,217 Accrued liabilities 14,098 8,031 Accrued compensation expense 17,177 20,297 Dividends payable 9,413 8,438 Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 899,667 759,091		Ψ		Ψ		
Accrued liabilities 14,098 8,031 Accrued compensation expense 17,177 20,297 Dividends payable 9,413 8,438 Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Accrued compensation expense 17,177 20,297 Dividends payable 9,413 8,438 Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Dividends payable 9,413 8,438 Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Total current liabilities 130,536 117,899 Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Long-term obligations under capital leases 714 753 Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091	Total Current Indomities		130,330		117,033	
Deferred income taxes 53,009 52,322 Other long-term liabilities 1,764 1,948 Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued - - Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091	Long-term obligations under capital leases		714		753	
Other long-term liabilities1,7641,948Stockholders' EquityPreferred stock, \$1 par value; authorized 10,000,000 shares; none issuedCommon stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively37,84027,340Accumulated other comprehensive loss(12,548)(11,994)Retained Earnings784,375743,745Total stockholders' equity809,667759,091						
Stockholders' Equity Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 Total stockholders' equity 809,667 759,091						
Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively Accumulated other comprehensive loss Retained Earnings Total stockholders' equity 37,840 27,340 (12,548) (11,994) 784,375 743,745 809,667 759,091	Outer long-term naomites		1,704		1,540	
Preferred stock, \$1 par value; authorized 10,000,000 shares; none issued Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively Accumulated other comprehensive loss Retained Earnings Total stockholders' equity 37,840 27,340 (12,548) (11,994) 784,375 743,745 809,667 759,091	Stockholders' Fauity					
Common stock, no par value; authorized, 50,000,000 shares; issued and outstanding 18,830,000 and 18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091			_		_	
18,754,000 respectively 37,840 27,340 Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091			_		_	
Accumulated other comprehensive loss (12,548) (11,994) Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091			37.840		27 340	
Retained Earnings 784,375 743,745 Total stockholders' equity 809,667 759,091						
Total stockholders' equity 809,667 759,091						
Total Liabilities and Stockholders' Equity	• •	¢		<u>¢</u>		
	Total Liabilities and Stockholders' Equity	D	995,690	Ф	932,013	

J & J SNACK FOODS CORP. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (in thousands)

		Nine mon	2019 2018 68,752 \$ 80,211 33,374 31,929 2,586 2,639 3,006 2,874 690 (12,502) 410 32 350 (3) (14,289) (7,530) (6,257) (13,020) 957 (2,949) 11,584 3,606 101,163 85,287 (1,155) - (42,136) (43,344) (24,056) (65,227) 29,721 51,417 1,463 1,895 (212) 171		
		June 29,		*	
		2019		2018	
Operating activities:	_		_		
Net earnings	\$	68,752	\$	80,211	
Adjustments to reconcile net earnings to net cash provided by operating activities:		22.2=4		24.020	
Depreciation of property, plant and equipment					
Amortization of intangibles and deferred costs					
Share-based compensation					
Deferred income taxes					
Loss on marketable securities				_	
Other		350		(3)	
Changes in assets and liabilities net of effects from purchase of companies					
Increase in accounts receivable					
Increase in inventories					
Decrease (increase) in prepaid expenses				(, ,	
Increase in accounts payable and accrued liabilities					
Net cash provided by operating activities	\$	101,163		85,287	
Investing activities:					
Payment for purchases of companies, net of cash acquired		(1,155)		-	
Purchases of property, plant and equipment		(42,136)		(43,344)	
Purchases of marketable securities		(24,056)		(65,227)	
Proceeds from redemption and sales of marketable securities		29,721		51,417	
Proceeds from disposal of property, plant and equipment		1,463		1,895	
Other		(212)		171	
Net cash used in investing activities		(36,375)		(55,088)	
Financing activities:					
Payments to repurchase common stock		-		(2,794)	
Proceeds from issuance of stock		7,426		5,561	
Payments on capitalized lease obligations		(33)		(278)	
Payment of cash dividend		(27,230)		(24,652)	
Net cash used in financing activities		(19,837)		(22,163)	
Effect of exchange rate on cash and cash equivalents		(333)	-	(3,370)	
Net increase in cash and cash equivalents	\$	44,618	\$	4,666	
Cash and cash equivalents at beginning of period		111,479	<u> </u>	90,962	
	\$	156,097	\$	95,628	
Cash and cash equivalents at end of period	Ψ	150,057	Ψ	33,020	

