

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): January 11, 2022

Build-A-Bear Workshop, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-32320
(Commission
File Number)

43-1883836
(IRS Employer
Identification No.)

415 South 18th St., St. Louis, Missouri
(Address of Principal Executive Offices)

63103
(Zip Code)

(314) 423-8000
(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.

Item 2.02. Results of Operations and Financial Condition.

On January 11, 2022, Build-A-Bear Workshop, Inc. (the “Company”) issued a press release setting forth certain expectations for the Company’s 2021 fiscal year (52 weeks ending January 29, 2022), including total revenue; pre-tax income; earnings before interest, taxes, depreciation and amortization (EBITDA); and capital expenditures. A copy of the Company’s press release is being furnished as Exhibit 99.1 and hereby incorporated by reference.

Item 7.01. Regulation FD Disclosure.

On January 11, 2022, Build-A-Bear Workshop, Inc. (the “Company”) will participate in a fireside chat at the ICR Conference 2022 held virtually on Tuesday, January 11, 2022. Sharon Price John, President and Chief Executive Officer, and Voin Todorovic, Chief Financial Officer, will host the presentation at 3:30 p.m. Eastern Standard Time. The audio portion of the fireside chat will be available on the Company’s Investor Relations website, <http://IR.buildabear.com> and will remain available for 90 days following the event. The investor presentation is attached hereto as Exhibit 99.2 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 2.02 and Item 7.01 above, including Exhibits 99.1 and 99.2 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 Exhibits 99.1 and 99.2) 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 Items 2.02 and 7.01.

This Current Report on Form 8-K and the press release and investor presentation attached hereto as Exhibits 99.1 and 99.2, 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 exhibits not dealing with historical results are forward-looking and are based on various assumptions. The forward-looking statements in this report and in such exhibits 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.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release dated January 11, 2022
99.2	Investor Presentation—January 11, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

BUILD-A-BEAR WORKSHOP, INC.

Date: January 11, 2022

By: /s/ Voin Todorovic
Name: Voin Todorovic
Title: Chief Financial Officer

Build-A-Bear Workshop, Inc. Again Raises Guidance for Expected Fiscal 2021 Financial Results**Company to present at ICR Conference 2022 Tuesday, January 11th at 3:30 p.m. EST**

ST. LOUIS--(BUSINESS WIRE)--January 11, 2022--Build-A-Bear Workshop, Inc. (NYSE: BBW) updated its financial guidance for the 2021 fiscal year in advance of its participation at the ICR Conference 2022. The Company believes that its projected results reflect continued progress in its strategic initiatives including the acceleration of its digital transformation, the rapid evolution of its omnichannel capabilities and the ability to leverage its financial strength to drive profitable growth. The Company expects its fiscal 2021 results to reflect the highest profitability in its nearly 25-year history.

On a preliminary basis for the 2021 fiscal year (52 weeks ending January 29, 2022 compared to the 52 weeks ended January 30, 2021), the Company currently expects:

- Total revenues for the fiscal year to be in the range of \$408 million to \$412 million, an increase from its previous expectation for total revenues in the range of \$390 million to \$400 million. The Company reported total revenues of \$255.3 million in the 2020 fiscal year and \$338.5 million in the 2019 fiscal year;
- Pre-tax income to be in the range of \$49 million to \$51 million compared to pre-tax loss of (\$20.2) million in fiscal 2020 and pre-tax income of \$1.6 million in fiscal 2019;
- Earnings before interest, taxes, depreciation and amortization (EBITDA) in fiscal 2021 to be in the range of \$61.5 million to \$63.5 million, an increase from its previous expectation for EBITDA in the range of \$55 million to \$60 million. The Company reported EBITDA of (\$7.0) million in the 2020 fiscal year and \$15.3 million in the 2019 fiscal year; and
- Capital expenditures to be in the range of \$7 million to \$8 million and depreciation and amortization to be approximately \$12.5 million in fiscal 2021.

The Company notes that its updated guidance assumes no additional material COVID impact either in its supply chain or store operations.

Sharon Price John, Build-A-Bear Workshop President and Chief Executive Officer commented, “We have continued to see positive momentum in our business throughout the current fourth quarter and combined with our record-breaking profit in the first nine-month period, we expect fiscal 2021 to deliver the Company’s highest profitability as it enters its 25th year of operations. We also expect to deliver growth in total revenues including the strongest digital demand in our history, reaching nearly 20% of net retail sales. We have remained focused on the disciplined execution of our strategic initiatives even with ongoing external volatility and COVID impacts. We believe that we have fundamentally evolved our company and built a solid foundation to further advance our digital transformation, expand our omnichannel capabilities and leverage our positive financial position to support investments intended to drive future growth.”

The Company is scheduled to participate at the ICR Conference 2022 being held virtually on January 10, 2022 and January 11, 2022. The Company expects to conduct a fireside chat presentation on Tuesday, January 11, 2022, at 3:30 p.m. EST. The audio portion of the presentation will be broadcast over the internet and can be accessed at the Company’s investor relations website, <http://IR.buildabear.com>. A replay of the broadcast will remain on the Company’s investor relations website for one year.

The Company noted that it expects to report full results for the fourth quarter and fiscal 2021 year in March 2022.

Note Regarding Non-GAAP Financial Measures:

In this press release, the Company’s financial results are provided both in accordance with generally accepted accounting principles (GAAP) and using certain non-GAAP financial measures. In particular, the Company provides projected and historic EBIT, which is a non-GAAP financial measure. These projections and 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.

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 retail 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 www.buildabear.com including its online “Bear-Builder” as well as the new “Bear Builder 3D Workshop”. 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. (NYSE: BBW) posted total revenue of \$255.3 million in fiscal 2020. For more information, visit the Investor Relations section of buildabear.com.

