



Third Quarter 2024 Performance

October 23, 2024

Important Notice to Investors

Please read this management presentation together with the Company's press release issued earlier today announcing the Company's third quarter 2024 financial results and in conjunction with the Company's recent Annual Report and Quarterly Reports as filed with the Securities and Exchange Commission (SEC).

Certain statements contained in this presentation that are not historical facts may be forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. These forward looking statements may include, but are not limited to, statements about our plans, objectives, expectations, prospects, expected future financial guidance and intentions, markets in which we participate and other statements contained in this presentation that are not historical facts. When used in this presentation, the words "expect," "predict," "project," "anticipate," "believe," "estimate," "intend," "plan," "seek" and similar expressions are generally intended to identify forward looking statements. Because these forward looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward looking statements, including changes in our plans, objectives, expectations, prospects and intentions and other factors discussed in our filings with the SEC. We cannot guarantee any future levels of activity, performance or achievements. Travelzoo undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this presentation.

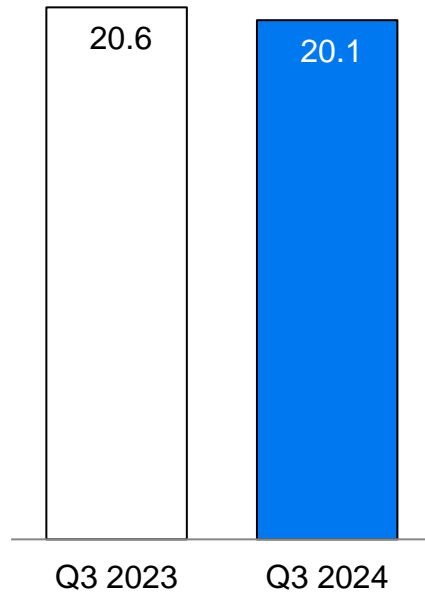
Part 1:
Third Quarter 2024 Performance

Part 2:
Management Focus

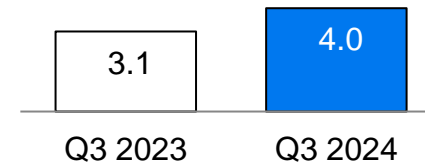
Part 3:
Travelzoo META

Revenue was lower than we expected, but operating profit increased by 30%.

Revenue
\$ millions



Operating Profit
\$ millions

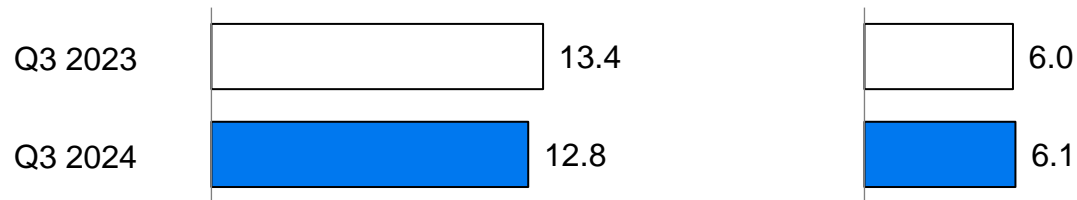


Higher profits came particularly from our Europe segment.

