

Build-A-Bear Investor Overview

December 2025



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, Systemwide Sales, 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

Systemwide sales include sales at all Build-A-Bear stores and websites, whether operated by the Company, by partners, or by franchisees. While partner sales and franchisee sales are not recorded as revenues by the Company, management believes the information is important in understanding the Company’s financial performance, including total sales to end customers. Third-party retail sales are either reported to us by our partners or, where that is unavailable, estimated based on our wholesale sales, grossed up to our MSRP, and are not our revenues. Franchised store retail sales are reported to us by our franchisees and are not our revenues. Less than 5% of our Systemwide Sales are estimated based on our MSRP. The Company’s revenues consist of Direct to Consumer (Net retail sales) -- sales by Company-managed retail stores, two e-commerce sites; Commercial-- transactions with other businesses, mainly comprised of wholesale product sales and licensing our intellectual property, including entertainment properties, for third-party use; and International franchising-- royalties as well as product, fixture sales and supplies from other international operations under franchise agreements. Changes in Systemwide sales are primarily driven by comparable sales and net new unit growth.

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



BUILD-A-BEAR

*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

| | 2024 Snapshot | 2019–2024 Growth |
|-----------------------------------|---------------|-------------------------|
| Total Revenue | \$496M | 47% |
| Net Retail Sales | \$460M | 42% |
| Third-Party Revenue* | \$36M | 140% |
| EBITDA** | \$81M | 430% |
| Margin | 16.3% | +1,180 bps |
| Diluted EPS | \$3.80 | NM*** |
| FCF | \$28M | 199% |
| ROIC | 33.0% | NM*** |
| Store Contribution Mgn**** | 25% | + > 1,000 bps |

*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



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

By diversifying the business

Beyond Kids

~40% of sales to teens and adults*

Beyond Stores

Web Demand** has grown ~110% from 2019-2024

Beyond Birthdays

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

Beyond Malls

375 corporate stores and 276 third-party locations in multiple formats in 33 countries at Q3 2025

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

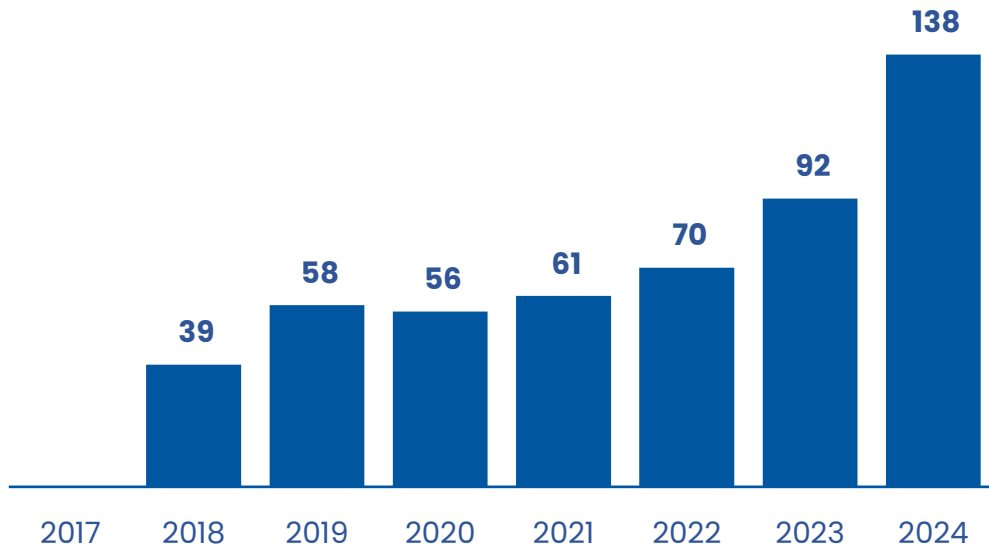


BUILD-A-BEAR

*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."

