

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): December 6, 2022

Build-A-Bear Workshop, Inc.

-----  
(Exact Name of Registrant as Specified in Its Charter)

Delaware

001-32320

43-1883836

-----  
(State or Other Jurisdiction  
of Incorporation)

-----  
(Commission  
File Number)

-----  
(IRS Employer  
Identification No.)

415 South 18th St., St. Louis, Missouri

63103

-----  
(Address of Principal Executive Offices)

-----  
(Zip Code)

(314) 423-8000

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(Registrant's Telephone Number, Including Area Code)

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 Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	BBW	New York Stock Exchange

Indicate 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).

Emerging growth company

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 7.01. Regulation FD Disclosure.

Build-A-Bear Workshop, Inc. (the “Company”) prepared an investor presentation containing certain information and financial highlights. Representatives of the Company intend to present this presentation during a webcast investor presentation on December 6, 2022 at 2:00 p.m. eastern time. During the webcast, Sharon Price John, President and Chief Executive Officer, and Voin Todorovic, Chief Financial Officer, will conduct a presentation that will cover key areas of the Company's business strategy, growth and diversification plans and recent financial results. After the formal presentation, investors will have an opportunity to ask relevant questions through an interactive Q&A portal.

To listen to the webcast or to ask questions during the live event, please pre-register at the following link: [https://event.webcasts.com/starthere.jsp?ei=1573267&tp\\_key=e6e54eeb62](https://event.webcasts.com/starthere.jsp?ei=1573267&tp_key=e6e54eeb62)

A copy of the investor presentation is attached hereto as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference. A copy of the investor presentation is also available on the Investor Relations section of the Company’s web site at <http://IR.buildabear.com>.

To supplement its financial statements presented in accordance with GAAP, the Company used, in its investor presentation, certain non-GAAP measures of financial performance. The Company believes that these non-GAAP measures will allow for a better evaluation of the operating performance of the business and facilitate a meaningful comparison of the Company’s results in the current period to those in prior periods and future periods. Reference to these non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided to enhance investors’ overall understanding of the Company’s financial performance.

\* \* \* \* \*

The information furnished in, contained, or incorporated by reference into Item 7.01 above, including Exhibit 99.1 attached hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 (the “Securities Act”), as amended, or the Exchange Act, regardless of any general incorporation language in such filing. In addition, this report (including Exhibit 99.1) shall not be deemed an admission as to the materiality of any information contained herein that is required to be disclosed solely as a requirement of Item 7.01.

This Current Report on Form 8-K and the investor presentation attached hereto as Exhibit 99.1, respectively, contain certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements in this report and in such exhibit not dealing with historical results are forward-looking and are based on various assumptions. The forward-looking statements in this report and in such exhibit are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by the statements. Factors that may cause actual results to differ materially from those contemplated by such forward-looking statements include, among other things: statements regarding the Company’s goals, intentions, and expectations; business plans and growth strategies; estimates of the Company’s risks and future costs and benefits; forecasted demographic and economic trends relating to the Company’s industry; and other risk factors referred to from time to time in filings made by the Company with the Securities and Exchange Commission. Forward-looking statements speak only as to the date they are made. The Company does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made. The Company disclaims any intent or obligation to update these forward-looking statements.

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Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
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99.1	<a href="#">Investor Presentation—December 2022</a>
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104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
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#### 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.

Date: December 6, 2022

BUILD-A-BEAR WORKSHOP, INC.