North America Business Segment

Europe Business Segment

Revenue \$ millions



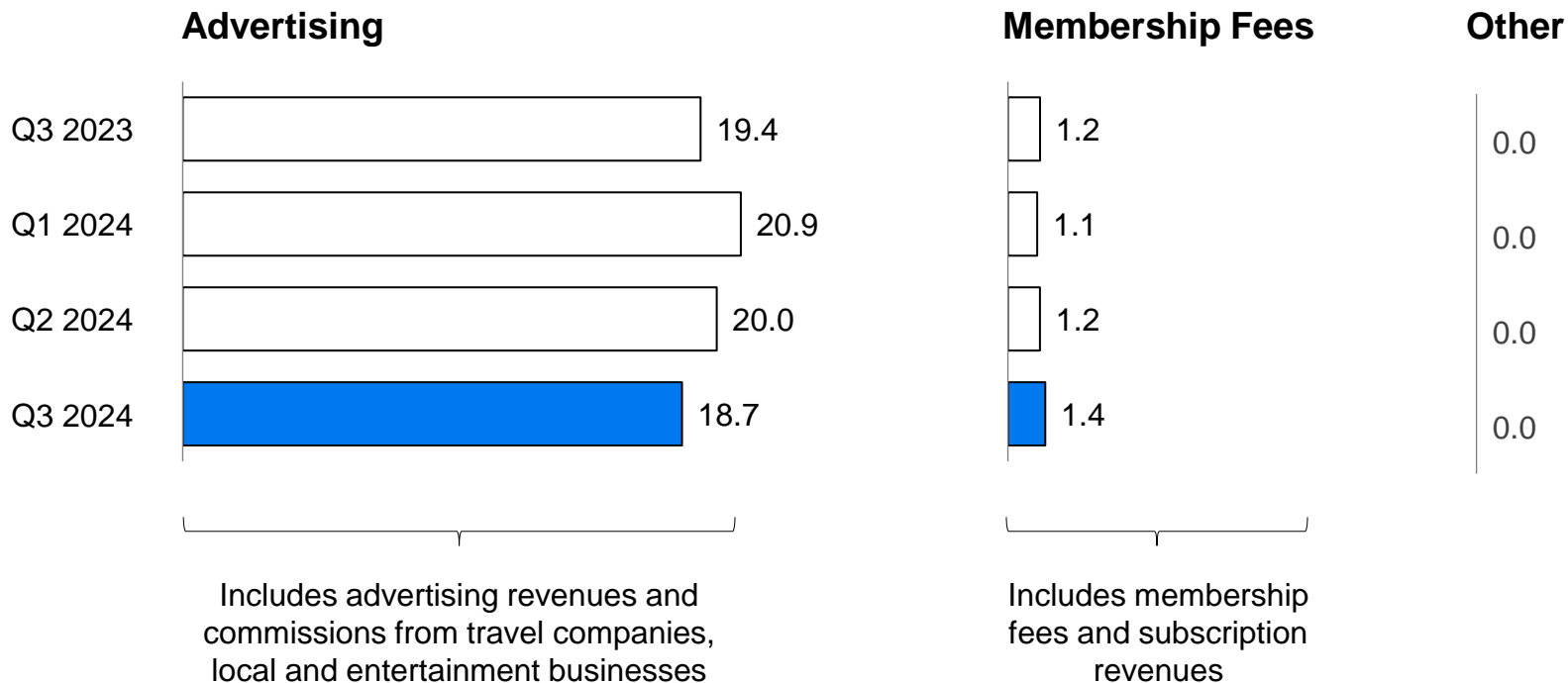
Operating Profit \$ millions



Membership fee revenue is still small. We expect it to substantially drive revenue and profit growth in 2025, when the free membership for legacy members* phases out.

