



Fourth Quarter 2024 Performance

February 25, 2025

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 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.

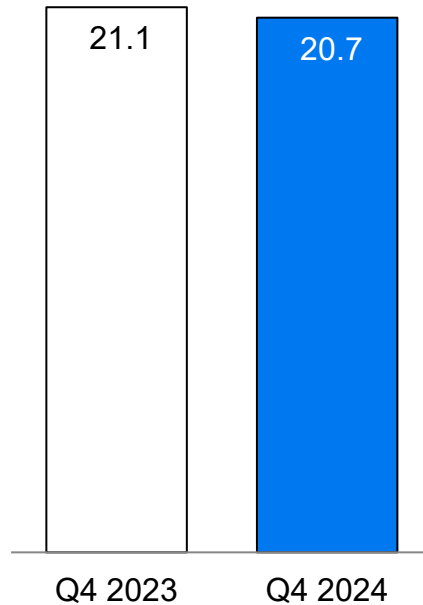
Part 1:
Fourth Quarter 2024 Performance

Part 2:
Management Focus

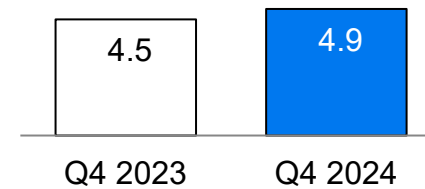
Part 3:
Travelzoo META

Revenue was lower than we expected, but operating profit increased by 8%.

Revenue
\$ millions

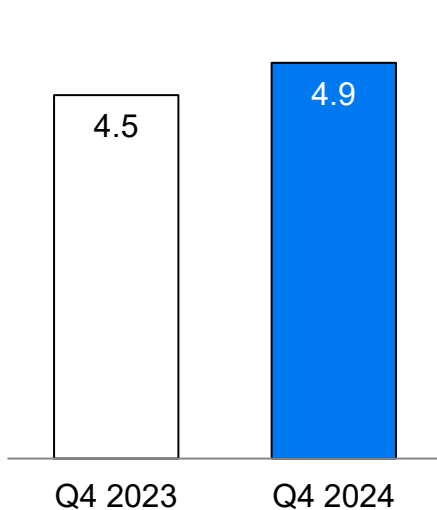


Operating Profit
\$ millions

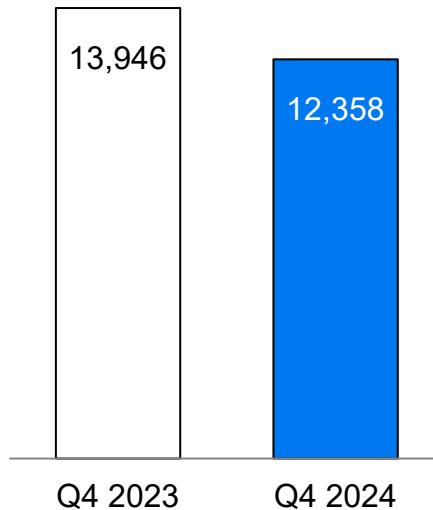


While operating income increased and outstanding shares decreased, EPS was lower. The strong dollar affected the valuation of non-USD cash and there was one-time extraordinary income last year.

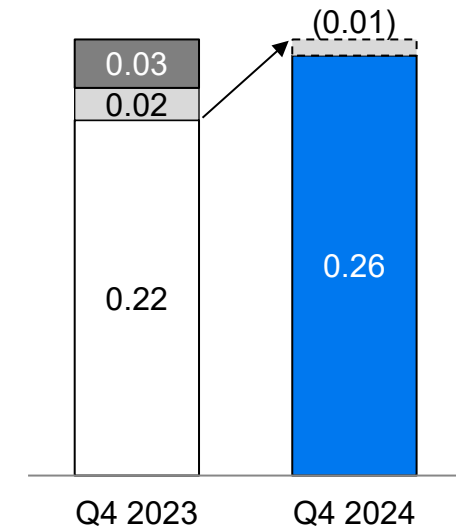
Operating Income
\$ million



Outstanding Shares
Diluted



EPS
\$ per share



- Extra-ordinary income in Q4 2023 from discontinued APAC operations
- Other income/(loss), including the effects of F/X changes