By: /s/ Voin Todorovic

Name: Voin Todorovic

Title: Chief Financial Officer



Investor Deck 2022

## FORWARD LOOKING AND CAUTIONARY STATEMENTS

This presentation contains certain statements that are, or may be considered to be, “forward-looking statements” for the purpose of federal securities laws, including, but not limited to, statements that reflect our current views with respect to future events and financial performance. 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. Forward-looking statements are based on current expectation and assumptions that are subject to risks and uncertainties which may cause results to differ materially from the forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether because of new information, future events or otherwise. Risks and uncertainties to which our forward-looking statements are subject include: (1) macroeconomic and industry risks such as (a) the COVID-19 pandemic has had and is expected to continue to have an adverse effect on our business and results of operations; (b) continued or further declines in retail consumer traffic could adversely affect our financial performance and profitability; (c) declines in general global economic conditions could lead to disproportionately reduced discretionary consumer spending and demand for our products; (d) consumer interests change rapidly and our success depends on the ongoing effectiveness of our marketing and online initiatives to build consumer affinity for our brand and drive consumer demand for our products and services; (e) our profitability could be adversely impacted by fluctuations in petroleum products prices; and (f) our business may be adversely impacted by a variety of significant competitive threats; (2) operational risks such as: (a) we may be unable to generate demand for our interactive retail experience and products, including timely responses to consumer preferences; (b) failure to execute our omnichannel strategy and the costs of investments in e-commerce and digital technology could adversely affect our profitability; (c) we are subject to risks associated with technology and digital operations; (d) we may be unable to renew, renegotiate our store leases or enter into new store leases on favorable terms; (e) our company-owned distribution center and our third-party distribution center providers may experience disruptions or operate inefficiently; and (f) we may not be able to evolve our store locations to align with market trends, successfully diversify our store models and formats, or otherwise effectively manage our overall portfolio of stores; (3) international risks such as: (a) we may not be able to operate our international corporately-managed locations profitably; (b) we rely on a few global supply chain vendors to supply substantially all of our merchandise, and significant price increases or disruption in their ability to deliver merchandise could harm our ability to source products and supply inventory to our stores; (c) our merchandise is manufactured by foreign manufacturers and the availability and costs of our products, as well as our product pricing, may be negatively affected by risks associated with international manufacturing and trade and foreign currency fluctuations; and (d) we may be unable to effectively manage our international franchises, attract new franchisees or the laws relating to our international franchises change; (4) Legal, technology and intellectual property risks such as: (a) we are subject to a number of risks related to disruptions, failures or security breaches of our information technology infrastructure; (b) we may fail to renew, register or otherwise protect our trademarks or other intellectual property and may be sued by third parties for infringement or misappropriation of their proprietary rights; (c) we may suffer negative publicity or be sued if the manufacturers of our merchandise or Build-A-Bear branded merchandise sold by our licensees ship products that do not meet current safety standards or production requirements or if such products are recalled or cause injuries; (d) we may suffer negative publicity or be sued if the manufacturers of our merchandise violate labor laws or engage in practices that consumers believe are unethical; and (e) we may suffer negative publicity or a decrease in sales or profitability if the products from other companies that we sell in our stores do not meet our quality standards or fail to achieve our sales expectations; (5) Risks related to owning our common stock such as: (a) fluctuations in our operating results could reduce cash flow or result in restrictions under our credit agreement and we may be unable to repurchase shares; (b) fluctuations in our quarterly results of operations could cause the price of our common stock to substantially decline; (c) the market price of our common stock is subject to volatility, which could in turn attract the interest of activist shareholders; and (d) provisions of our corporate governing documents and Delaware law may prevent or frustrate attempts to replace or remove our management by our stockholders, even if such replacement or removal may be in our stockholders’ best interests; and (6) general risks such as: (a) we may not be able to operate successfully if we lose key personnel; and (b) we may be unsuccessful in acquiring businesses or engaging in other strategic transactions, which may negatively affect our financial condition and profitability. For additional information concerning factors that could cause actual results to materially differ from those projected herein, please refer to our most recent reports on Form 10-K, Form 10-Q and Form 8-K.





## EXECUTIVE SUMMARY

## KEY INVESTOR CONSIDERATIONS



**BRAND POWER:** Trusted and iconic brand captures consumer zeitgeist appealing to today's desire for personalized, shared and *share-able* experiences, comfort products, unique gifting, enthusiast/collectibles, and nostalgia



**DIRECT RELATIONSHIPS with LARGE ADDRESSABLE MARKET:** Multi-generational aspect of the 25-year-old company appeals to a valued and broad demographic spanning ages, genders and socio-economic strata, that desire loyal brand relationships providing relevant engagements that can drive lifetime value



**DYNAMIC BUSINESS MODEL:** Diverse multi-channel, vertical, experience locations in a variety of viable formats and geographies combined with integrated robust e-commerce business with extensive digital capabilities and key category expansions



**BUSINESS STRENGTH:** Strong financial results with profitable, growing revenue, high margins, good free cash flow, clean debt-free balance sheet and seasoned executive team