June 29, June 29, Zero 2018 2018		Thre	Three months ended				Nine months ended				
Page											
Sales to External Customers: Food Service Soft pretzels S S S S S S S S S							2019				
Sales to External Cistomes Statemat Cistom					•	(unaudited)					
Pool Service					(in thou	ısandı	s)				
Soft pretzels \$5,867 \$13,862 \$15,467 \$11,962 Prozen juices and ices 13,862 12,825 21,285 30,336 29,44 Churros 18,808 16,729 49,793 46,06 Bakery 95,209 93,062 28,912 278,82 Other 6,105 5,101 15,75 162,33 Total Food Service \$95,209 30,802 280,172 278,82 Retail Supermarket \$7,294 \$7,332 \$28,309 \$5,33,33 Frozen juices and ices \$26,515 2,878 \$2,179 \$3,59 Handhelds 3,063 2,900 \$1,179 \$3,59 Handhelds 3,063 2,900 \$2,179 \$3,59 Coupon redemption (962) 1,278 \$2,109 \$1,141 \$1,17 Total Foral Supermarket \$3,652 \$3,532 \$3,77 \$8,09 Frozen Beverages \$5,693 \$49,132 \$12,1,97 \$15,40 Repair and maintenance service \$5,693											
Frozen juices and ices		¢	EE 067	¢	E2 000	¢	154670	ď	151 640		
Churos 18,888 16,739 49,739 46,60 Bakery 95,299 93,082 28,81,72 278,22 Other 6,105 5,201 19,575 16,23 Total Food Service \$ 196,571 \$ 191,701 \$ 567,886 \$ 553,43 Retail Supermarket September 1 \$ 7,294 \$ 7,332 \$ 28,009 \$ 27,92 Frozen juices and ices 26,515 28,785 52,179 53,93 Handhelds 3,063 2,960 8,110 8,74 Coupon redemption (962) 1,278 (2,153) 2,66 Other 642 7,33 1,341 1,71 Total Retail Supermarket \$ 36,552 \$ 38,552 \$ 87,769 \$ 8,96 Frozen Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service \$ 25,91 \$ 76,005 \$ 33,875 20,18 Other 3,17 3,06 3 8,75 20,18 Total Forzen Beverages		Φ		Ф		Ф		Ф			
Handhelds 9,509 9,042 28,127 278,080 Bakery 95,299 93,086 28,172 278,082 Other 6,105 5,201 19,576 16,23 Total Food Service \$ 19,577 \$ 19,576 \$ 53,33 Refail Supermarket \$ 7,294 \$ 7,332 \$ 28,309 \$ 27,92 Frozen juices and ices \$ 26,515 \$ 28,785 \$ 21,179 \$ 33,95 Handhelds 3,065 \$ 29,00 \$ 8,110 \$ 27,92 Frozen juices and ices \$ 62,515 \$ 28,385 \$ 21,179 \$ 33,95 Handhelds 3,065 \$ 29,00 \$ 8,110 \$ 27,92 Frozen juices and ices \$ 36,552 \$ 38,50 \$ 21,179 \$ 33,95 Handhelds 3,065 \$ 38,50 \$ 41,12 \$ 21,12 \$ 21,60 \$ 21,60 \$ 21,12 \$ 21,60 \$ 21,60 \$ 21,12 \$ 21,10 \$ 21,10 \$ 21,12 \$ 21,10 \$ 21,10 \$ 21,10 \$ 21,10 \$ 21,10 \$ 21,10 \$ 21,10 \$ 21,10											
Bakery Other 95,299 (10.5) 93,082 (10.5) 28,172 (10.5) 12,157 (10.5) 16,232 (10.5) 12,157 (10.5) 16,232 (10.5) 15,57,36 (10.5) 15,53,35 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,53,43 (10.5) 15,54 (10.5) 15,54 (10.5) 15,54 (10.5) 15,40 (10											
