



Second Quarter 2020 Performance

July 30, 2020

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 2020 financial results and in conjunction with the Company's recent Annual Report and Quarterly Results 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 2020 Performance

Part 2:
Management Focus

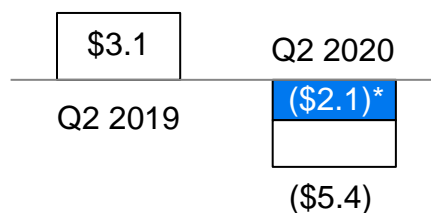
Lower revenues due to the pandemic led to a loss, which we were able to keep limited as we also reduced expenses.

Q2 2020 Financial Performance (Continuing Operations)

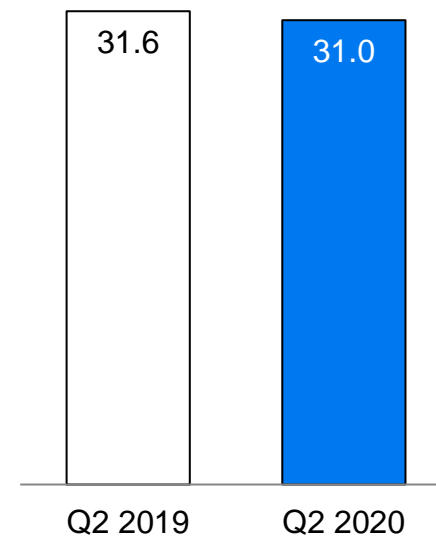
Revenue
\$ millions



Net Income
\$ millions



Members**
Millions



* Adjusted loss per share without one-time expenses related to stock options repricing and issuance

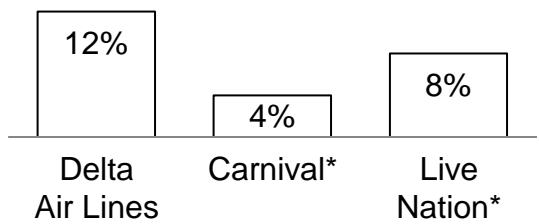
** Including members of Travelzoo and Jack's Flight Club

Travelzoo as a global Internet media company is faring better in the pandemic in Q2 than the severely impacted travel and entertainment companies.

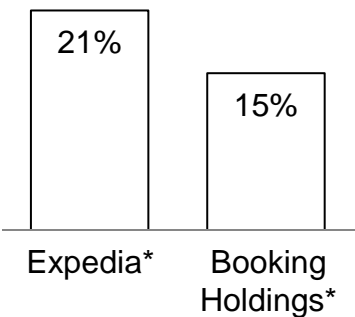
Q2 2020 Revenues Compared to Q2 2019

Shown as Percent of Last Year

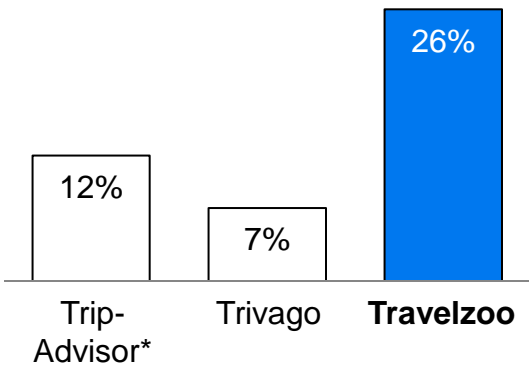
Travel and Entertainment Suppliers



Online Travel Agents (OTAs)