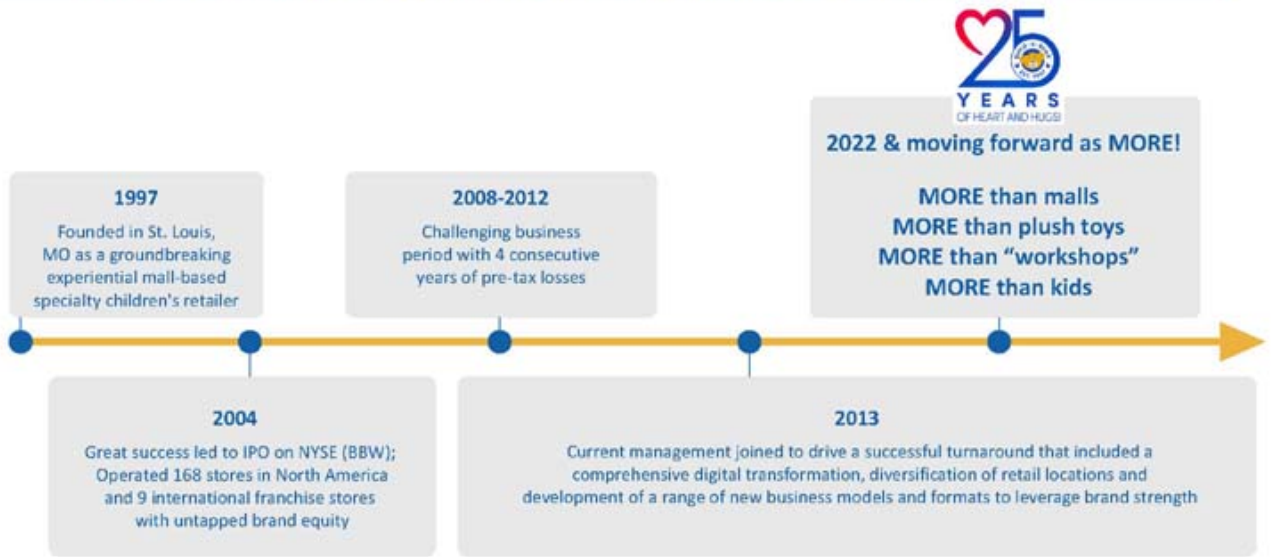


**CONTINUED OPPORTUNITY FOR GROWTH ACROSS A NUMBER OF REVENUE STREAMS WITH SIGNIFICANT CONTROL OVER OUR FUTURE**



# BBW's JOURNEY TO *MORE!*

Started as a mall-based vertical kid's retailer that became a powerful brand...



Pivoted to a brand that monetizes equity via multiple channels, categories, consumers and content.





# BBW IS NOW A DIVERSIFIED COMPANY with A HIGHLY VALUED BRAND

1997

Mall-based plush toy retailer  
focused on children



2022

Multi-channel, multi-generational  
experience-based brand company in  
diverse product categories appealing  
to a broad consumer demographic

## Select data points:

MEANINGFUL DIGITAL REVENUE;  
EXPANDED CAPABILITIES

Ecommerce was 20% of net  
retail sales in FY2021

EVOLVED  
RETAIL  
PORTFOLIO

~35%  
outside  
traditional  
malls

NEARLY 500  
GLOBAL  
LOCATIONS  
with  
MULTIPLE  
BUSINESS  
MODELS

LASTING EMOTIONAL  
CONNECTION

~225MM  
Furry friends sold  
in first 25 years

MULTI-GENERATIONAL  
CONSUMERS

~40%  
TEENS  
AND ADULTS

IMPRESSIVE  
LICENSING PORTFOLIO

Over 75 best-in-class  
entertainment, sports and  
pop culture relationships

POWERFUL BRAND EQUITY

~80%  
Aided Brand  
Awareness

BEYOND PLUSH

- Gifting
- Family Pajamas
- Pet Toys
- Content
- NFTs
- Gaming

SKILLED & PASSIONATE TEAM

3,500+  
Associates  
Seasoned Management





**ICONIC BRAND with VALUED & BROAD DEMOGRAPHICS**

# BBW ENGAGES AT LIFE MOMENTS TO CREATE RELATIONSHIPS

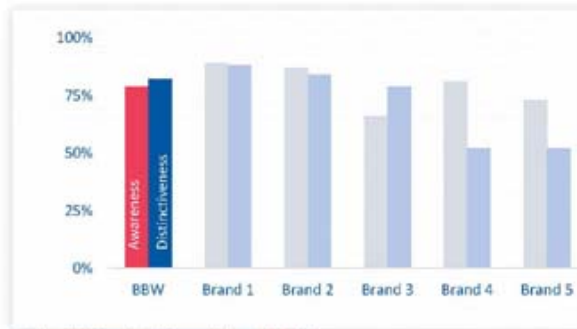
<p><b>FAMILY MEMORIES</b></p> <p>Graduations!</p> <p>ANNIVERSARIES</p>		<p><b>SPECIAL OCCASIONS</b></p> <p>Made the team!</p> <p><b>PARTIES</b></p>	
	<p><b>PERSONALIZED GIFTS</b></p> <p>Gender reveal!</p> <p><b>CELEBRATIONS</b></p>		<p><b>HOLIDAYS</b></p> <p>Congratulations!</p> <p><b>BIRTHDAYS</b></p>