Forward-Looking Statements:

This press release 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. All of 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.

These statements are based only on our current expectations and projections about future events. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by these forward-looking statements, including those factors discussed under the caption entitled “Risks Related to Our Business” and “Forward-Looking Statements” in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on April 15, 2021 and other periodic reports filed with the SEC which are incorporated herein.

All of our forward-looking statements are as of the date of this Press Release only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of or any material adverse change in one or more of the risk factors or other risks and uncertainties referred to in this Press Release or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the SEC could materially and adversely affect our continuing operations and our future financial results, cash flows, available credit, prospects and liquidity. 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.

All other brand names, product names, or trademarks belong to their respective holders.

*** Non-GAAP Financial Measures**

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES

Reconciliation of GAAP to Non-GAAP Results

(dollars in millions)

	New Projected 2021	Previous Projected 2021	Actual 2020	Actual 2019
Income (loss) before income taxes (pre-tax)	\$49.0 - \$51.0	\$42.0 - \$46.0	\$(20.2)	\$ 1.6
Interest expense (income), net	-	-	-	-
Depreciation & Amortization	12.5	13 - 14	13.2	14
Earnings before interest, taxes, depreciation and amortization (EBITDA)	<u>\$61.5 - \$63.5</u>	<u>\$55.0 - \$60.0</u>	<u>\$ (7.0)</u>	<u>\$ 15.3</u>

Contacts

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Media:
Public Relations
PR@buildabear.com

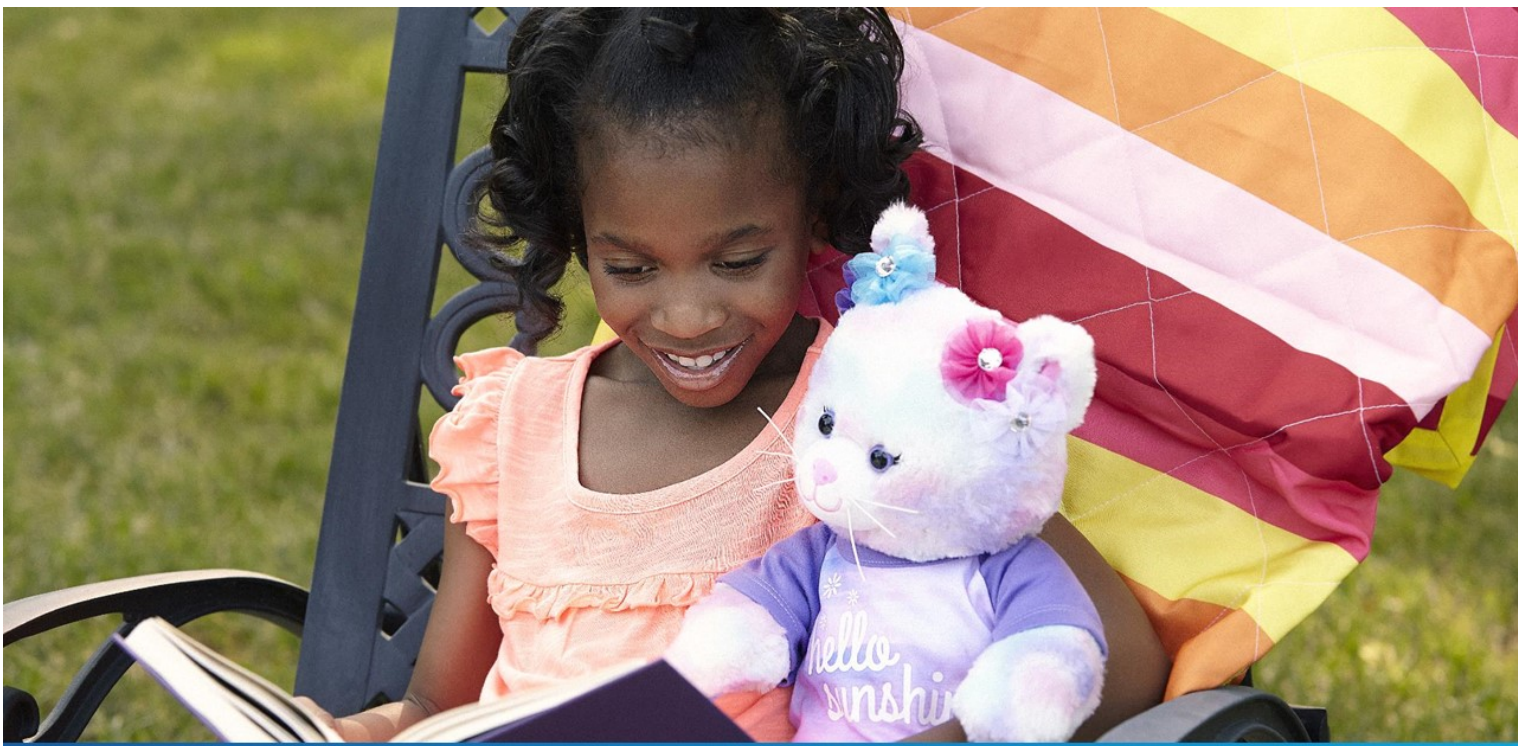


ICR CONFERENCE 2022

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; (b) continued or further declines in consumer traffic at malls and tourist locations could adversely affect our financial performance and profitability; (c) 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 key 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) we are subject to risks associated with technology and digital operations; (c) we may be unable to renew, renegotiate our store leases or enter into new store leases on favorable terms; (d) our company-owned distribution center and our third-party distribution center providers may experience disruptions or operate inefficiently; and (e) 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

