NASDAQ: TZOO

First Quarter 2023 Performance

April 27, 2023

Important Notice to Investors

Please read this management presentation together with the Company's press release issued earlier today announcing the Company's first quarter 2023 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:

First Quarter 2023 Performance

Part 2:

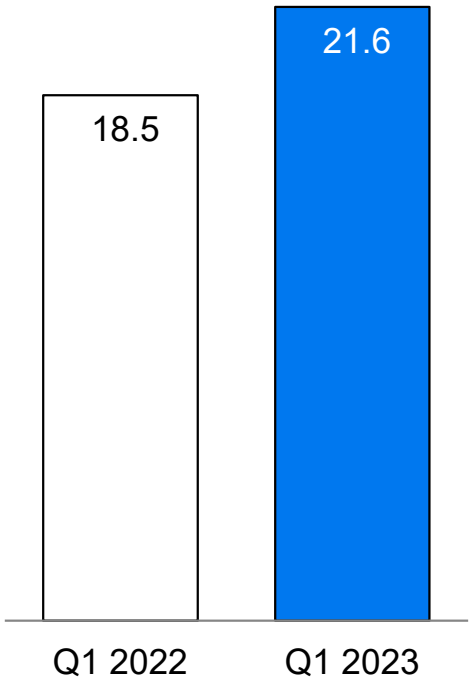
Management Focus

Part 3:

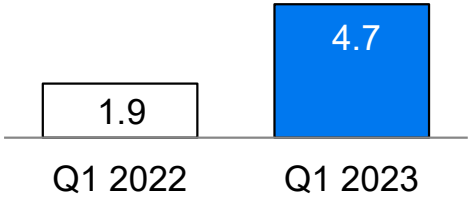
Travelzoo META

Revenue was up 17% year-over-year, and operating profit more than doubled.