Other 6,105 5,201 19,576 16,23 Total Food Service \$ 198,571 \$ 191,701 \$ 567,866 \$ 553,33 Retail Supermarket \$ 7,294 \$ 7,332 \$ 28,309 \$ 27,92 Foozen juices and ices \$ 26,515 28,765 \$ 52,179 \$ 33,95 Handhelds 3,063 2,000 \$ 1,10 \$ 8,74 Coupon redemption (602) 1,1278 (2,163) 2,64 Other 642 2,333 1,341 1,177 Total Retail Supermarket \$ 36,552 \$ 38,532 \$ 87,762 \$ 89,69 Prozen Beverages \$ 5,6937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service \$ 22,514 19,693 \$ 62,291 \$ 58,00 Machines revenue 11,1810 6,856 33,875 20,18 Other 317 3,206 3,11 23,20 Total Frozen Beverages \$ 9,157 \$ 76,000 \$ 218,953 \$ 19,42 Cossolidated Sales \$ 2,205 <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>278,828</td></t<>									278,828		
Retail Supermarket	•								16,235		
Retail Supermarket S 7,294 \$ 7,332 \$ 28,309 \$ 27,92 Frozen juices and ices 26,515 28,765 \$ 22,179 \$ 53,95 Handhelds 3,063 2,960 8,110 8,74 Coupon redemption (962) 1,278 (2,163) 2,64 Other 642 2,33 1,341 1,777 Total Retail Supermarket \$ 36,552 \$ 38,532 \$ 67,76 \$ 89,69 Frozen Beverages \$ 56,937 \$ 49,132 \$ 12,196 \$ 115,40 Repair and maintenance service 22,514 419,693 62,291 \$ 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 311 33 Total Frozen Beverages \$ 9,1578 \$ 76,005 \$ 218,93 Consolidated Sales \$ 32,6701 \$ 306,239 \$ 874,615 \$ 837,55 Coperating Income: \$ 5,957,80 \$ 5,000 \$ 99,93 99 99 99 99 99 99		<u>\$</u>		\$		\$		\$	553,430		
Soft pretzels \$ 7,294 \$ 7,323 \$ 28,305 \$ 27,295 Frozen juices and ices 26,515 28,785 52,179 53,395 Handhelds 3,363 2,960 8,110 8,74 Coupon redemption (962) (1,278) (2,163) 2,646 Other 636,525 \$ 38,532 \$ 87,076 \$ 38,969 Frozen Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service \$ 22,514 \$ 19,693 \$ 62,291 \$ 58,00 Machines revenue \$ 11,810 6,856 33,875 20,18 Other \$ 31,75 \$ 76,006 \$ 218,953 \$ 19,42 Crosolidated Sales \$ 326,701 \$ 306,239 \$ 31,642 \$ 31,642 Crosolidated Sales \$ 326,001 \$ 306,239 \$ 19,911 \$ 19,93 Retail Supermarket \$ 335 332 900 98 Focas Reverages \$ 5,15 \$ 1,860 \$ 15,059 \$ 14,21 Total Depreciation and Amortization	Total Pood Service	-	100,071	=	151,7 51	=	507,000	=	555, 150		
Frozen juices and ices 26,515 29,785 52,179 33,98 Handhelds 3,063 2,960 8,110 8,74 Coupon redemption (962) (1,278) (2,163) 2,64 Other 642 733 1,341 1,77 Total Retail Supermarket \$36,552 \$38,532 \$87,776 \$9,690 Frozen Beverages \$56,937 \$49,132 \$121,976 \$115,40 Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,855 33,675 20,18 Other 317 326 811 83 Total Frozen Beverages \$36,707 \$306,239 \$87,615 \$87,55 Consolidated Sales \$326,701 \$306,239 \$87,415 \$837,55 Deperciation and Amortization: \$36,973 \$6,237 \$19,91 \$19,91 Retail Supermarket 335 332 \$990 \$90 Frozen Beverages \$1,154 \$1,663 \$5,9	Retail Supermarket										
