



Second Quarter 2025 Performance

July 23, 2025

Important Notice to Investors

Please read this management presentation together with the Company's press release issued earlier today announcing the Company's second quarter 2025 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.

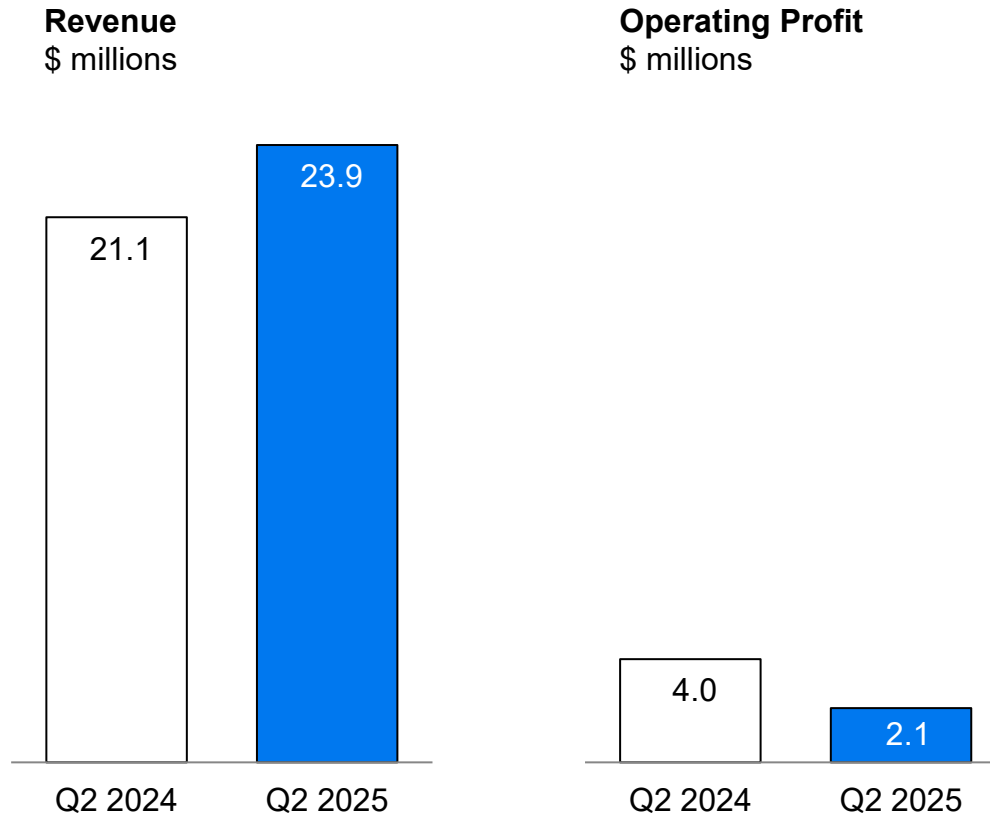
Part 1:
Second Quarter 2025 Performance

Part 2:
Travelzoo Club Membership

Part 3:
Management Focus

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Travelzoo META

Revenue growth accelerated to 13% year-over-year. Operating profit was lower, as we invested more in member growth.