A DIVERSIFIED COMPANY WITH A MULTI-GENERATIONAL BRAND

Started as
an experiential
mall-based retailer
focused on children



Has transformed into a multi-
dimensional, digital, growing
business with a broad and
diverse consumer demographic

EXPANDED OMNICHANNEL CAPABILITIES DRIVING DIGITAL DEMAND

Sustained growth in digital demand
which is projected to be nearly 20% of
net retail sales for FY2021

DIVERSIFIED PORTFOLIO

~1/3

of stores are
not located in a
traditional mall

NEARLY 500 GLOBAL LOCATIONS*

359 131

United States International

CONNECTED

200MM+

Furry friends sold
in nearly 25 years

MULTI-GENERATIONAL APPEAL

>40%

of sales are to tweens, teens
and adults

DEEP AND EXTENSIVE LICENSING RELATIONSHIPS

Covering over 75
entertainment, sports and
pop culture properties

POWERFUL BRAND

90%+ Aided brand awareness**

Known, emotional and leverageable brand equity

SKILLED PASSIONATE EMPLOYEES

3,500+

Associates



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Workshop, Inc.

* Store count at end of Q3 2021. US store count includes seasonal locations, 57 third-party retail locations and excludes vending machines; International includes corporately-managed stores in Canada, the UK and Ireland as well as 73 franchise shops and 3 third-party retail locations
** US Moms of Kids ages 2-12 in the US, C&R Research

KEY INVESTOR CONSIDERATIONS



Profitable business with high margins and free cash flow

- 2021 projected total revenues of \$410MM and pre-tax income of \$50MM, the highest in the company's nearly 25-year history*
- \$48.5MM in cash and equivalents at end of Q3 2021; Company paid a special dividend in Q4 2021 and announced a share repurchase program of up to \$25MM through Nov 30, 2023



Powerful brand with multi-generational appeal capturing today's zeitgeist including desire for experience, personalization and "DIY" while recognized as trusted, giving and a part of pop culture

- Over 10 billion media impressions in 2021 demonstrating strong interest from business, trade, entertainment and consumer outlets
- Over 3.6MM social media followers (Facebook, Instagram, Twitter, TikTok, Pinterest and YouTube)



Successfully proven and growing diversified omnichannel business model

- Offerings include experiential brick-and-mortar stores with 1:1 interactive engagement that deliver profitability while supporting omnichannel fulfillment for growing digital demand as well as diverse e-commerce shopping platforms and experiences
- Expanding addressable consumer base with new experiences and products targeting tween, teen and adult affinity and gifting segments
- Leverageable brand strength to diversify revenue streams through licensing, content and entertainment development



Accomplished team created an expanding and profitable business now focused on delivering sustained diversified and profitable growth

- Returned business to profitability while simultaneously building infrastructure to support a multi-dimensional, digital, growing business with a broad and diverse consumer base

* 2021 projections reflect the midpoint of the Company's most recent guidance

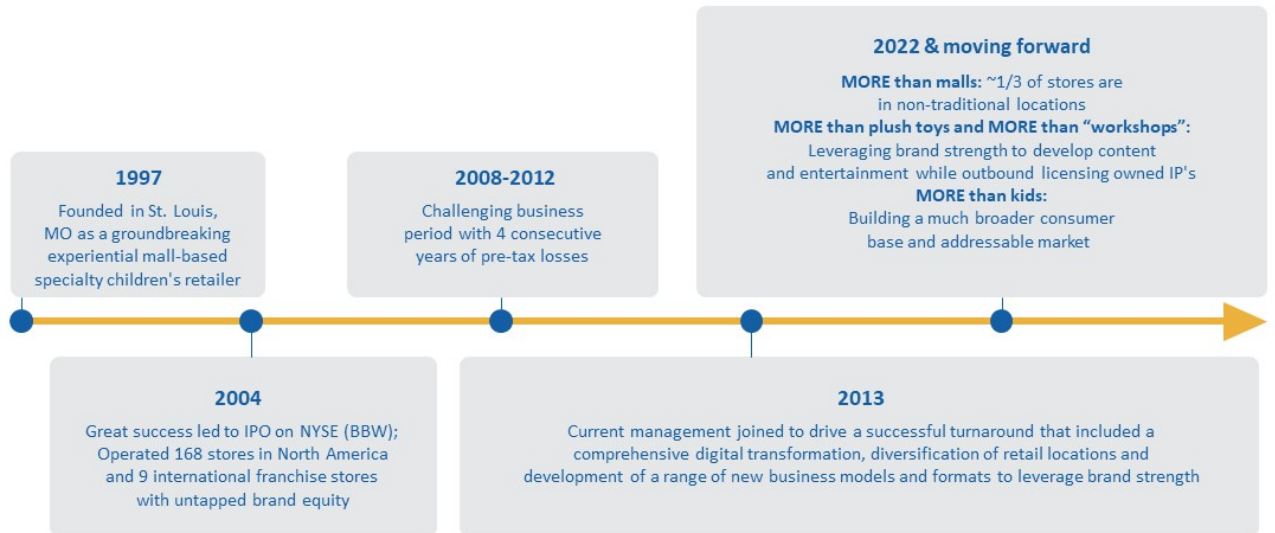


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CELEBRATING OUR 25TH ANNIVERSARY IN 2022



Started as a specialty retailer that became a powerful consumer brand



Now positioned as an evolved thriving entity that is poised for a compelling future