Travel and Entertainment Media

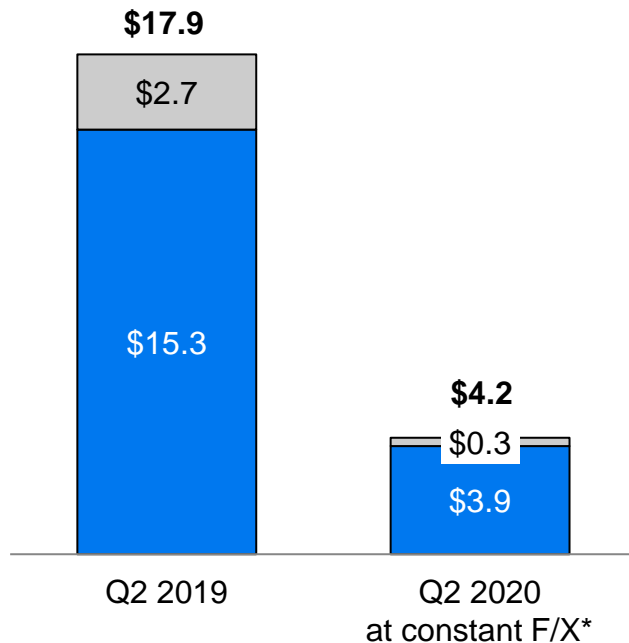


* Based on current analyst estimates, as actual results have not been released yet (source: Yahoo! Finance)

North America business segment revenue

North America Revenue by Type

\$ millions



YOY % change (as reported)	YOY %* change (constant F/X)
-89%	-89%
-74%	-74%

Highlights

- **Local** – YOY 89% decrease due to lockdowns in many countries, which closed most restaurants, spas, local businesses and entertainment.
- **Travel** – YOY 74% decrease due to smaller advertising revenue, partly offset by strong hotel voucher sales.

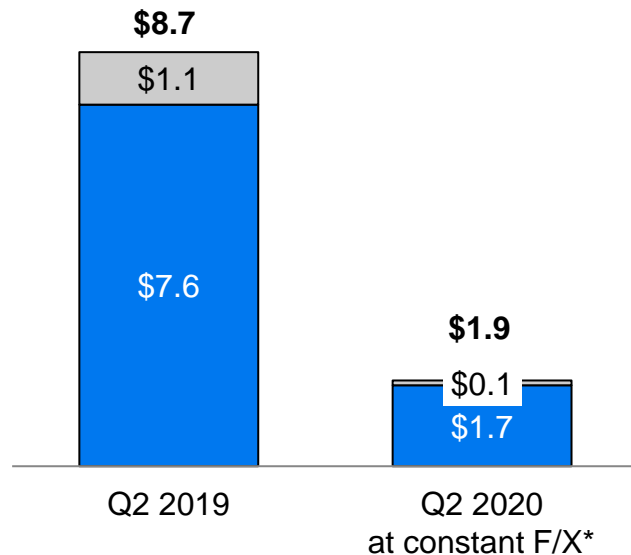


* Based on constant F/X rates for CAD

Europe business segment revenue

Europe Revenue by Type

\$ millions



YOY % change (as reported)	YOY %* change (constant F/X)
-91%	-90%
-77%	-76%

Highlights

- **Local** – YOY 90% decrease due to lockdowns in many countries, which closed most restaurants, spas, local businesses and entertainment.
- **Travel** – YOY 76% decrease due to smaller advertising revenue, partly offset by strong hotel voucher sales.



