



NASDAQ: TZOO

## Second Quarter 2021 Performance

July 21, 2021

## 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 2021 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 2021 Performance

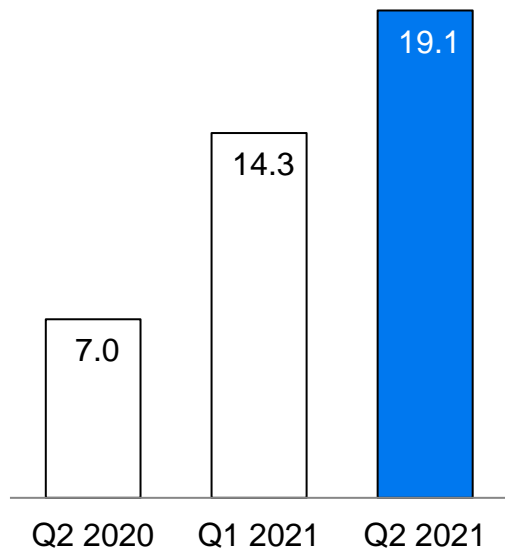
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Part 2:  
Management Focus

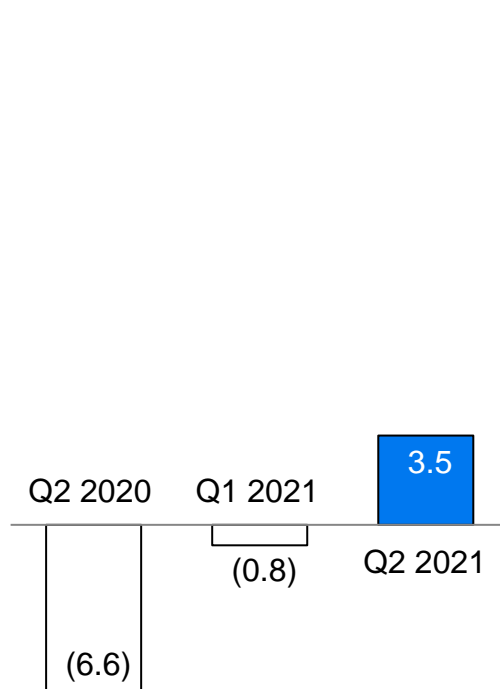
Our business is recovering faster than expected. With increasing revenues we made a solid operating profit.