Global Revenues

\$ millions



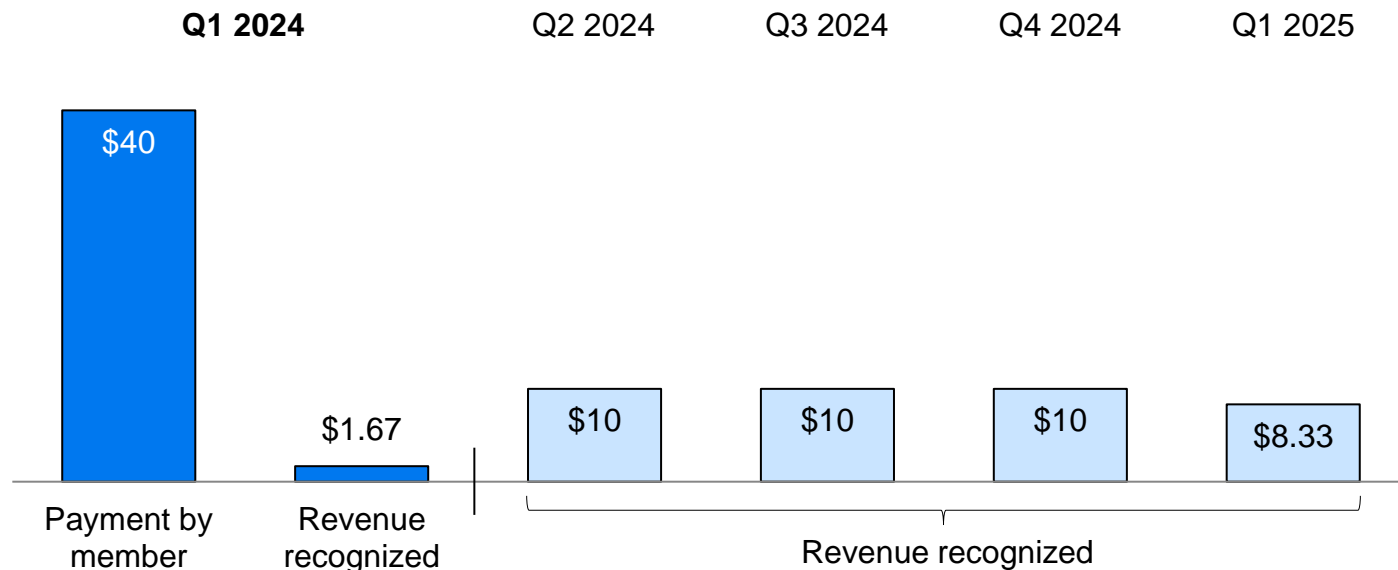
* Legacy members are ones who joined prior to January 1, 2024 and which are exempt from membership fees during 2024. They represent more than 95% of existing members.

We recognize revenue from membership fees ratably over the subscription period. Member acquisition costs, however, are fully recorded as expenses immediately.