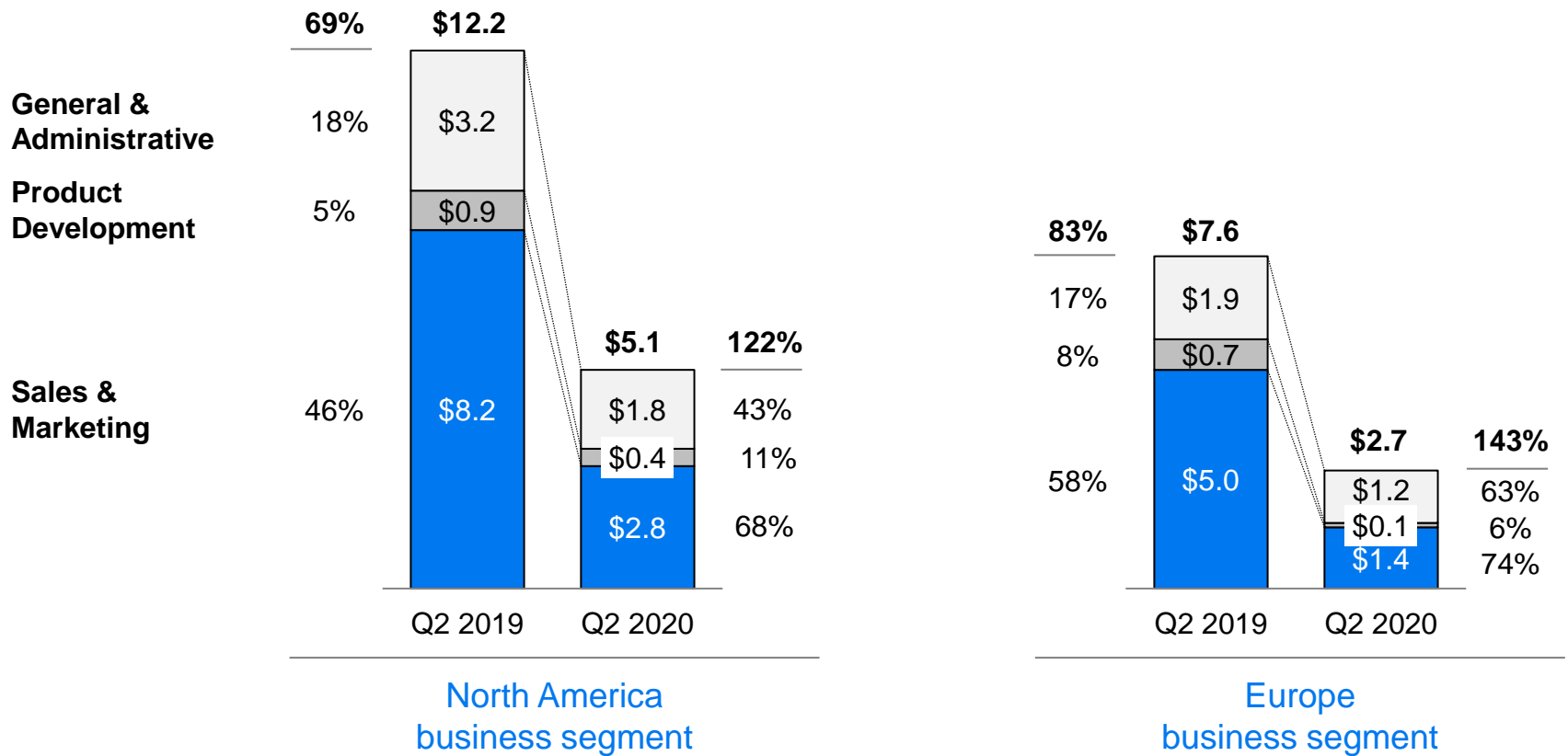
* Based on constant F/X rates for GBP and EUR

We adjusted our cost structure quickly in Q2.

Operating Expenses

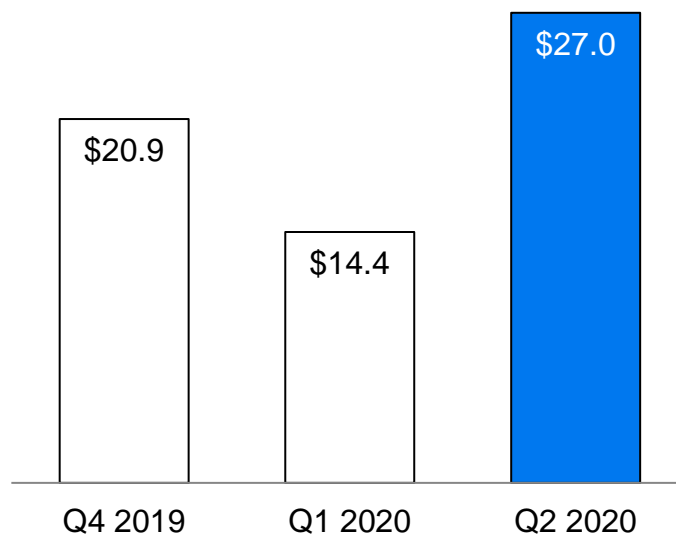
(Excluding stock option expense and one-time credit related to Jack's Flight Club acquisition)

