



## **BUILD-A-BEAR SPOTLIGHTED AS INNOVATIVE AND DISRUPTIVE INDUSTRY LEADER**

March 29, 2023

*CBS News Special Segment Highlights Company's Ongoing Transformation and Record-Breaking Performance*

ST. LOUIS, March 29, 2023 /PRNewswire/ -- Build-A-Bear Workshop, Inc. (NYSE: BBW) recently reported fiscal 2022 as its most profitable year in the company's history following its previously most profitable year in fiscal 2021. These results are attributed to the ongoing strategic transformation of the 25-year-old organization into a digital, multi-channel, diversified, site-based entertainment and experience company centered on the monetization of its powerful brand equity. Build-A-Bear is featured in the new 'Innovation and Disruption Leaders' series by the acclaimed media company, TBD Media Group, as part of a series featuring companies that are driving inspirational change for continued and future success. The segment, titled ["Innovation: Accelerating the Evolution of Build-A-Bear" is streaming on CBSNews.com](#).

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Build-A-Bear featured in new Innovation and Disruption Leaders series featuring companies driving inspirational change.

Sharon Price John, Build-A-Bear Workshop President and Chief Executive Officer, commented, "Our company was conceived as a disruptor of the plush and toy category and as a pioneer of experiential retail. As such, we are proud to be recognized for our continued leadership and innovation as we execute our multi-year digital transformation and strategic evolution of the business model. For the past 25 years we have created valuable

relationships with our guests, having sold more than 225 million furry friends, equating to untold memories and special moments to multiple generations of brand enthusiasts.

"These relationships coupled with the disciplined execution of our multi-year strategic plan have enabled us to begin to successfully recognize the brand value to an older addressable market beyond kids with 40% of sales to teens and adults, in categories beyond plush such as gift boxes and into new points-of-sale beyond traditional malls like ecommerce, tourist and hospitality locations, while accelerating a comprehensive digital transformation and entertainment initiative. Importantly, these efforts are delivering sustained profitable growth as demonstrated by recently achieving the most profitable years in our history, back-to-back in 2021 and 2022. As we look forward to our future, we believe we are in a strong position to further leverage the foundation we have built to drive incremental profitable growth in new and innovative ways," concluded Ms. John.

### **Leveraging a Multi-Generational Brand with Broad Demographic Appeal**

Build-A-Bear has become a multi-generational brand appealing to diverse consumer demographics including teens and adults now representing nearly 40% of its consumer base creating a much larger total addressable market beyond families and kids. With the growing popularity of brand enthusiasts and

collectors, along with the trend of "kidulting", where adults seek traditional childhood toys, the brand has put focus on appealing to a demographic that may have visited Build-A-Bear as a child and is now returning. The company launched the age-gated, adult-focused section on the website called "[The Bear Cave](#)" and the even more edgy adult themed section called "[After Dark](#)," offering a selection of gift giving options with adult humor.

### **Expanded Product Selection Beyond Bears**

Build-A-Bear also now offers multi-dimensional product categories ranging from recently announced expansion into pet toys, [matching family pajamas](#), [gift-giving](#) including its innovative personalized HeartBox collection, as well as [collectible stuffed animal products](#), many of which are in collaboration through its best-in-class licensed relationships.

### **Evolving Retail Locations**

The company has strategically shifted its location strategy beyond traditional malls to include non-traditional, tourist and destination locations that now account for approximately 35% of all sites through a combination of corporately- and third party partner-operated experience locations, in settings such as family-centric tourist areas, amusement parks and resorts with relationships that include Carnival Cruise Lines, Great Wolf Lodge and Landry's - all places that families go to create memories.

### **Accelerated Digital Transformation and Entrance into Web3**

As a brand known for providing in-person, one-on-one experiences, establishing a meaningful and growing e-commerce channel required a complete strategic shift by Build-A-Bear, and diversification into digital was necessary to prosper through the disruptive macroeconomic environment.

Build-A-Bear has significantly expanded its e-commerce demand with initiatives to accelerate its comprehensive digital transformation, including a recent update to a mobile-first website, with the goal of driving engagement and providing meaningful online experiences to guests by staying true to its vision to remain an experience retailer.

In addition, with the recent move into the Web3 space with digital collectibles and [online Build-A-Bear Tycoon game on Roblox](#), Build-A-Bear continues to successfully expand its multi-channel, multi-dimensional business model.

### **From Teddy Bears to Movies and Games**

Build-A-Bear's strategy includes monetizing its powerful brand and reaching consumers with engaging content and communications including its more than 20 million first-party data contacts. The company's subsidiary, Build-A-Bear Entertainment, works with industry-leading media companies and has developed award-winning content including the live action movie, *Honey Girls*, now streaming on Netflix, based on the Company's popular proprietary product line, as well as entertaining films that were presented by Hallmark, *Deliver By Christmas* and *Christmas CEO*.

In 2023, a highly anticipated documentary from award-winning director Taylor Morden chronicling the unconventional journey of Build-A-Bear's rise from a startup to a successful multi-million-dollar public company is planned for release, as well as the launch of the animated film, "Glisten and the Merry Mission", based on the company's highly successful holiday collection. A partnership between Reese Witherspoon's Hello Sunshine production company was also recently announced with plans to develop a new feature film that reimagines the story of *Goldilocks and the Three Bears*.

Separately, Build-A-Bear offers a streaming music channel on iHeartRadio called Build-A-Bear Radio, which is consistently one of the top spots for popularity with family demographics.

### **About Build-A-Bear®**

Build-A-Bear is a multi-generational global brand focused on its mission to "add a little more heart to life" appealing to a wide array of consumer groups who enjoy the personal expression in making their own "furry friends" to celebrate and commemorate life moments. Nearly 500 interactive brick-and-mortar experience locations operated through a variety of formats provide guests of all ages a hands-on entertaining experience, which often fosters a lasting and emotional brand connection. The company also offers engaging e-commerce/digital purchasing experiences on [buildabear.com](https://www.buildabear.com) including its online "Bear-Builder", the animated "[Bear Builder 3D Workshop](#)" and its age-gated, adult-focused "[Bear Cave](#)". In addition, extending its brand power beyond retail, Build-A-Bear Entertainment, a subsidiary of Build-A-Bear Workshop, Inc., is dedicated to creating engaging content for kids and adults that fulfills the company's mission, while the company also offers products at wholesale and in non-plush consumer categories via licensing agreements with leading manufacturers. Build-A-Bear Workshop, Inc. posted total revenue of \$467.9 million in fiscal 2022. For more information, visit the [Investor Relations section](#) of buildabear.com

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