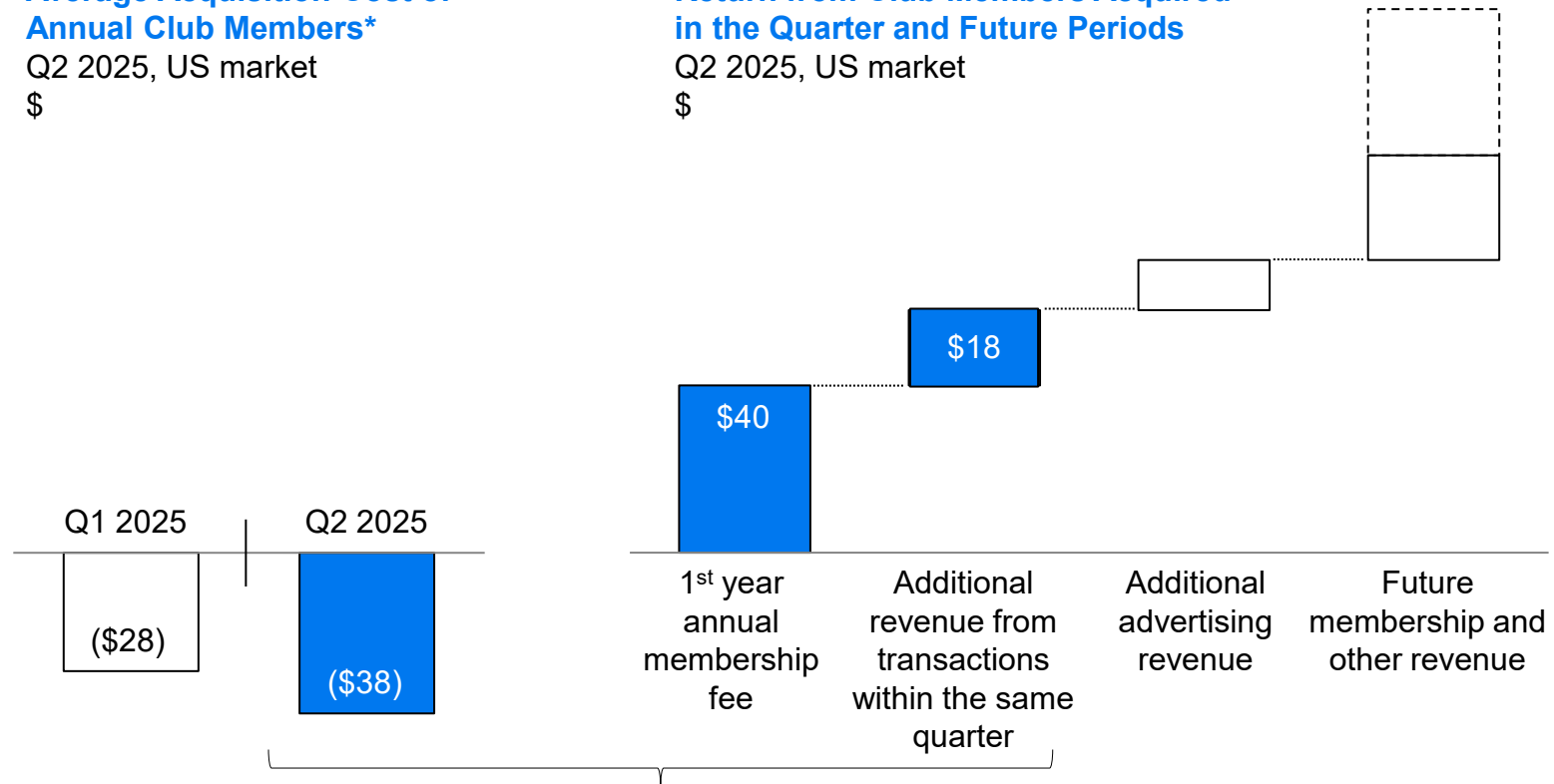
We substantially raised investments in the acquisition of Club Members as we found a favorable (effectively an immediate) payback.

Average Acquisition Cost of Annual Club Members*

Q2 2025, US market
\$

Return from Club Members Acquired in the Quarter and Future Periods

Q2 2025, US market
\$



Payback on member acquisition is positive within the quarter, even though revenue recognition is delayed

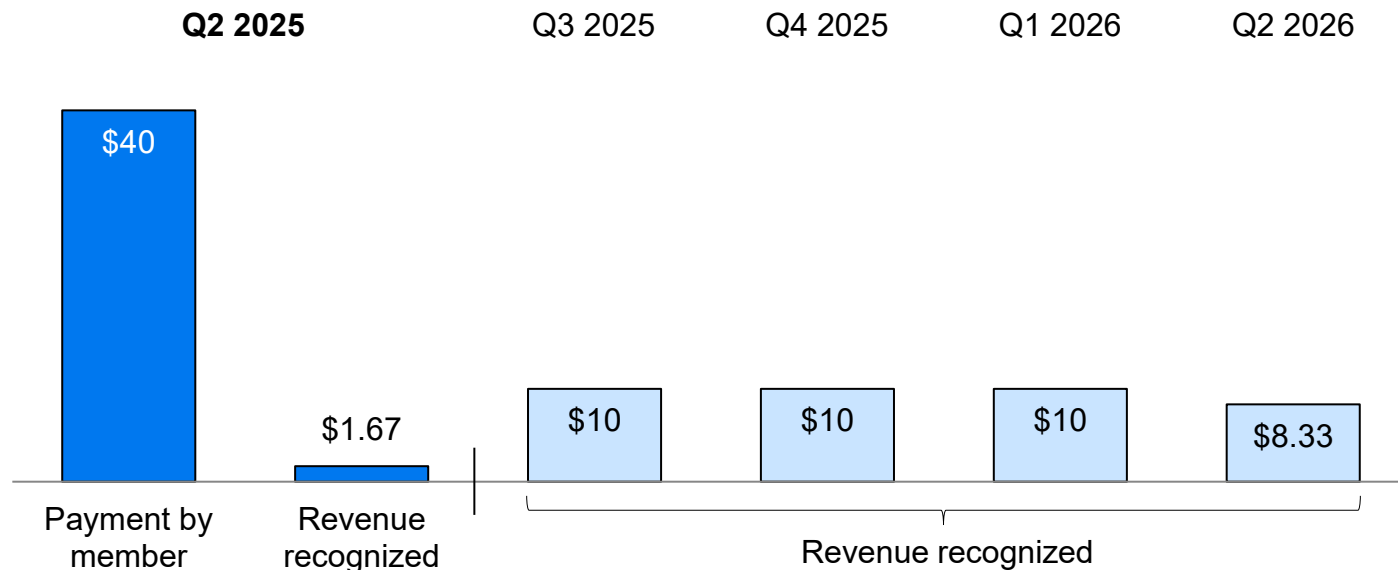
* Most new members join on a trial basis. Acquisition cost here is presented for **Club Members who paid the annual fee**—after trial conversion.