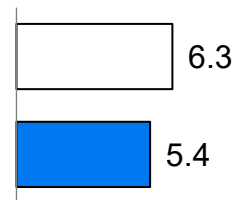
Higher profits came from North America and Jack's Flight Club. Europe revenue decreased, but we do not view this as a trend.

North America Segment

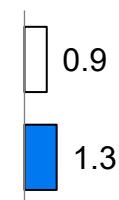
Revenue \$ millions



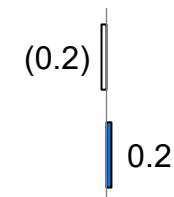
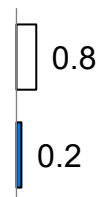
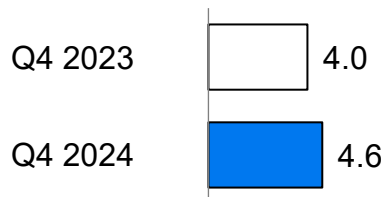
Europe Segment



Jack's Flight Club Segment



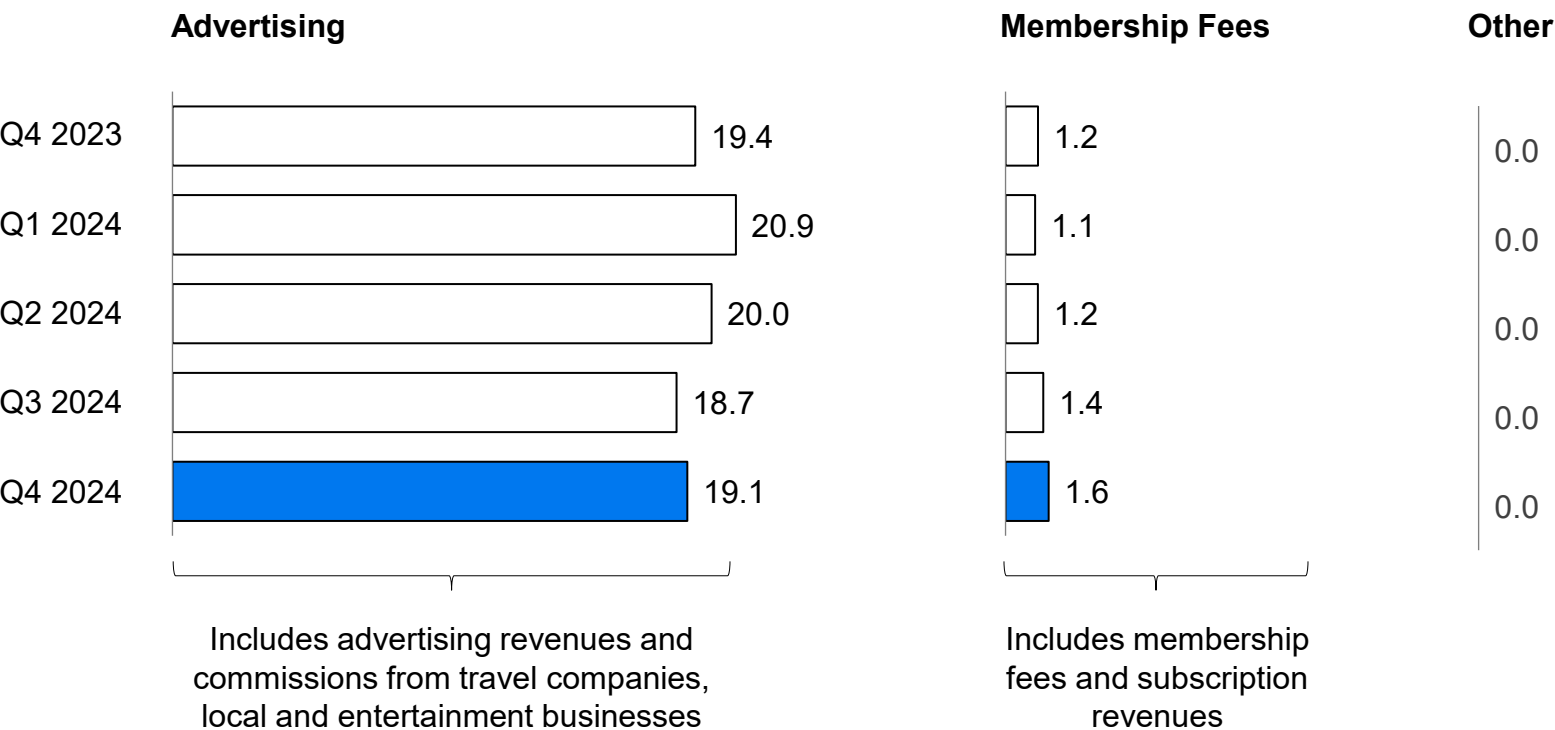
Operating Profit \$ millions



Membership fee revenue is expected to substantially drive revenue and profit growth in 2025 when the free membership for Legacy Members* phases out.

Global Revenues

\$ millions



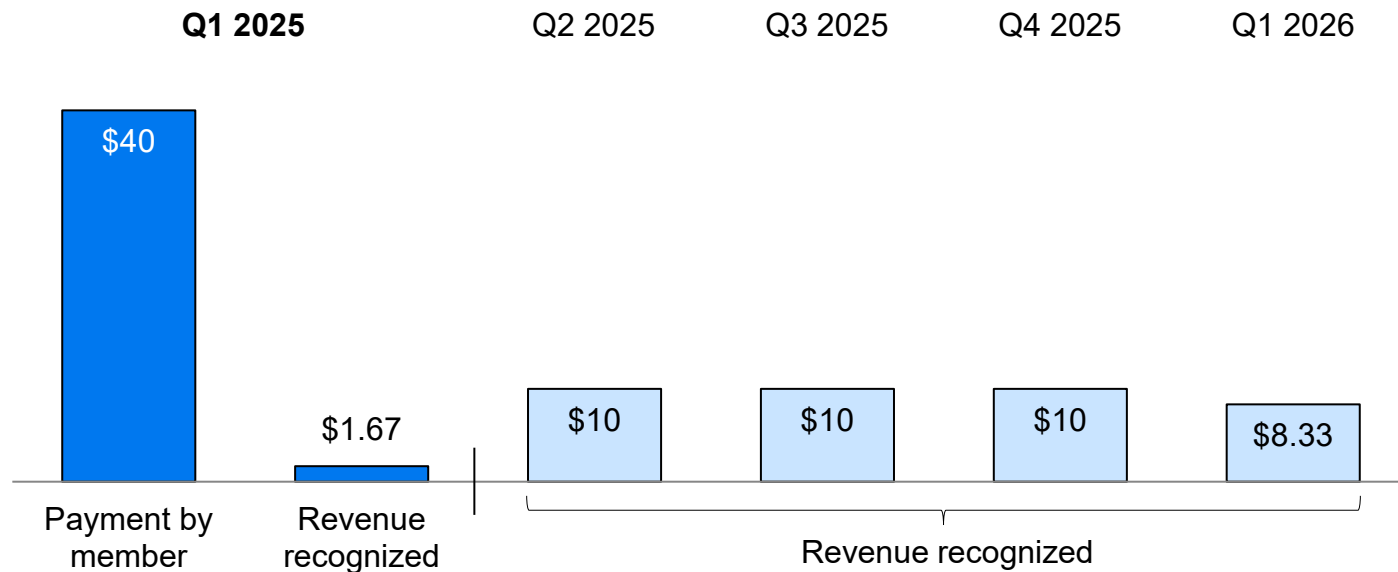
* Legacy Members are those who joined prior to 2024. They were exempt from the fee during 2024. They represent more than 95% of Travelzoo's reach.