Handhelds 3,063 2,960 8,110 8,74 Coupon redemption (962) (1,278) (2,163) 2,644 Other 642 733 1,341 1,71 Total Retail Supermarket \$ 36,552 \$ 38,532 \$ 87,767 \$ 89,696 Frozen Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service \$ 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 \$ 76,006 \$ 218,953 \$ 194,42 Consolidated Sales \$ 91,578 \$ 76,006 \$ 218,953 \$ 194,42 Consolidated Sales \$ 91,578 \$ 76,006 \$ 218,953 \$ 837,55 Depreciation and Amortization: \$ 80,973 \$ 6,237 \$ 19,911 \$ 19,937 Retail Supermarket 3 35 3 32 90 98 Frozen Beverages 5 ,014 4,80 15,059 14,221 Total Deprication and Amortization		\$	7,294	\$	7,332	\$	28,309	\$	27,925		
Coupon redemption 962 1.728 2.163 2.646 Other 62 733 1.341 1.71 Total Retail Supermarket \$36,552 \$38,532 \$87,076 \$80,808 Frozen Beverages \$56,937 \$49,132 \$121,976 \$115,40 Repair and maintenance service \$25,514 19,693 62,291 \$80,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$91,578 \$76,006 \$218,953 \$19,422 Consolidated Sales \$326,701 \$306,239 \$874,615 \$83,555 Depreciation and Amortization: \$9,326,701 \$36,237 \$19,911 \$19,37 Retail Supermarket \$335 332 909 98 Frozen Beverages \$5,015 4,860 \$5,059 \$3,560 Operating Income \$1,223 \$11,492 \$5,400 \$6,232 \$19,911 \$1,242 Food Service <	Frozen juices and ices		26,515		28,785		52,179		53,950		
Other 542 733 1.341 1.71 Total Retail Supermarket \$ 36,552 \$ 38,532 \$ 87,776 \$ 89,69 Frozen Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,656 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,006 \$ 218,953 \$ 19,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Consolidated Sales \$ 8,693 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages \$ 12,233 \$ 11,429 \$ 35,960 \$ 34,56 Operating Income \$ 21,	Handhelds		3,063		2,960		8,110		8,749		
Total Retail Supermarket \$ 36,552 \$ 38,532 \$ 87,766 \$ 89,69 Frozen Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service 22,514 19,693 62,291 50,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,006 \$ 218,953 \$ 194,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Depreciation and Amortization: \$ 5,973 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages 5,015 4,860 15,059 14,21 Total Depreciation and Amortization \$ 12,323 \$ 11,429 \$ 35,960 \$ 34,56 Operating Income: \$ 21,154 \$ 19,663 \$ 59,195 \$ 54,09 Retail Supermarket \$ 3,651 3,203 7,793 8,29 Frozen Be	Coupon redemption		(962)		(1,278)				(2,647)		