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# BBW IS BELOVED

Well-Known      Multi-Generational      Emotional      Trusted      Extendable



US data, CBR Research with Moms of Kids ages 2-12 2022

~80% aided brand awareness (US Moms of Kids ages 2-12)

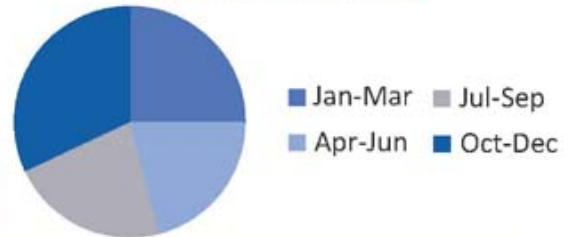
~80% of those surveyed said Build-A-Bear was "distinctive"

Other retail brands include American Girl, Disney, 5 Below, Claire's and LEGO

DESTINATION-DRIVEN

**>60%** of store visits are planned and the top occasion is a birthday

Contributing to balanced business seasonality\*



**14MM+**

- First party data email contacts in CRM database
- Vast majority in Bonus Club loyalty program

\* Reflects average results of multiple years



# BBW HAS DIVERSE AND HIGHLY COVETED CONSUMERS

Build-A-Bear appeals to a broad demographic market with strong purchasing power and brand loyalty

## The profile of Build-A-Bear's ~10 million active Bonus Club membership:

### Wide interest across ages



### Household Profile

~70% have children giving us reach within households to approximately 20 million people

Interests include:  
Eating out, books/reading, visiting amusement parks



### Educated with spending power:

Professional careers, Appx 70% attended college



Over 80% are homeowners



Approximately 70% are married

### Diverse Demographics

Over 40% of furry friends are for teens and adults



■ Girls  
■ Boys



■ Infant/Toddler  
■ Kids  
■ Teens, Adults

Source: BBW proprietary loyalty program database



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# BBW GENERATES "FREE" MEDIA

Over 10 Billion annual media and PR impressions in 2020, 2021 and 2022

YAHOO! LIFESTYLE: Build-A-Bear unveils new Matrix Bear ahead of The Matrix Resurrections

ABC NEWS .COM: Build-A-Bear Workshop Announces New Matrix Bear

POPSUGAR: Build-A-Bear Workshop Announces New Matrix Bear

GOOD MORNING AMERICA: Build-A-Bear Workshop Announces New Matrix Bear

BLOOMBERG RADIO: Build-A-Bear Workshop: We See Much More Upside

Seeking Alpha: Build-A-Bear Workshop: We See Much More Upside

Facebook: Furry friends start at 54 during Build-A-Bear's sale Tuesday

Twitter: Furry friends start at 54 during Build-A-Bear's sale Tuesday

People: Build-A-Bear Unveils New Matrix Bear Ahead of The Matrix Resurrections

MarketingTech: Build-A-Bear Workshop Announces New Matrix Bear

Dad brought to tears after receiving a teddy bear with his late mother's voice

4 NEWS NEW YORK: Build-A-Bear Workshop Announces New Matrix Bear

NEWS 12 LONG ISLAND: Build-A-Bear Workshop Announces New Matrix Bear

YAHOO! FINANCE: Build-A-Bear Workshop Announces New Matrix Bear

ROMPER: Build-A-Bear Workshop Announces New Matrix Bear

NASDAQ: Nutanix (NTNX), Build-A-Bear Tie Up For Bear Builder 3D Workshop

Newsweek: 'Animal Crossing' Build-A-Bear: When and How to Buy New Collection Online

MSNBC: Build-A-Bear's new Christmas movie to premiere on Halkmark Channel Friday

FOX BUSINESS: Build-A-Bear Workshop Announces New Matrix Bear

CNN INTERNATIONAL: Build-A-Bear Announces Breakup Bears On April Fools' Day



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# BBW IS POP CULTURE

Our brand is regularly mentioned on popular TV shows, movies and in celebrity news



**FROM SOUTH PARK TO THE POPE, MEDIA DRIVES BUILD-A-BEAR'S TOP OF MIND AWARENESS**



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## BBW CO-BRANDS WITH LEADING LICENSES

License relationships with over 75 world-class collaborators from film, TV, art, games, sports and more support enthusiast, collectible, affinity and gifting businesses with appeal to expanded consumer demographics...yet BBW is a brand unto itself providing balanced sales