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BELOVED ICONIC BRAND

BUILD-A-BEAR IS A POWERFUL BRAND

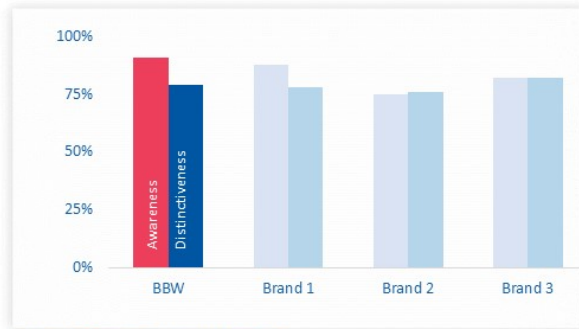
Well-Known

Multi-Generational

Emotional

Trusted

Extendable



US data, C&R Research with Moms of kids ages 2-12

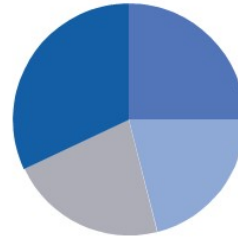
91% aided brand awareness (US Moms of Kids ages 2-12)

79% of those surveyed said Build-A-Bear was "distinctive"

Comparative retail brands include American Girl, Disney and LEGO

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

Contributing to balanced business seasonality*



■ Jan-Mar ■ Jul-Sep
■ Apr-Jun ■ Oct-Dec

12MM+

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

* Reflects average results of multiple years



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DIVERSE AND HIGHLY COVETED CONSUMERS

Build-A-Bear is uniquely positioned to reach a targeted demographic market with strong purchasing power

The profile of Build-A-Bear's 9 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



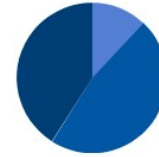
Over 80% are homeowners



Approximately 70% are married

Diverse Demographic

Over 40% of furry friends are for tweens, teens and adults



■ Infant/Toddler ■ Kids ■ Tweens, Teens, Adults



© 2022 Build-A-Bear Workshop, Inc.

Source: BBW proprietary loyalty program database

STRATEGIC SHIFT TO CAPTURE OUR SHARE OF DIGITAL ECONOMY

Rather than “digitizing” the store experience that families love, a strategic shift to diversify the consumer base fueled strong e-commerce growth after updating and upgrading the digital platform and capabilities with CAGR of 34.5% since 2016



Our objective is to extend the reach and size of diverse consumer segments through expanded products and licensed relationships, experiences, occasions, partnerships and marketing activities



BUILD-A-BEAR GETS NOTICED

Over 10 Billion media impressions in 2021 (and 2020)

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

abc NEWS .com
Build-A-Bear unveils new Matrix Bear ahead of The Matrix Resurrections

POPSUGAR
Build-A-Bear unveils new Matrix Bear ahead of The Matrix Resurrections

GOOD MORNING AMERICA
Build-A-Bear Workshop 500 Gift Card (Email Delivery)

Bloomberg RADIO
Build-A-Bear Workshop 500 Gift Card (Email Delivery)

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

Facebook
Furry friends start at \$4 during Build-A-Bear's sale Tuesday

Twitter
Furry friends start at \$4 during Build-A-Bear's sale Tuesday

People
Build-A-Bear Debuts Spellbinding New Harry Potter Line of Cuddly Witches and Wizards

MarketingTech
Build-A-Bear reinvents online shopping experience with 3D workshop

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

4 NEWS YORK
Car wash company donates 100 Build-A-Bears for children at East Texas Crisis Center

NEWS 12 LONG ISLAND
Ashanti is Looking for the Next Big Pop Star in 'Money Girls' Trailer (Exclusive)

YAHOO! FINANCE
Nutanix (NTNX), Build-A-Bear Tie Up For Bear Builder 3D Workshop

Nasdaq
Fast-paced Momentum Stock Build-A-Bear (BBW) Is Still Trading at a Bargain

ROMPER
Build-A-Bear's new Christmas movie to premiere on Hallmark Channel Friday

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

MSNBC
Build-A-Bear Announces Breakup Bears On April Fools' Day

FOX BUSINESS
Build-A-Bear Announces Breakup Bears On April Fools' Day

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



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BUILD-A-BEAR IS POP CULTURE

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



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BUILD-A-BEAR PARTNERS WITH LEADING BRANDS

License relationships with over 75 world-class collaborators from film, TV, art, games, sports and more support collectible, affinity and gifting business with appeal to expanded consumer demographics



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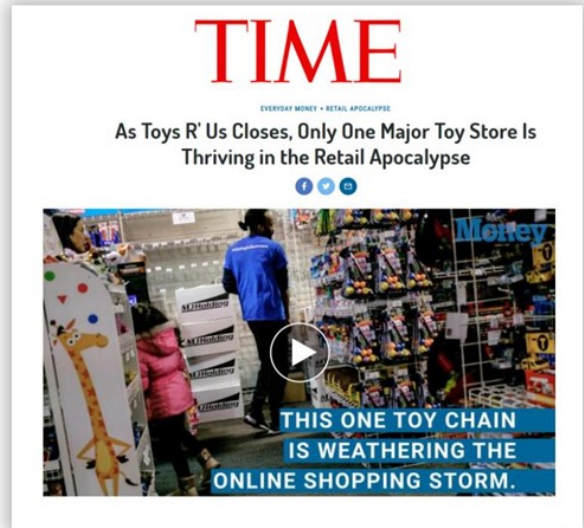
STRONG AFFINITY AND BRAND LOYALTY – HIGHLY MONETIZABLE

Consumers' emotional connection with the Build-A-Bear brand position it to be more resilient with the ability to diversify beyond toys, beyond kids and beyond malls

“When you buy something at Build-A-Bear ... there’s an emotional attachment ... The thing about Build-A-Bear is that it isn’t just for kids. Whatever you’re into, and whatever your age, Build-A-Bear probably has a stuffed animal accessory for you.”