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

Revenue Recognition

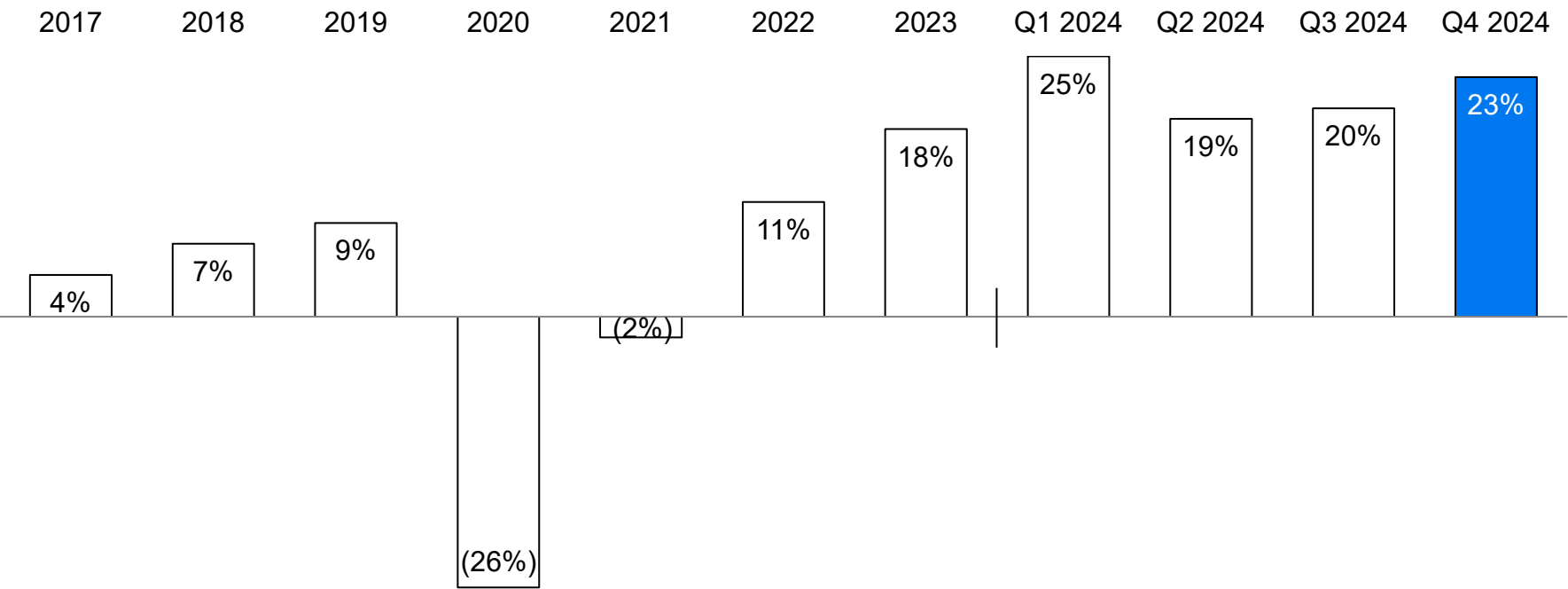
\$

Example: New member joins on March 15, 2025, paying a membership fee of \$40 per annum