## DYNAMIC MULTI-CHANNEL BUSINESS MODEL

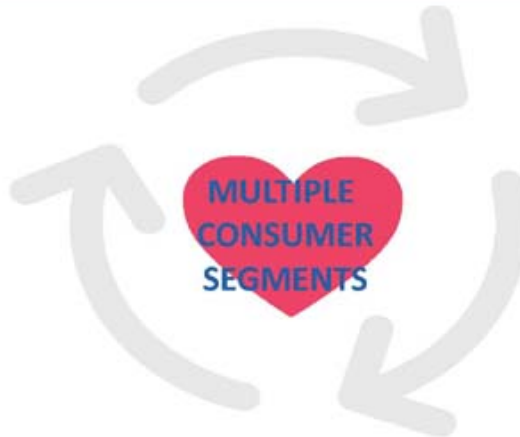
# BBW HARNESSSES BRAND EQUITY and TECHNOLOGY TO DRIVE GROWTH

BBW operates a dynamic “circle of engagement” model designed to efficiently create multiple consumer touchpoints using our one-to-one experience locations, data capture and advanced digital analytics & communications capabilities to increase lifetime value across a variety of brand interfaces

Experience Locations  
and e-commerce



Build  
BRAND CONNECTIONS THROUGH  
ONE-TO-ONE  
guest engagement to  
DRIVE BRAND EQUITY



Power of the Brand



Leverage  
BRAND EQUITY  
to drive additional guest  
engagement across  
NEW CATEGORIES, CHANNELS  
and CONTENT

**Build relationships and expand the CONSUMER BASE & LIFETIME VALUE**



## EXPERIENCE LOCATIONS BUILD BRAND and SUPPORT E-COMMERCE



Award winning concept enjoys a >25% average contribution and virtually 100% of our experience locations were EBITDA positive



Over 50 million guests enter a Build-A-Bear Workshop per year. The iconic hands-on experience builds emotional brand connections, delivers significant consumer data capture and loyalty club sign-up, and generates meaningful cash flow for the company



A broad range of formats, sizes, designs and business models allows locations to operate with less total square footage and higher productivity per square foot than in the past



Build-A-Bear locations act as efficient mini distribution centers for our increased digital demand fulfillment leveraging fixed costs like labor and overhead, while reducing last mile time and expense



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# EXPERIENCE LOCATIONS HAVE DIVERSE FORMATS AND MODELS



- Build-A-Bear is NOT overstored, on track to open 20 new locations in 2022 including recently opened **Six Flags Magic Mountain** and the **Pro Football Hall of Fame**
- Recently added format called **Build-A-Bear Adventure** includes arcade and party rooms
- Can operate for days (events such as the NFL Experience), weeks (Gaylord seasonal shops) to months and years

## Most common business model options:

### Corporately-managed store model

Long-term and seasonal locations in the US, Canada, the UK and Ireland



### Third-party retail model

65 locations with a variety of operators primarily in the US



### International franchise model

Currently 66 locations in 8 countries



**Nearly 20% of net retail sales in 2021, up from 4% in 2012**

- E-commerce strong in both US and UK
- Salesforce technology expanding loyalty and digital capabilities and efficiencies in marketing and analytics across platform
- Mobile-first e-commerce site updated in Q3-2022
- Continued momentum with growth in consolidated digital demand for first nine-months of 2022 +~150% vs first nine-months of 2019



**2021 digital demand of \$73MM representing a 34% CAGR since 2016**



## E-COMMERCE GROWTH INCLUDES EXPANSION OF CONSUMER BASE

Our objective is to extend the reach and size of our market with diverse consumer segments including teens, adults, gift-givers, brand enthusiasts and collectors with new licensed relationships, experiences, and advanced digital marketing activities



**Buildabear.com**

<b>PRIMARY TARGET</b>	<b>FAMILIES WITH CHILDREN</b>	<b>COLLECTOR AND GIFT GIVERS (TWEENS/TEENS/ADULTS)</b>
<b>SECONDARY TARGET</b>	<b>COLLECTOR &amp; GIFT GIVERS (TWEENS/TEENS/ADULTS)</b>	<b>FAMILIES WITH CHILDREN</b>

Rather than attempting to focus on “digitizing” the Build-A-Bear “physical” experience, we expanded the addressable market, reasons for being, and brand perception with a new mobile first e-commerce site featuring multiple “shop-in-shop” landing pages to appeal to specific consumer segments



## DIVERSE DIGITAL EXPERIENCES APPEAL TO VARIETY OF GUESTS

Buildabear.com offers various online shopping experiences and product options to meet the preferences of diverse consumer segments for multiple occasions and products



Top landing page for ecommerce site also supports guests who want to "Plan a Visit" and "Plan a Party"



Guided process reflecting familiar Build-A-Bear shopping stations providing a highly step-by-step customized on-line experience.



Interactive animated digital experience designed to appeal to a younger consumer.