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GROWING OMNICHANNEL REVENUE MODEL

A MODEL OF CONTINUOUS ENGAGEMENT

A continuous circle of engagement driving retail and leveraging brand equity is designed to build a more powerful and profitable business model

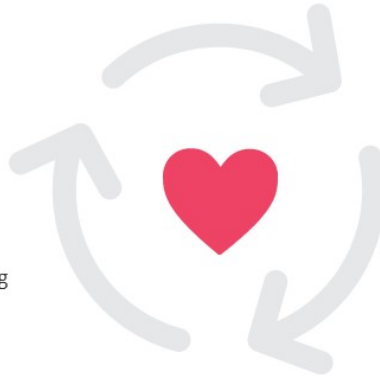
CONSUMER

Expand the CONSUMER BASE & ENGAGEMENT by enabling participation in the brand in multiple ways



RETAIL

Leverage the POWER and EMOTIONAL CONNECTION CREATED by THE ONE-TO-ONE retail guest engagement & marketing model to DRIVE BRAND EQUITY



BRAND EQUITY

MONETIZE the earned BRAND EQUITY in CATEGORIES & CHANNELS beyond traditional "retail"

BRAND LEVERAGE

Into NEW CATEGORIES & CHANNELS

**...EVEN IN THE
COVID DISRUPTION**



PROFITABLE STORES BUILD BRAND AND SUPPORT OMNICHANNEL



98% of corporately-managed stores in North America are projected to be profitable in 2021 with over 25% average store contribution



Iconic hands-on store experience builds emotional connection and brand awareness creating consumer loyalty that becomes a driver to build e-commerce and other revenue streams



A range of store formats and designs allows retail locations to operate with less total square footage and higher productivity per square foot



Physical stores act as mini distribution centers for increased digital demand fulfillment (no additional labor or overhead needed)



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OUR EXPERIENCES CREATE MEMORIES

Plan a family visit to build (stuff) a furry friend for an engaging experience that forms an emotional connection and makes a shared special memory



Celebrate special occasions with friends and loved ones including birthdays and holidays. Host a "Build-A-Party" for a shared group memory



Make a gift that is personal and from the heart for family, friends or a favorite teacher. Personalize it with a recorded message that goes in the bear



From Valentine's Day to anniversaries, give a hug that will last a lifetime



GLOBAL LOCATIONS WITH EXPANSION OPPORTUNITIES



Corporately-managed and third-party retail locations in North America and Europe;
International franchise stores in South America, Africa, Asia and Australia



DIVERSE DIGITAL EXPERIENCES

Build-A-Bear offers various online shopping experiences and product options to meet the preferences of diverse consumer segments for multiple occasions

www.buildabear.com

An e-commerce option that delivers convenience and efficiency; popular with gift givers and affinity segments

THE-BEAR-BUILDER

A guided process that gives consumers a higher customization experience with additional engagement features

**BEAR
BUILDER 3D**

A revolutionary and unique interactive make-your-own animated digital experience to create the perfect furry friend from anywhere the consumer wants to shop

HEARTBOX

A new gifting solution offering stylish, themed, curated gift boxes for a convenient online option for a wide range of adult-to-adult gifting occasions

BUILD-A-BEAR GIFTSHOP

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

BEAR CAVE

Slightly cooler and slightly edgier, while still on brand, with many web-exclusive products for teen and adult gift givers and collectors

facebook

amazon.com

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



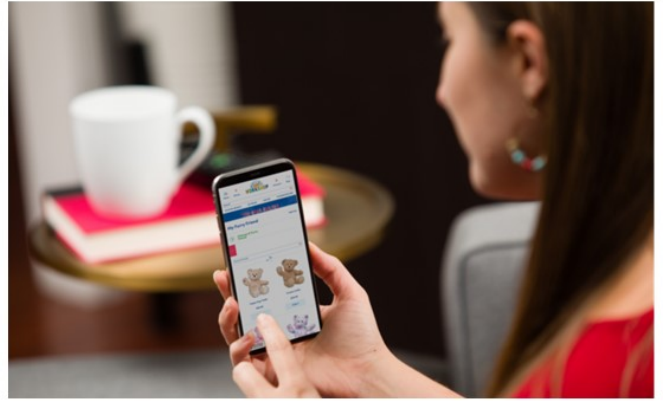
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GROWING AND PROFITABLE E-COMMERCE PLATFORM

2021 projected to exceed \$70MM in sales with a 34.5% CAGR since 2016

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

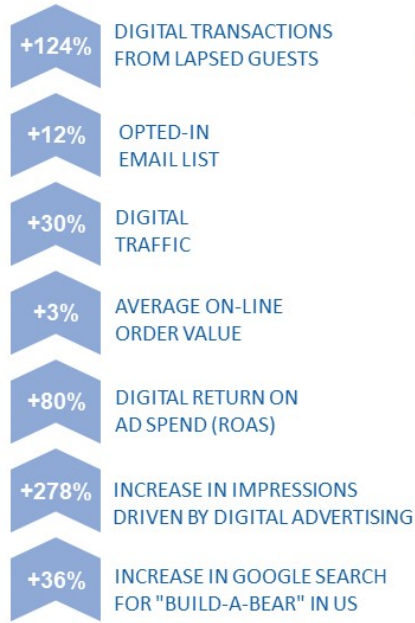
- E-commerce in both US and UK
 - Positive site traffic trends +30% over prior year*
 - Unique visitors average ~2.6M/month**
 - Site visits average ~4.2M/month**
- Addition of Salesforce technology expanded digital capabilities and efficiencies in marketing and analytics
- Ongoing digital developments and initiatives planned or underway designed to drive further growth including recently launched experiential Bear Builder 3D Workshop
- Order fulfillment supported by new warehouse management system and omnichannel capabilities
 - In addition to modern warehousing, physical stores serve as mini distribution centers for online orders leveraging existing real estate and labor costs



