

Build-A-Bear Investor Overview

May 2026



Important Disclosures

Forward-Looking Statements

This presentation may contain “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. We generally identify these statements by words or phrases such as “may,” “might,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “intend,” “predict,” “future,” “potential” or “continue,” the negative or any derivative of these terms and other comparable terminology. All the information concerning our future liquidity, future revenues, margins and other future financial performance and results, achievement of operating of financial plans or forecasts for future periods, sources and availability of credit and liquidity, future cash flows and cash needs, success and results of strategic initiatives and other future financial performance or financial position, as well as our assumptions underlying such information, constitute forward-looking information. Forward-looking statements are not guarantees of future results and are subject to risks and uncertainties, including without limitation, those identified in our annual report on Form 10-K and our Quarterly Reports on Form 10-Q, under the sections titled “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements,” and “Management’s Discussion and Analysis of Financial Conditions and Results of Operations.” All our forward-looking statements are as of the date of this presentation only. In each case, actual results may differ materially from such forward-looking information. Except as required by law, the Company does not undertake to publicly update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Measures

In this presentation, the Company’s financial results are provided both in accordance with generally accepted accounting principles (GAAP) and using certain non-GAAP financial measures, including, but not limited to EBITDA, Store Contribution Margin, Return on Invested Capital and Free Cash Flow. These results are included as a complement to results provided in accordance with GAAP because management believes these non-GAAP financial measures help identify underlying trends in the Company’s business and provide useful information to both management and investors by excluding certain items that may not be indicative of the Company’s core operating results. These measures should not be considered a substitute for or superior to GAAP results. These non-GAAP financial measures are defined and reconciled to the most comparable GAAP measure later in this document.

Definitions of Non-GAAP Financial Measures

Web Demand represents sales through all Build-A-Bear websites, whether fulfilled through our warehouse or stores. E-commerce is Web Demand fulfilled through our warehouse.

Free Cash Flow represents Build-A-Bear’s net cash flows from operating activities, less capital expenditures.

Return on Invested Capital (ROIC) is defined as net operating profit after tax divided by invested capital, with net operating profit calculated as earnings before interest and taxes (EBIT), and invested capital calculated as net working capital, less excess cash, plus operating leases, net property, plant, and equipment (PP&E), and other assets.

Build-A-Bear began as a pioneer of Experiential Retail



[Click to see how Build-A-Bear has become so much more](#)



BUILD-A-BEAR

And is now a powerful brand

WELL-KNOWN

>90% Aided Brand Awareness*

RESPECTED

The #1 North American toy retailer**

BELOVED

~100m store and web visits per year***

OUTSIZED BRAND EQUITY

One of the 20 most influential retailers in North America**



PART OF POP CULTURE

Iconic, ~30 billion annual media impressions and PR impressions

A DESTINATION

~80% of store visits are planned*

MULTI-GENERATIONAL

25+ year-old brand

TRUSTED

Over 20 million loyalty members and first-party data contacts



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*Source: Proprietary research, LEK Consulting, 2022 survey with U.S. consumers; **Source: WPP BAV "The World's Most Influential Retailers – 2024;"***Includes estimated traffic for third-party locations

We have improved our financial results

	2025 Snapshot	2019-2025 Growth
Total Revenue	\$530M	57%
Net Retail Sales	\$486M	50%
Third-Party Revenue*	\$44M	191%
EBITDA**	\$81M	433%
Margin	15.4%	+ > 1,000 bps
Diluted EPS	\$3.99	NM***
FCF	\$40M	328%
ROIC	27.2%	NM***
Store Contribution Mgn****	26%	+ > 1,000 bps



Guests create lifetime memories by making their own stuffed animal at our experiential retail locations

*Third-Party references combine our Commercial + International Franchise segments.
 **EBITDA is a Non-GAAP financial measure, see "Important Disclosures."
 ***NM=not meaningful. 2019 Net Income was \$261,000, and EPS was \$0.02.
 ****Store Contribution margin is store-level EBIT margin for all corporate stores, and is a Non-GAAP financial measure, see "Important Disclosures."



BUILD-A-BEAR

By diversifying the business

Beyond Kids

~40% of sales to teens and adults*

Beyond Stores

Web Demand** has doubled from 2019-2025

Beyond Birthdays

Birthdays are ~30% of sales, and top holidays are Christmas, Valentine's Day, and Easter

Beyond Malls

376 corporate and 293 third-party locations in multiple formats across 37 countries at Q1 2026

Expanding To More Ages

Appealing to older consumers through pop culture, licensed relationships and our Bear Cave microsite

Expanding Online

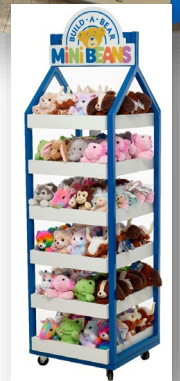
Buildabear.com sells mostly to collectors and gift givers that are teens and adults

Expanding To More Reasons

Mother's Day, Graduation, Congratulations, New Baby, Get Well, Thank You

Expanding To More Formats

Now includes tourist locations, concourse shops, shop-in-shops, ATMs, and wholesale

