NASDAQ: TZOO

Fourth Quarter 2023 Performance

February 28, 2024

Important Notice to Investors

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

Fourth Quarter 2023 Performance

Part 2:

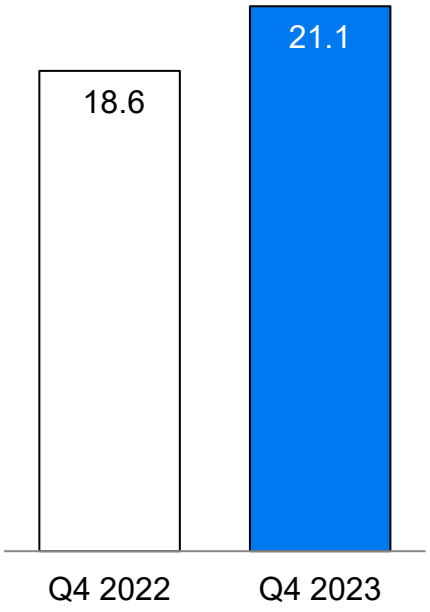
Management Focus

Part 3:

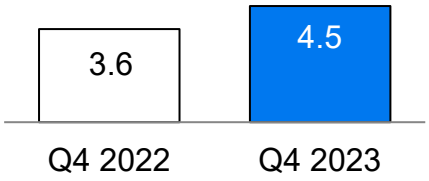
Travelzoo META

Revenue, operating profit and member count all increased year-over-year.

