

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.

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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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(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 | - | - | - |

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

| | Thirteen weeks ended | 5 weeks ended | |
|-----------------------------------|-----------------------------|----------------------|--------------------|
| | May 5, | April 29, | February 3, |
| | 2018 | 2017 | 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 | |