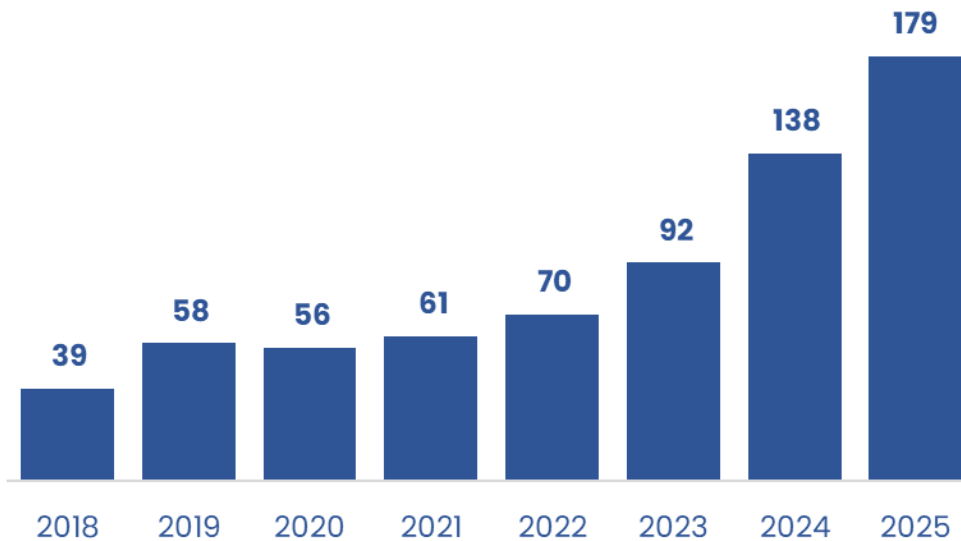


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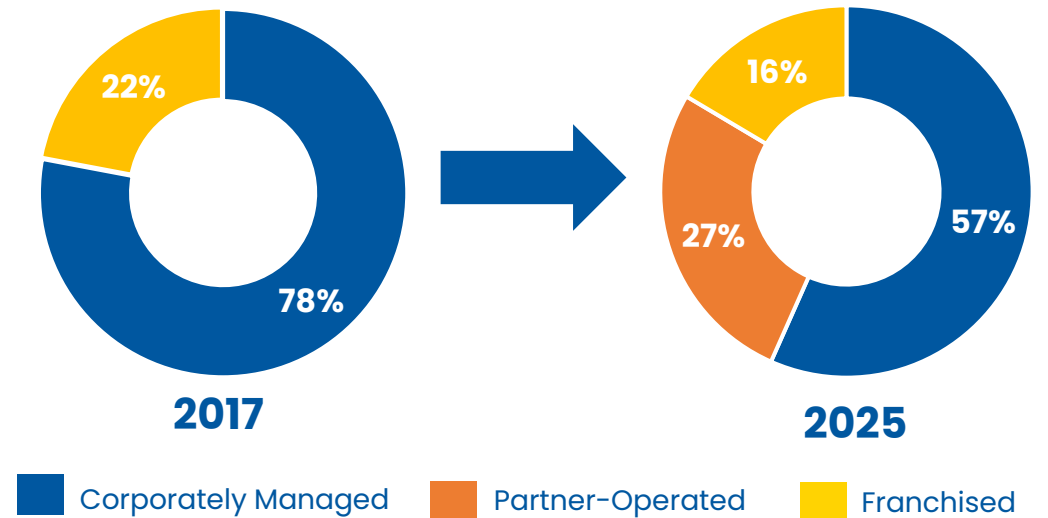
*Source: Proprietary research, LEK Consulting, 2022 survey with consumers. **Web Demand represents sales through all Build-A-Bear websites, whether fulfilled through our warehouse or stores, and is a Non-GAAP financial measure, see "Important Disclosures."

And **evolving our store-type footprint**

Partner Location Growth



Location Count Mix



Partner-Operated Locations were launched internationally in Q3 2023

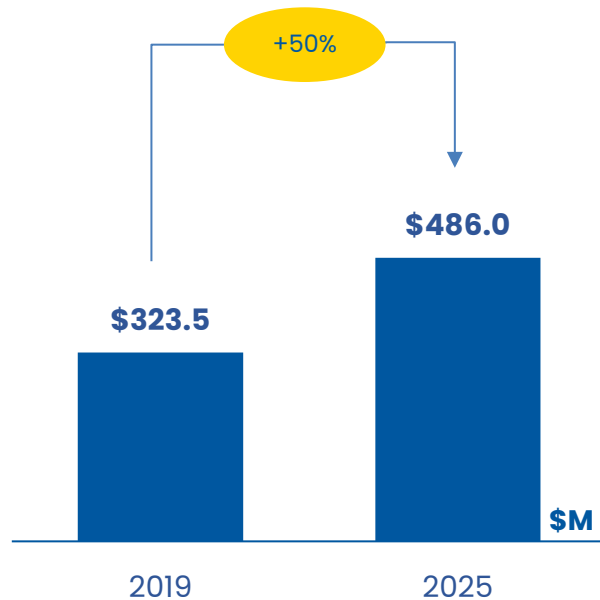


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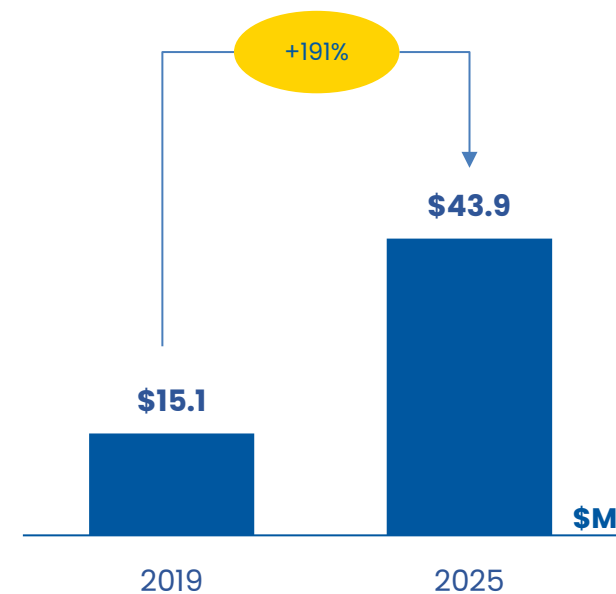
2024 Franchise store count includes nine shop-in-shop locations in Australia not previously reported.