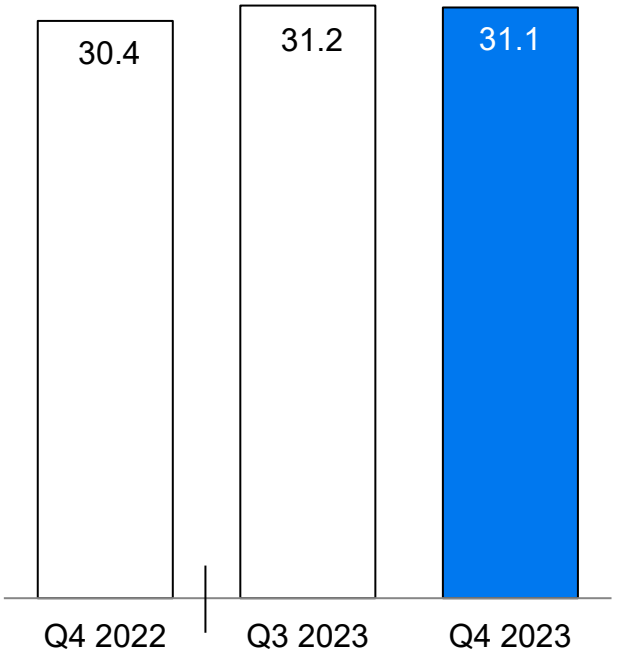
Revenue
$ millions



Operating Profit
$ millions

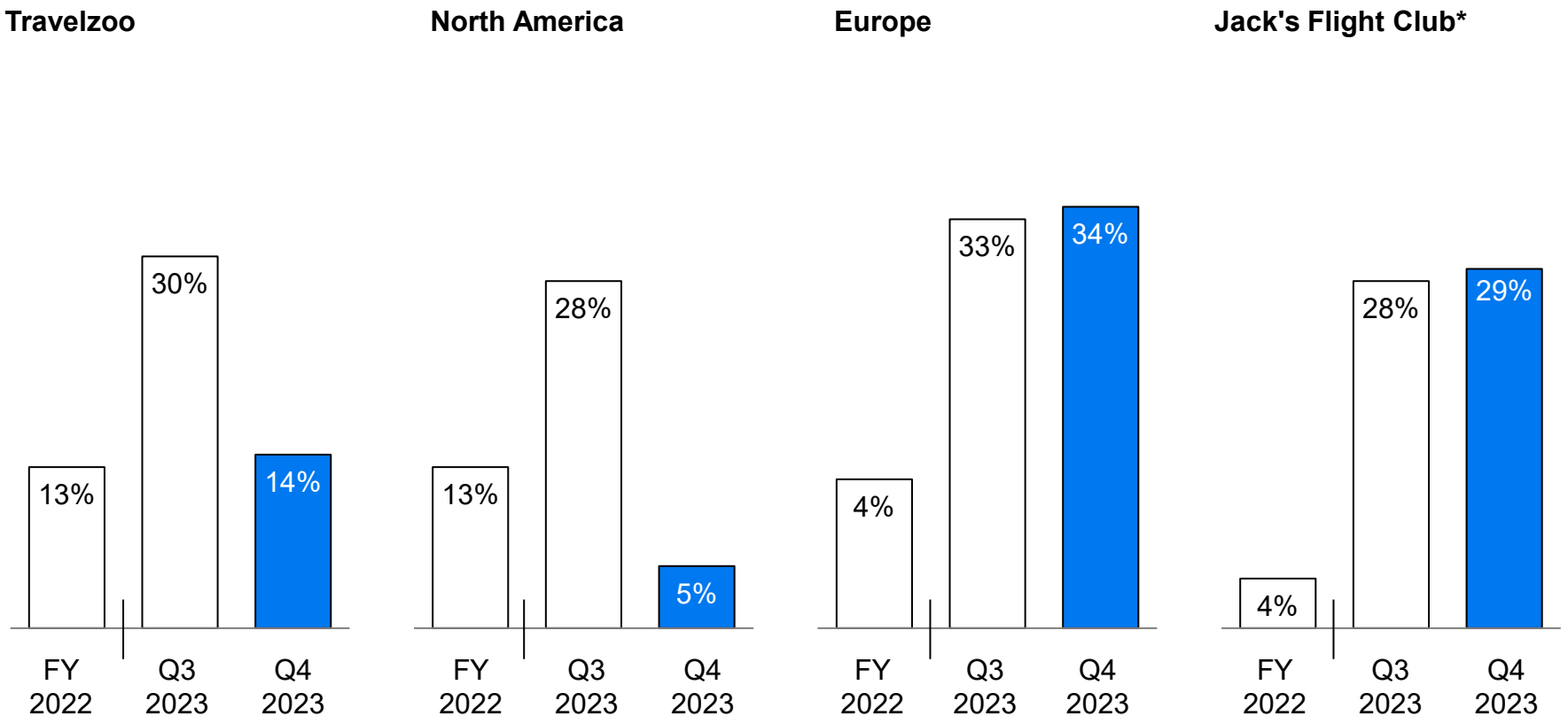


Members
Millions



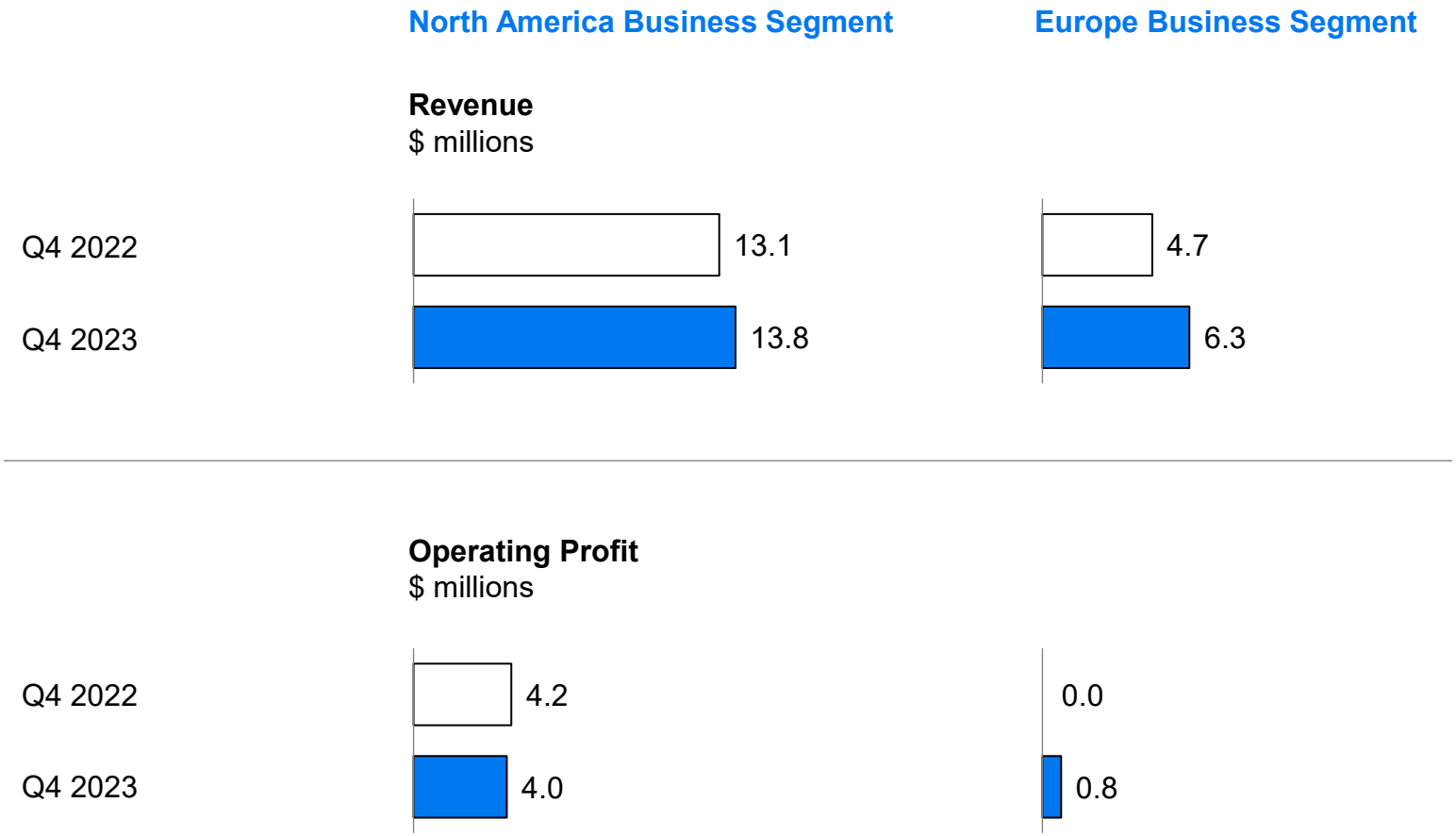
Strong revenue growth continued in our Europe segment and at Jack's