### Financial Performance (Continuing Operations)

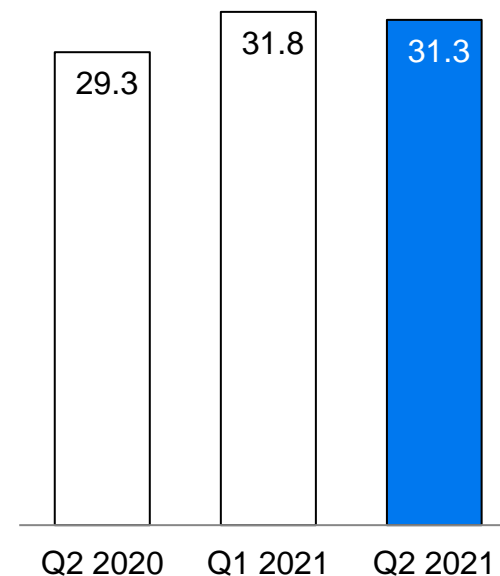
**Revenue**  
\$ millions



**Operating Income**  
\$ millions



**Members**

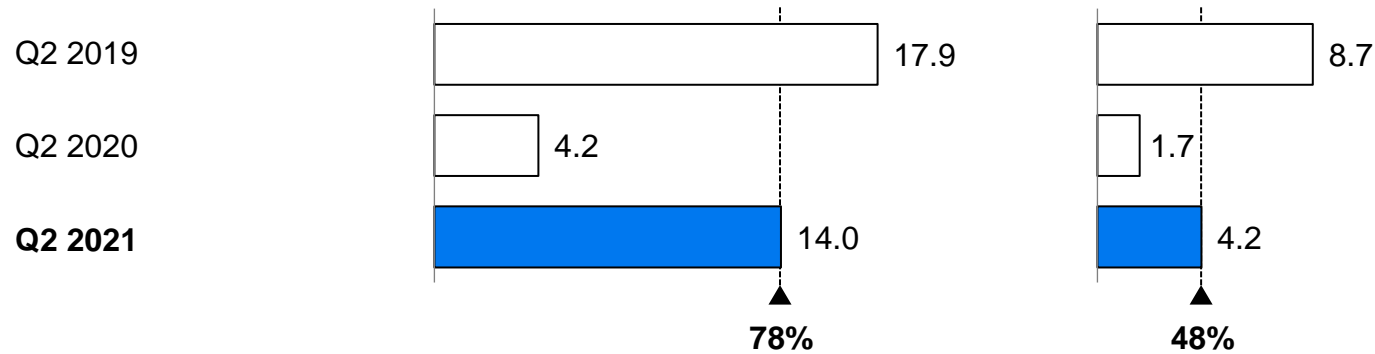


North America is recovering faster than Europe. With our adjusted cost structure, operating profit is already equal to 2019.