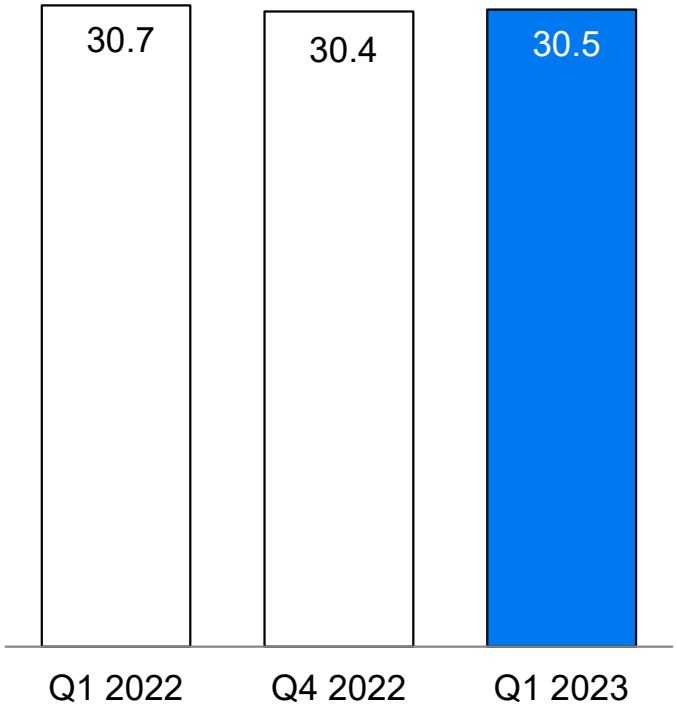
Revenue
$ millions



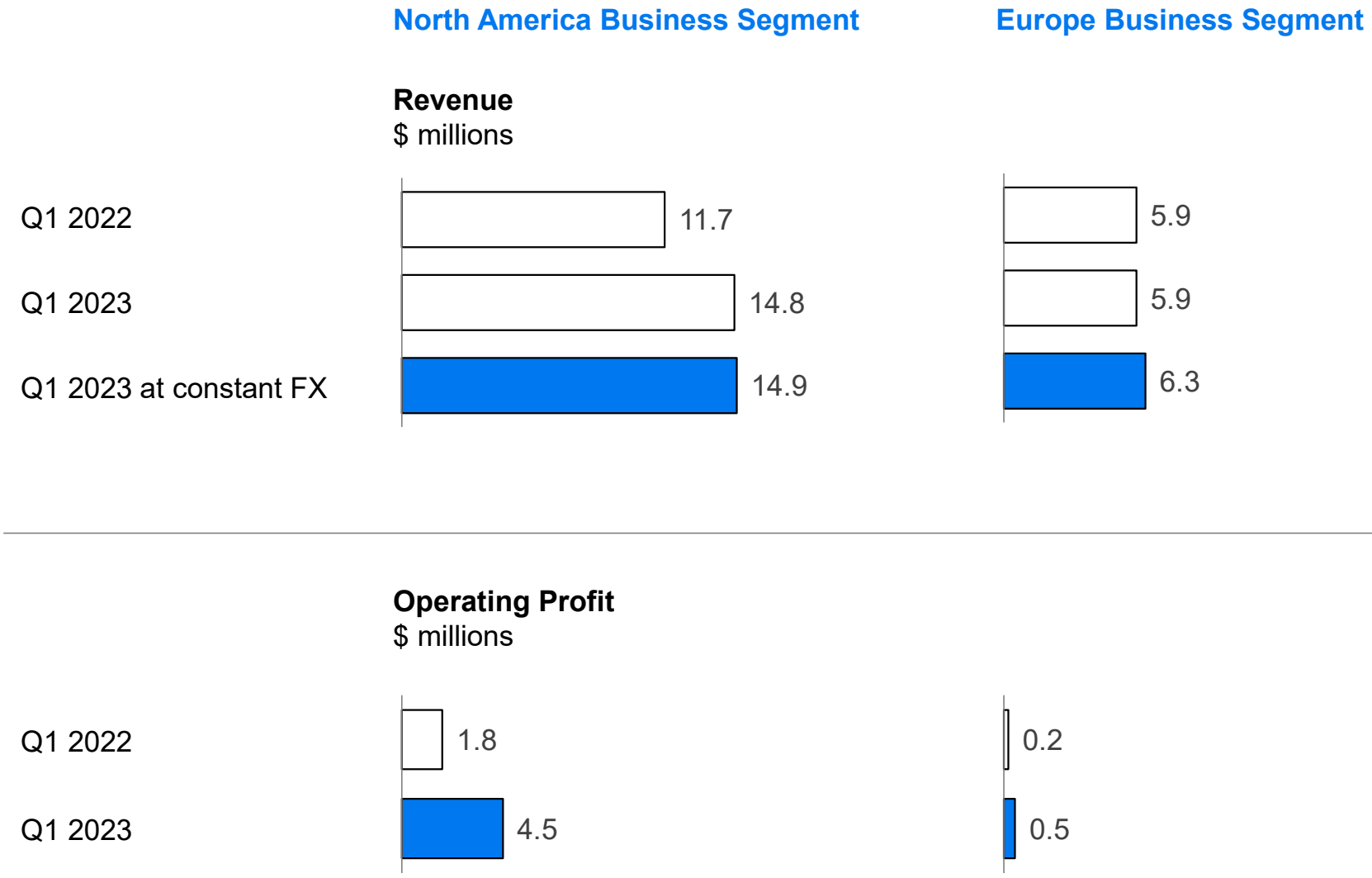
Operating Profit
$ millions



Members
Millions

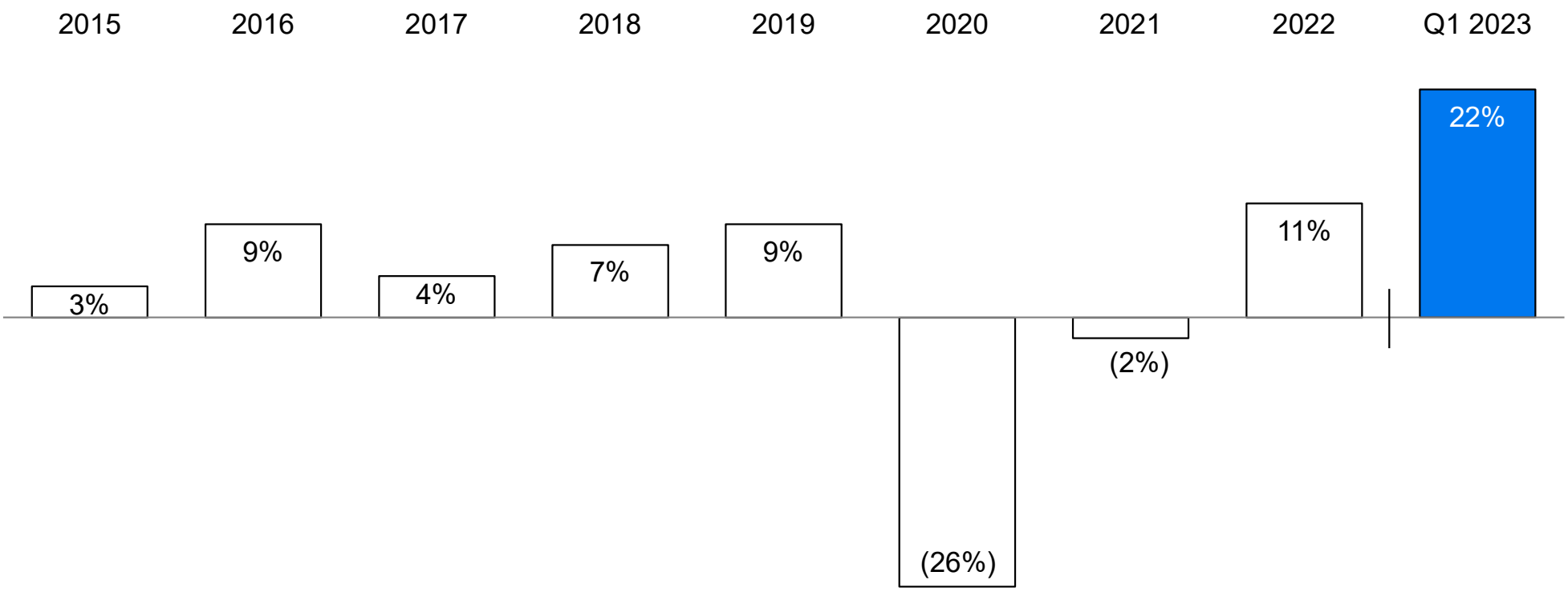