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*FY2021 through December
**Combined US and UK sites

DIGITAL MARKETING CAPABILITIES DRIVING E-COMMERCE



+125% increase in digital transactions from new guests

Digital demand +12% 2021 vs 2020 +187% 2021 vs 2019

Traffic driven with messaging to over 12MM opted-in email accounts including over 9MM Bonus Club members as well as social media platforms like Facebook, Instagram, Google Ads (YouTube, Search, Display), TikTok, and programmatic marketing



Comparisons are for first nine-months of FY2021 compared to first nine-months of FY2020 unless otherwise noted



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DIVERSE FORMATS AND BUSINESS MODEL OPTIONS

Wide range of formats:



- Multiple formats serving a wide range of locations including tourist, traditional malls, shop-in-shops including Walmart, seasonal venues or event locations
- Can operate for days (events such as the NFL Experience), weeks (Gaylord seasonal shops) to months and years

Multiple business model options:

Corporately-managed store model

349 long-term and 8 seasonal locations in the US, Canada, the UK and Ireland

- Over 98% of NA stores projected profitable in FY2021 with over 25% average contribution margin
- Omnichannel capabilities drive efficiency



Third-party retail model

Currently 60 locations with 12 partners/operators primarily in the US

- Wholesale business model with entertainment and hospitality partners. Top partners include Carnival Cruise Lines and Great Wolf Lodge
- Little to no startup capital to open stores and no direct operational overhead (rent, labor, etc)



International franchise model

Currently 73 locations in 8 countries

- Long-term potential for expansion in existing and new territories
- Established efficient supply chain support for sourcing products, fixtures and equipment



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Store counts at end of Q3 2021 excludes vending machines

Build-A-Bear can match the real estate opportunity with the business model and store format to optimize profitable growth with plans to add 15-20 locations over the next 2-3 years in North America through a combination of corporately-managed and third-party retail models

- **Room to profitably expand:** Over 98% of NA stores projected profitable in FY2021 with over 25% average contribution margin
- **Support for digital demand:** Omnichannel capabilities drive store efficiency
- **High flexibility:** Strong lease optionality with over 70% of locations having a lease event in next 3 years giving high flexibility to continually refine portfolio
- **Innovation pipeline**
 - Build-A-Bear Adventure, a destination party-oriented concept, diversifies our location strategy and experiences
 - New vending machine (Automatic Teddy Machine or “ATM”) is low-labor, efficient way to add non-traditional locations such as airports, children’s hospitals and more
 - Hybrid center locations extend reach beyond enclosed traditional malls



LEVERAGING BRAND STRENGTH TO DIVERSIFY REVENUE STREAMS

OUTBOUND LICENSING leverages the emotional connection and trust that consumers have for Build-A-Bear allowing for expansion into non-plush products sold in other retailers



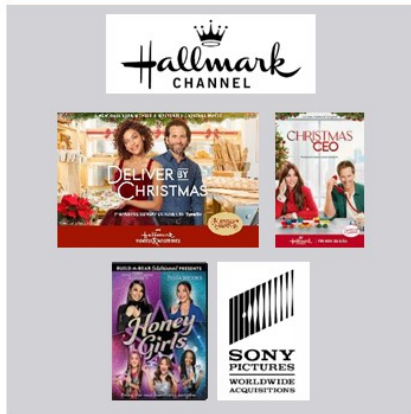
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LEVERAGING BRAND STRENGTH TO DEVELOP CONTENT & ENTERTAINMENT

The emotional connection with the brand makes content and story-telling a central part of consumer engagement. Build-A-Bear Entertainment creates original music, videos and movies in partnership with leaders in the entertainment industry that serves as marketing to drive interest in other revenue channels

BUILD-A-BEAR Entertainment

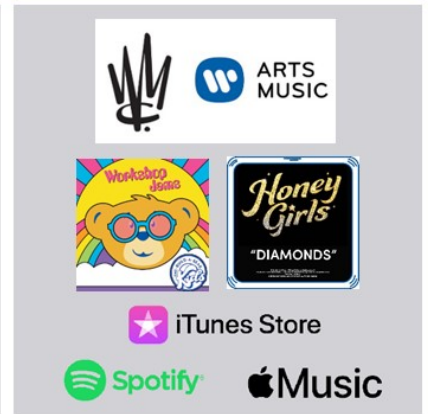
MOVIES



RADIO



MUSIC





FINANCIALS

THE MOST PROFITABLE FIRST NINE-MONTH PERIOD IN BBW HISTORY

TOTAL REVENUES
\$281.6MM

+74.2% OVER 2020
+20.3% OVER 2019

PRE-TAX INCOME
\$30.6MM

+\$61.6MM OVER 2020
+\$36.6MM OVER 2019
HIGHEST FOR FIRST NINE-MONTH PERIOD IN NEARLY 25-YEAR HISTORY

GROSS PROFIT MARGIN
52.7%

+2,150 BPS VS 2020
+960 BPS VS 2019

CASH AND EQUIVALENTS
\$48.5MM

+\$22.7MM OVER 2020
+\$42.3MM OVER 2019

- The combination of the most profitable first half and third quarter in BBW's history resulted in the most profitable first nine-months in our company's history
- Business trends have continued to be positive into the current fourth quarter and while we are navigating an environment with higher costs and a tight supply chain as well as monitoring the ongoing evolution of the pandemic, we are optimistic about our full-year performance and have again raised our annual guidance