Flight Club while growth slowed in North America.

Year-Over-Year Change in Revenue, Percent



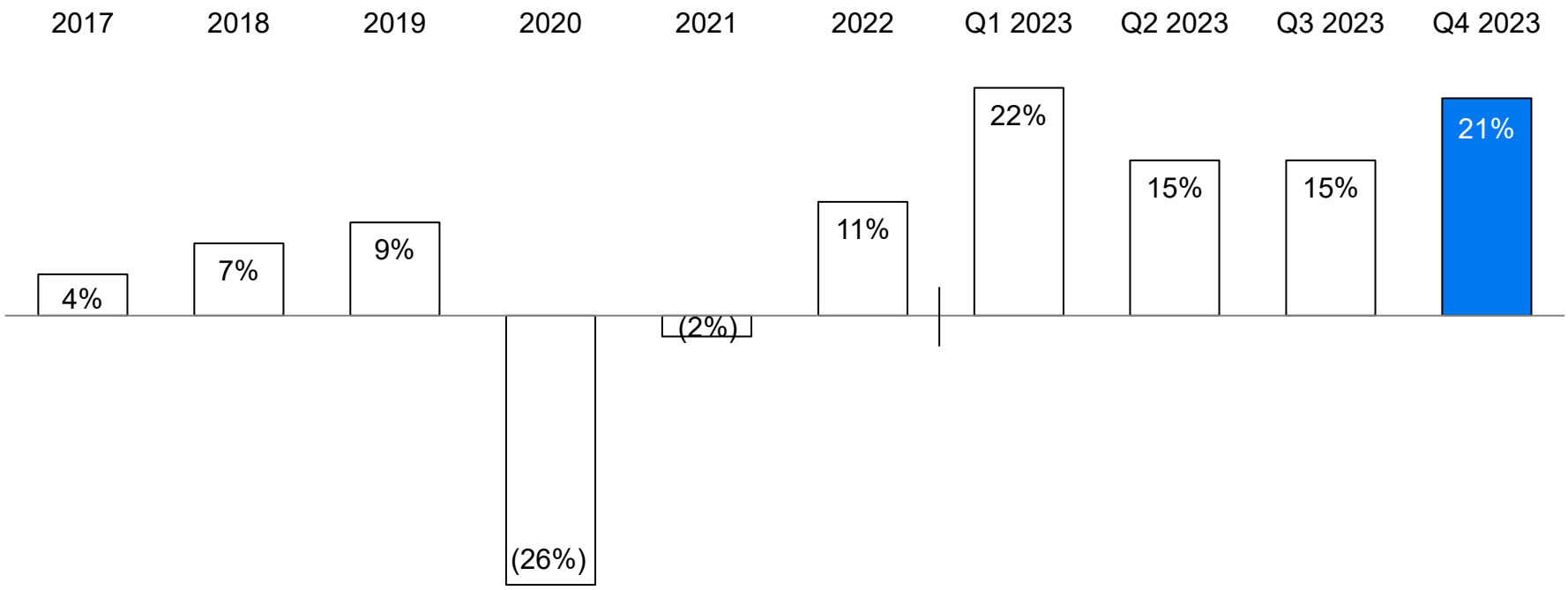
* Revenue growth for Jack's Flight Club is shown for unaffiliated customers, excluding inter-segment revenue and expenses.