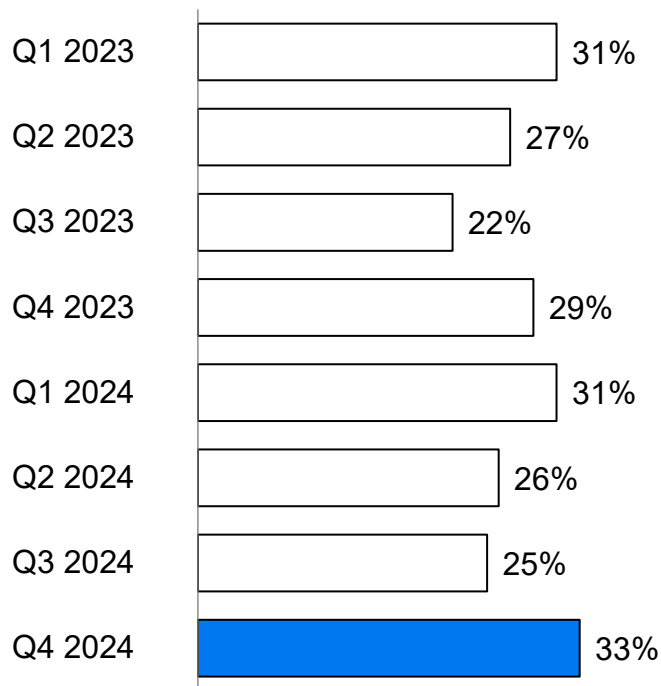
Our GAAP operating margin remained high at 23%.

Operating Margin

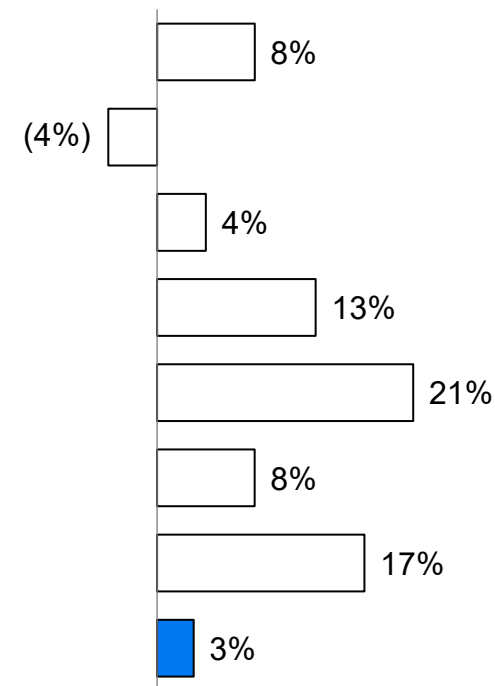


In North America, the GAAP operating margin increased to 33%.
In Europe, the margin was affected by lower revenue in Germany.

North America Operating Margin



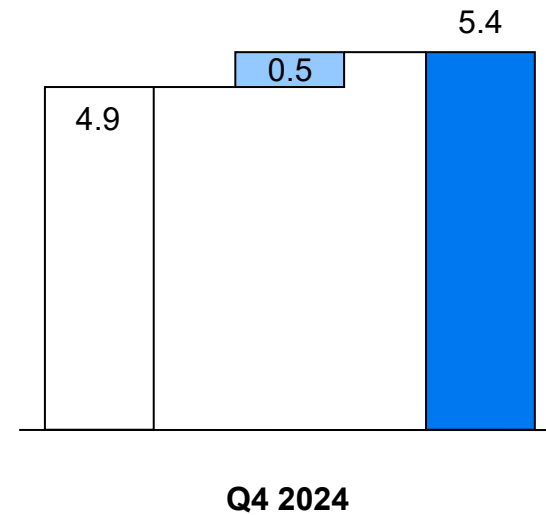
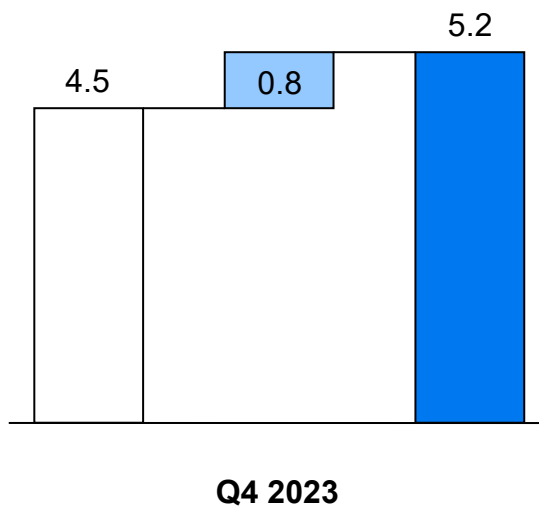
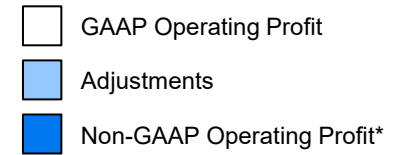
Europe Operating Margin