UPDATED GUIDANCE FOR Q4 2021 AND FISCAL 2021

Q4 2021 PROJECTED RESULTS AT THE MIDPOINT OF THE UPDATED GUIDANCE

TOTAL REVENUES ~\$128.4MM VS \$93.7MM IN Q4 2020 VS \$104.6MM IN Q4 2019	PRE-TAX INCOME ~\$19.4MM VS \$10.8MM IN Q4 2020 VS \$7.6MM IN Q4 2019	EBITDA ~\$22.9MM VS \$14.1MM IN Q4 2020 VS \$10.9MM IN Q4 2019
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FISCAL 2021 PROJECTED RESULTS AT THE MIDPOINT OF THE UPDATED GUIDANCE

TOTAL REVENUES ~\$410MM VS \$255.3MM IN FY2020 VS \$338.5MM IN FY2019 Guidance range of \$408MM-\$412MM vs previous guidance of \$390MM-\$400MM	PRE-TAX INCOME ~\$50MM VS (\$20.2MM) IN FY2020 VS \$1.6MM IN FY2019 HIGHEST IN NEARLY 25-YEAR HISTORY Guidance range of \$49MM-\$51MM	EBITDA ~\$62.5MM VS (\$7.0MM) IN FY2020 VS \$15.3MM IN FY2019 Guidance range of \$61.5MM-\$63.5MM vs previous guidance of \$55MM-\$60MM
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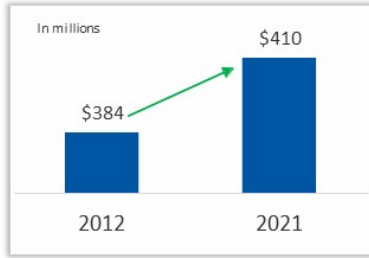
The updated guidance assumes no additional material COVID impact either in our supply chain or store operations



CURRENT MANAGEMENT LED SUCCESSFUL BUSINESS TURNAROUND

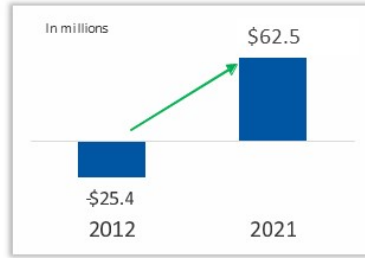
TOTAL REVENUES

2021 highest level in over a decade



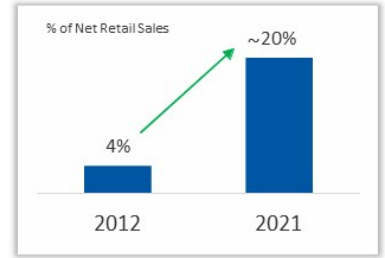
EBITDA

Over \$80MM swing in profitability



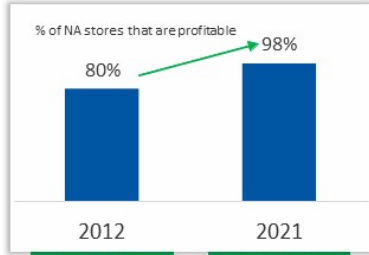
DIGITAL DEMAND

Digital revenue has grown to >\$70MM



PROFITABLE STORES

In North America

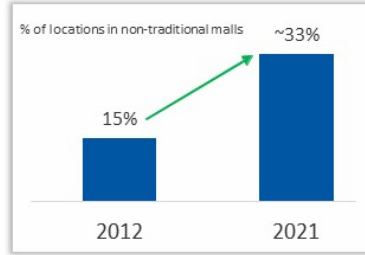


Contribution margin <10%

Contribution margin >25%

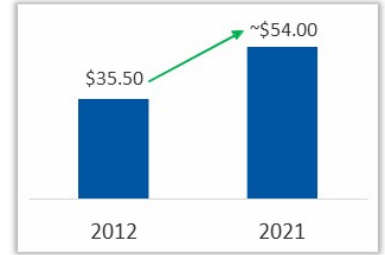
LOCATION DIVERSIFICATION

More than doubled non-traditional locations



AVERAGE DOLLARS PER TRANSACTION

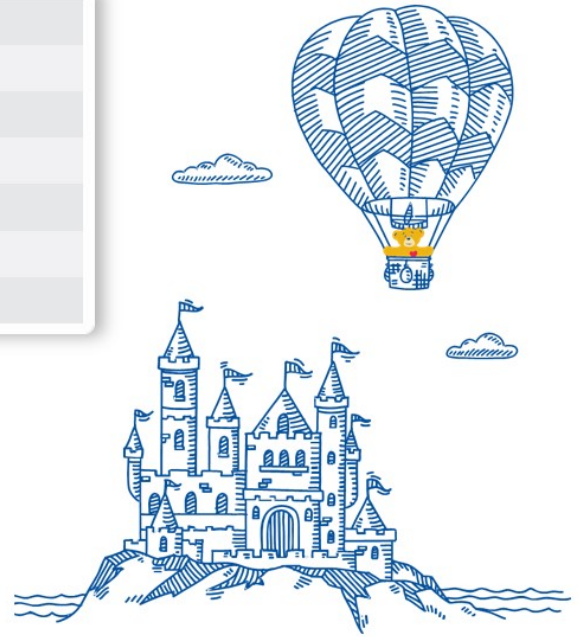
Over 50% appreciation in Avg DPT



CAPITAL MARKETS SUMMARY*

Exchange and Ticker	NYSE: BBW
Corporate Headquarters	St. Louis, MO
Basic Shares Outstanding*	15.4MM
Diluted Shares Outstanding*	16.1MM
52 Week High/Low	\$23.34 / \$4.09
Market Capitalization	\$284.1MM
Borrowings on Credit Facility	\$0