North America segment revenue increased 26% year-over-year. At constant currencies, Europe segment revenue increased 6%.



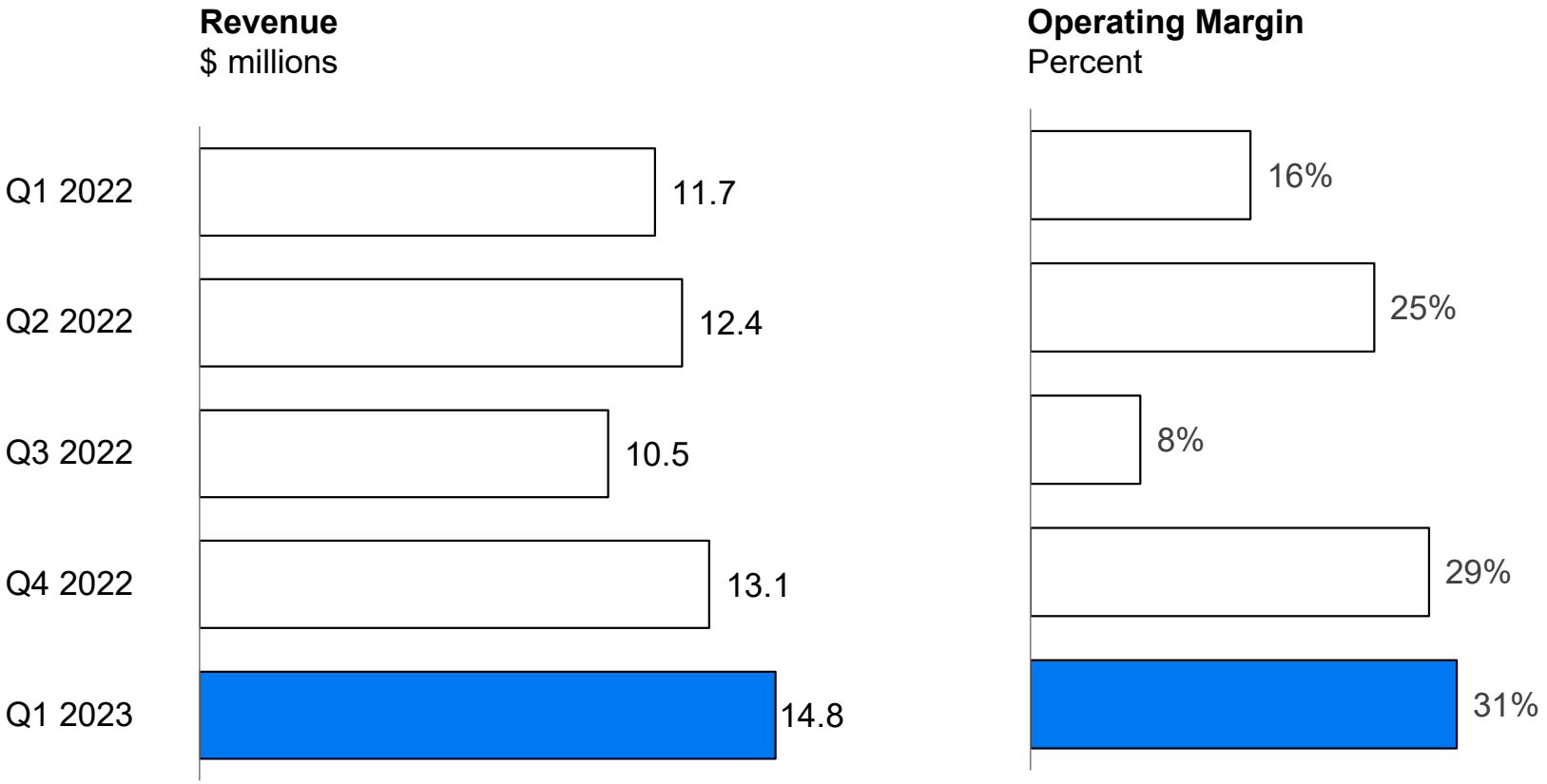
Our operating margin reached 22%—higher than before the pandemic.