Gifting solution offering for a convenient, stylish online option for a wide range of adult-to-adult gifting occasions



Makes gift shopping easy options sorted by season, occasion, recipient, price and category



Age-gated shop-in-shop focused on edgier products and licensing including the "After Dark" line



Family pajama offering with matching options focused on seasonal occasions featuring easy shopping/sizing configurator.



Third-party marketplaces allow consumers to shop online at their preferred site



# DIGITAL MARKETING CAPABILITIES DRIVING E-COMMERCE GROWTH



**+97% increase in digital transactions from new guests**

**Digital demand +9% 2021 vs 2020 +157% 2021 vs 2019**

**VALUABLE FIRST PARTY DATA:** Traffic driven by messaging to over 14MM opted-in email accounts including ~10MM Bonus Club members as well as on social media platforms like Facebook, Instagram, Google Ads (YouTube, Search, Display), TikTok, and programmatic marketing



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Comparisons are for FY2021 compared to FY2020 unless otherwise noted



# BRAND POWER SUPPORTS CONTENT & ENTERTAINMENT DEVELOPEMENT

Given the changing advertising market, the emotional connection with our brand allows story-telling and content to be a central part of engagement. Build-A-Bear Entertainment creates original music, videos and movies in partnership with leaders in the entertainment industry, elevates the brand and drives interest and revenue

**BUILD-A-BEAR**  
*Entertainment*

## Short Form



## NFTS

Launched 2022

## GAMING

Coming 2023

## MOVIES



hello  
sunshine

Hallmark  
CHANNEL



## RADIO



## MUSIC



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# BRAND POWER DIVERSIFIES REVENUE STREAMS and CATEGORIES

OUTBOUND LICENSING leverages brand power to expand into non-plush products (out of BBW's core competency) driving margin-rich revenue and providing brand presence and products sold through thousands of additional retail doors beyond our own footprint



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**STRONG FINANCIAL RESULTS**

# 2021 FINANCIAL SNAPSHOT

## THE MOST PROFITABLE YEAR IN BBW HISTORY

TOTAL REVENUES  
**\$411.5MM**

+61.2% OVER 2020  
+21.6% OVER 2019

PRE-TAX INCOME  
**\$50.7MM**

+\$70.9MM OVER 2020  
+\$49.1MM OVER 2019  
HIGHEST IN FIRST  
25-YEAR HISTORY

GROSS PROFIT MARGIN

**53.0%**

+1,480 BPS VS 2020  
+760 BPS VS 2019

CASH AND EQUIVALENTS

**\$32.8MM\***

+\$34.8MM 2020  
+\$26.7MM 2019

\* After ~\$20MM special dividend paid in Dec '21

- Delivered the highest revenue in over a decade and highest profit in company's history even with ongoing impact of global pandemic
- Positive momentum has continued throughout 2022 and while we are navigating an environment with higher costs and a tight supply chain as well as monitoring the evolving external environment, we have raised our guidance reflecting further growth for fiscal 2022 compared to fiscal 2021



## CONTINUED MOMENTUM IN FISCAL 2022

### FIRST NINE MONTHS 2022 DELIVERED RECORD-SETTING TOTAL REVENUES AND PROFITABILITY

<b>TOTAL REVENUES</b> <b>\$322.8MM</b> Highest in company history VS \$281.6MM IN 2021* VS \$161.7MM IN 2020**	<b>PRE-TAX INCOME</b> <b>\$35.7MM</b> Highest in company history VS \$30.6MM IN 2021* VS (\$31.0MM) IN 2020**	<b>EBITDA</b> <b>\$45.0MM</b> Highest in company history VS \$39.7MM IN 2021* VS (\$21.1MM) IN 2020**
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\* In fiscal 2021, the Company's European stores were temporarily closed for the majority of first quarter

\*\* In fiscal 2020, the Company's North American and European stores were temporarily closed as of March 18, 2020; By the end of H1 2020, 90% of stores had reopened