We have expanded both sides of our business model

Net Retail Sales (Direct-to-Consumer Segment*)



Third-Party Revenue** (Commercial & Intl. Franchise Segments)



*Direct-to-Consumer (DTC) is sales by Company-managed retail stores and two e-commerce sites; it is defined in "Important Disclosures."

**Third-Party references combine our Commercial + International Franchise segments..

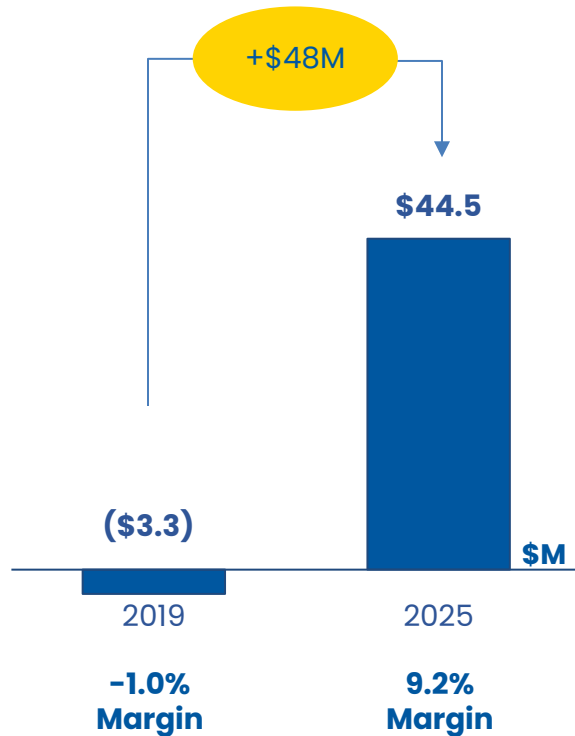


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And we have entered a **new era of profitability**

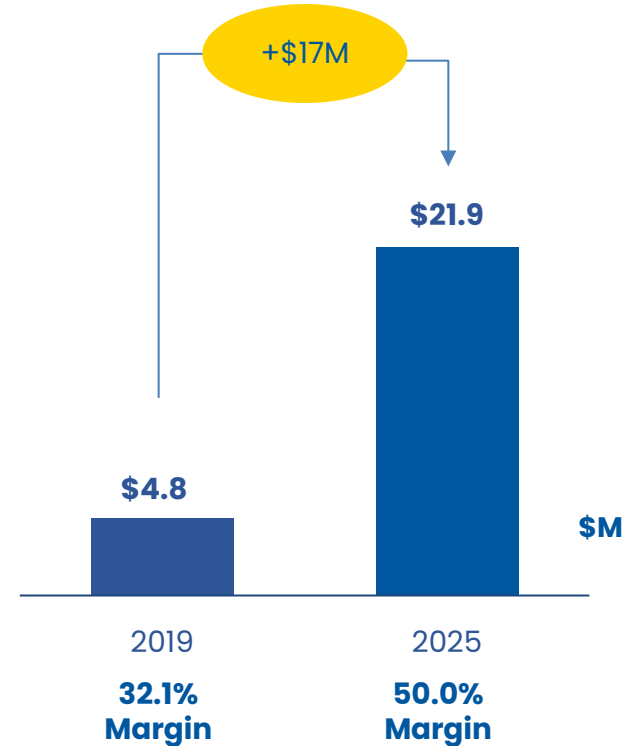
Net Retail Pretax Income

(Direct-to-Consumer Segment)
(after corporate SG&A allocation)



Third-Party Pretax Income

(Commercial & Intl. Franchise Segments)



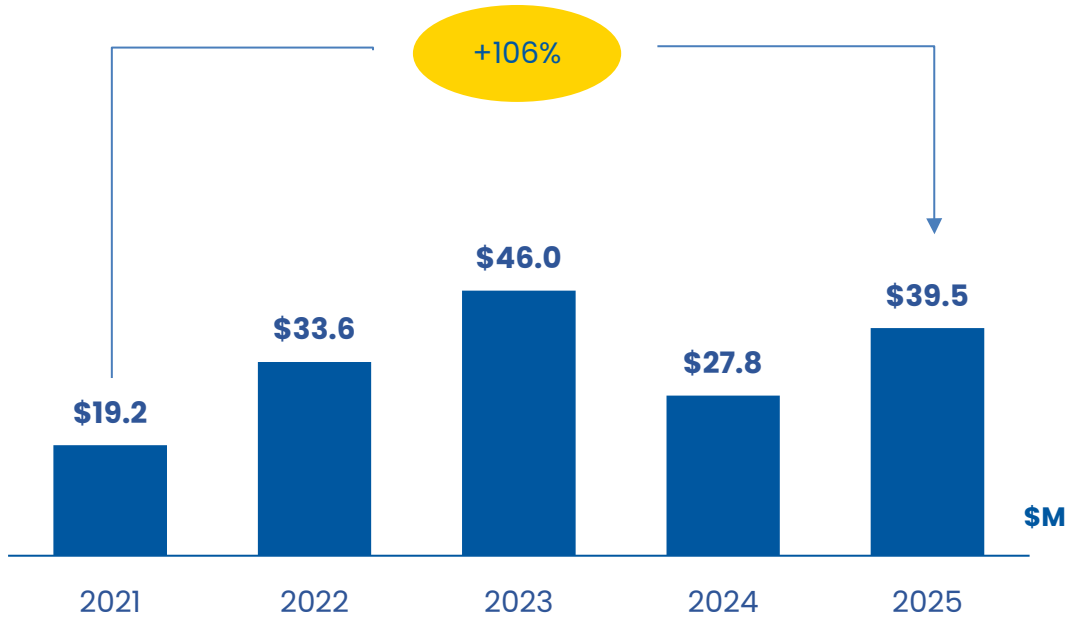
Third-Party Pretax Income reached 34% of total Pretax Income in 2025