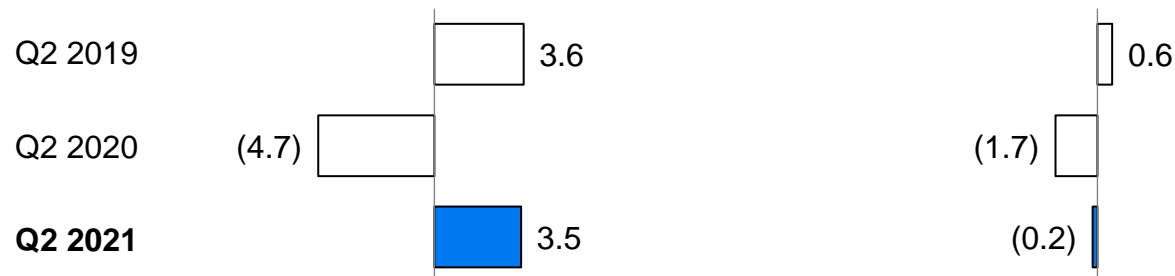
### North America Business Segment

### Europe Business Segment

#### Revenue \$ millions



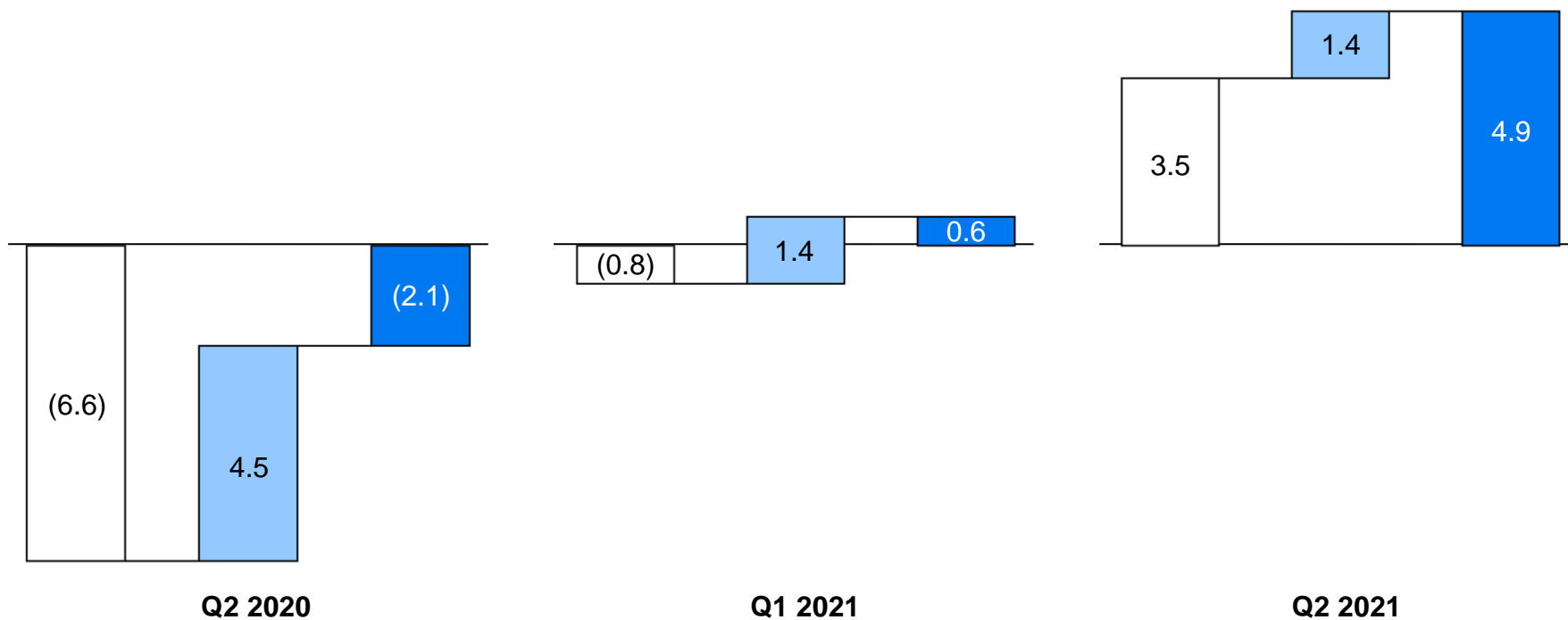
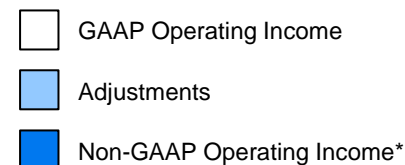
#### Operating Income \$ millions



Non-GAAP operating profit, which we use to measure our financial performance, increased to 26% of revenues.

### Non-GAAP Operating Income\*

\$ millions



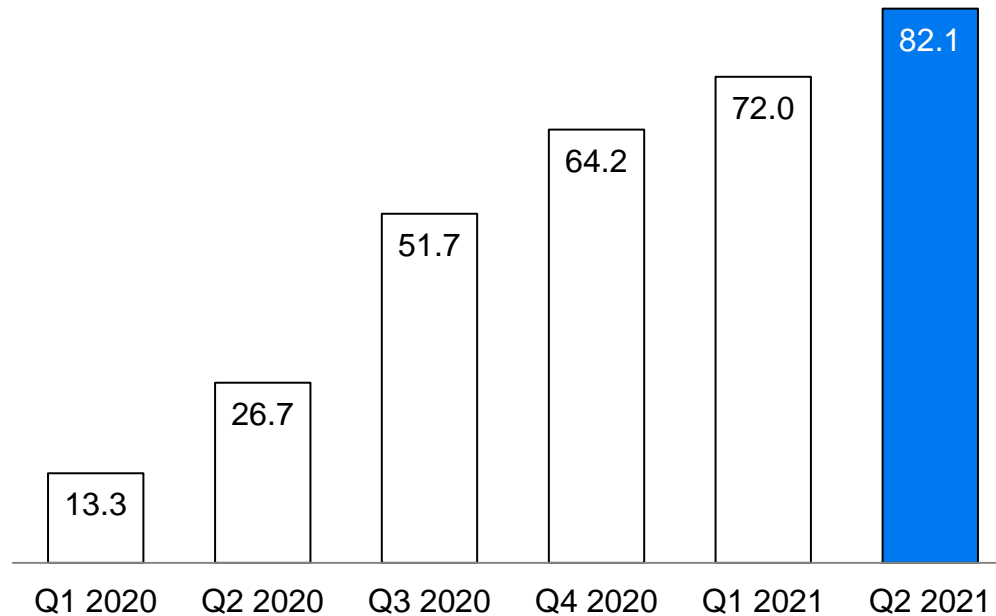
\* GAAP operating income + impairment of intangibles and goodwill + amortization of intangibles + stock option expenses + severance-related expenses = Non-GAAP operating income

Here are the details on the items that are excluded in the calculation of Non-GAAP operating profit.