### RECENTLY RAISED FISCAL 2022 GUIDANCE

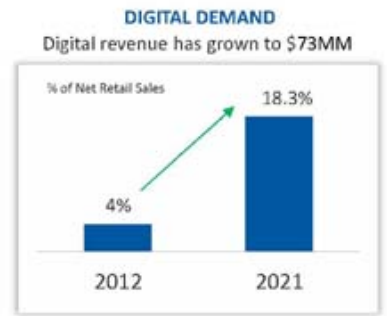
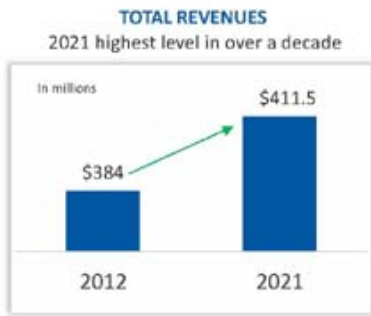
<b>TOTAL REVENUES RANGE</b> <b>\$455MM-</b> <b>\$465MM</b> VS \$411.5MM IN FY2021 VS \$255.3MM IN FY2020	<b>PRE-TAX INCOME RANGE</b> <b>\$56MM-</b> <b>\$63MM</b> VS \$50.7MM IN FY2021 VS (\$20.2MM) IN FY2020 HIGHEST IN BBW'S 25-YEAR HISTORY	<b>EBITDA RANGE</b> <b>\$69MM-</b> <b>\$76MM</b> VS \$63.0MM IN FY2021 VS (\$6.9MM) IN FY2020 HIGHEST IN BBW'S 25-YEAR HISTORY
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The annual guidance takes into account anticipated ongoing inflationary pressures as well as plans to mitigate the impact on margin and assumes no additional material changes in either our supply chain, the macro environment or relevant foreign currency exchange rates



# CURRENT MANAGEMENT LED SUCCESSFUL BUSINESS TURNAROUND



# SUSTAINED GROWTH (Excluding 2020 due to negative COVID impact)

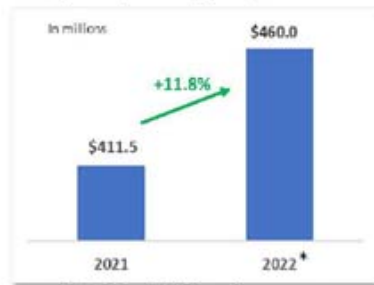
## QUARTERLY REVENUES

Q4 2022\* expected to be 8th consecutive quarter of revenue growth



## TOTAL REVENUES

~12% growth, following best year in a decade



## PRETAX INCOME

Double-digit profit margin



\* 2022 annual and Q4 numbers reflect mid-point of the guidance range



## CONTINUED FOCUS ON SHAREHOLDER RETURN

- Repurchased ~10% of our outstanding shares since Q3 '19
- Declared \$1.25 Special Dividend in Q4 '2021
- The Board authorized a new \$50.0MM buyback program on August 31, 2022\* and the company has \$46.5MM remaining as of 10/29/22
- Multi-year high stock price achieved \$25.67 as of 12/4/2022



\* Share repurchase program in effect through August 31, 2025







**ACCOMPLISHED & DRIVEN TEAM FOCUSED ON DIVERSIFIED GROWTH**

# EXECUTION OF 2022 STRATEGY DELIVERING ANOTHER RECORD YEAR

## ① Leverage ongoing digital transformation to drive growth

- ✓ Increase repeat purchases leveraging the addition of loyalty program and new advanced digital capabilities
- ✓ Expand addressable consumer base beyond kids with new products and incremental purchase occasions
- ✓ Utilize digital media, content & entertainment as marketing and brand-building tools to engage consumers and drive sales



## ② Leverage omnichannel capabilities while evolving retail experiences



- ✓ Strategically add locations in North America thru corporate and third-party retail focused on tourist locations
- ✓ Capitalize on BAB's 25th celebration to drive incremental visits and sales
- ✓ Re-introduce in-store parties (after COVID hibernation) with a fresh take and homage to our 25th "birthday"
- ✓ Develop new digital experiences such as the recently launched Bear Builder 3D Workshop to drive digital demand

## ③ Leverage financial strength and drive sustained profitability

- ✓ Maintain disciplined expense management in an environment with higher costs and a tight supply chain, including SG&A, ongoing lease negotiations as we continue to evolve our real estate portfolio while also monitoring the changing external environment
- ✓ Strategically manage capital to support strategic initiatives while returning value to shareholders



## POSITIONED FOR GROWTH IN 2023 AND BEYOND



**BRAND POWER:** Benchmarking with other brands with similar awareness and affinity metrics shows significant untapped potential to monetize existing equity for further growth across channels



**DIRECT RELATIONSHIPS with LARGE ADDRESSABLE MARKET:** Ability to leverage one:one relationships and first party data to communicate directly with diverse consumer segments (families with kids, teens, adults) with expanded categories, channels and content to improve lifetime value and drive incremental purchase occasions



**DYNAMIC BUSINESS MODEL:** Not over-stored and not over-saturated, opportunity to expand beyond current ~500 global vertical experience locations combined with robust, integrated e-commerce (US and UK), thousands of additional touchpoints (outbound licensing, entertainment) and tens of millions of digital interfaces



**BUSINESS STRENGTH:** Ongoing momentum and proven resilience with double-digit operating margins, strong free cash flow and no debt positions company to execute key initiatives and sustain profitable growth performance and return value to shareholders



**CONTINUED OPPORTUNITY FOR GROWTH ACROSS A NUMBER OF REVENUE STREAMS WITH SIGNIFICANT CONTROL OVER OUR FUTURE**



## PROVEN MANAGEMENT TEAM



**Sharon Price John**  
President and Chief Executive Officer

Former President of Stride Rite Children's Group LLC, a division of Wolverine World Wide, Inc. Also: Hasbro, Inc., VTech Industries, Inc. and Mattel, Inc.