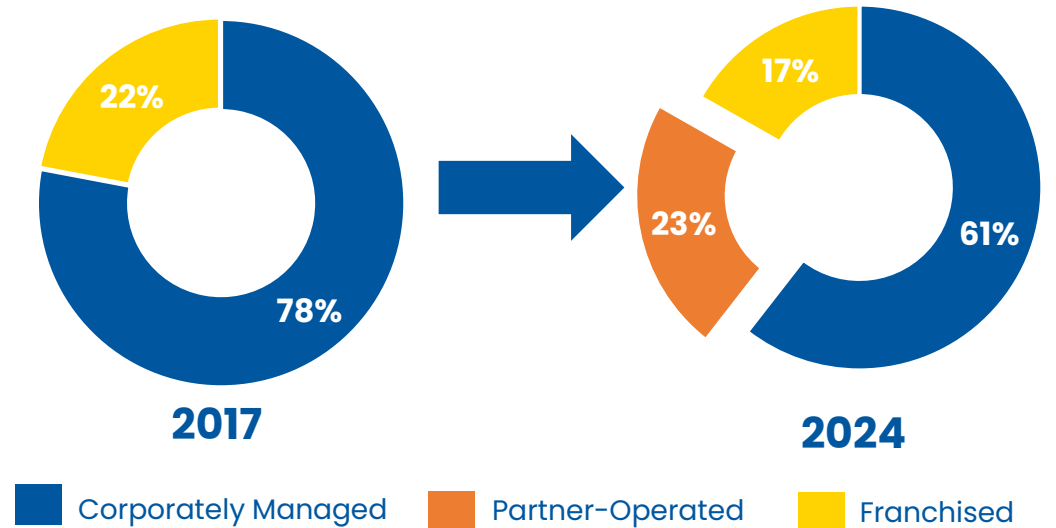
And evolving our store footprint

Partner Store Growth



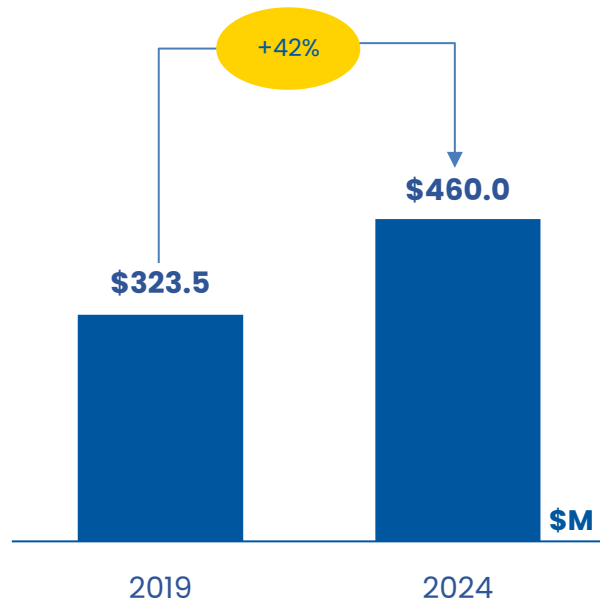
Partner-Operated Stores were launched domestically in 2018, and internationally in 2023

Store Count Mix

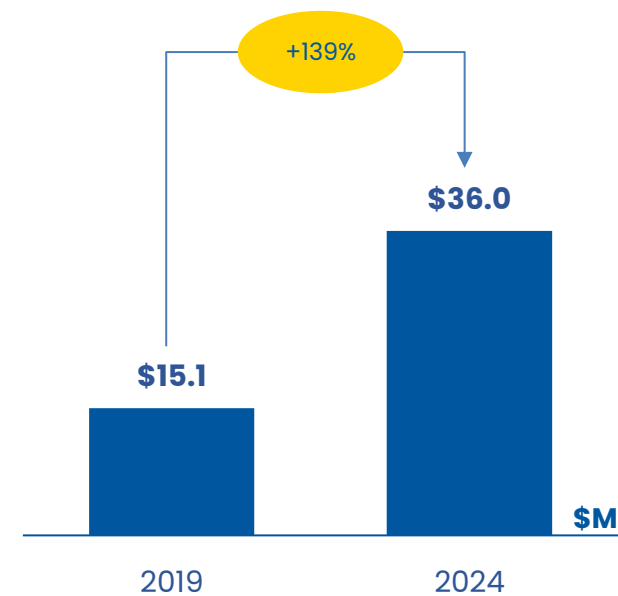


We have expanded both sides of our business model

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



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



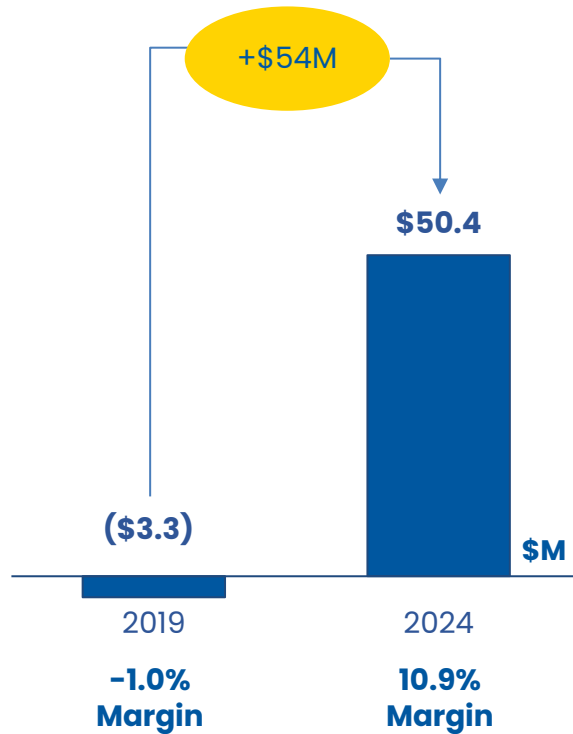
*Direct-to-Consumer (DTC) is sales by Company-managed retail stores and two e-commerce sites; it is defined in "Important Disclosures."

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

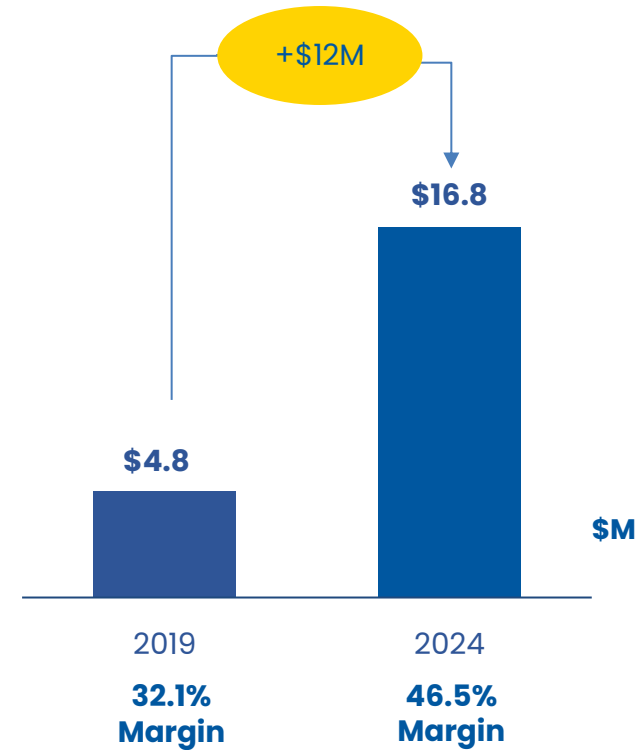


And we have entered a **new era of profitability**

Net Retail Pretax Income (Direct-to-Consumer Segment)