Prozen Beverages \$ 56,937 \$ 49,132 \$ 11,906 \$ 115,40 Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,006 \$ 218,953 \$ 19,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Depreciation and Amortization: \$ 6,973 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages 5,015 4,860 15,059 14,21 Total Depreciation and Amortization \$ 12,323 \$ 11,429 \$ 35,60 \$ 34,60 Operating Income: \$ 21,154 \$ 19,663 \$ 59,195 \$ 54,09 Retail Supermarket \$ 3,651 3,203 7,739 8,29 Total Operating Income: \$ 39,042 \$ 34,869 \$ 59,95 \$ 50,09 Retail Superma	Other								1,715		
Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,000 \$ 218,953 \$ 194,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Depreciation and Amortization: \$ 6,973 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages 5,015 4,860 15,059 14,21 Total Depreciation and Amortization \$ 12,323 \$ 11,429 35,960 \$ 34,56 Operating Income: \$ 21,154 \$ 19,663 \$ 59,195 \$ 54,09 Retail Supermarket 3,651 3,203 7,739 8,29 Frozen Beverages 14,237 12,003 18,961 17,24 Total Operating Income	Total Retail Supermarket	<u>\$</u>	36,552	\$	38,532	\$	87,776	\$	89,692		
Beverages \$ 56,937 \$ 49,132 \$ 121,976 \$ 115,40 Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,000 \$ 218,953 \$ 194,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Depreciation and Amortization: \$ 6,973 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages 5,015 4,860 15,059 14,21 Total Depreciation and Amortization \$ 12,323 \$ 11,429 35,960 \$ 34,56 Operating Income: \$ 21,154 \$ 19,663 \$ 59,195 \$ 54,09 Retail Supermarket 3,651 3,203 7,739 8,29 Frozen Beverages 14,237 12,003 18,961 17,24 Total Operating Income											
Repair and maintenance service 22,514 19,693 62,291 58,00 Machines revenue 11,810 6,856 33,875 20,18 Other 317 326 811 83 Total Frozen Beverages \$ 91,578 \$ 76,006 \$ 218,953 \$ 194,42 Consolidated Sales \$ 326,701 \$ 306,239 \$ 874,615 \$ 837,55 Depreciation and Amortization: \$ 6,973 \$ 6,237 \$ 19,911 \$ 19,37 Retail Supermarket 335 332 990 98 Frozen Beverages \$ 5,015 4,860 15,059 14,21 Total Depreciation and Amortization \$ 12,323 \$ 11,429 \$ 35,960 \$ 34,56 Operating Income: \$ 12,323 \$ 11,429 \$ 35,960 \$ 34,56 Operating Income: \$ 21,154 \$ 19,663 \$ 5,919 \$ 54,09 Retail Supermarket \$ 3,651 3,203 \$ 7,739 \$ 3,29 Frozen Beverages \$ 14,237 12,003 18,961 17,24 Total Operating Inc	_										
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Depreciation and Amortization: Food Service	Total Frozen Beverages	\$	91,578	\$	76,006	\$	218,953	\$	194,428		
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10tal Assets	-	\$		\$		\$		\$	914,232		
	10191 V22G12	Ψ	223,030		311,202	=	223,030	<u> </u>	511,252		