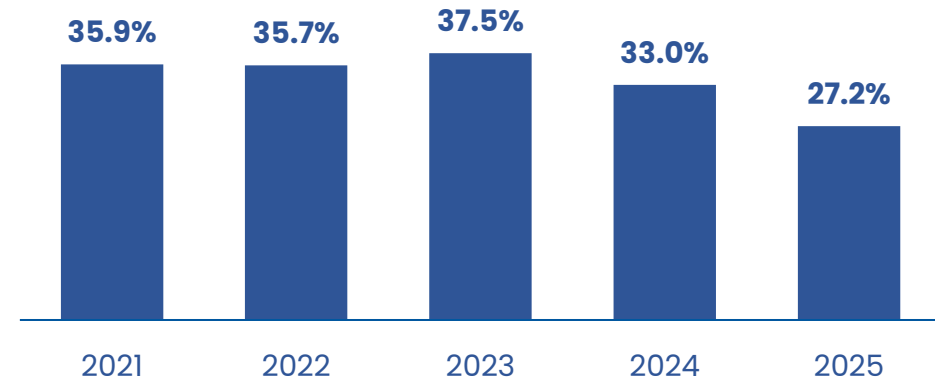
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Consistent returns position us for a new phase of **growth**

Free Cash Flow*



ROIC*



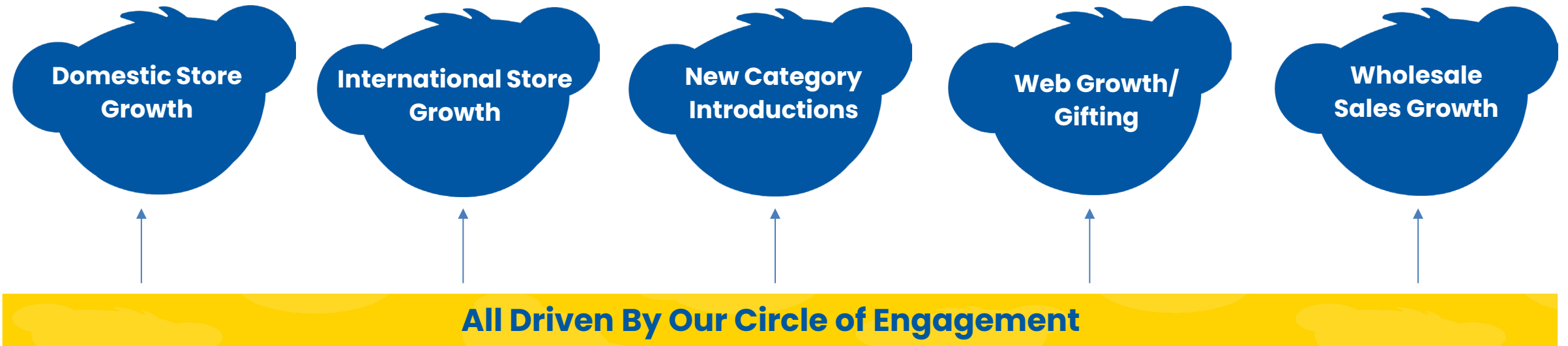
2025 was negatively impacted by tariffs and related costs.

*Free Cash Flow and Return on Invested Capital (ROIC) are non-GAAP financial measures; see "Important Disclosures."



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We have multiple levers to **grow the business**