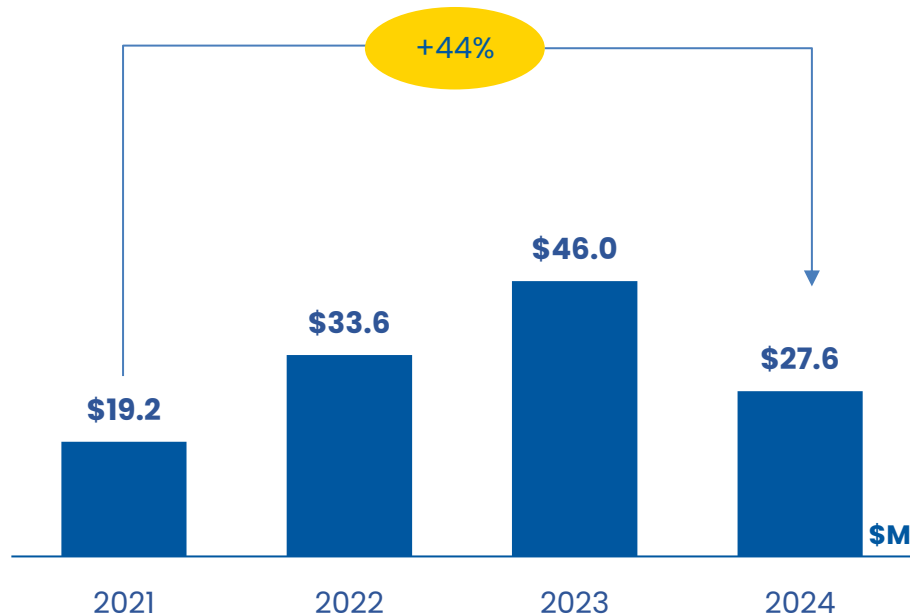
Third-Party Pretax Income (Commercial & Intl. Franchise Segments)



Third-Party Pretax Income reached 25% of total Pretax Income in 2024

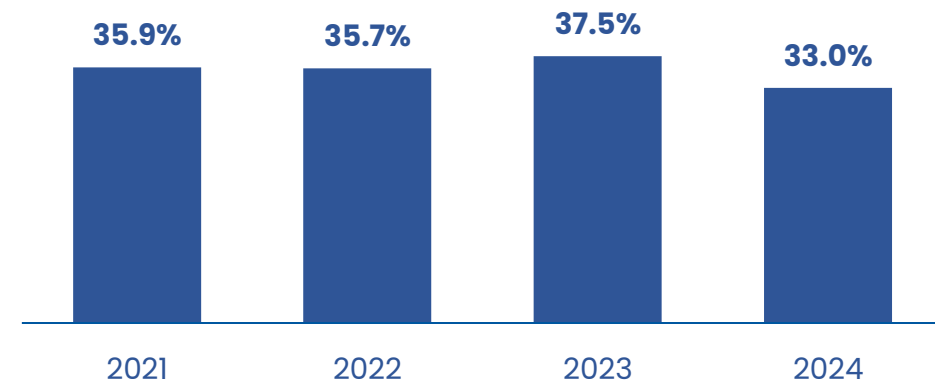
Consistent returns position us for a new phase of **growth**

Free Cash Flow*



2023 was a 53-week year; 2024 reflects a temporary drag from working capital timing dynamics.

ROIC*

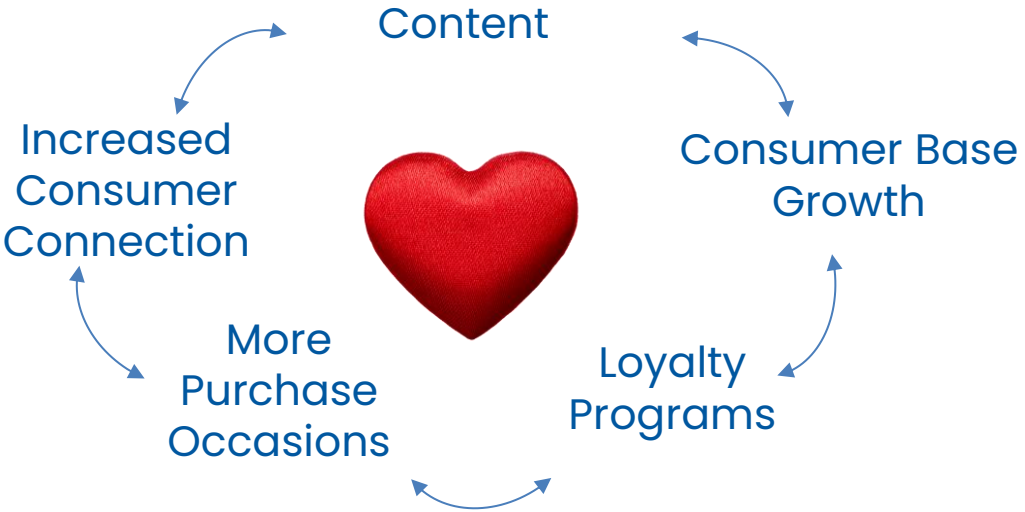
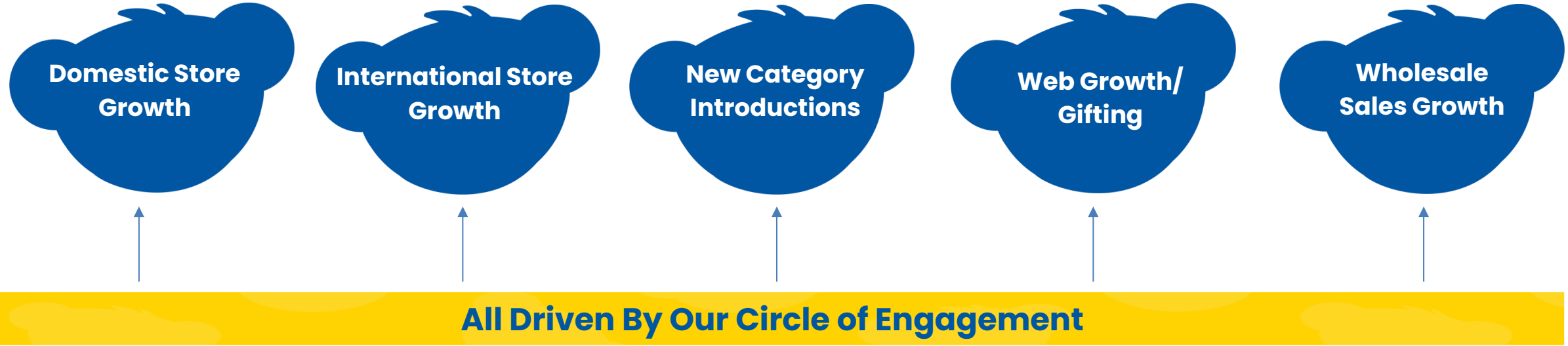


*Free Cash Flow and Return on Invested Capital (ROIC) are non-GAAP financial measures; see "Important Disclosures."