Operating Margin



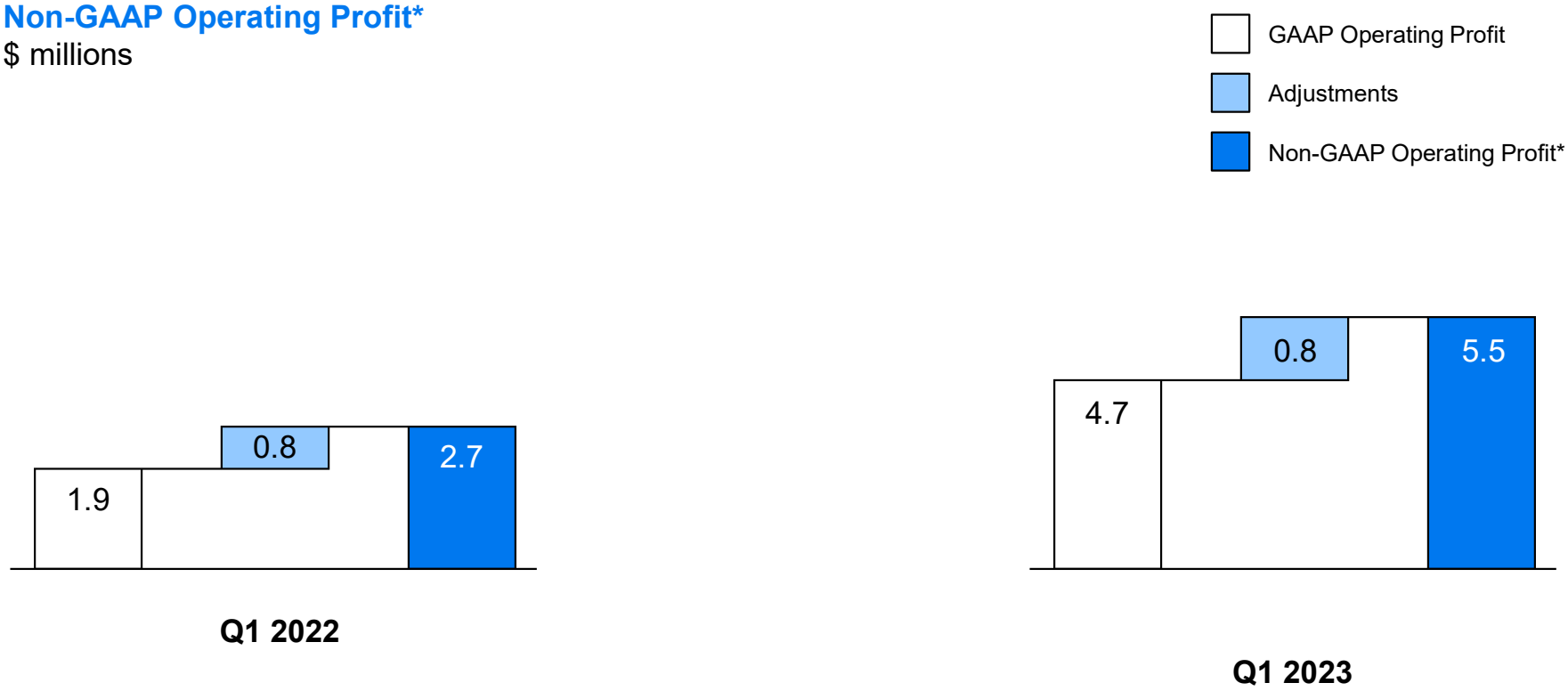
In North America, the operating margin even reached 31%.