\$ millions	Q2 2020	Q1 2021	Q2 2021
<b>Adjustments</b>	<b>4.5</b>	<b>1.4</b>	<b>1.4</b>
Impairment of intangibles and goodwill	0.0	0.0	0.0
Amortization of intangibles	0.4	0.3	0.3
Stock option expense	4.1	0.9	0.9
Severance-related expenses	0.0	0.2	0.2

Our continued success in voucher sales keeps pushing the positive development in cash balance.

**Cash Balance at End of Quarter\***  
\$ millions



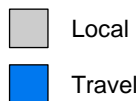
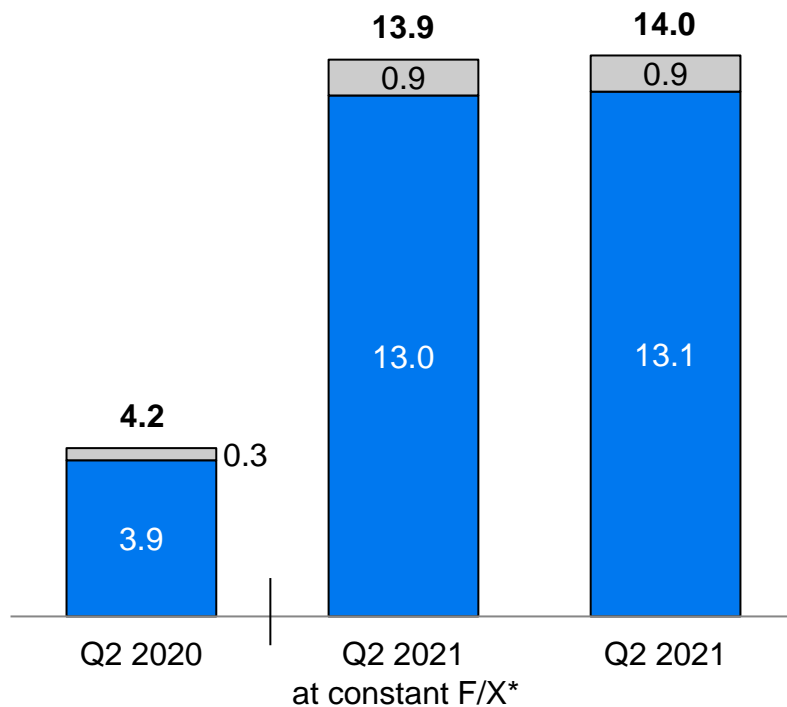
\* Includes cash, cash equivalents and restricted cash



# North America business segment revenue

## North America Revenue by Type

\$ millions



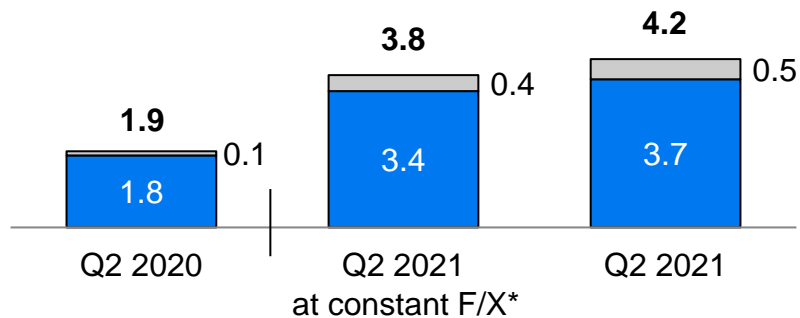
YOY %* change (constant F/X)	YOY % change (as reported)
212%	214%
233%	235%