With Europe segment revenue growing at 34%, the segment has now also returned to profitability.



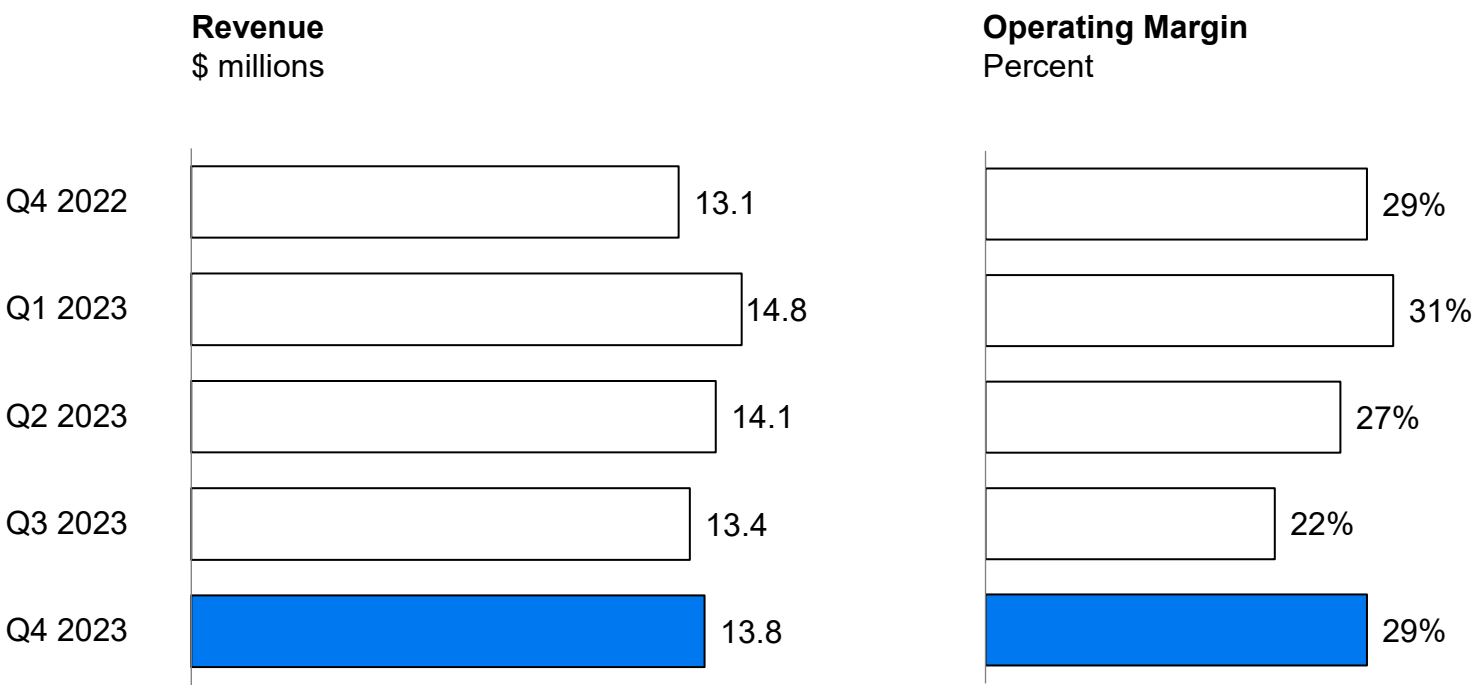
Our GAAP operating margin was 21% for the fourth quarter.