**Jennifer Kretchmar**  
Chief Digital & Merchandising Officer

Former Senior Vice President of Product and Brand Management of Stride Rite Children's Group LLC, a division of Wolverine World Wide, Inc. Also: The Timberland Company, Goldbug, and the United States Department of Agriculture Foreign Service



**Voin Todorovic**  
Chief Financial Officer

Former Head of Finance and Operations Lifestyle Group Wolverine World Wide, Inc.; Vice President - Finance and Administration of the Stride Rite Children's Group. Also: Collective Brands, Inc. and Payless ShoeSource



**J. Christopher Hurt**  
Chief Operations Officer

Former Senior Vice President, North America and Vice President/ General Manager - Factory, Canada, Mexico Retail American Eagle Outfitters, Inc.; Also: Polo Ralph Lauren and The Procter & Gamble Company



**Eric Fencil**  
Chief Administrative Officer,  
General Counsel and Secretary

Former Executive Vice President, General Counsel and Secretary: Outsourcing Solutions Inc.; Legal positions at Monsanto Company, McDonnell Douglas Corporation and Bryan Cave LLP. Also: Arthur Young & Company



## ACCOMPLISHED BOARD OF DIRECTORS



**Craig Leavitt**  
Non-Executive Chairman

Former CEO/Director: Kate Spade & Company;  
President Global Retail: Link Theory Holdings.  
Also: Diesel, S.p.A, and Polo Ralph Lauren



**Robert L. Dixon Jr.**  
Director

Owner: The RD Factor, Inc.; Former Global Chief Information Officer and Senior Vice President of PepsiCo, Inc. Also: Procter & Gamble Company



**Maxine Clark**  
Director and Founder

CEO: Clark-Fox Family Foundation, Founder and Former Chief Executive Bear: Build-A-Bear Workshop. Also: Payless ShoeSource and The May Department Stores Company



**George Carrara**  
Director

Former President and Chief Operating Officer: Kate Spade & Company; Chief Operating Officer: Tommy Hilfiger North America. Also: Mirage Apparel Group and Price Waterhouse



**Sharon Price John**  
Director, President and Chief Executive Officer

Former President of Stride Rite Children's Group LLC, a division of Wolverine World Wide, Inc. Also: Hasbro, Inc., VTech Industries, Inc. and Mattel, Inc.



**Narayan Iyengar**  
Director

Former Senior Vice President, Digital and E-Commerce: Albertsons Companies; Vice President, E-Commerce and Digital Analytics: The Walt Disney Company. Also: McKinsey & Company



**Lesli Rotenberg**  
Director

Former Chief Programming Executive & General Manager, Children's Media & Education of the Public Broadcasting Service (PBS); Senior management at Discovery Communications, Inc.



## Explanatory Note on Non-GAAP Financial Measures

Build-A-Bear Workshop (NYSE: BBW) reports its financial results in accordance with generally accepted accounting principles (GAAP). We have supplemented the reporting of our financial information determined in accordance with GAAP with certain non-GAAP financial measures. 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 within this appendix.



## Reconciliation of Non-GAAP Measures:

\$ in millions	1 <sup>st</sup> NINE MONTHS	
	FY22	FY22*
Income before income taxes (pre-tax)	\$35.7	\$59.5
Interest	\$0	\$0
Depreciation & Amortization	\$9.3	\$13.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$45.0	\$72.5

\*FY2022 at mid-year of annual guidance



## Reconciliation of Non-GAAP Measures:

First nine months and Fiscal 2021; First nine months and Fiscal 2020

\$ in millions	1 <sup>ST</sup> NINE MONTHS FY21	FY21
Income before income taxes (pre-tax)	\$30.6	\$50.7
Interest	\$0	\$0
Depreciation & Amortization	\$9.1	\$12.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$39.7	\$63.0

\$ in millions	1 <sup>ST</sup> NINE MONTHS FY20	FY20
Income before income taxes (pre-tax)	(\$31.0)	(\$20.2)
Interest	\$0	\$0
Depreciation & Amortization	\$9.9	\$13.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	(\$21.1)	(\$6.9)







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