BUILD A BEAR WORKSHOP INC Form 10-Q June 14, 2018

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended May 5, 2018

OR

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 001-32320

BUILD-A-BEAR WORKSHOP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware43-1883836(State or Other Jurisdiction of
(IRS Employer)

Incorporation or Organization) Identification No.)

1954 Innerbelt Business Center Drive

63114

St. Louis, Missouri (Address of Principal Executive Offices) (Zip Code)

(314) 423-8000

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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(Do not check if a smaller reporting 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 14(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 7, 2018, there were 15,022,680 issued and outstanding shares of the registrant's common stock.

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BUILD-A-BEAR WORKSHOP, INC.

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share and per share data)

	May 5, 2018 (Unaudited)	December 30, 2017	April 29, 2017 (Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 18,881	\$30,445	\$ 30,189
Inventories	49,423	53,136	55,202
Receivables	8,968	13,302	6,465
Prepaid expenses and other current assets	11,493	13,346	11,575
Total current assets	88,765	110,229	103,431
Property and equipment, net	76,410	77,751	73,937
Deferred tax assets	4,102	6,381	10,090
Other intangible assets, net	950	995	1,512
Other assets, net	2,427	2,633	2,407
Total Assets	\$ 172,654	\$197,989	\$ 191,377
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	\$ 12,965	\$18,942	\$ 23,442
Accrued expenses	8,739	15,189	12,099
Gift cards and customer deposits	17,007	33,926	31,596
Deferred revenue and other	1,893	1,806	1,943
Total current liabilities	40,604	69,863	69,080
Deferred rent	17,697	17,906	16,458
Deferred franchise revenue	1,142	1,208	516
Other liabilities	1,794	1,697	1,911
Commitments and contingencies	-	-	-

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Stockholders' equity: Preferred stock, par value \$0.01, Shares authorized: 15,000,000; No shares issued or outstanding at May 5, 2018, December 30, 2017 and April 29, 2017		-	-
Common stock, par value \$0.01, Shares authorized: 50,000,000; Issued and outstanding: 14,997,791, 15,515,960 and 16,002,021 shares, respectively	151	155	160
Additional paid-in capital	66,908	68,962	69,187
Accumulated other comprehensive loss	(11,546) (11,562)	(12,061)
Retained earnings	55,904	49,760	46,126
Total stockholders' equity	111,417	107,315	103,412
Total Liabilities and Stockholders' Equity	\$ 172,654	\$197,989	\$ 191,377

See accompanying notes to condensed consolidated financial statements.

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BUILD-A-BEAR WORKSHOP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

AND COMPREHENSIVE INCOME

(Unaudited) (Dollars in thousands, except share and per share data)

	Thirteen ended May 5, 2018	weeks April 29, 2017	5 weeks ended February 3, 2018
Revenues:			
Net retail sales	\$81,425	\$88,743	\$ 29,586
Commercial revenue	1,019	2,038	358
International franchising	740	422	279
Total revenues	83,184	91,203	30,223
Costs and expenses:			
Cost of merchandise sold - retail	45,385	46,456	