North America Business Segment



Q1 2023 non-GAAP operating profit was $5.5 million.

Non-GAAP Operating Profit*
$ millions



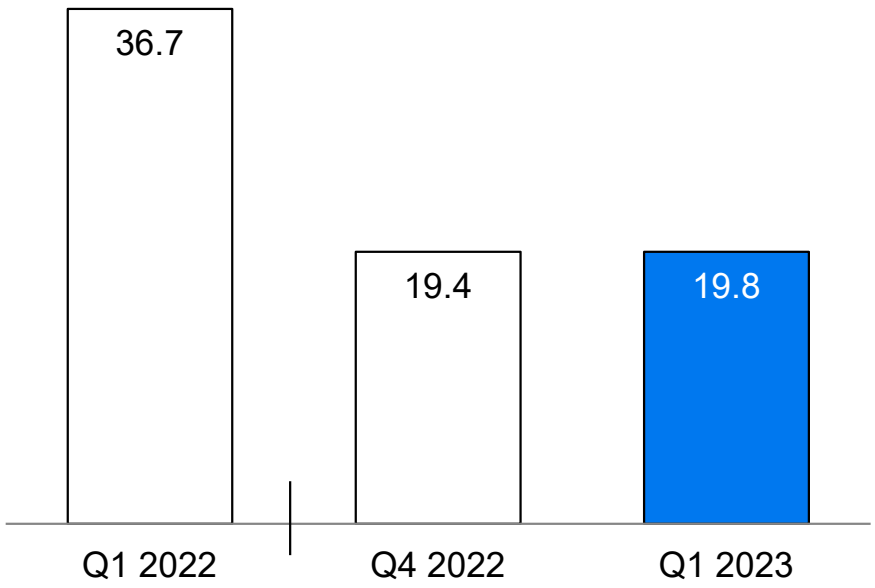
* GAAP operating profit + amortization of intangibles + stock option expenses + severance-related expenses = non-GAAP operating profit

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

$ millions	Q1 2022	Q1 2023
Adjustments	**0.8**	**0.8**
Impairment of intangibles and goodwill	0	0
Amortization of intangibles	0.2	0.4
Stock option expense	0.6	0.4
Severance-related expenses	0.0	0.0

Our cash balance remained unchanged. Merchant payables decreased by $4.6 million.

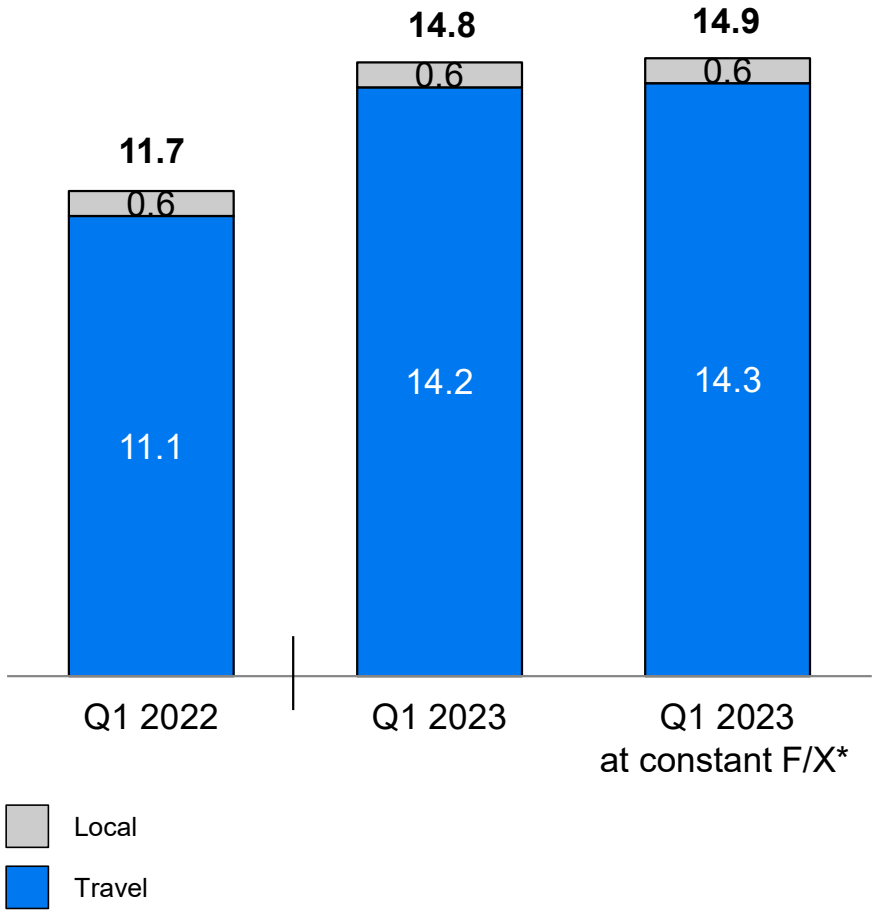
Cash Balance at End of Quarter*
$ millions