Total non-GAAP operating profit was \$5.4 million or 26% of revenue.

Non-GAAP Operating Profit*

\$ millions



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

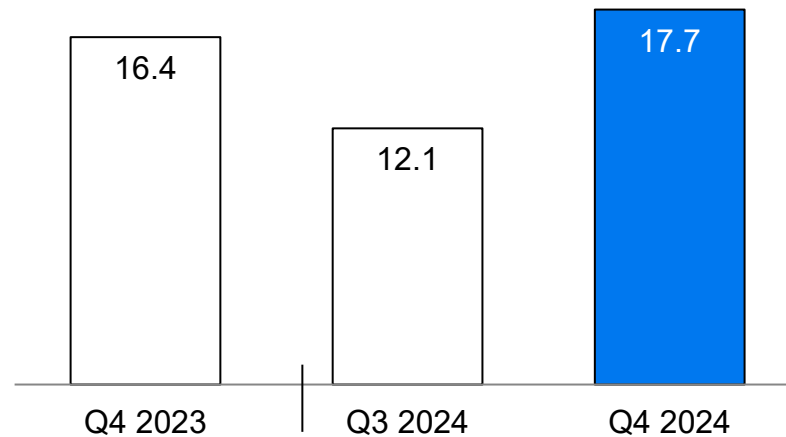
Items excluded in the calculation of non-GAAP operating profit:

\$ millions	Q3 2024	Q4 2024
Adjustments	0.9	0.5
Impairment of intangibles and goodwill	—	—
Amortization of intangibles	0.1	0.1
Stock option expense	0.5	0.4
Severance-related expenses	0.3	0.0

With operating cash flow of \$7.7 million, our cash position grew—even after repurchasing 135,792 shares during the quarter.