BUILD-A-BEAR

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

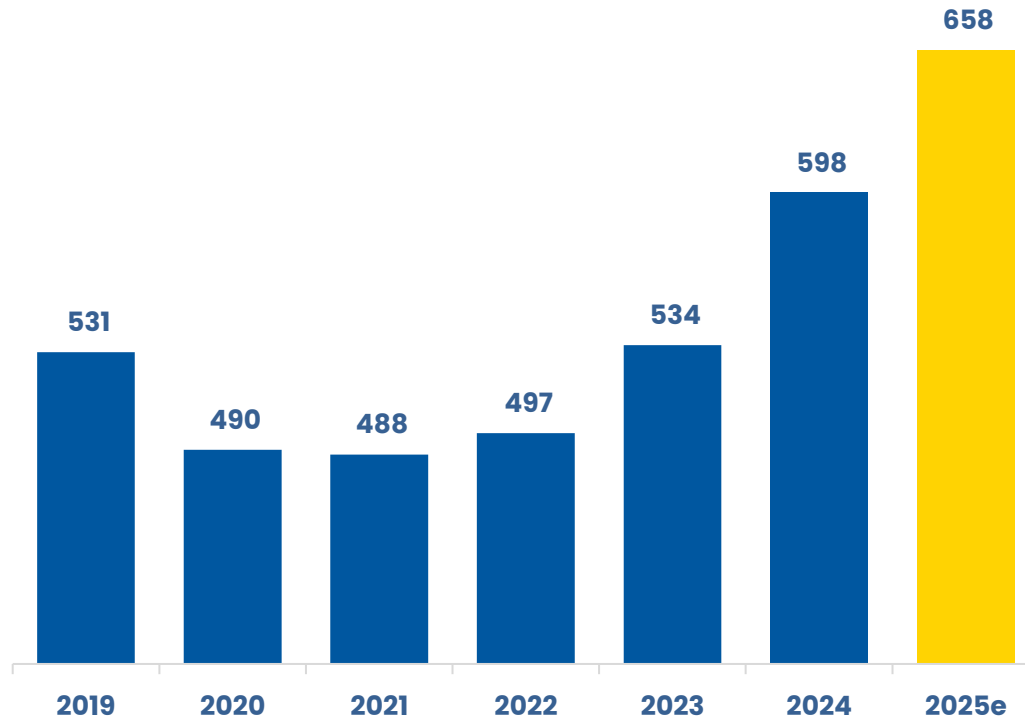


And we have restarted **new store unit growth**

A teddy bear hug is understood in every language.



Total Experience Locations (includes Corporate, Partner and Franchised stores)



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

*Based on 2025 Net New Unit Growth guidance of at least 60 locations, which includes Corporate, Partner, and Franchised Stores. 2019-2025 Franchise store count includes nine shop-in-shop locations in Australia not previously reported.



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



Fiscal 2024

| | DTC (Corporate stores and websites in US, UK, CN) | Wholesale sales (includes US & Intl. partner-operated stores) | Sales-based royalty revenue, development fees, and merchandise sales |
|-------------------------|---|---|--|
| Store Count*** | 368 | 138 | 92 |
| % of Co. Pretax Profit* | 75% | 23% | 2% |
| Revenue | \$460M | \$31M | \$5M |
| Pretax Margin | 10.9% | 50.2% | 21.6% |
| ROIC** | 28% | 106% | 41% |

*% of Co. Pretax Profit doesn't add to 100% due to rounding.

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

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



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At retail, multiple store models produce top tier unit economics

Corporate Store Returns

2024 Results for store classes of 2019, 2020, and 2021

| |
|---------------------------|
| 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*

| | |
|----------|--------|
| \$1,578K | \$615K |
| \$535K | \$152K |
| 34% | 25% |
| \$272K | \$42K |
| 196% | 363% |



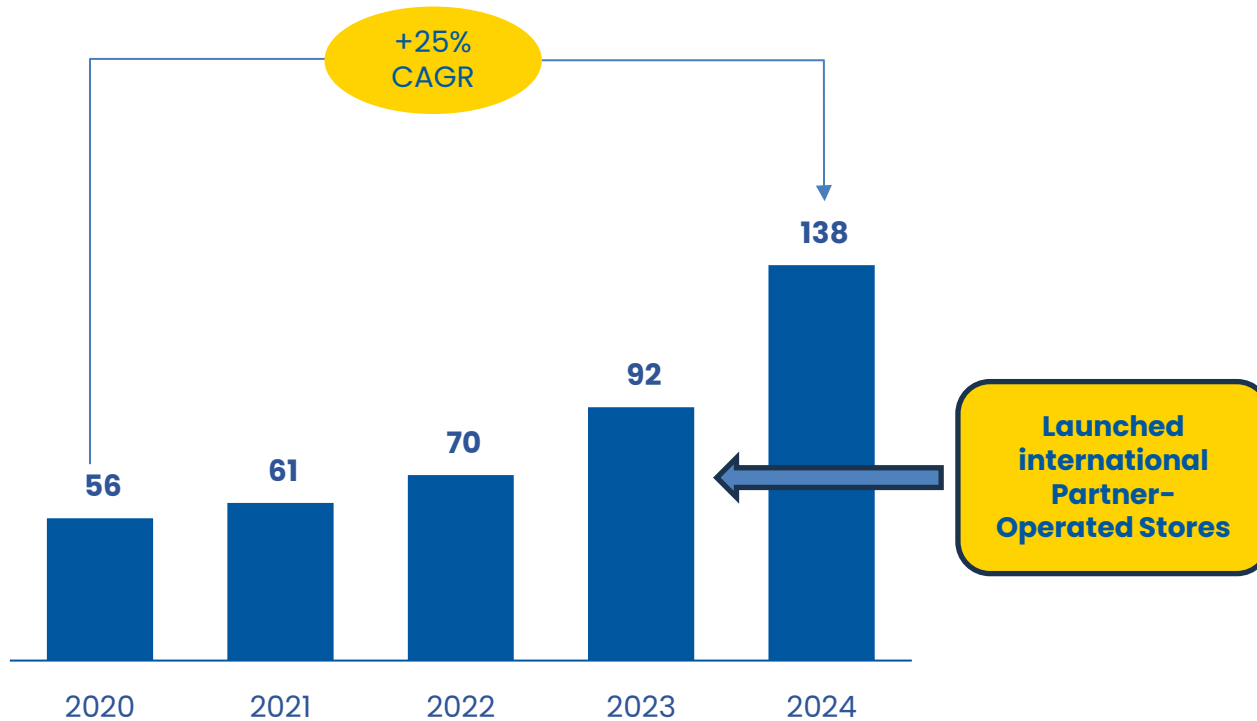
We opened a net 9 new corporate stores in fiscal 2024