* Includes cash, cash equivalents and restricted cash

North America business segment revenue:

North America Revenue by Type
$ millions

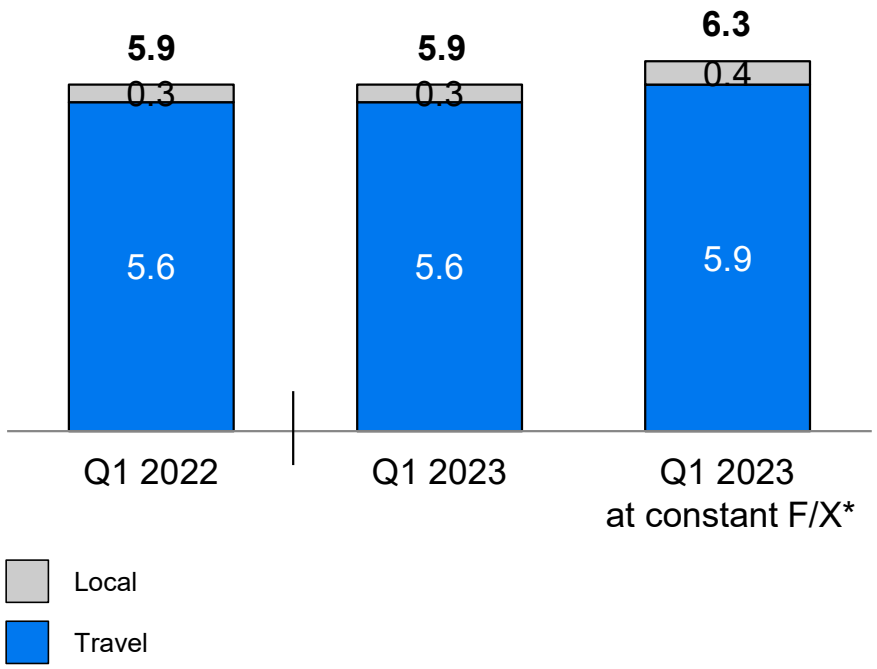


	YOY % change (as reported)	YOY %* change (constant F/X)
	(4%)	(3%)
	28%	29%

* Based on constant F/X rates for CAD

Europe business segment revenue:

