



NASDAQ: TZOO

Second Quarter 2022 Performance

July 27, 2022

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 2022 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 2022 Performance

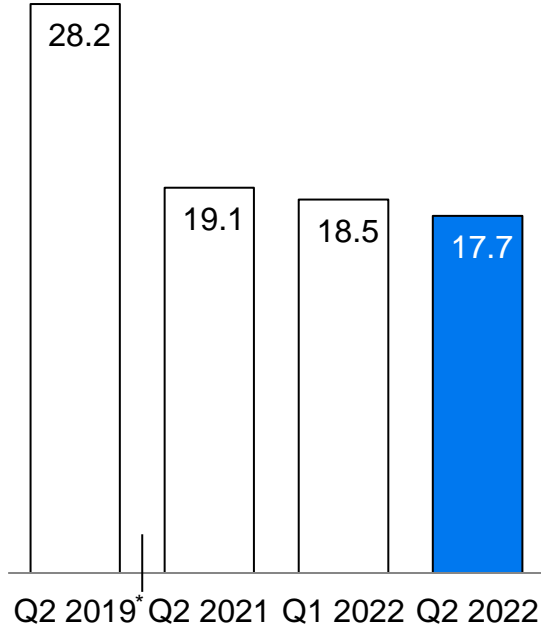
Part 2:
Management Focus

Part 3:
Travelzoo META

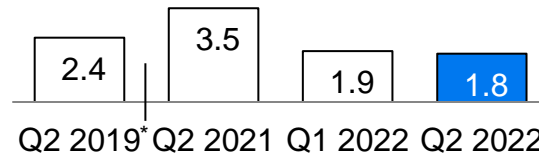
Q2 revenues were lower than expected. However, profitability was good.

Financial Performance

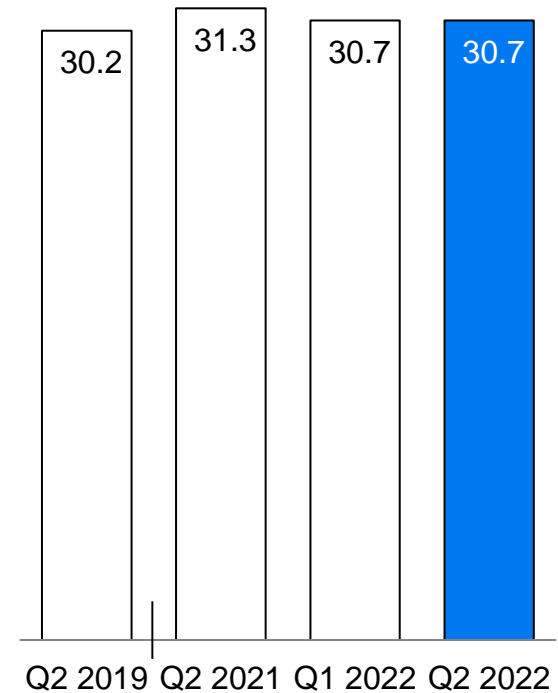
Revenue
\$ millions



Operating Profit
\$ millions



Members



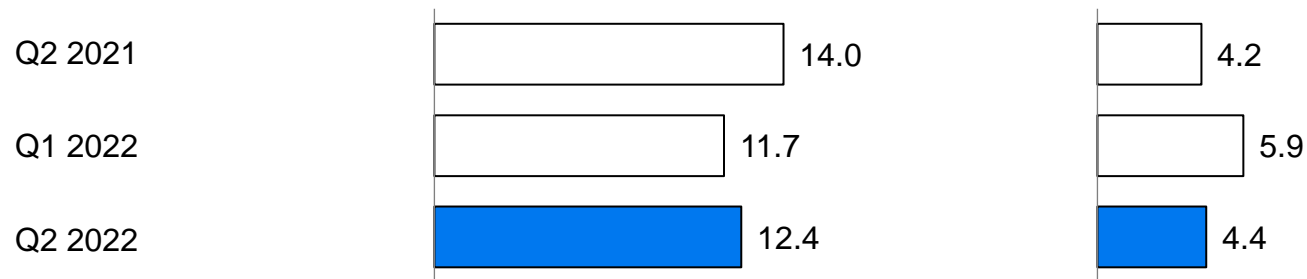
* Includes former APAC segment, which has been discontinued.

North America continues to outperform Europe in the recovery from the pandemic.