As a reminder, with subscription businesses, membership fee revenue is recognized ratably over the subscription period, but acquisition costs are expensed immediately when incurred.

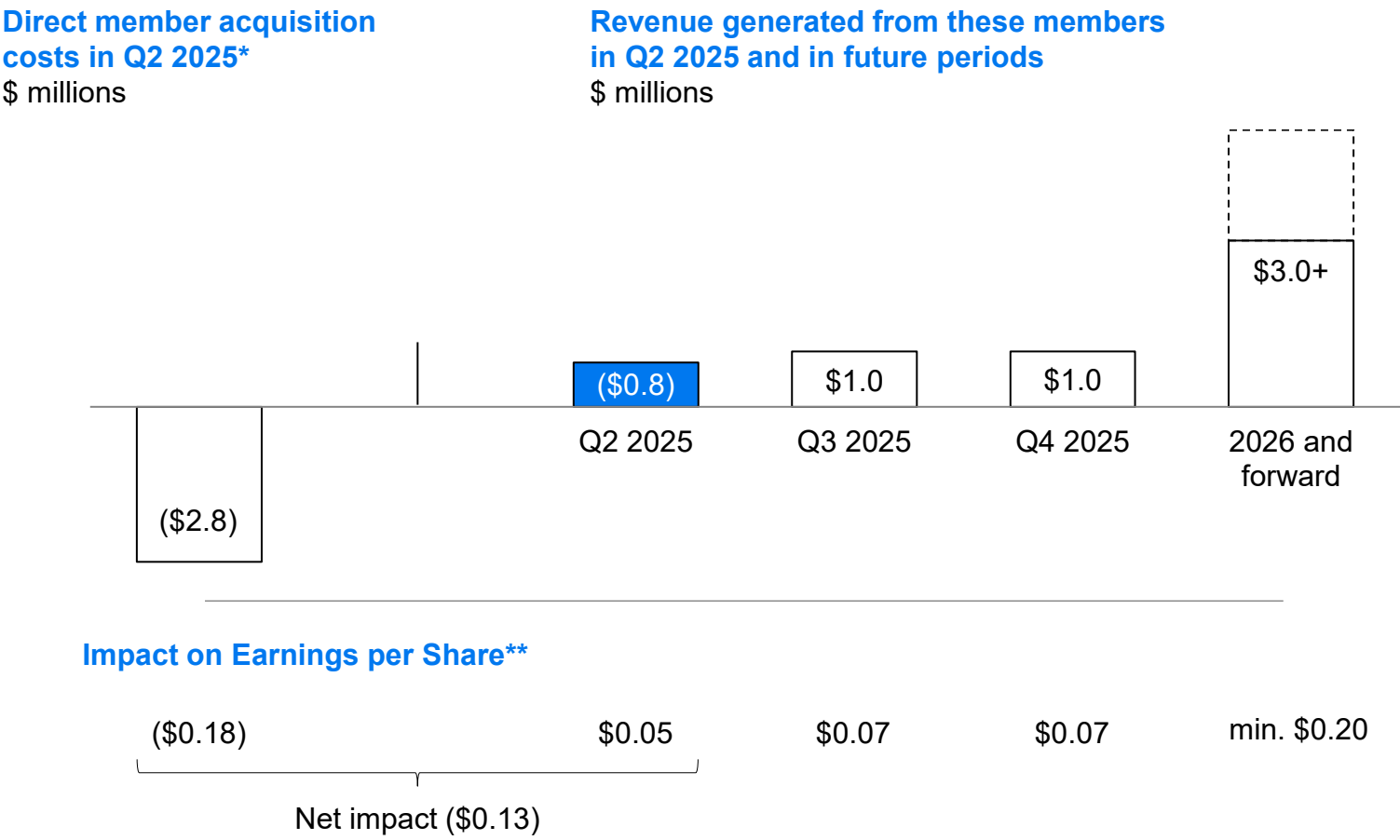
Revenue Recognition

\$

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



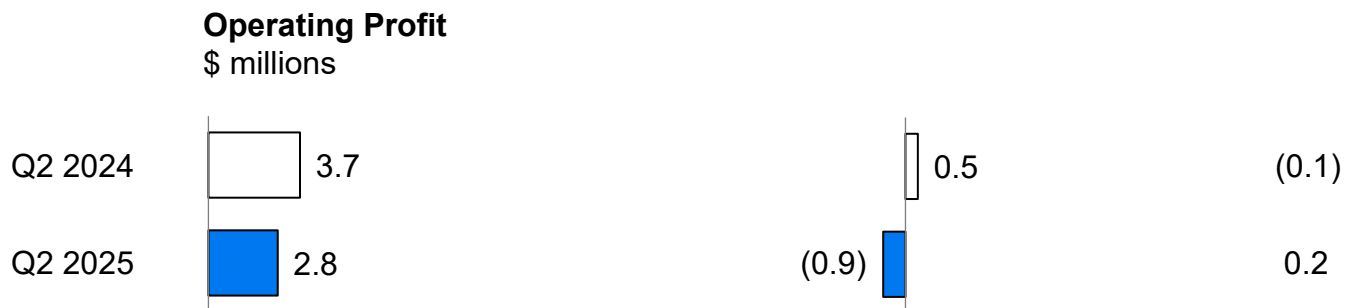
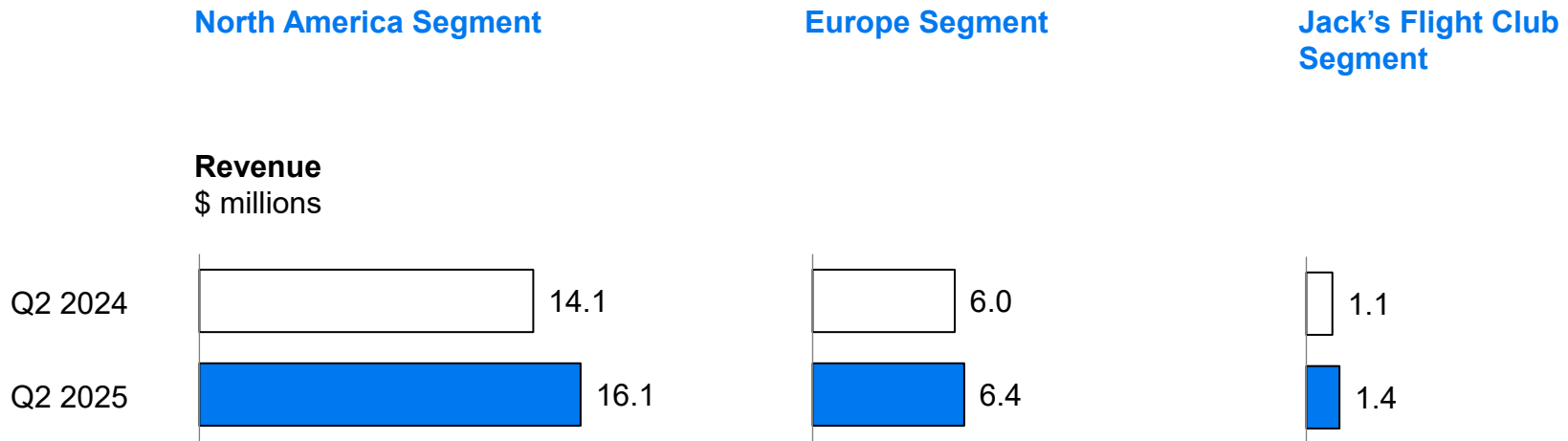
Higher member acquisition expenses, coupled with only a small portion of revenue recognized in the quarter, reduced EPS this quarter, but will increase it over time.



* Includes direct marketing expenses over which we have full discretion—and which we fully record in the quarter. Does not include fixed expenses like marketing staff, nor expenses for creating certain Club Offers which we utilize to attract and retain Club Members. But these on average attribute to income, rather than lower it.