\* Based on constant F/X rates for CAD

# Europe business segment revenue

## Europe Revenue by Type

\$ millions



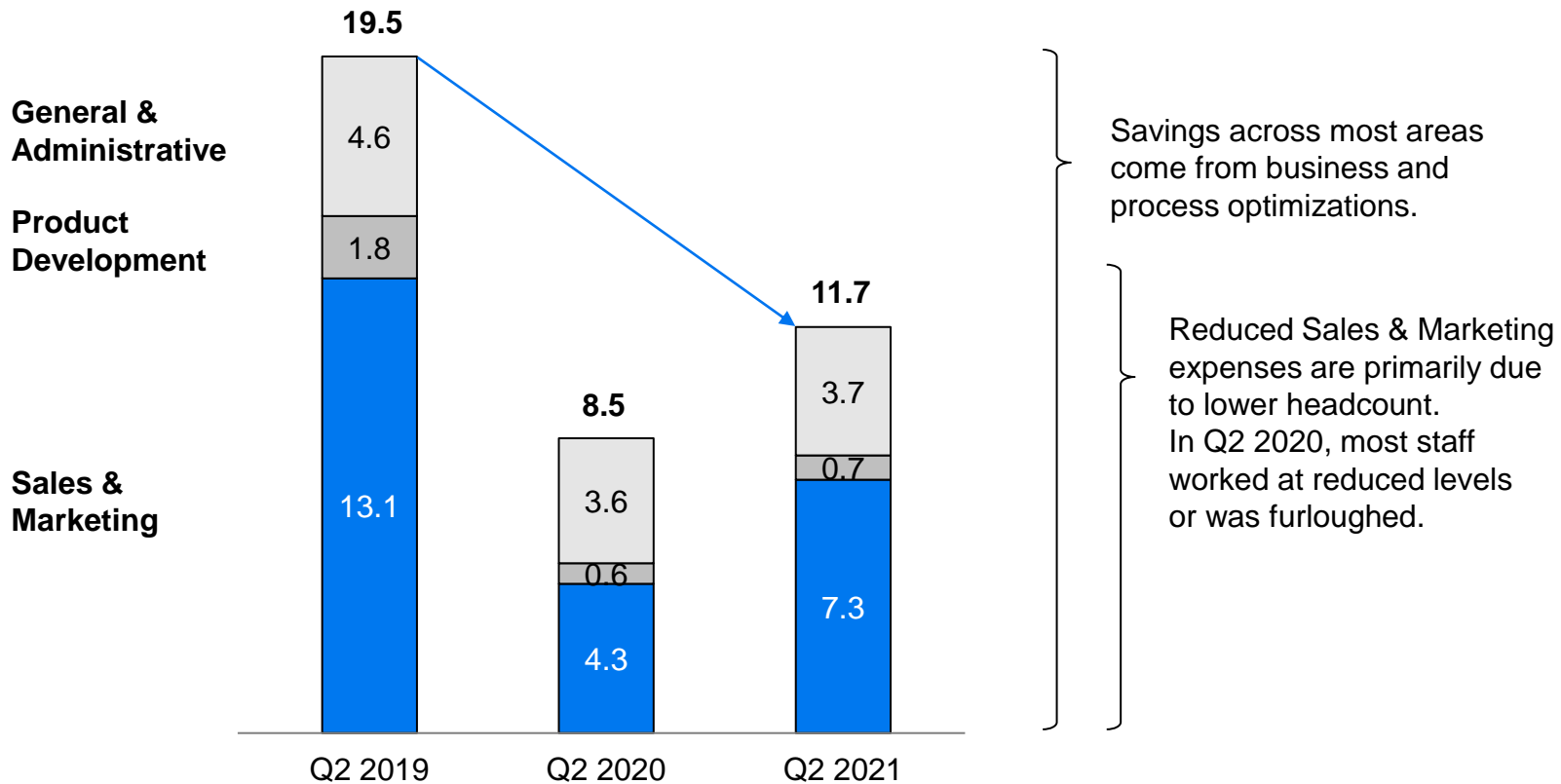
YOY %* change (constant F/X)	YOY % change (as reported)
347%	404%
91%	112%

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

The quick adjustment of our cost structure right at the beginning of the pandemic has resulted in ongoing lower fixed costs.