Cash Balance at End of Quarter*

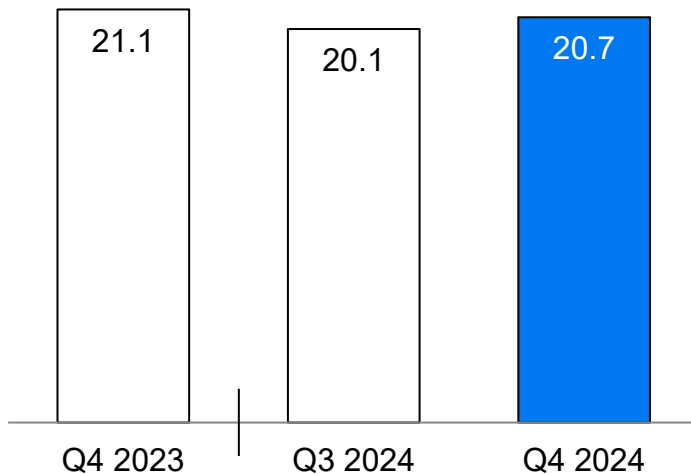
\$ millions



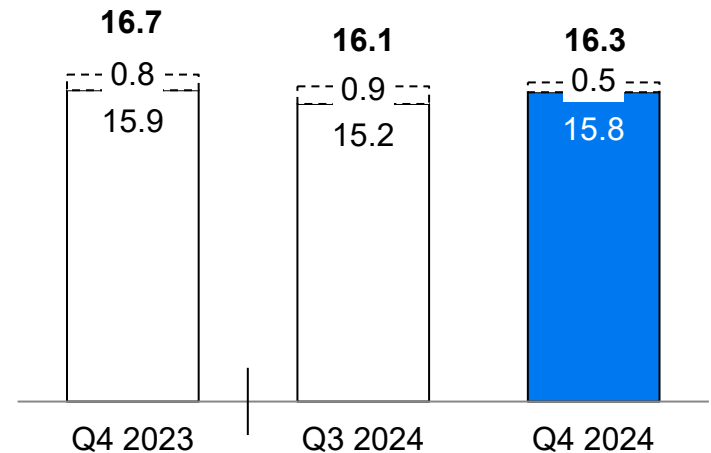
* Includes cash, cash equivalents and restricted cash

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

Revenue
\$ millions



Operating Expenses and Cost of Revenues
\$ millions

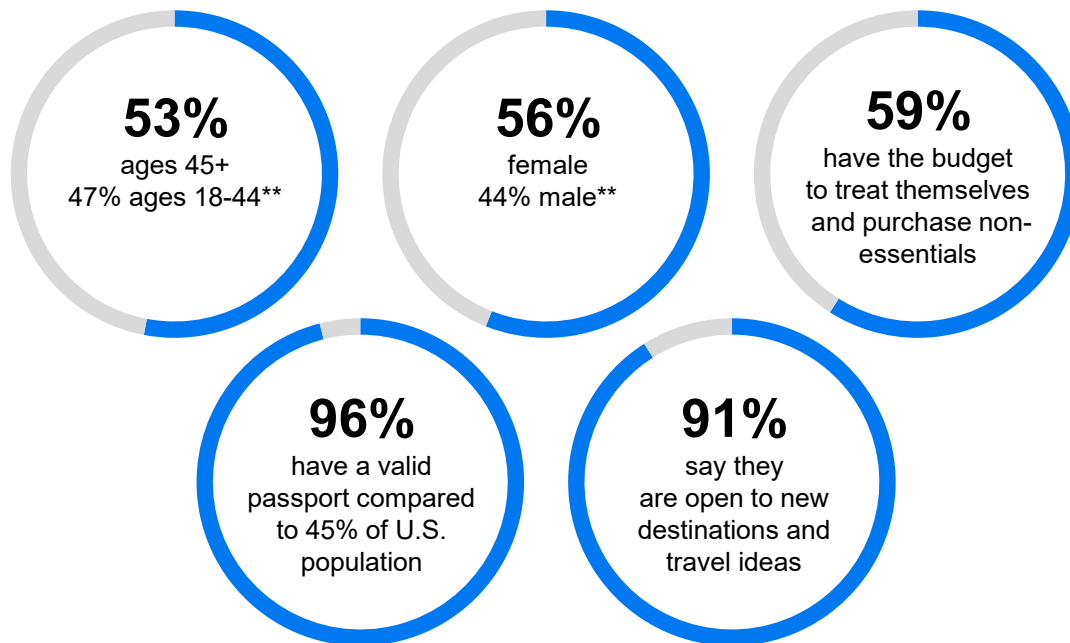


Non-GAAP adjustments
OPEX and cost of revenues

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

Travelzoo Reaches 30 Million Travelers

Travelzoo U.S. Member Survey* October 2024



* 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

Part 1:
Fourth Quarter 2024 Performance

Part 2:
Management Focus

Part 3:
Travelzoo META

Management focus

- Grow the number of (paying) members by converting Legacy Members and adding new Club Members.
- 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

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M E T A



NASDAQ: TZOO

HAVE A GOOD DAY!

For questions, please contact Travelzoo Investor Relations:

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