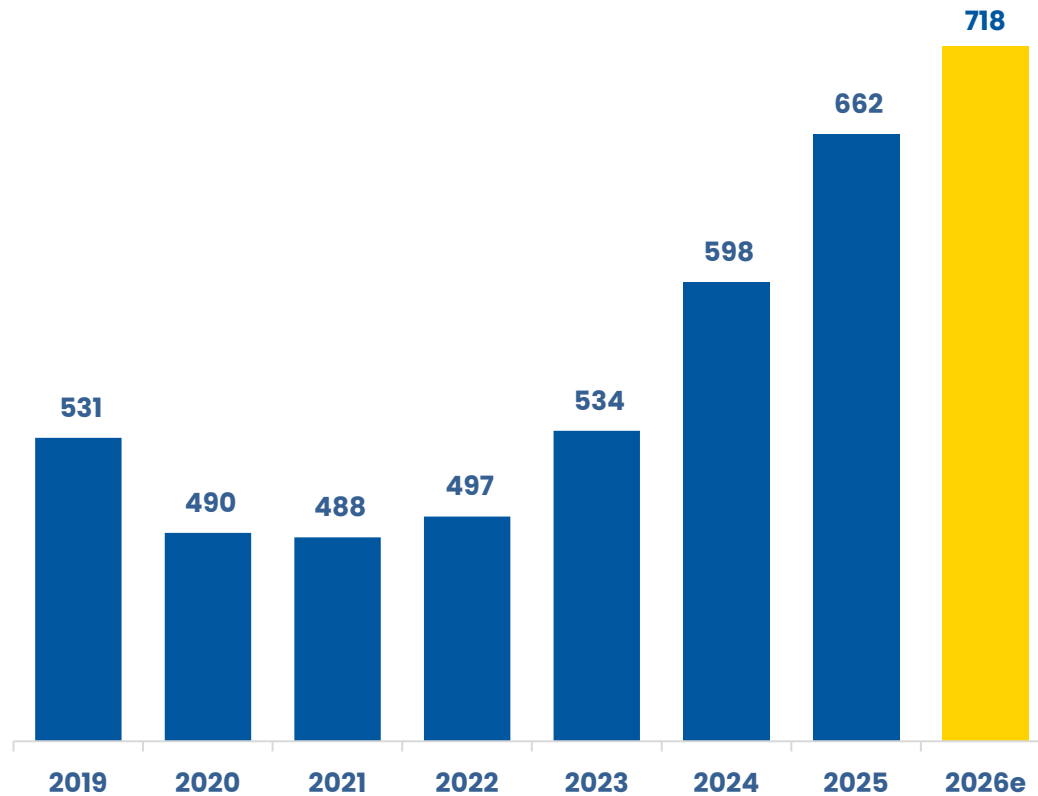


And we have restarted **new store unit growth**

A teddy bear hug is understood in every language.



Total Experience Locations (includes Corporate, Partner, and Franchise)



We are expanding **domestically & internationally** in three models and through our **multiple** store formats



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*Based on 2026 Net New Unit Growth guidance of at least 50 locations, which includes Corporate, Partner, and Franchise locations.

We generate revenue from product sales at retail, at wholesale, and from royalties



Fiscal 2025

Store Count
% of Co. Pretax Profit*
Revenue
Pretax Margin
ROIC**

DTC
(Corporate locations and
websites in US, UK, CN)

375
66%
\$486M
9.2%
21%

Wholesale sales
(includes US & Intl.
partner-operated locations)

178
32%
\$39M
53.1%
106%

Sales-based royalty
revenue, development fees,
and merchandise sales

109
2%
\$5M
26.4%
49%

* DTC % of Co. Pretax Profit includes allocations for corporate SG&A and interest expense. Excluding corporate allocation, DTC reported a 25.9% pretax margin and a 50% ROIC.

** Return on Invested Capital (ROIC) is a non-GAAP financial measure; see "Important Disclosures."



At retail, multiple store models produce top tier unit economics

Corporate Store Returns

2025 Results for store classes of 2019, 2020, 2021, and 2022

Avg. Corp Store Unit Vol.
4-Wall EBITDA**
4-Wall EBITDA margin
Avg. Net Investment
Cash-on-Cash Return

Discovery Store Model* Concourse/SIS Store Model*

\$1,015K	\$915K
\$290K	\$210K
29%	23%
\$280K	\$54K
104%	391%



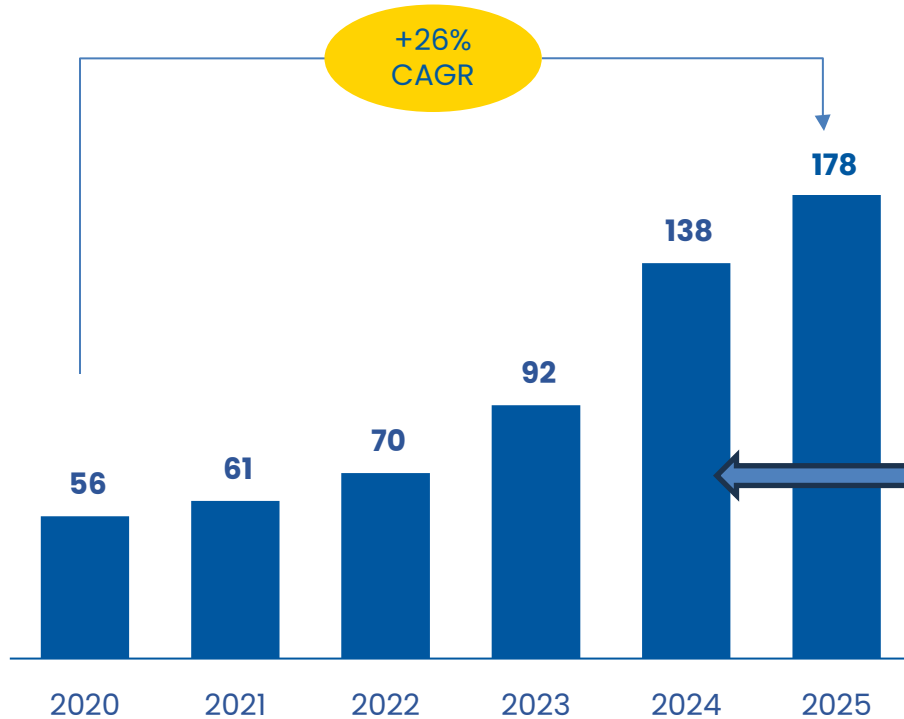
We opened a net 7 new corporate stores in fiscal 2025

*Discovery Stores are generally 1,800–2,200 square feet, and Concourse/SIS (“Shop-in-Shop”) are generally 200+ square feet. The results are for stores open a full year in 2025.
 **EBITDA is a Non-GAAP financial measure, see “Important Disclosures.”