### Non-GAAP Operating Expenses\* (All Business Segments)

\$ millions

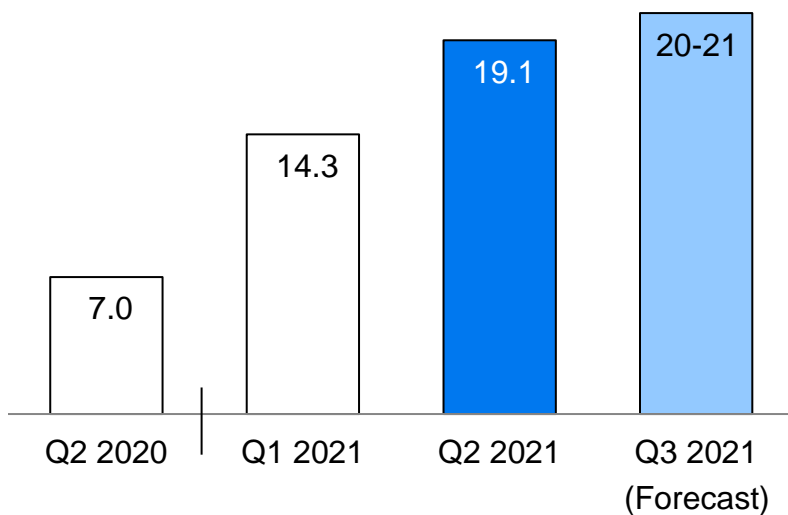


\* Excluding amortization of intangibles, stock option expenses, severance-related expenses, and a one-time credit in G&A from Q2 2020 related to Jack's Flight Club acquisition.

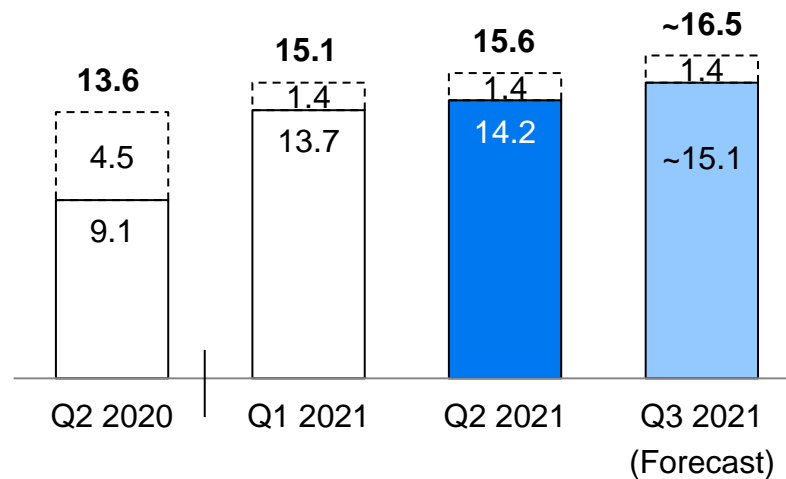
As our operating expense consists of mostly fixed costs, we expect profits to increase if revenues continue to rise.