RESULTS OF OPERATIONS

Net sales increased \$20,462,000 or 7% to \$326,701,000 for the three months and \$37,065,000 or 4% to \$874,615,000 for the nine months ended June 29, 2019 compared to the three and nine months ended June 30, 2018, respectively.

FOOD SERVICE

Sales to food service customers increased \$6,870,000 or 4% in the third quarter to \$198,571,000 and increased \$14,456,000 or 3% to \$567,886,000 for the nine months. Soft pretzel sales to the food service market increased 4% to \$55,867,000 in the three months and 2% to \$154,670,000 in the nine months due primarily to higher sales to convenience store chains. Two chains accounted for about 3/4 of the sales increase in the third quarter and about 1/2 of the increase in the nine months.

Frozen juices and ices sales increased 8% to \$13,862,000 in the three months and 3% to \$30,336,000 in the nine months as sales to warehouse club stores accounted for over 60% of the increase in the third quarter and all of the increase in the nine months.

Churro sales to food service customers were up 13% in the quarter to \$18,888,000 and up 7% to \$49,793,000 in the nine months with strong sales to warehouse club stores and general increases and decreases across our customer base.

Sales of bakery products increased \$2,217,000 or 2% to \$95,299,000 in the third quarter and increased \$9,344,000 or 3% to \$288,172,000 for the nine months as sales were higher school foodservice and were up and down across our customer base.

Sales of handhelds decreased \$1,424,000 or 14% in the quarter and \$5,328,000 or 17% in the nine months with the decrease primarily coming from lower sales to co-pack customers because of unsuccessful product launches. Sales of funnel cake increased \$522,000 or, 10%, to \$5,616,000 in the quarter and \$2,873,000, or 19%, to \$18,308,000 in the nine months. The nine months sales increase was primarily sales to a quick service restaurant under a limited time offer program which ended in the second quarter.

Sales of new products in the first twelve months since their introduction were approximately \$4 million in this quarter and \$11 million in the nine months. Price increases were approximately \$4 million for the quarter and \$11 million for the nine months and net volume increases were approximately \$3 million of sales in the quarter and in the nine months.

Operating income in our Food Service segment increased from \$19,663,000 to \$21,154,000 in the quarter and increased from \$54,098,000 to \$59,195,000 in the nine months. For the quarter, operating income increased primarily because of increased volume, lower distribution expenses and increased pricing but was impacted by approximately \$600,000 of costs related to prior years' product recalls. For the nine months, operating income improved primarily because of increased volume, price increases, lower marketing expenses and improved operations at several of our manufacturing facilities. Additionally, last year's first quarter included shutdown costs of our Chambersburg, PA production facility. However, this year's nine months, all in the first quarter, was impacted by approximately \$900,000 of higher distribution expenses primarily due to higher freight rates which increased with the implementation of the electronic logging device mandate in January 2018. Additionally, lower sales of our MARY B's biscuits and related costs due to our recall in January 2018 impacted our operating income by approximately \$500,000 in last year's first quarter.

RETAIL SUPERMARKETS

Sales of products to retail supermarkets decreased \$1,980,000 or 5% to \$36,552,000 in the third quarter and decreased \$1,916,000 or 2% to \$87,776,000 for the nine months. Soft pretzel sales for the third quarter were down less than 1% to \$7,294,000 and up 1% to \$28,309,000 for the nine months. Sales of frozen juices and ices decreased \$2,270,000 or 8% to \$26,515,000 in the third quarter and decreased \$1,771,000 or 3% in the nine months as we lost some volume and placements due to price increases. Handheld sales to retail supermarket customers increased 3% to \$3,063,000 in the quarter and were down 7% to \$8,110,000 in the nine months as the sales of this product line continue their long-term decline.

Sales of new products in the third quarter were approximately \$200,000 and were approximately \$1 million for the nine months. Price increases provided about \$1.1 million of sales in the quarter and \$2.0 million of sales in the nine months and net volume decreased by about \$3.1 million for the quarter and \$4.0 million for the nine months.

Operating income in our Retail Supermarkets segment increased to \$3,651,000 in this year's third quarter from \$3,203,000 in last year's quarter, a 14% increase and decreased to \$7,739,000 in this year's nine months compared to \$8,295,000 in last year's nine months. For the quarter, operating income benefited from lower marketing and distribution costs and increased pricing. For the nine months, increased product costs combined with lower volume were the primary drivers of the decrease in operating income.

FROZEN BEVERAGES

Frozen beverage and related product sales increased 20% to \$91,578,000 in the third quarter and increased 13% to \$218,953,000 in the nine months. Beverage related sales were up 16% to \$56,937,000 in the quarter due in large part to increased sales to one distributor of about \$4 million and up 6% to \$121,976,000 in the nine months. The increased sales to this one distributor did not benefit operating income. Sales to this distributor may continue to be higher into our fourth quarter. Gallon sales were up 2% for the three months. Service revenue increased 14% to \$22,514,000 in the third quarter and increased 7% to \$62,291,000 in the nine months with sales increases and decreases spread throughout our customer base, but with significant increases in sales to two customers.