** Assuming same tax rate as in Q2 2025

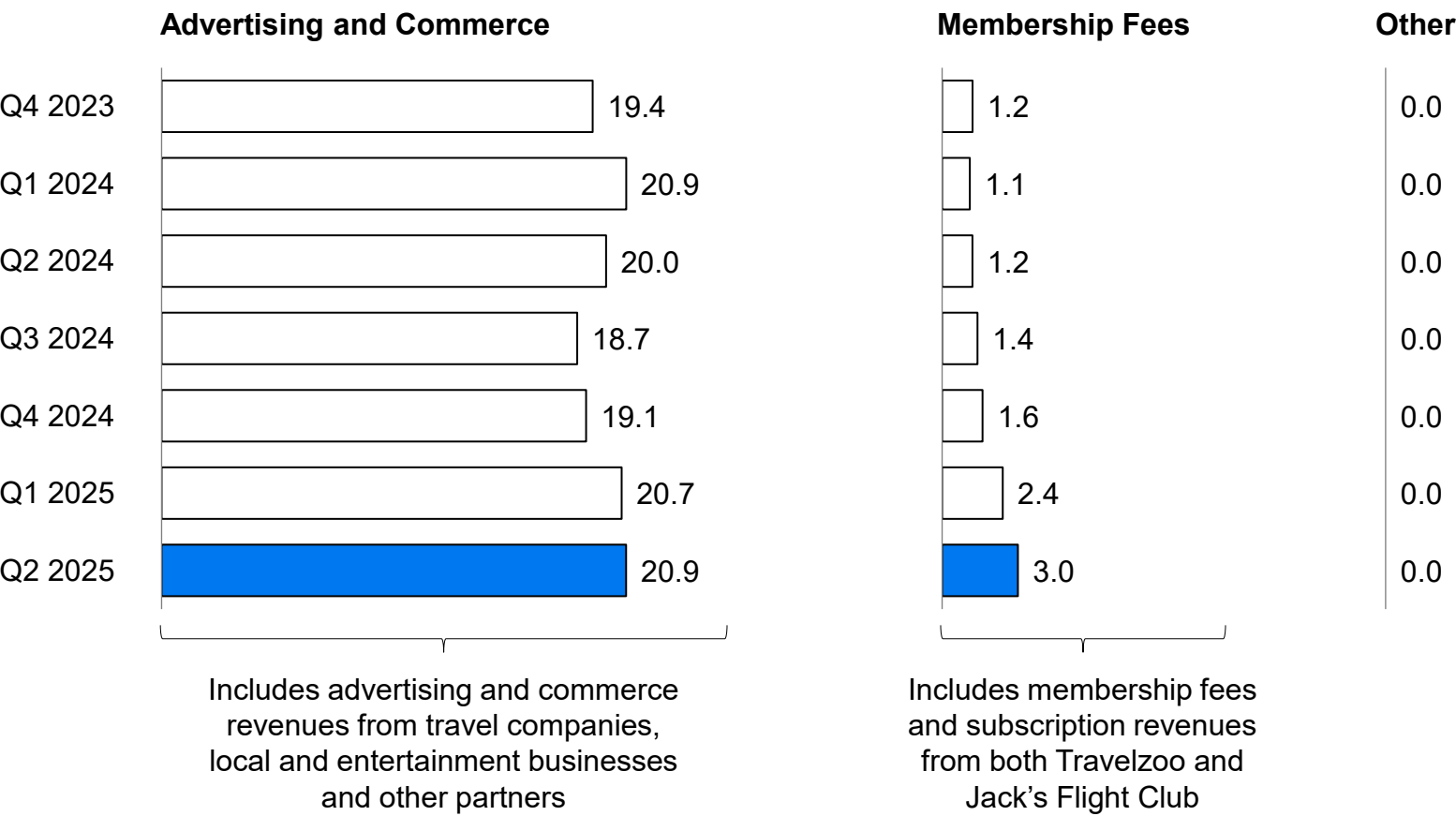
Revenue growth came from all segments. With favorable ROI on member acquisition in the UK, we invested heavily there. Jack's Flight Club revenue increased by 33%.



Membership fees have started to drive significant revenue growth. Next year, we expect them to account for around 25% of revenue.