*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 2024.
 **EBITDA is a Non-GAAP financial measure, see “Important Disclosures.”

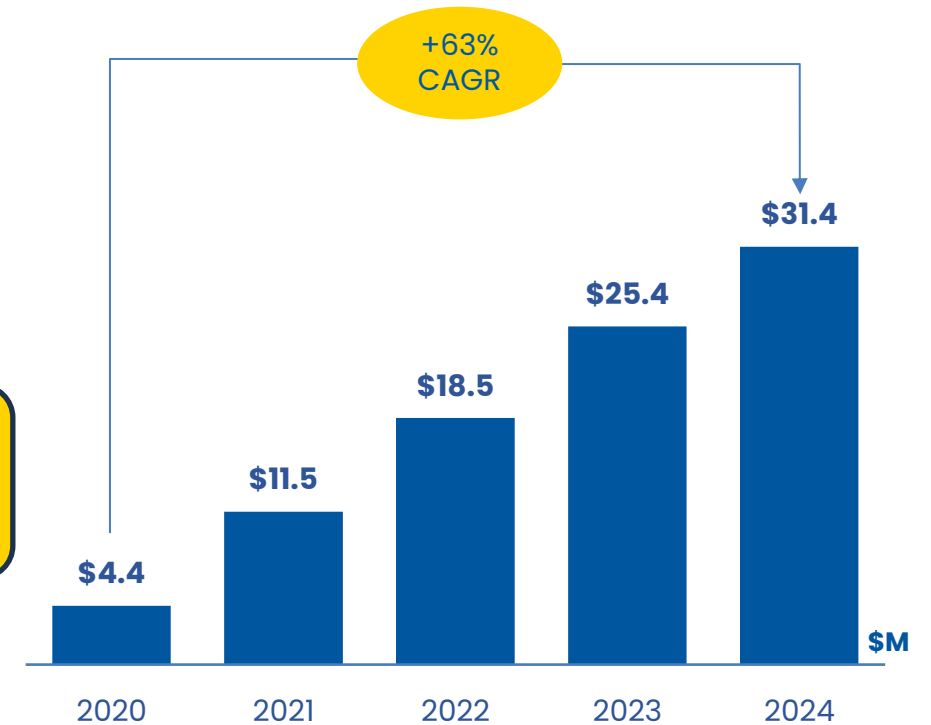


Commercial is our fastest growing segment

Partner-Operated Stores



Commercial Revenue

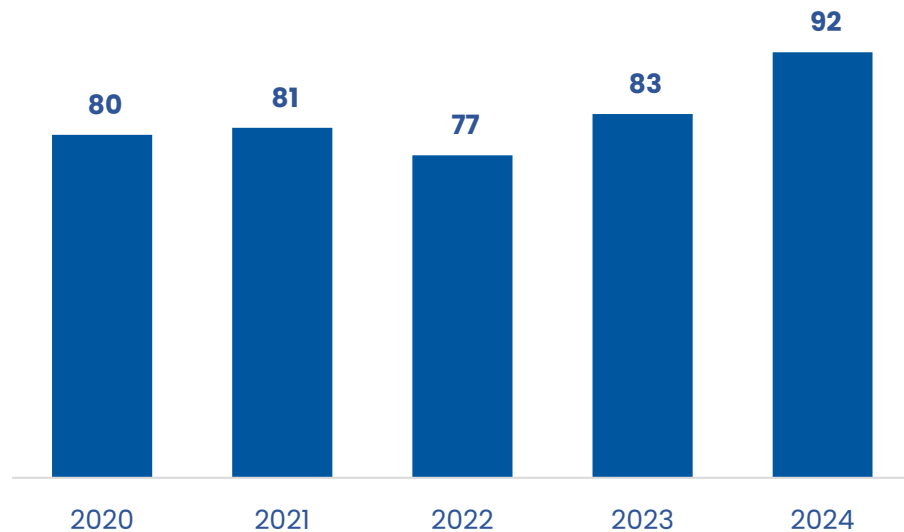


Commercial revenue is primarily wholesale sales, including sales to partner-operated stores