Revenue Recognition

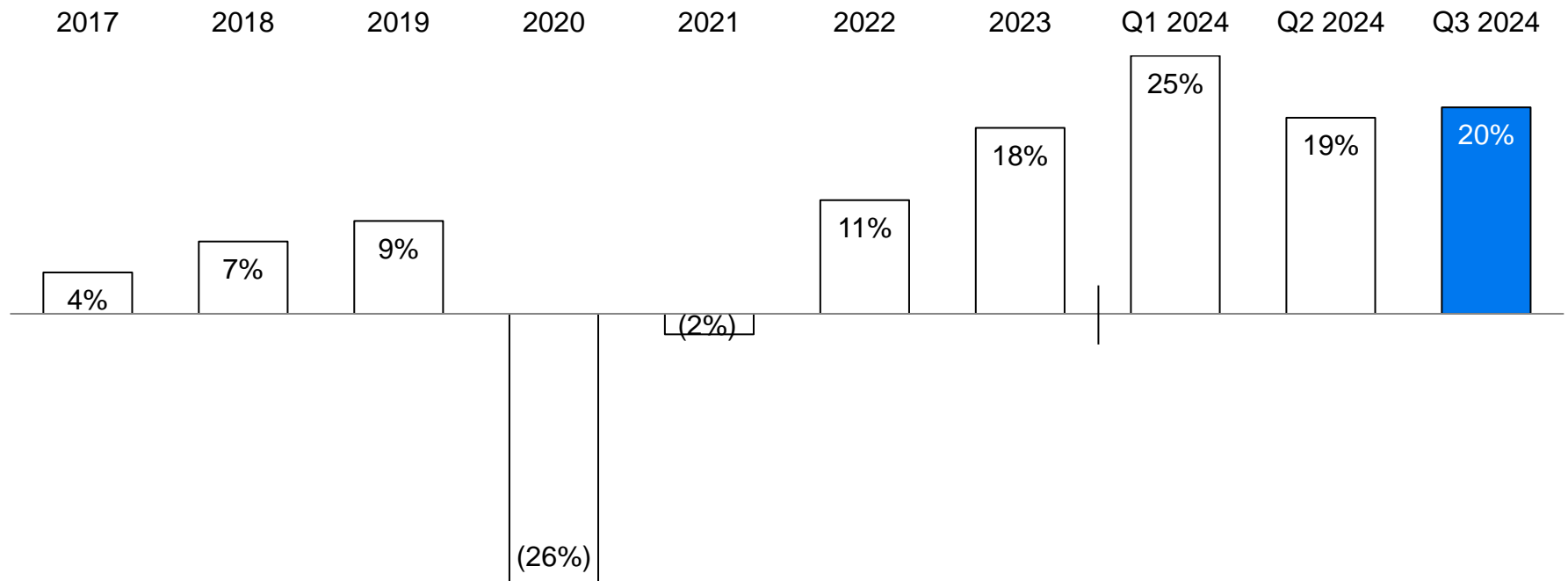
\$

Example: New member joined on March 1, 2024, paying a membership fee of \$40 per annum



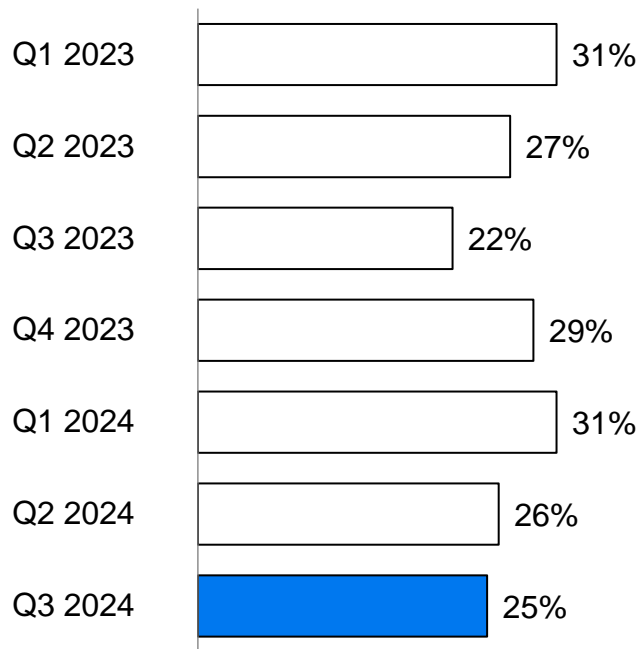
Our GAAP operating margin remained high at 20% in what is typically our slowest quarter of the year.

Operating Margin

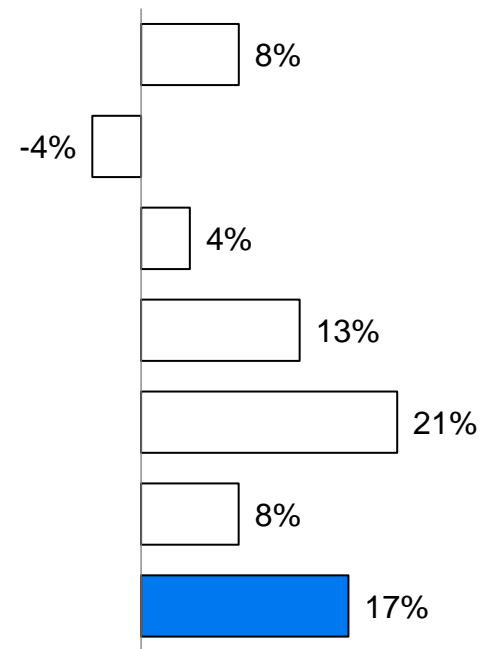


In North America, the GAAP operating margin remained high.
In Europe, the margin increased to 17%.