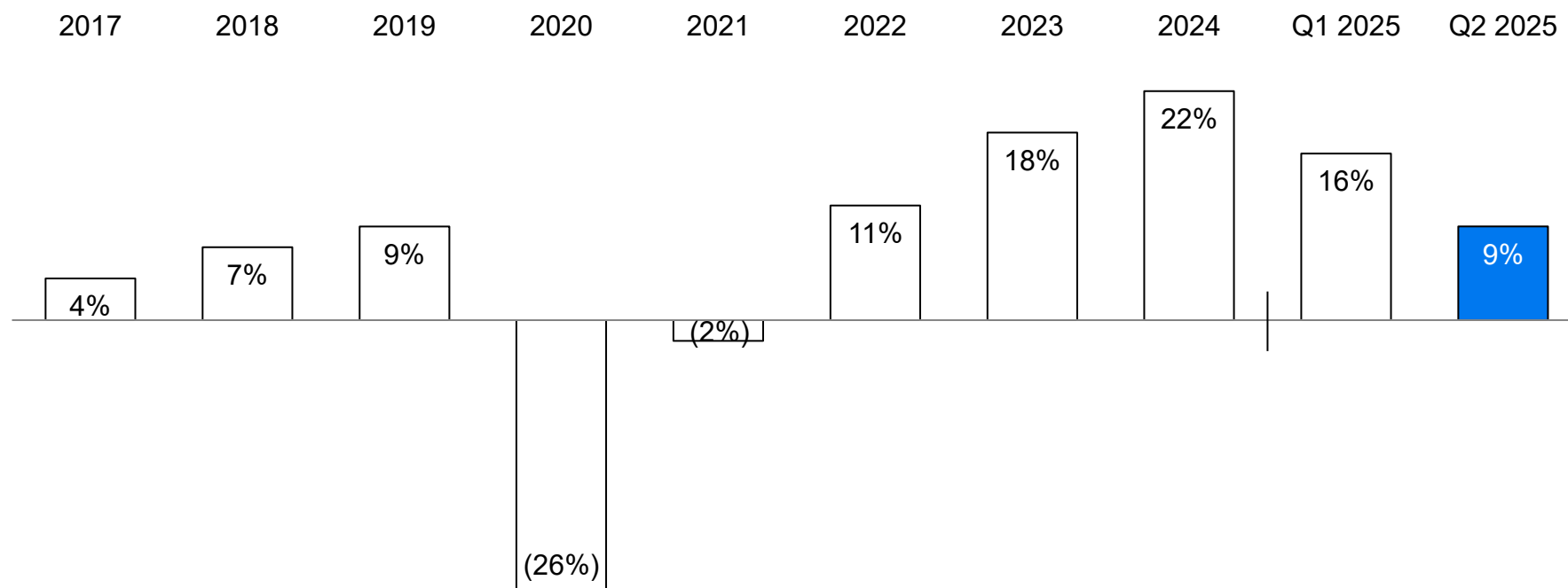
Global Revenues

\$ millions



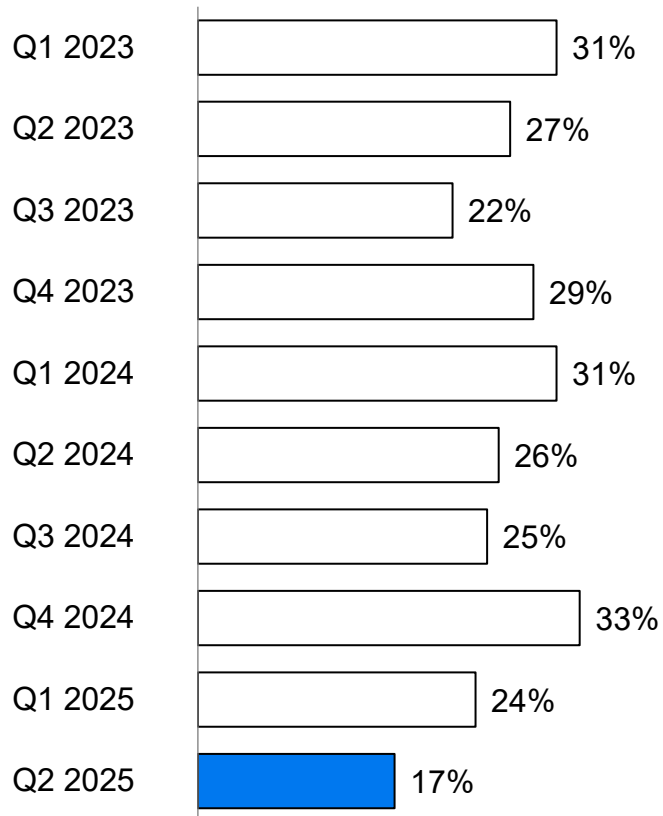
Acquiring more Club Members has the effect of lower GAAP operating margin. Still, our goal is to further grow the number of Club Members to bring Travelzoo into high-growth mode.

Operating Margin

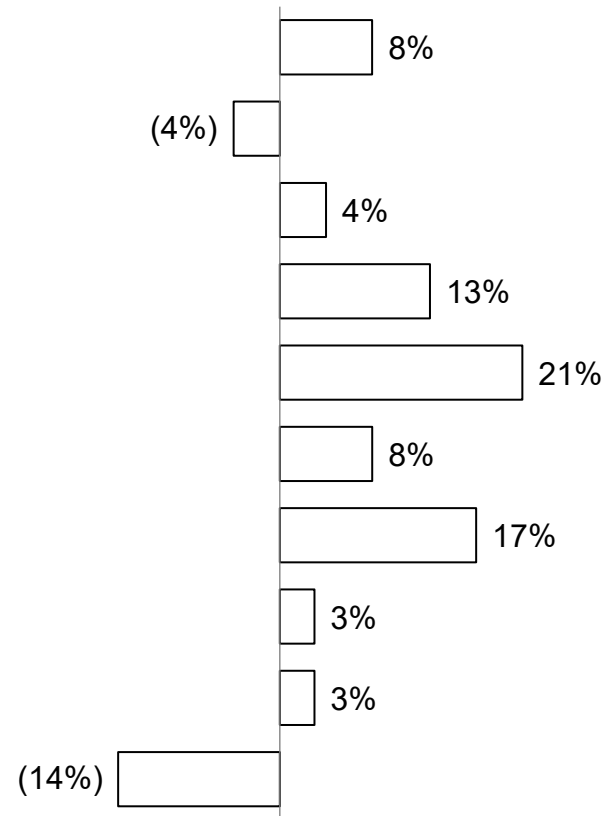


The investments in Club Members occur in all key markets. Over time, we expect margins to return to previous levels or even exceed them.