\$ millions and as percentage of revenue



Our cash balance increased versus last quarter and the end of last year, even after paying \$6.8 million to the sellers of Jack's Flight Club.

Cash Balance at End of Quarter*
\$ millions

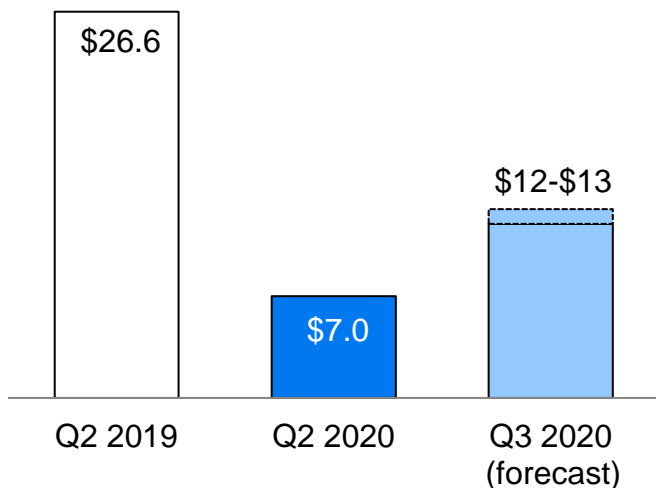


* Includes cash, cash equivalents and restricted cash

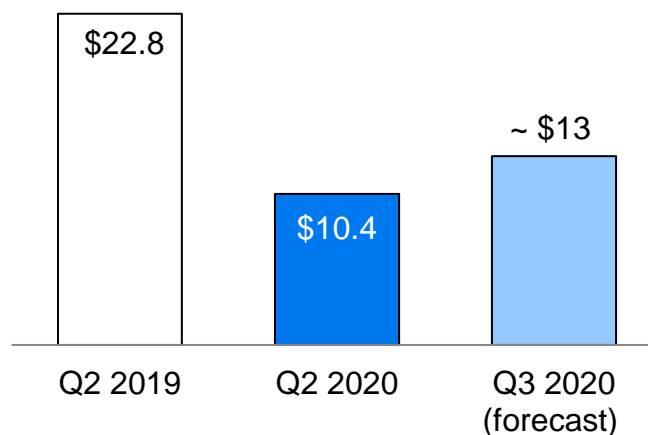
Beyond Q2, we have permanently adjusted our cost structure, so we expect to achieve profitability even with much lower revenues—possibly as soon as this quarter (Q3).

Q2 2020 Financial Performance (Continuing Operations)

Revenue
\$ millions



Operating Expenses and Cost of Sales*
\$ millions



* Excluding stock option expense and one-time items

Second Quarter 2020 Performance

Part 2: Management Focus

- Take advantage of an exceptional industry opportunity for sourcing travel, entertainment, and local deals.
- Continue to offer members flexible and worry-free deals for future travel—a format that is working well.
- Take the crisis as an opportunity to permanently optimize cost structure and profitability.
- Achieve a break-even or small profit in terms of non-GAAP operating income for Q3 and a non-GAAP operating profit for Q4 2020.
- Grow Jack's Flight Club's profitable subscription revenue.
- Continue to generate positive cash flow.



THANK YOU

For questions please contact
Travelzoo Investor Relations:
ir@travelzoo.com

travelzoo.com