North America Operating Margin



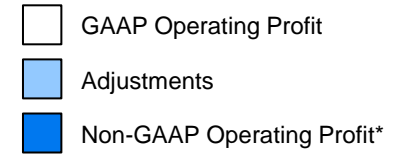
Europe Operating Margin



Total non-GAAP operating profit was \$4.9 million or 25% of revenue.

Non-GAAP Operating Profit*

\$ millions



* GAAP operating profit + amortization of intangibles + stock option expenses + severance-related expenses = non-GAAP operating profit

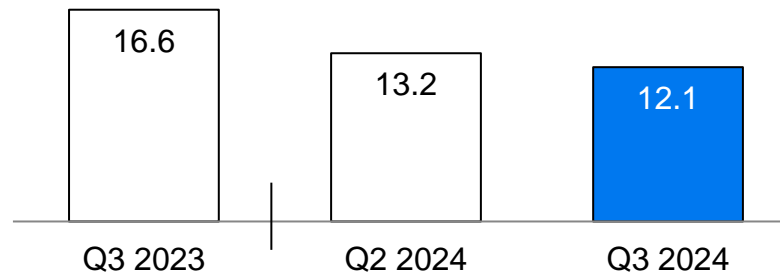
Items excluded in the calculation of non-GAAP operating profit:

\$ millions	Q2 2024	Q3 2024
Adjustments	0.8	0.9
Impairment of intangibles and goodwill	—	—
Amortization of intangibles	0.1	0.1
Stock option expense	0.7	0.5
Severance-related expenses	—	0.3

With operating cash flow of \$5.3 million, we maintained a solid cash position—even after repurchasing 552,679 shares during the quarter. Going forward, we expect the cash balance to increase again.

Cash Balance at End of Quarter*

\$ millions

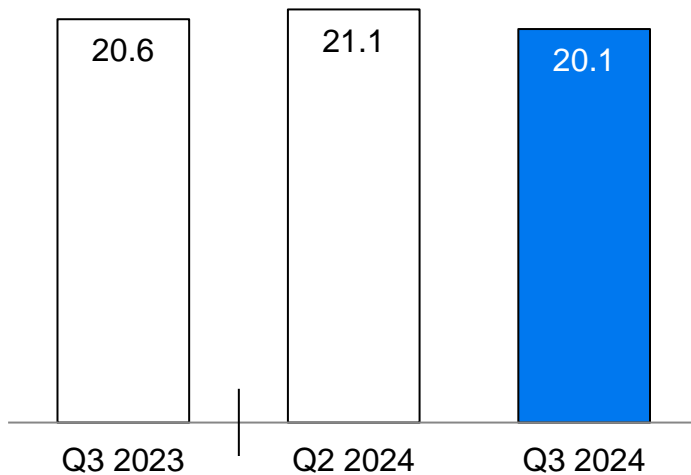


* Includes cash, cash equivalents and restricted cash

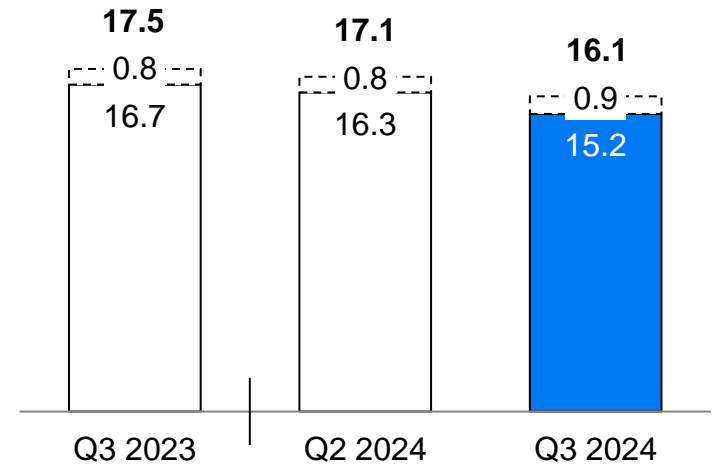
We believe we can keep our fixed costs relatively low in the foreseeable future. Higher revenues would thus increase margins.