Operating Margin



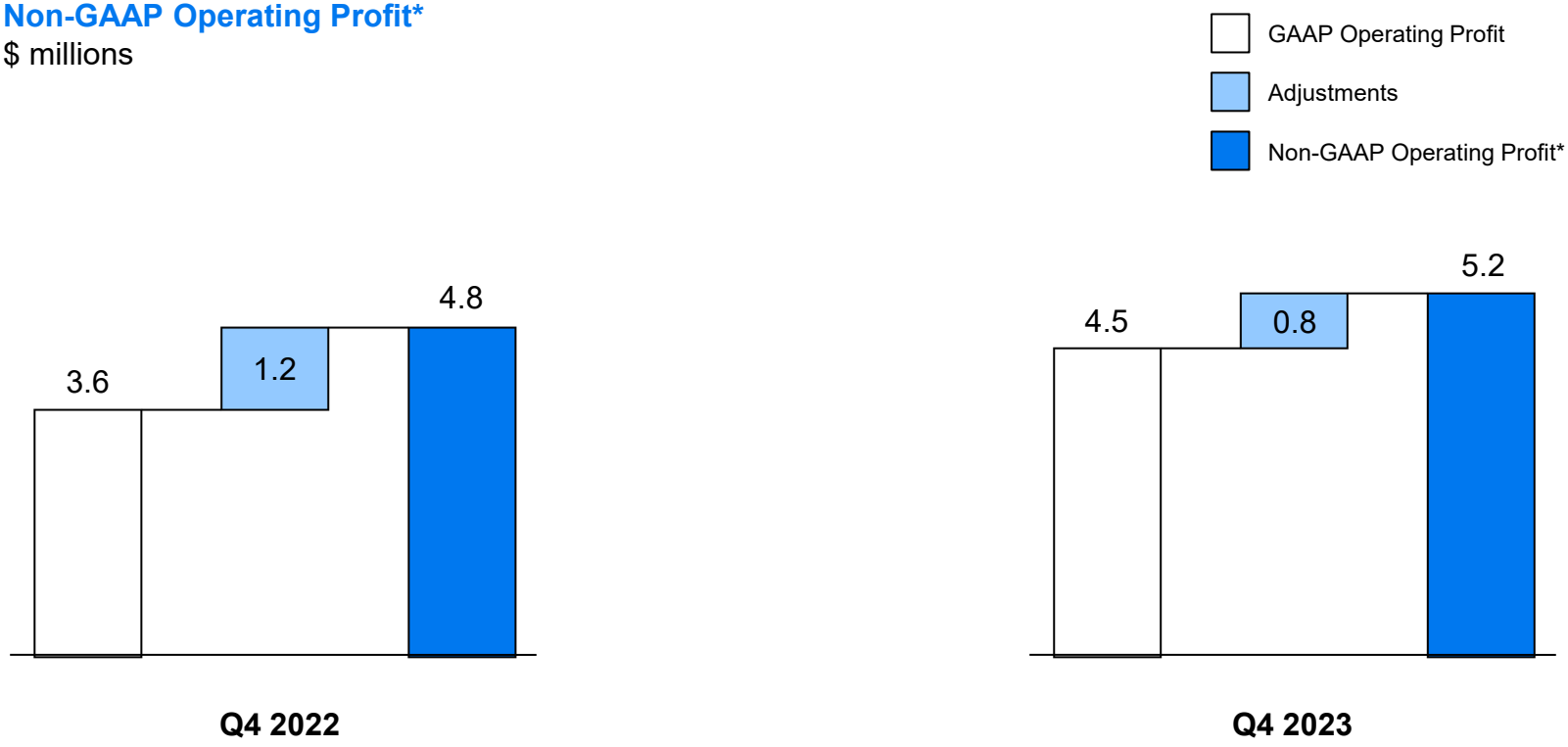
In North America, the GAAP operating margin remained high.