North America Operating Margin

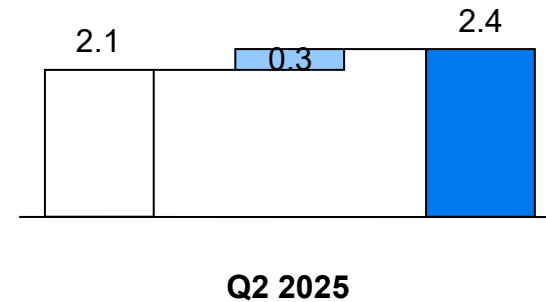
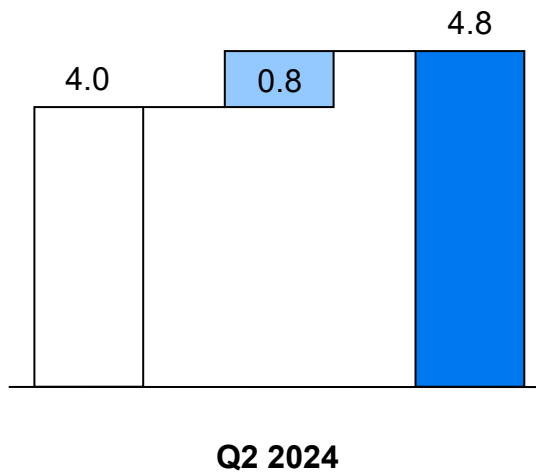
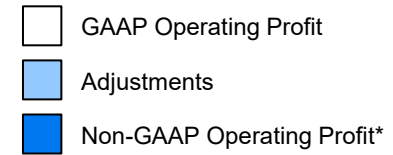


Europe Operating Margin



Total non-GAAP operating profit was \$2.4 million or 10% of revenue.

Non-GAAP Operating Profit*
\$ millions



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

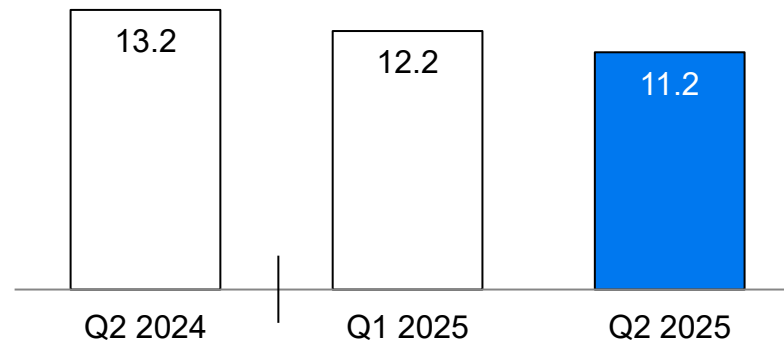
Items excluded in the calculation of non-GAAP operating profit:

\$ millions	Q2 2024	Q2 2025
Adjustments*	0.8	0.4
Amortization of intangibles	0.1	0.0
Stock option expense	0.7	0.3

* Numbers don't add up due to rounding.

Cash flow from operations was \$1.3 million. We reduced merchant payables by \$2.4 million and repurchased 172,088 shares.

Cash Balance at End of Quarter*
\$ millions



* Includes cash, cash equivalents and restricted cash

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We are becoming the place where the world's travel enthusiasts gather.

Membership empowers you to live your life as a travel enthusiast to the fullest, while respecting different cultures

Annual membership (currently \$40 for a 12-month period) provides:

- Access to Club Offers negotiated and rigorously vetted for us travel enthusiasts
You won't find them anywhere else.
- Access to our weekly Top 20® and Member Days—48-hour sale events for Club Members, happening 4x per year
- Unique benefits that make trips for us travel enthusiasts better, for example complimentary access to lounges worldwide in case of flight delays, and offers and recognition from local businesses when you travel



Here are some of the exclusive Club Offers that we created for Club Members during Q2:



\$1298—Cook with a Michelin-star chef in Tuscany, 3-night stay for 2



£99—B&B for 2 at 30 country inns, including dinner for 2



£299pp—Northern Iceland adventure on the Arctic Circle, incl. flights



\$75 pp—2 nights on the Vegas Strip with FREE show tickets

Club Offers (continued)