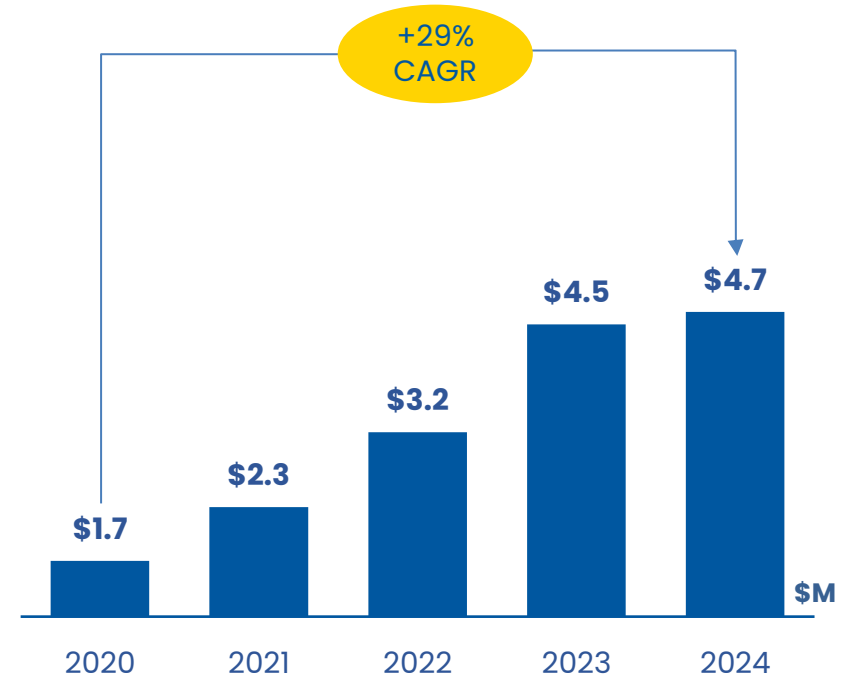


International Franchise is also **growing**

Intl. Franchise Stores*



Intl. Franchise Revenue



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

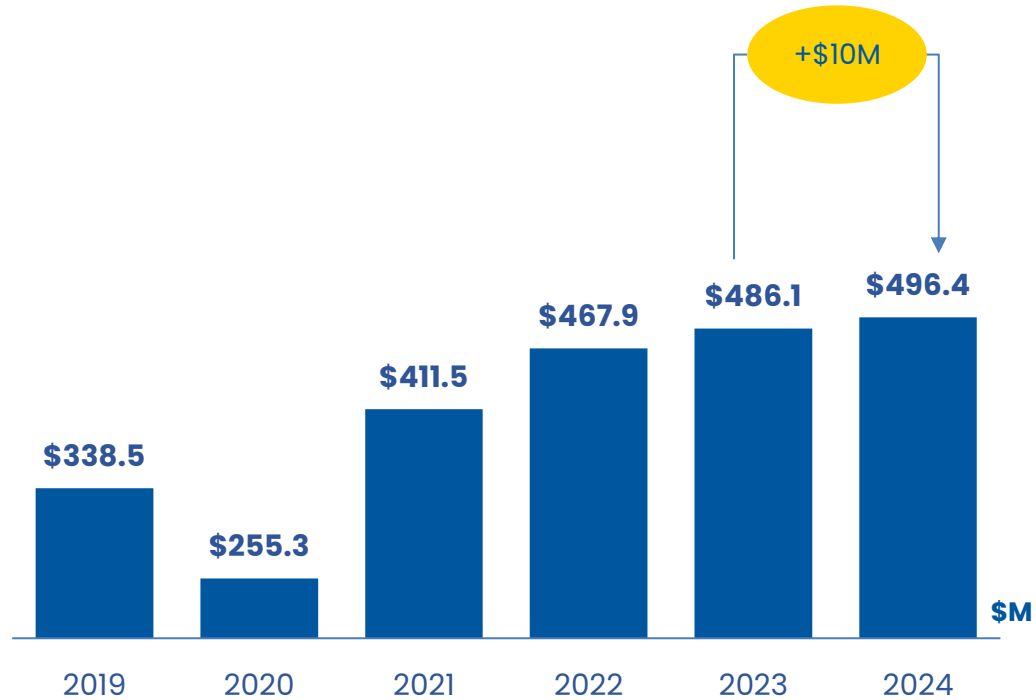
*2020-2024 Franchise store count includes nine shop-in-shop locations in Australia not previously reported.



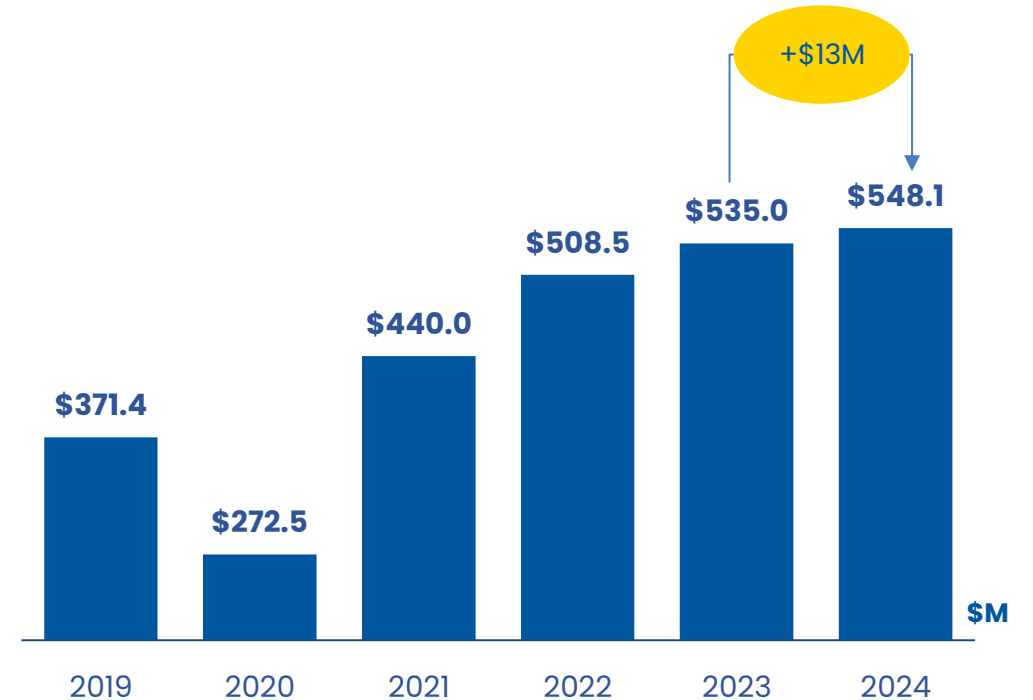
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Systemwide Sales **exceed revenue**

Revenue



Systemwide Sales*



Systemwide Sales exceed revenue because it includes BAB product sales at all stores, whether operated by the Company, partners, or franchisees