North America Business Segment



Q4 2023 non-GAAP operating profit was $5.2 million and 25% of revenue.

Non-GAAP Operating Profit*
$ millions



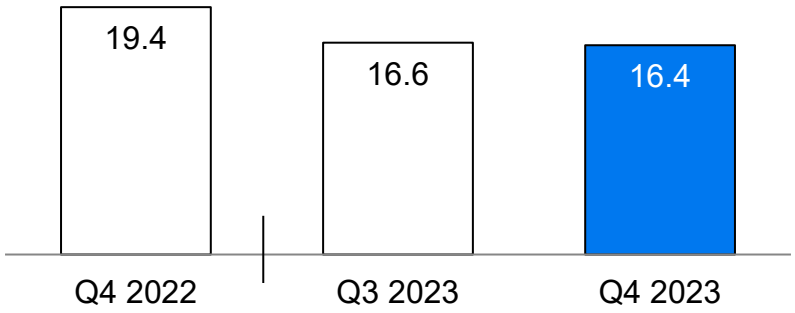
* GAAP operating profit + amortization of intangibles + stock option expenses + severance-related expenses = non-GAAP operating profit

Items excluded in the calculation of non-GAAP operating profit

$ millions	Q4 2022	Q4 2023
Adjustments	**1.2**	**0.8**
Impairment of intangibles and goodwill	0.2	—
Amortization of intangibles	0.5	0.4
Stock option expense	0.3	0.4
Severance-related expenses	0.2	—

We maintained a solid cash position even after repurchasing 600,000 shares during the quarter. Outstanding payables to partners for future voucher redemptions decreased.

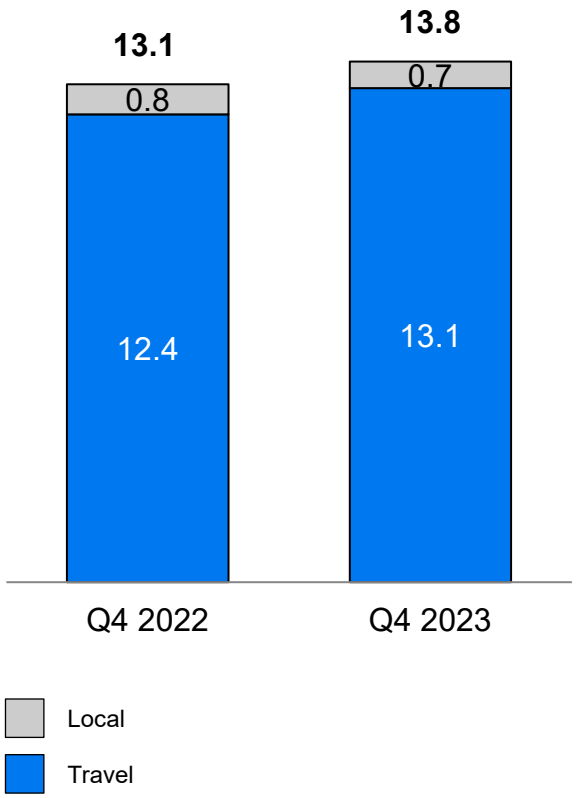
Cash Balance at End of Quarter*
$ millions