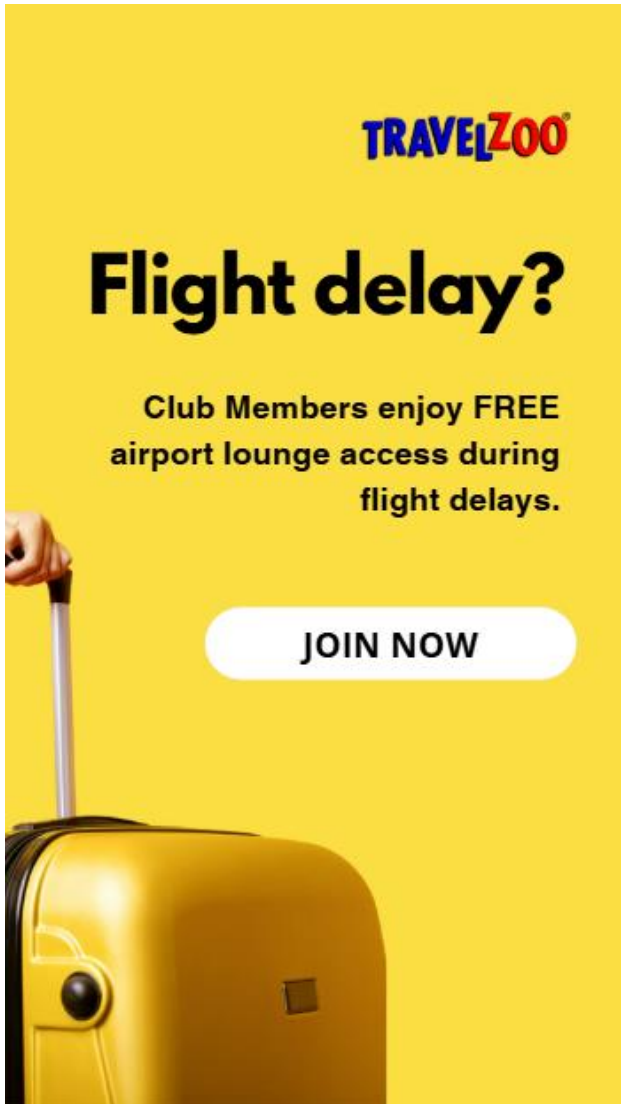


\$1999—Maldives: 5 nights in an overwater villa on a Private Island, all-inclusive



\$999—Weeklong yacht cruise on Croatia's coast, reg. \$2389

Worldwide complimentary lounge access in case of flight delays is another popular benefit among Club Members



Complimentary access to an airport lounge if flight is delayed by at least one hour.

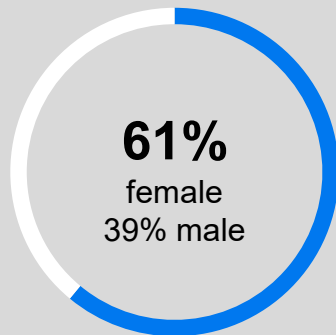
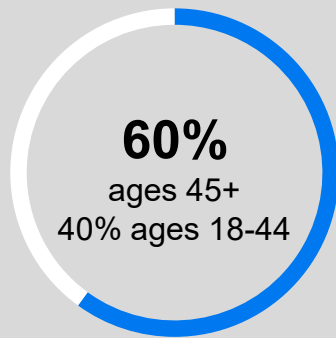
The benefit is good on any flight on any airline, regardless of where they booked.

Bring up to three family members or guests for free.

For an unlimited number of trips.

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

Audience Demographics



Our Audience Compared To The General Population

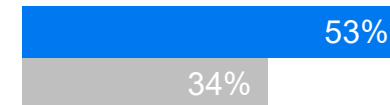
Likely to book an unplanned trip with an attractive offer



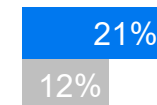
Open to new destinations and travel ideas



Have the budget to treat themselves and purchase non-essentials



Have a household income greater than \$200,000**



■ Travelzoo Members ■ General Population

* Sources: Google Analytics, average taken over July to December, 2024; Travelzoo Trends Survey 2024, August 2024, Travelzoo members n=31,373, general population n=2,541; Travelzoo Domestic Travel Outlook in the U.S., April 2025, n=1,494; American Community Survey, U.S. Census Bureau

** HHI is U.S. only, Travelzoo percentage excludes 33% of U.S. respondents who did not specify their HHI

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Management focus

- Grow the number of (paying) members and accelerate revenue growth 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
- Accelerate revenue growth which drives future profits in spite of temporarily lower EPS
- Grow Jack's Flight Club's profitable subscription revenue
- Develop Travelzoo META with discipline

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TRAVELZOO

M E T A



NASDAQ: TZOO

HAVE A GOOD DAY!

For questions, please contact Travelzoo Investor Relations:

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