BUILD-A-BEAR

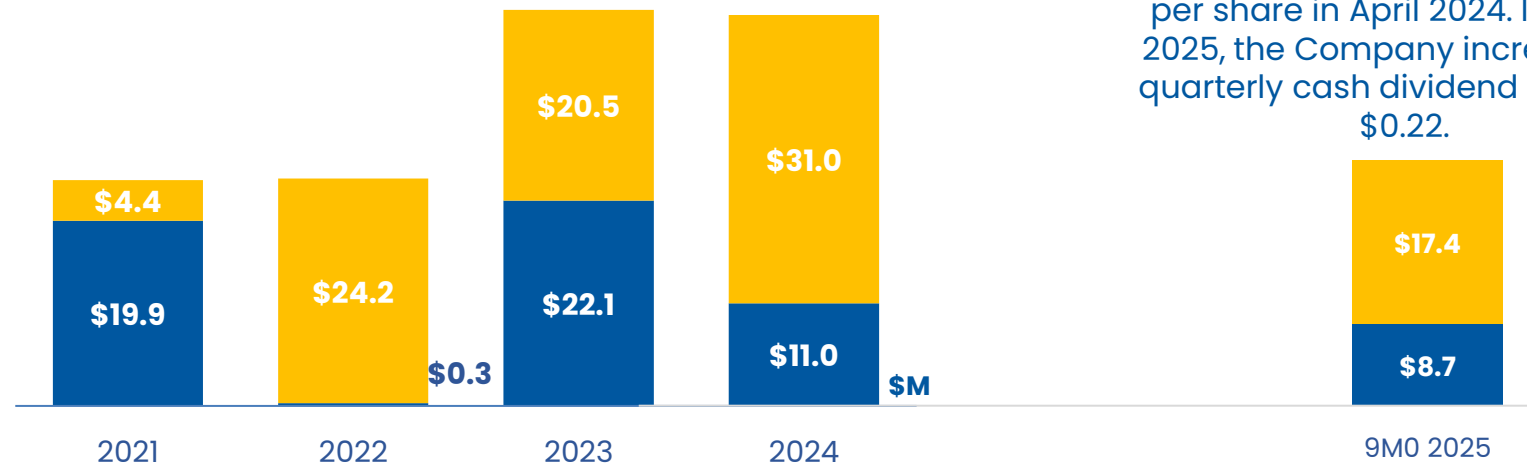
*Systemwide Sales is a Non-GAAP financial measure, see "Important Disclosures."

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

\$160M (\$11.05/share*) Returned to Shareholders

Share Repurchase
Dividends

The Company declared an initial quarterly cash dividend of \$0.20 per share in April 2024. In March 2025, the Company increased its quarterly cash dividend by 10% to \$0.22.



Free Cash Flow

2021: \$19.2 2022: \$33.6 2023: \$46.0 2024: \$27.6

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



*Per share using average shares over the time period of 14.4M

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.***



BUILD-A-BEAR

*<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 \(cheddar.com\)](https://cheddar.com/celebrating-the-holidays-with-build-a-bear-workshop)

Financial Review



Fiscal 2024 was **the most profitable year in Build-A-Bear history**

| | |
|-----------------------|-----------------------|
| Revenue | \$496.4M, +3.6%* |
| Pretax Income | \$67.1M, +5.1%* |
| Net New Unit Growth** | 64 units |
| Gross Profit Margin | 54.9%, + 50 BPS |
| EBITDA | \$81.1M, 16.3% margin |
| Adj. EPS | \$3.77, +10.2%*** |
| YE Cash | \$27.8M |

| | |
|----------------|---------|
| Free Cash Flow | \$27.6M |
| Cash Returned | \$42.0M |

2024 was our fourth consecutive year of record growth and profits



*Fiscal 2023 was a 13-week year; the revenue and pretax growth rates exclude the extra week of operations in 2023.

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

***Adj. EPS excludes discrete items for both 2023 and 2024.



BUILD-A-BEAR

Q3 2025 was our highest revenue third quarter

| | |
|----------------------|-----------------------|
| Revenue | \$122.7M, +2.7% |
| Pretax Income | \$10.7M, -18.0% |
| Net New Unit Growth* | 24 units |
| Gross Profit Margin | 53.7%, -40 BPS |
| EBITDA | \$14.2M, 11.6% margin |
| EPS | \$0.62, -15.1% |
| Quarter-end Cash | \$27.7M |

| | |
|-------------------|---------|
| Dividend | \$2.9M |
| Stock Repurchased | \$10.1M |

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

Q3 2025 included approximately \$4 million of tariffs and related costs



9 months 2025 was **our most profitable first 9 months**

| | |
|----------------------|-----------------------|
| Revenue | \$375.3M, +8.5% |
| Pretax Income | \$45.7M, +15.2% |
| Net New Unit Growth* | 53 units |
| Gross Profit Margin | 56.0%, + 180 BPS |
| EBITDA | \$56.1M, 15.0% margin |
| EPS | \$2.73, +24.1% |
| Quarter-end Cash | \$27.7M |

| | |
|-------------------|---------|
| Dividend | \$8.7M |
| Stock Repurchased | \$17.4M |

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

9MO 2025 included approximately \$5 million of tariffs and related costs



Fiscal 2025 Guidance calls for **continued top-line growth***

| | |
|-----------------------------|-------------------|
| Revenue** | MSD-HSD growth |
| Pre-tax Income | \$62M-\$70M |
| Net New Unit Growth*** | At least 60 units |
| Capital Expenditures | \$20M-\$25M |
| Depreciation & Amortization | ≈\$16M |
| Income Tax Rate**** | 22% - 24% |

Pre-tax income includes the impact of approximately \$16 million in additional costs in fiscal 2025, primarily driven by our current less than \$11 million estimated net tariff impact and associated costs, as well as approximately \$5 million in increased medical and labor costs.