* Includes cash, cash equivalents and restricted cash

North America business segment revenue

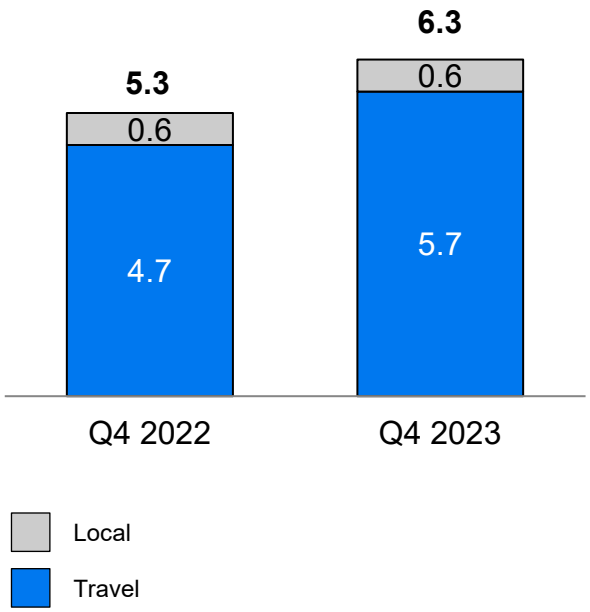
North America Revenue by Type
$ millions



	YOY % change (as reported)	YOY %* change (constant F/X)
	(13%)	(13%)
	7%	6%

Europe business segment revenue

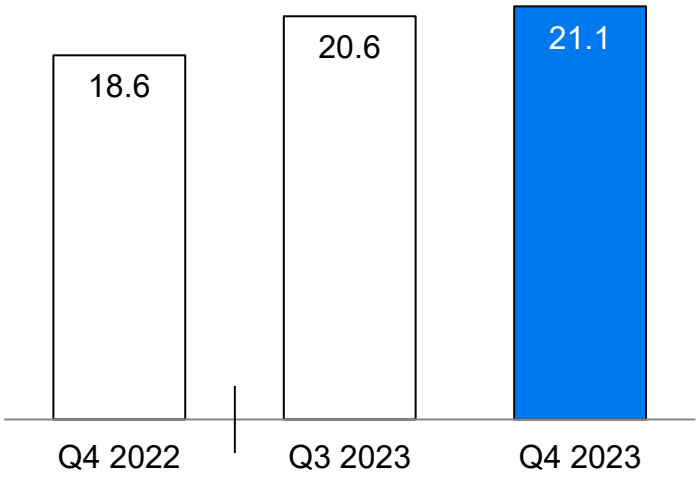
Europe Revenue by Type
$ millions



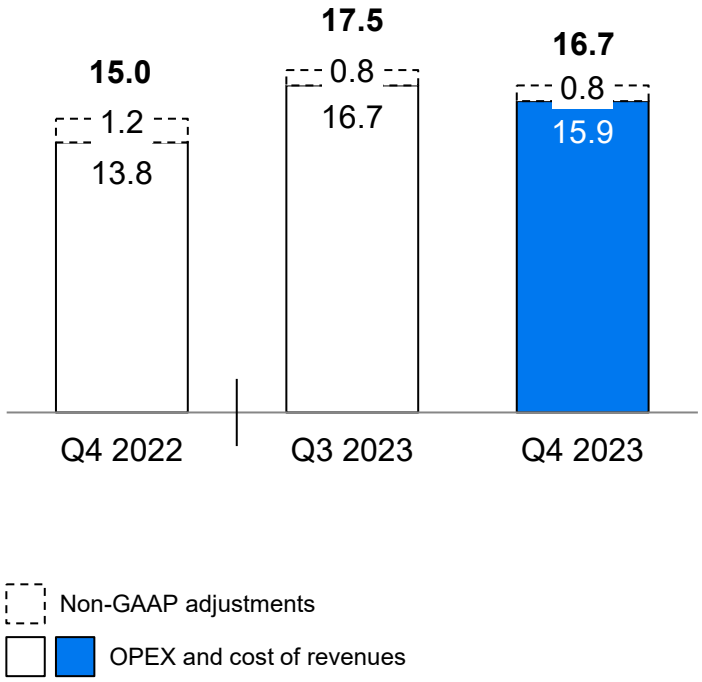
	YOY % change (as reported)	YOY %* change (constant F/X)
	11%	5%
	37%	30%