Board authorized a share repurchase program of up to \$25MM effective through November 30, 2023



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Information on Shares, Market Capitalization and Borrowings on Credit Facility as of December 31, 2021
* Basic and Diluted shares are the year-to-date weighted average as of December 31, 2021



ACCOMPLISHED & DRIVEN TEAM FOCUSED ON DIVERSIFIED GROWTH

2020 RAPID AND DISCIPLINED COVID RESPONSE

Initial crisis management when governmental mandates forced all stores to temporarily close



Pivoted to manage TRIPLE-DIGIT increase in e-commerce demand



Focused immediately on preserving CASH and reducing EXPENSES



Furloughed over 90% of workforce; Salaries temporarily reduced for all others



Shifted to VIRTUAL workforce at HQ

Simultaneously executed key initiatives with emphasis on driving growth

Accelerated the digital transformation to drive awareness, demand and revenue

- Drove demand with key licensed products with e-commerce first strategy
- Innovated with digital only promotions and events

Rapidly evolved retail leveraging rent optionality and safely reopening with modified service model

- Implemented omnichannel initiatives with Buy Online Ship From or Pickup in Store leveraging available labor and inventory
- Over 99% of leases were renegotiated in NA (and >90% in EU)

Secured financial stability and well-being

- Secured new asset-based credit agreement
- Restructured organization and reduced corporate overhead



Further acceleration of digital transformation

Expand digital capabilities and drive optimization across the entire organization to grow revenues and improve profitability including content and entertainment initiatives

Rapidly evolve omnichannel retail capabilities

Extend ways to connect with and meet the changing needs of consumers across all retail channels while driving omnichannel engagement and expanded delivery options

Leverage financial position to drive growth

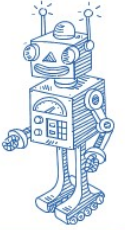
Maintain the financial discipline required to support our business while leveraging strong balance sheet to make select strategic investments designed for future growth while continuing to manage through ongoing COVID impacts



2022: PLANS FOR SUSTAINED PROFITABLE GROWTH

① Leverage ongoing digital transformation to drive growth

- Increase repeat purchases leveraging the addition of 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 over the next 2-3 years 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, including SG&A, as well as ongoing lease negotiations retaining optionality while continuing to evolve real estate portfolio and navigate ongoing COVID disruption
- Strategically manage capital to support key initiatives and innovation developments



2022 SELECT PLANNED INITIATIVES

Leverage ongoing digital transformation to drive growth

Leverage omnichannel capabilities while evolving retail experiences

Leverage financial strength and drive sustained profitability

...To reach more consumers

- Drive lifetime value: leverage advanced capabilities including new loyalty module to use our first party and rich first party CRM database
- Expand lead acquisition: Expand addressable market with focus on gifting, affinity and collectible consumers

...To offer more experiences

- Expect to add 15-20 locations in North America in the next 2-3 years through the planned expansion of corporate and third-party retail focused on tourist locations
- Capitalize on the 25th celebration throughout 2022 with exclusive products and events
- After not celebrating birthdays and parties in our Workshops due to COVID for nearly 2 years, we expect to reintroduce in-store parties, that historically accounted for 5% of retail sales
- Leverage digital experiences such as Build-A-Bear Gift Shop, the Bear Builder, Bear Cave and the recently launched Bear Builder 3D Workshop and HeartBox gifting option

...To fuel innovation

- Expand newly created vending machine model or ATM's (Automatic Teddy Machines) through a relationship with Hudson, a leader in travel retail, adding 25-50 ATM's/locations in airports over the next 2 years
- Expected launch of a new retail concept called BUILD-A-BEAR ADVENTURE in off-mall locations that includes party rooms, game room, the Build-A-Bear experience and e-commerce fulfillment capabilities



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PROVEN MANAGEMENT TEAM

Passionate and driven management team that returned the company to profitability while simultaneously executing a multi-faceted diversification strategy to leverage the strength of the brand while developing an integrated omnichannel platform, restructuring the organization and adding critical talent, creating new retail business models and systematically rebuilding IT infrastructure to support strategy and growth



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.



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



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



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



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



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



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.



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.



BUILD-A-BEAR IN SUMMARY



Highly profitable business with strong profit margins and significant cash resources



Strong brand that connects emotionally with global reach



Poised for future advancement with an established platform reaching broad consumer segments through a diversified omnichannel business model



Led by a seasoned and accomplished management team that transformed the business into a profitable, digital, growth company



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:

Updated Guidance for Q4 2021 and Fiscal 2021

\$ in millions	Q4 FY21	FY21 Midpoint	FY21 Range	Previous Guidance
Income before income taxes (pre-tax)	\$19.4	\$50.0	\$49.0 - \$51.0	\$42.0 - \$46.0
Interest	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$3.5	\$12.5	\$12.5	\$13.0 - \$14.0
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$22.9	\$62.5	\$61.5 - \$63.5	\$55.0 - \$60.0



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Workshop, Inc.

Reconciliation of Non-GAAP Measures:

Q4 and Fiscal 2020; Q4 and Fiscal 2019

\$ in millions	Q4 FY20	FY20
Income before income taxes (pre-tax)	\$10.8	(\$20.2)
Interest	\$0	\$0
Depreciation & Amortization	\$3.3	\$13.2
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$14.1	(\$7.0)

\$ in millions	Q4 FY19	FY19
Income before income taxes (pre-tax)	\$7.6	1.6
Interest	\$0	\$0
Depreciation & Amortization	\$3.3	\$13.7
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$10.9	15.3





Buildabear.com