Machines revenue (primarily sales of frozen beverage machines) was \$11,810,000, an increase of \$4,954,000, in the quarter and \$33,875,000, an increase of \$13,692,000, in the nine months. Increases in sales to three customers accounted for the higher revenue in the quarter. Operating income in our Frozen Beverages segment increased to \$14,237,000, or 19%, in this quarter and was up \$1,716,000, or 10%, to \$18,961,000 in the nine months primarily as a result of the increases in sales.

CONSOLIDATED

Gross profit as a percentage of sales was 31.02% in the third quarter and 30.85% last year. Gross profit as a percentage of sales was 29.44% in the nine month period this year and 29.26% last year. Gross profit percentage for the quarter and nine months increased because of improved operations at several of our manufacturing facilities, price increases and because last year had the burden of shutting down our Chambersburg, PA production facility and moving its production to other facilities.

Total operating expenses increased \$2,701,000 in the third quarter and as a percentage of sales decreased to 19.1% from 19.5% last year. For the nine months, operating expenses increased \$6,171,000 and as a percentage of sales decreased to 19.6% from 19.7% last year. Marketing expenses decreased to 8.1% of sales in this year's quarter from 8.4% last year and were 8.0% in the nine months compared to 8.3% of sales in last year's nine months primarily because of controlled spending across all of our segments. Distribution expenses were 7.5% of sales in the third quarter and 7.9% of sales in last year's quarter and were 8.1% in both year's nine months. Distribution expenses as a percentage of sales were lower in the third quarter primarily because freight rates have dropped compared to last year. Administrative expenses were 3.3% of sales in the third quarter compared to 3.2% of sales last year in the third quarter and were 3.4% in this year's nine months compared to 3.3% of sales in last year's nine months. Other general operating expense in this year's quarter includes \$621,000 of costs related to prior years' product recalls.

Operating income increased \$4,173,000 or 12% to \$39,042,000 in the three months and increased \$6,257,000 or 8% to \$85,895,000 the first nine months as a result of the aforementioned items.

Investment income increased by \$248,000 and \$1,088,000 in the third quarter and nine months, respectively, resulting from higher amounts invested and higher interest rates. Additionally, the third quarter and nine months were impacted by \$118,000 and \$385,000 of recognized unrealized losses.

This year's other income in the third quarter includes a \$2.0 million payment received from a customer due to cancellation of production under a comanufacturing agreement. Other income for last year's nine months includes a \$520,000 gain on a sale of property.

Net earnings increased \$4,743,000, or 18%, in the current three month period to \$30,872,000 and were \$68,752,000 for the nine month period this year compared to \$80,211,000 for the nine month period last year.

Net earnings for last year's nine months benefited from a \$20.9 million gain, or \$1.11 per diluted share, on the remeasurement of deferred tax liabilities which was partially offset by a \$1.2 million, or \$.06 per diluted share, provision for the one time repatriation tax, both of which resulted from the Tax Cuts and Jobs Act enacted in December 2017. Excluding the deferred tax gain and the one time repatriation tax, our effective tax rate was 28.4% in last year's nine months. Net earnings in this year's nine months benefitted by a reduction of approximately \$900,000 in tax as the provision for the one time repatriation tax was reduced as the amount recorded last year was an estimate. Excluding the reduction in the provision for the one time repatriation tax, our effective tax rate was 27.5% in this year's nine months. Our effective tax rate for the third quarter this year was 28.1% and 28.1% for last year's third quarter, as this year benefitted from tax credits on returns filed this year and a lower federal tax rate.

There are many factors which can impact our net earnings from year to year and in the long run, among which are the supply and cost of raw materials and labor, insurance costs, factors impacting sales as noted above, the continuing consolidation of our customers, our ability to manage our manufacturing, marketing and distribution activities, our ability to make and integrate acquisitions and changes in tax laws and interest rates.

The forward-looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof. The Company undertakes no obligation to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after the date hereof.