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

Revenue
$ millions



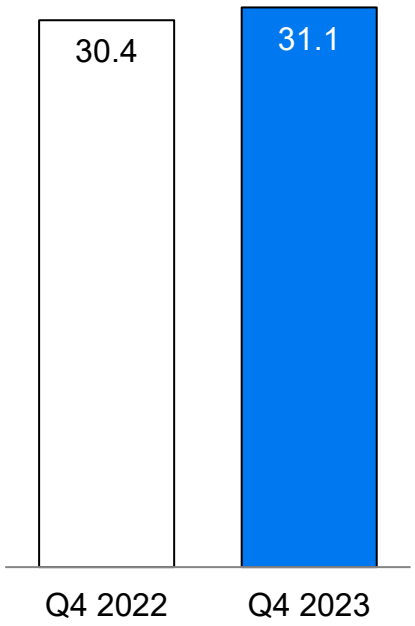
Operating Expenses and Cost of Revenues
$ millions



With more than 30 million members, 8 million mobile app users, and 5 million social media followers, Travelzoo is loved by travel enthusiasts who are affluent, active, and open to new experiences.

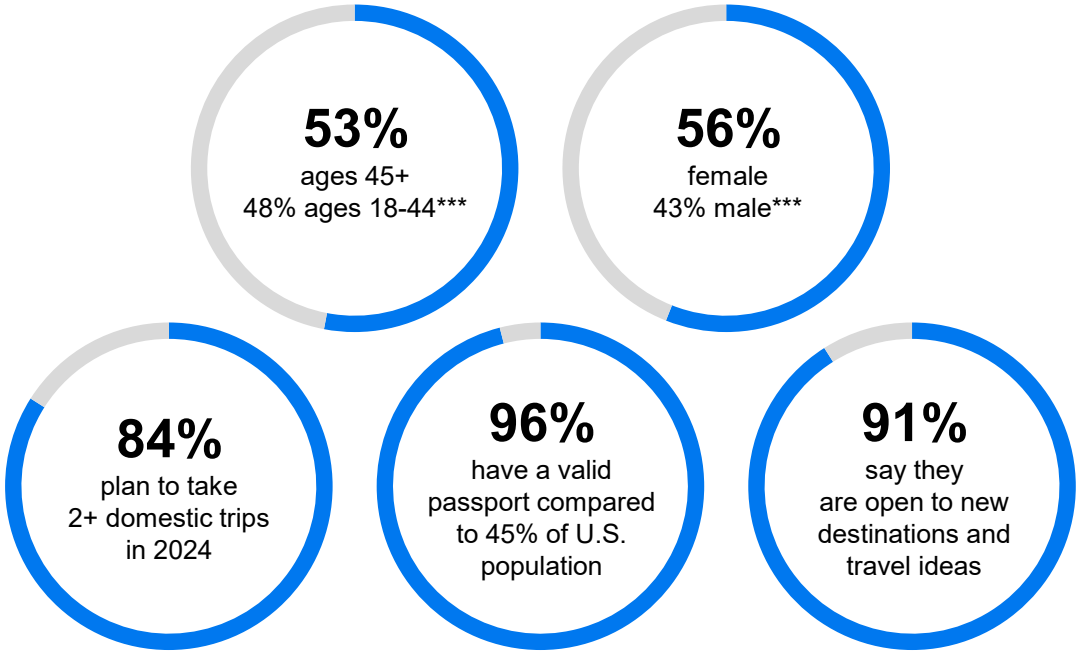
Travelzoo's Global Reach

Members*
Millions



High-Quality Users, Followers and Subscribers

Travelzoo U.S. Member Survey**
October 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

- Grow the number of Travelzoo club members.
- Leverage strong existing relationships with top travel suppliers and add new relationships to negotiate more exclusive offers.
- Utilize higher operating margins to increase EPS.
- Grow Jack’s Flight Club’s profitable subscription revenue.
- Develop Travelzoo META with discipline.

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META

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HAVE A NICE DAY!

For questions, please contact Travelzoo Investor Relations:

ir@travelzoo.com