Non-GAAP adjustments
OPEX and cost of revenues

Revenue
\$ millions



Operating Expenses and Cost of Revenues
\$ millions



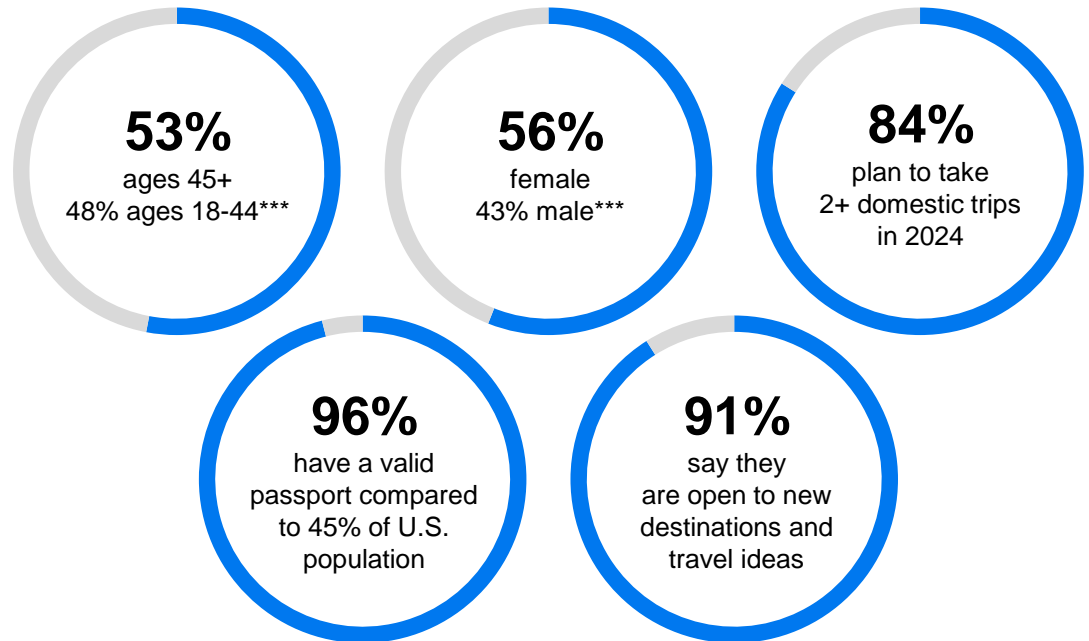
Travelzoo is loved by travel enthusiasts who are affluent, active and open to new experiences.

Travelzoo's Global Reach

- 30 million members*
- 8 million mobile app users
- 4 million social media followers

High-Quality Users, Followers and Subscribers

Travelzoo U.S. Member Survey** October 2023



* Including members of Jack's Flight Club

** Sources: Travelzoo Travel Outlook 2024 member survey in the U.S.; survey tool Alchemer; October 2023; targeted survey of non-dormant members; n=4,484

*** Google Analytics, average taken over July 2022 to June 2023.; U.S. Department of State – Bureau of Consular Affairs, U.S. Census Bureau

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Management Focus

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Travelzoo META

Management focus

- Convert a large number of legacy members*, which represent more than 95% of members, into (paying) members from January 1, 2025 on
- Add new benefits to the paid membership
- Retain, and grow, our profitable advertising business from the popular Top 20[®] product
- Utilize higher operating margins to increase EPS
- Grow Jack's Flight Club's profitable subscription revenue
- Develop Travelzoo META with discipline

* Legacy members are ones who joined prior to January 1, 2024 and which are exempt from membership fees during 2024

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M E T A



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HAVE A GOOD DAY!

For questions, please contact Travelzoo Investor Relations:

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