Europe Revenue by Type
$ millions

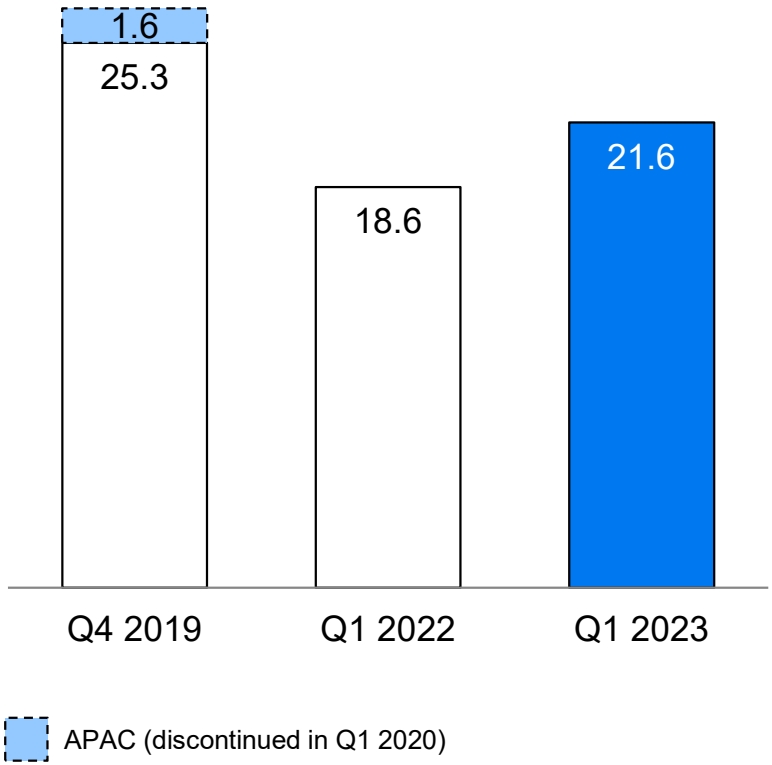


	YOY % change (as reported)	YOY %* change (constant F/X)
	9%	20%
	(1%)	6%

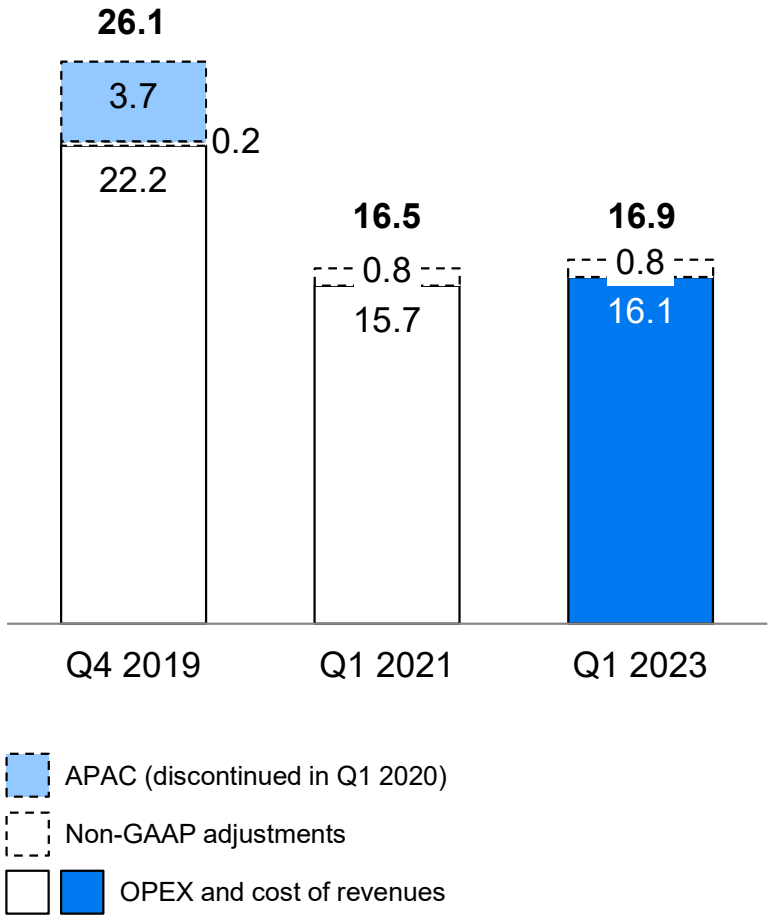
* Based on constant F/X rates for EUR and GBP

We believe we can keep our fixed costs relatively low in the foreseeable future—while revenues are expected to grow.

Revenue
$ millions



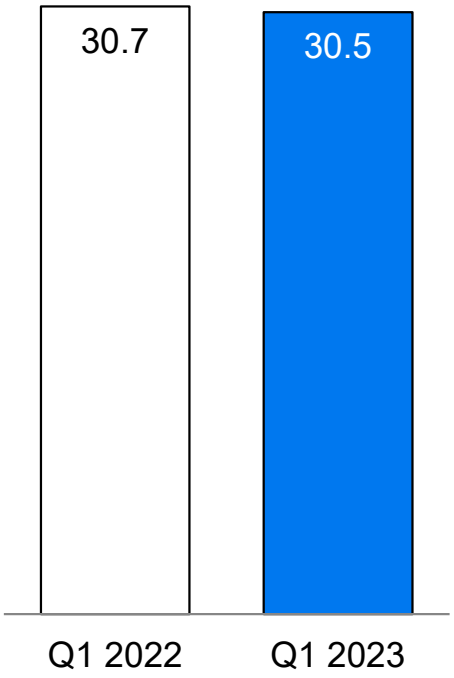
Operating Expenses and Cost of Revenues
$ millions



With more than 30 million members, 7.5 million mobile app users, and 4 million social media followers, Travelzoo is loved by travel enthusiasts who are affluent, active, and open to new experiences.