*Guidance as of December 4, 2025

**MSD = mid-single-digit, HSD = high-single-digit

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

****Excludes discrete items



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BBW Key Statistics

Share Price - November 28

\$53.10

Shares Out. 3Q-end

12.9M

Market Capitalization

\$687M

Cash 3Q-end

27.7M

Qtly. Dividend/Yield

\$0.22/1.7%

Float (est.)

96%

Avg. Daily Vol. (3 mos.)

350,000



Source: BAB, NYSE Connect



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Appendix



Build-A-Bear Non-GAAP Reconciliations

Systemwide Sales, Free Cash Flow, EBITDA

| Fiscal Year-End (\$ millions) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Systemwide Sales: | | | | | | |
| Net retail sales | 323.5 | 249.2 | 397.7 | 446.2 | 456.2 | 460.3 |
| Third-party sales | <u>47.9</u> | <u>23.3</u> | <u>42.3</u> | <u>62.3</u> | <u>78.9</u> | <u>87.8</u> |
| Total Systemwide sales | \$ 371.4 | \$ 272.5 | \$ 440.0 | \$ 508.5 | \$ 535.0 | \$ 548.1 |

Discovery Store Model Classes of 2019, 2020, and 2021 (\$ millions)

| | 2024 |
|---|-----------------|
| Calculation of EBITDA | |
| Income before income taxes | \$ 0.495 |
| Interest (income expense, net) | \$ - |
| Depreciation and amortization expense | <u>\$ 0.039</u> |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 0.535 |

Fiscal Year-End (\$ millions)

| | 2024 |
|---|-----------------|
| Calculation of EBITDA | |
| Income before income taxes | \$ 66.3 |
| Interest (income) expense, net | \$ - |
| Depreciation and amortization expense | <u>\$ (0.0)</u> |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 66.3 |

| Fiscal Year-End (\$ millions) | 2022 | 2023 | 2024 |
|---|---------------|---------------|---------------|
| Calculation of Free cash flow | | | |
| Net cash provided by operating activities | \$ 47.3 | \$ 64.3 | \$ 46.9 |
| Net cash used in investing activities | <u>(13.6)</u> | <u>(18.3)</u> | <u>(19.3)</u> |
| Free cash flow | \$ 33.6 | \$ 46.0 | \$ 27.6 |

Concourse/SIS Store Model Classes of 2019, 2020, and 2021 (\$ millions)

| | 2024 |
|---|-----------------|
| Calculation of EBITDA | |
| Income before income taxes | \$ 0.142 |
| Interest (income expense, net) | \$ - |
| Depreciation and amortization expense | <u>\$ 0.010</u> |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 0.152 |

13 Weeks Ended November 1, 2025 (\$ millions)

| | Q3 2025 |
|---|---------------|
| Calculation of EBITDA | |
| Income before income taxes | \$ 10.7 |
| Interest (income) expense, net | \$ (0.2) |
| Depreciation and amortization expense | <u>\$ 3.7</u> |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 14.2 |

39 Weeks Ended November 1, 2025 (\$ millions)

| | 9 MO 2025 |
|---|----------------|
| Calculation of EBITDA | |
| Income before income taxes | \$ 45.7 |
| Interest (income) expense, net | \$ (0.6) |
| Depreciation and amortization expense | <u>\$ 11.1</u> |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 56.1 |



Build-A-Bear Non-GAAP Reconciliations

Return on invested capital, Segment ROIC

| Fiscal Year-End (\$ millions) | 2022 | 2023 | 2024 |
|--|--------------|--------------|--------------|
| Calculation of Return on Invested Capital | | | |
| Numerator | | | |
| Net income | \$ 48.0 | \$ 52.8 | \$ 51.8 |
| Operating lease interest | 5.5 | 5.5 | 6.9 |
| Interest expense (income) | 0.0 | (0.9) | (0.9) |
| Lease adjusted net operating profit after tax | \$ 53.5 | \$ 57.4 | \$ 57.9 |
| Denominator: | | | |
| Current Assets | \$ 147.4 | \$ 127.8 | \$ 126.3 |
| Current Liabilities | 101.2 | 83.7 | 79.4 |
| Excess Cash (cash in excess of \$20m) | 22.2 | 24.3 | 7.8 |
| Net Working Capital | 24.1 | 19.7 | 39.1 |
| Operating Leases | 71.8 | 73.4 | 90.2 |
| Property + Equipment | 50.8 | 55.3 | 59.8 |
| Other Assets | 4.2 | 7.2 | 6.1 |
| Total Invested Capital | 150.9 | 155.6 | 195.2 |
| Average Invested Capital | \$ 149.7 | \$ 153.2 | \$ 175.4 |
| Return on invested capital | 35.7% | 37.5% | 33.0% |

| Fiscal Year-End (\$ millions) | 2024 |
|--|-------------|
| Calculation of Return on Invested Capital | |
| Commercial | |
| Numerator: | |
| Pretax Income | 15.8 |
| Tax rate, adj. | 23.5% |
| Taxes | 3.7 |
| Net operating profit after tax | 12.1 |
| Commercial Assets | 14.0 |
| Average Commercial Assets | 11.4 |
| ROIC—Commercial | 106% |
| Intl Franchise | |
| Numerator: | |
| Pretax Income | 1.0 |
| Tax rate, adj. | 23.5% |
| Taxes | 0.2 |
| Net operating profit after tax | 0.8 |
| Intl Franchise Assets | 2.6 |
| Avg Intl Franchise Assets | 1.9 |
| ROIC—Intl Franchise | 41% |

| Fiscal Year-End (\$ millions) | 2024 |
|--|------------|
| Calculation of Return on Invested Capital | |
| Net Retail | |
| Numerator: | |
| Pretax Income | 50.4 |
| Tax rate, adj. | 23.5% |
| Taxes | 11.8 |
| NI | 38.5 |
| Operating lease interest | 6.9 |
| Interest Expense | (0.9) |
| NOPAT | 44.6 |
| Retail Assets | 273,356 |
| Average Retail Assets | 267,828 |
| Average Invested Capital | 175.4 |
| Net Retail Avg Invested Capital (Co. IC less C | 162.1 |
| ROIC—Retail | 28% |

Contact Information



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