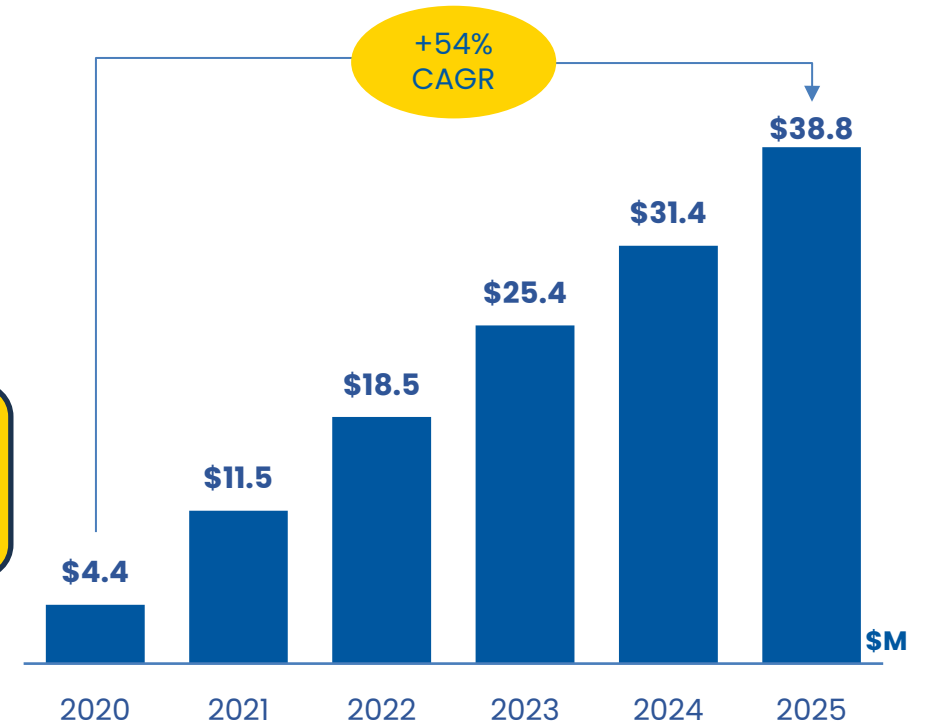


Commercial is our fastest growing segment

Partner-Operated Locations



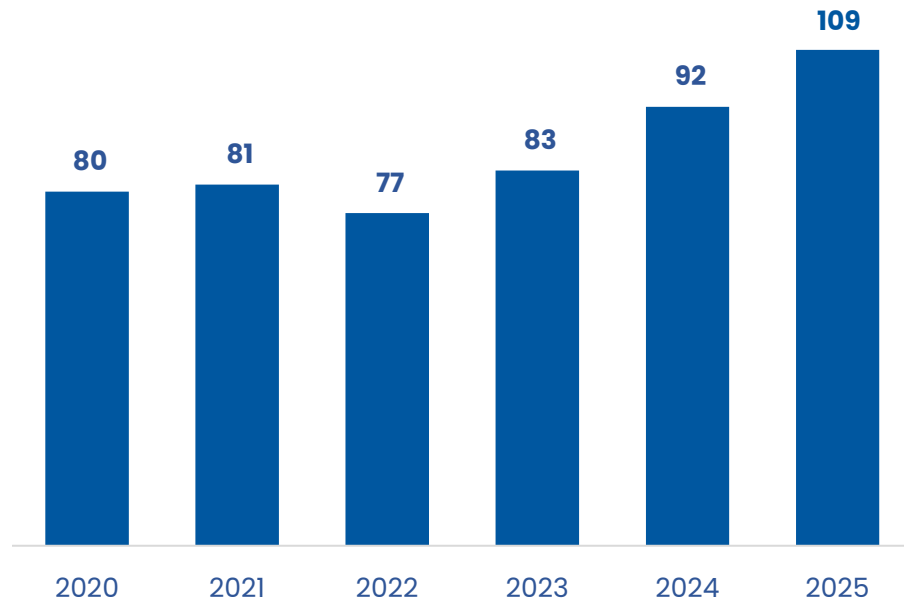
Commercial Revenue



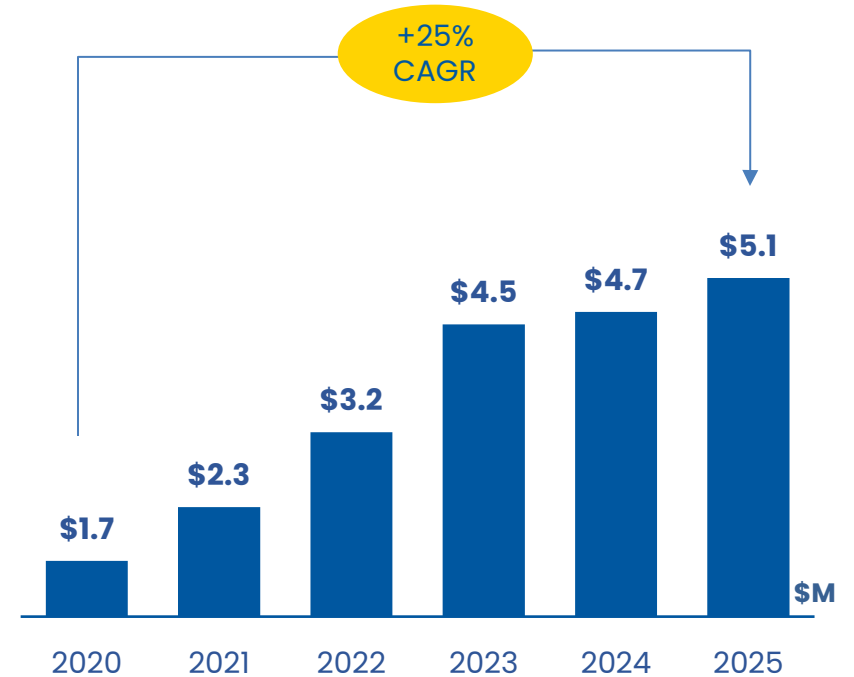
Commercial revenue is wholesale sales, primarily sales to partner-operated locations