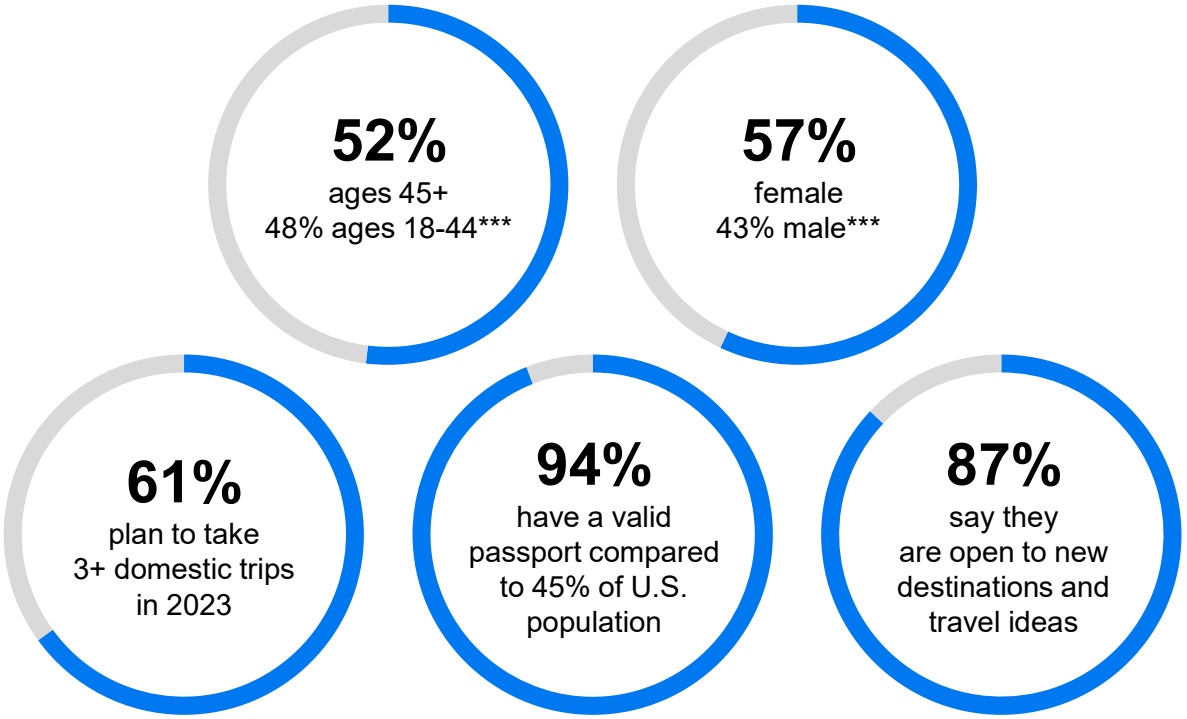
Travelzoo's Global Reach

Members*
Millions



High-Quality Users, Followers and Subscribers

Travelzoo U.S. Member Survey**
October 2022



* Including members of Jack's Flight Club
** Sources: Travelzoo Travel Outlook 2023 member survey in the U.S.; Survey tool Alchemer; October, 2022; random selection; n=1,470
*** Google Analytics, average taken over November, 2021 to October, 2022.; U.S. Department of State – Bureau of Consular Affairs, U.S. Census Bureau

Part 1:

First Quarter 2023 Performance

Part 2:

Management Focus

Part 3:

Travelzoo META

Management focus:

- Reach and surpass pre-pandemic number of members and accelerate revenue growth.
- Utilize higher operating margins to significantly increase EPS.
- Grow Jack’s Flight Club’s profitable subscription revenue.
- Launch Travelzoo META.

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META

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HAVE A NICE DAY!

For questions, please contact Travelzoo Investor Relations:

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