### Financial Performance (Continuing Operations)

#### Revenue \$ millions



#### Operating Expenses and Cost of Revenues \$ millions



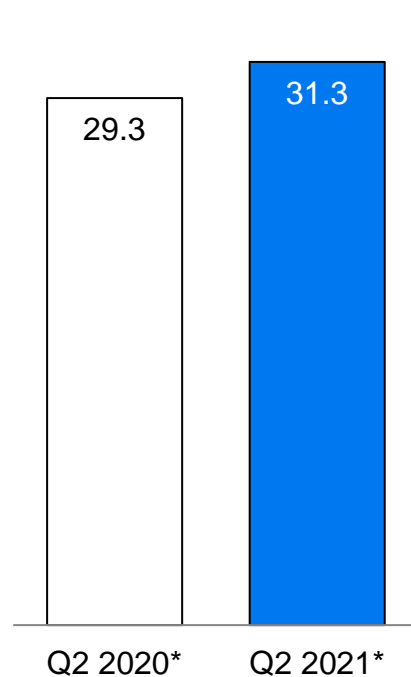
Non-GAAP Adjustments

OPEX and Cost of Revenues

With more than 30 million members, 6.8 million mobile app users, and 4 million social media followers, Travelzoo is loved by travel enthusiasts who are affluent, active, and open for new experiences.

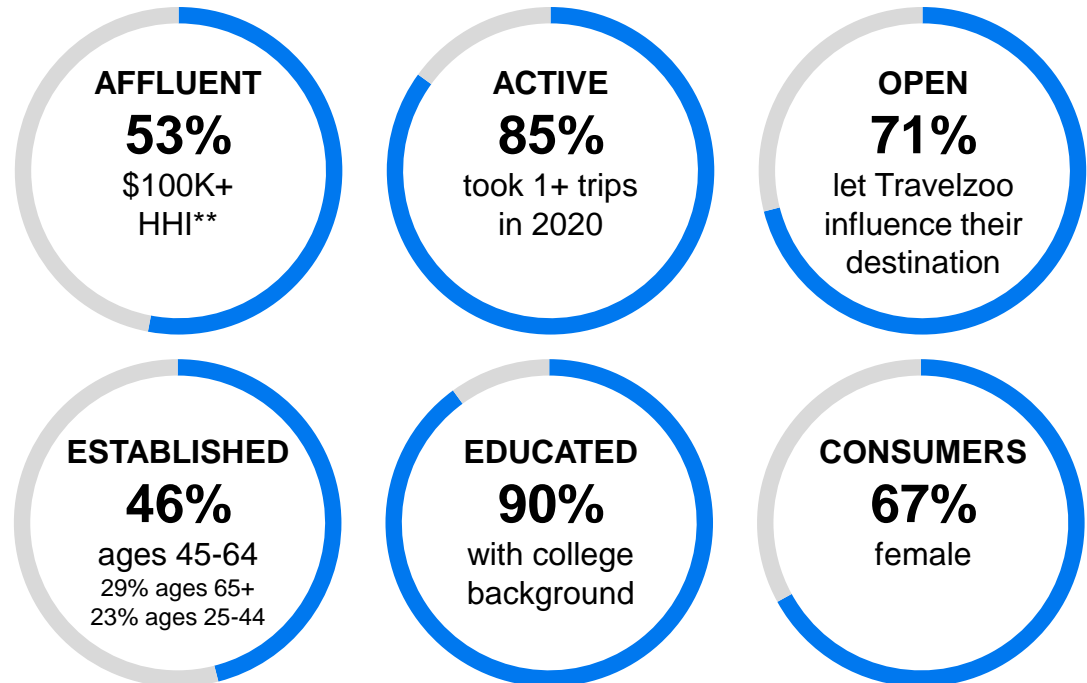
## Travelzoo's Global Reach

### Members (Email Subscribers) Millions



## High-Quality Users, Followers and Subscribers

### Travelzoo U.S. Member Survey November/December 2020



\* Including members of Jack's Flight Club

\*\* As a reference point: Of the total U.S. population, 34% have an HHI of \$100K+

Part 1:  
Second Quarter 2021 Performance

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Part 2:  
Management Focus

- Seize the exceptional industry opportunities for providing 30 million Travelzoo® members exclusive and irresistible travel, entertainment, and local offers and experiences.
- Continue to offer Travelzoo members flexible and worry-free deals for future travel—a format that is working well.
- Grow Jack's Flight Club's profitable subscription revenue.
- Grow profitability as demand for travel continues to return.

**TRAVELZOO<sup>®</sup>**

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**HAVE A NICE DAY!**

For questions, please contact Travelzoo Investor Relations:

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