International Franchise is also **growing**

Intl. Franchise Stores



Intl. Franchise Revenue

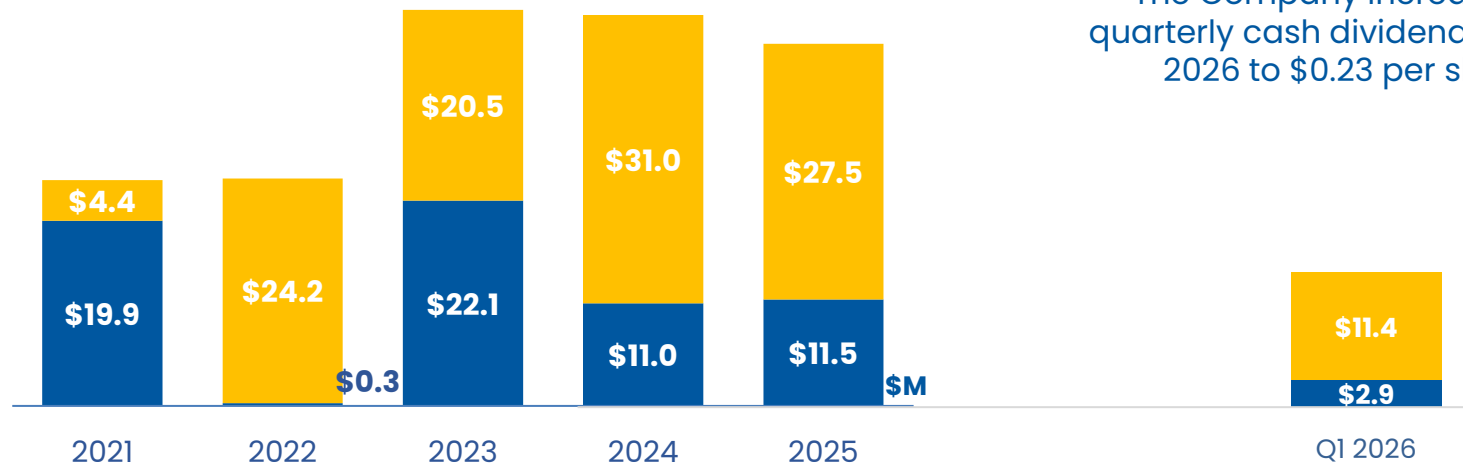


Intl. Franchise revenue includes sales-based royalties, development fees, and merchandise sales

While growing, we are **returning capital to shareholders**

\$172M (\$11.94/share*) Returned to Shareholders

 Share Repurchase
 Dividends



The Company increased its quarterly cash dividend in March 2026 to \$0.23 per share.

Our asset-light shift allows a greater ability to return FCF to shareholders

Our opportunity to sell more products to more people in more places is a testament to **the power of the brand**

The specialty toy company that helped define experiential retail in the late '90s has not only survived but thrived. From inspiring viral moments, generating products that leverage pop culture IP and building a variety of store formats, everyone's favorite cuddly retailer may be developing an empire.*

World-Class Licenses



...the brand has remained relevant for almost three decades— from the fall of the shopping mall to the rise of e-commerce.**

World-Class Relationships



Build-A-Bear Workshop has been one of the most recognizable and beloved toy brands in the world since opening in 1997.***



*<https://www.marketingdive.com/news/build-a-bear-business-empire-transformation/699425/>
**<https://toybook.com/build-a-bear-documentary-streaming-news/>
***Celebrating the Holidays With Build-A-Bear Workshop (cheddar.com)

Financial Review



Fiscal 2025 was **our fifth consecutive record year**

Revenue	\$529.8M, +6.7%
Pretax Income	\$67.2M, +0.1%*
Net New Unit Growth*	64 units
Gross Profit Margin	55.8%, + 90 BPS
EBITDA	\$81.4M, 15.4% margin
EPS	\$3.99, +5.0%
YE Cash	\$26.8M

Free Cash Flow	\$39.5M
Cash Returned	\$39.0M

Results reflect approximately \$11 million in tariffs and related costs



*Net New Unit Growth includes Corporate, Partner-Operated, and International Franchise locations.

Q1 2026 returned \$14.3 million to shareholders

Revenue	\$125.3M, -2.4%
Pretax Income**	\$23.9M, +21.7%
Net New Unit Growth*	7 units
Gross Profit Margin**	63.8%, +700 BPS
EBITDA**	\$27.8M, 22.2%
EPS**	\$1.45, +23.9%
Quarter-end Cash	\$26.2M
Dividend	\$2.9M
Stock Repurchased	\$11.4M

Q1 2026 includes an approximate \$7 million benefit from a tariff refund reversal related to prior-period costs under the International Emergency Economic Powers Act



*Net New Unit Growth includes Corporate, Partner-Operated, and International Franchise locations.



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Fiscal 2026 Guidance calls for **continued top-line growth***

Revenue	\$530M-\$550M
Pre-tax Income	\$72M-\$78M
Net New Unit Growth***	At least 50 units

Capital Expenditures	\$22M-\$25M
Depreciation & Amortization	≈\$16M
Income Tax Rate****	≈24%

Pre-tax income reflects an approximately \$13 million IEEPA tariff refund, and includes approximately \$10 million in estimated net tariff impact and associated costs.

Excluding the approximately \$7 million impact from the tariff refund related to prior fiscal year costs, the Company expects adjusted Pre-tax Income of \$65 million to \$71 million.



*Guidance as of May 28, 2026

***Net New Unit Growth includes Corporate, Partner, and Franchise locations

****Excludes discrete items



BBW Key Statistics

Share Price - May 29	\$37.21
Shares Out. 1Q-end	12.5
Market Capitalization	\$465M
Cash 1Q-end	26.2M
Qtly. Dividend/Yield	\$0.23/2.5%
Float (est.)	96%
Avg. Daily Vol. (3 mos.)	427,000



Source: BAB, NYSE Connect



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Appendix



Build-A-Bear Non-GAAP Reconciliations

Free Cash Flow, Corporate Store Returns, EBITDA, Guidance

Fiscal Year-End (\$ millions)	2021	2022	2023	2024	2025
Calculation of Free cash flow					
Net cash provided by operating activities	\$ 28.1	\$ 47.3	\$ 64.3	\$ 47.1	\$ 65.1
Net cash used in investing activities	<u>(8.1)</u>	<u>(13.6)</u>	<u>(18.3)</u>	<u>(19.3)</u>	<u>(25.5)</u>
Free cash flow	\$ 19.9	\$ 33.6	\$ 46.0	\$ 27.8	\$ 39.5

Discovery Store Model Classes of 2019, 2020, 2021 and 2022 (\$ millions)	2025
Calculation of EBITDA	
Income before income taxes	\$ 0.253
Interest (income expense, net)	\$ -
Depreciation and amortization expense	<u>\$ 0.038</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 0.291

Fiscal Year-End (\$ millions)	2025
Calculation of EBITDA	
Income before income taxes	\$ 67.2
Interest (income) expense, net	\$ (0.8)
Depreciation and amortization expense	<u>\$ 15.0</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 81.4

Fiscal Year-End (\$ millions)	F2026 Outlook	
Calculation of Adjusted Pre-tax Income Guidance		
Income before income taxes	\$ 72.0	\$ 78.0
IEEP tariff refund related to fiscal 2025	<u>\$ (7.0)</u>	<u>\$ (7.0)</u>
Adjusted income before income taxes	\$ 65.0	\$ 71.0

Concourse/SIS Store Model Classes of 2019, 2020, 2021, and 2022 (\$ millions)	2025
Calculation of EBITDA	
Income before income taxes	\$ 0.202
Interest (income expense, net)	\$ -
Depreciation and amortization expense	<u>\$ 0.008</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 0.210

13 Weeks Ended May 2, 2026 (\$ millions)	Q1 2026
Calculation of EBITDA	
Income before income taxes	\$ 23.9
Interest (income) expense, net	\$ (0.1)
Depreciation and amortization expense	<u>\$ 4.0</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 27.7

Build-A-Bear Non-GAAP Reconciliations

Return on invested capital

Fiscal Year-End (\$ millions)	2021	2022	2023	2024	2025
Calculation of Return on Invested Capital					
Numerator					
Net income	\$ 47.3	\$ 48.0	\$ 52.8	\$ 51.8	\$ 52.2
Operating lease interest	7.1	5.5	5.5	6.9	7.9
Interest expense (income)	(0.0)	0.0	(0.9)	(0.9)	(0.8)
Lease adjusted net operating profit after tax	\$ 54.4	\$ 53.5	\$ 57.4	\$ 57.8	\$ 59.3
Denominator:					
Current Assets	\$ 130.0	\$ 147.4	\$ 127.8	\$ 126.3	\$ 140.0
Current Liabilities	97.4	101.2	83.7	79.4	90.6
Excess Cash (cash in excess of \$20m)	12.8	22.2	24.3	7.8	6.8
Net Working Capital	19.8	24.1	19.7	39.1	42.6
Operating Leases	77.7	71.8	73.4	90.2	121.1
Property + Equipment	49.0	50.8	55.3	59.8	70.9
Other Assets	2.1	4.2	7.2	6.1	6.0
Total Invested Capital	148.5	150.9	155.6	195.2	240.7
Average Invested Capital	\$ 151.5	\$ 149.7	\$ 153.2	\$ 175.4	\$ 218.0
Return on invested capital	35.9%	35.7%	37.4%	33.0%	27.2%

Build-A-Bear Non-GAAP Reconciliations

Segment-level return on invested capital

Fiscal Year-End (\$ millions)	H	2025
Calculation of Return on Invested Capital		
Net Retail (including the allocation of corporate SG&A)		
Numerator:		
Pretax Income		44.5
Tax rate, adj.		22.3%
Taxes		9.9
NI		34.5
Operating lease interest		7.9
Net operating profit after tax		42.4
Retail Assets		223.7
Average Retail Assets		202.4
ROIC—Retail		21%

Fiscal Year-End (\$ millions)	H	2025
Calculation of Return on Invested Capital		
Commercial		
Numerator:		
Pretax Income		20.6
Tax rate, adj.		22.3%
Taxes		4.6
Net operating profit after tax		16.0
Commercial Assets		18.4
Average Commercial Assets		15.1
ROIC—Commercial		106%

Fiscal Year-End (\$ millions)	H	2025
Calculation of Return on Invested Capital		
Intl Franchise		
Numerator:		
Pretax Income		1.4
Tax rate, adj.		22.3%
Taxes		0.3
Net operating profit after tax		1.0
Intl Franchise Assets		1.7
Avg Intl Franchise Assets		2.2
ROIC—Intl Franchise		49%

Contact Information



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