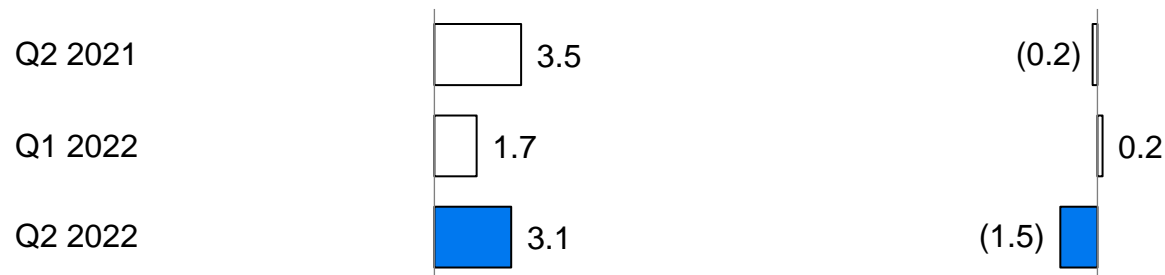
North America Business Segment

Europe Business Segment

Revenue \$ millions

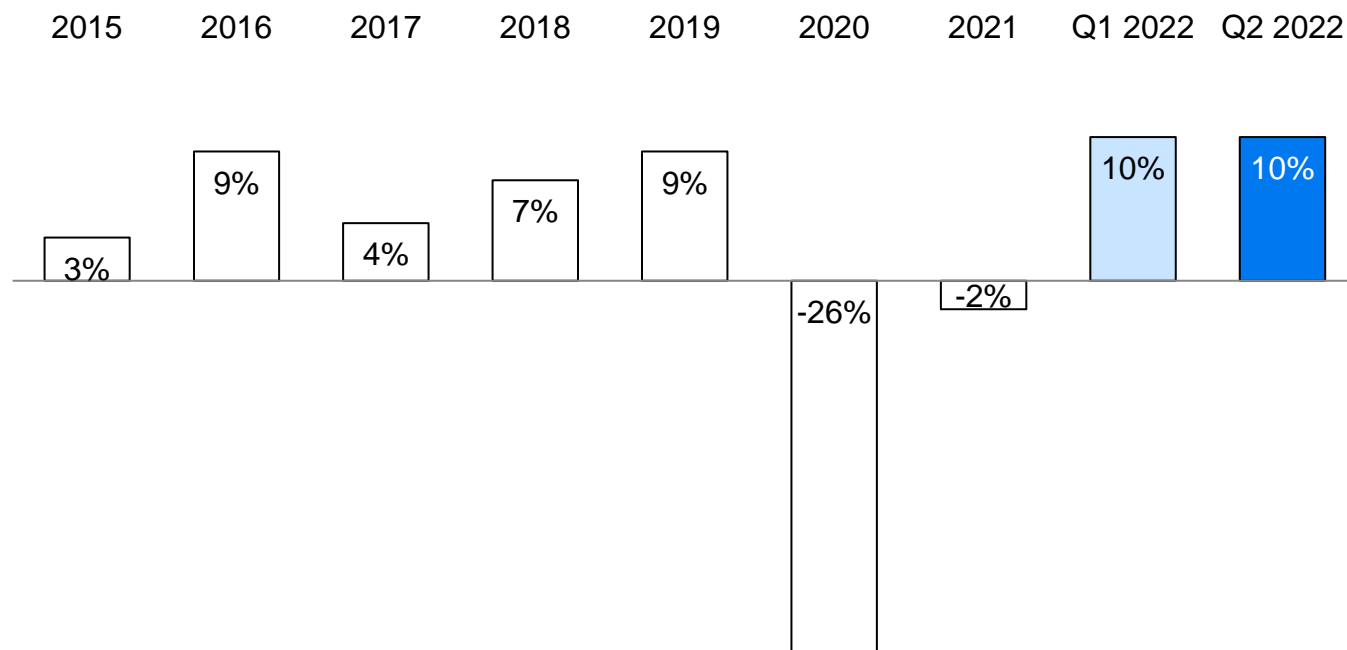


Operating Profit \$ millions



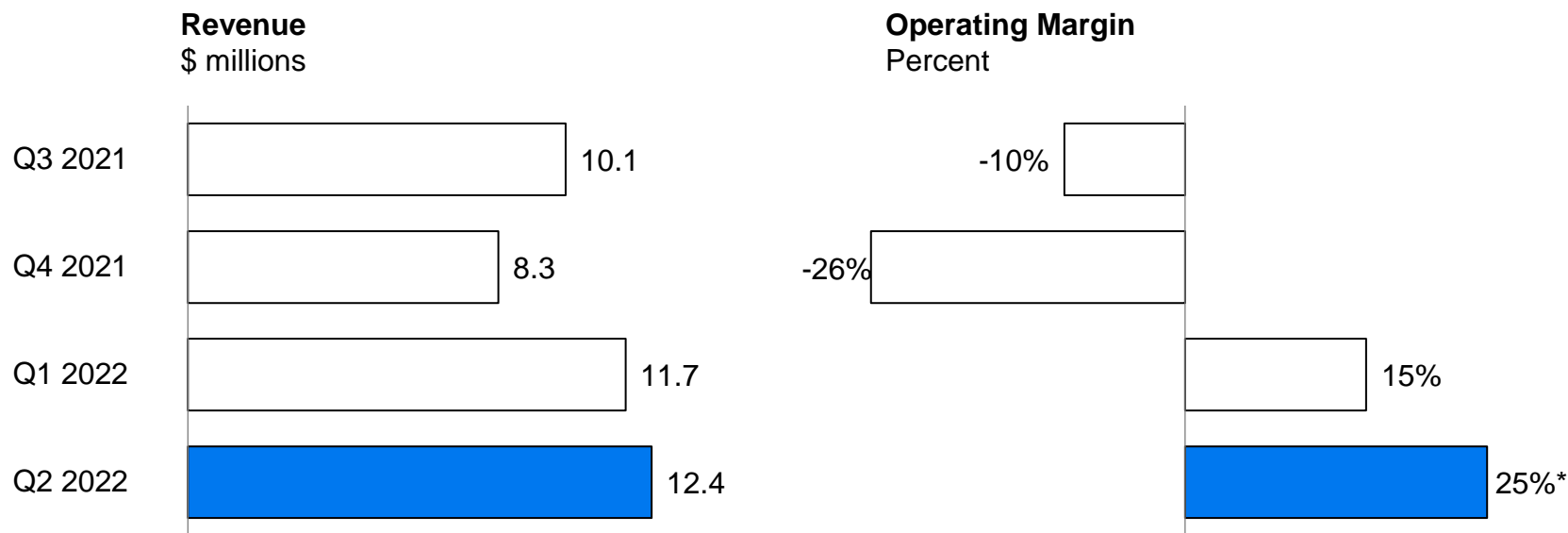
Operating margins are higher now than before the pandemic.

Operating Margin



In North America, the operating margin reached 25%. It is the highest operating margin in 6 years. We think it can go higher.

North America Business Segment

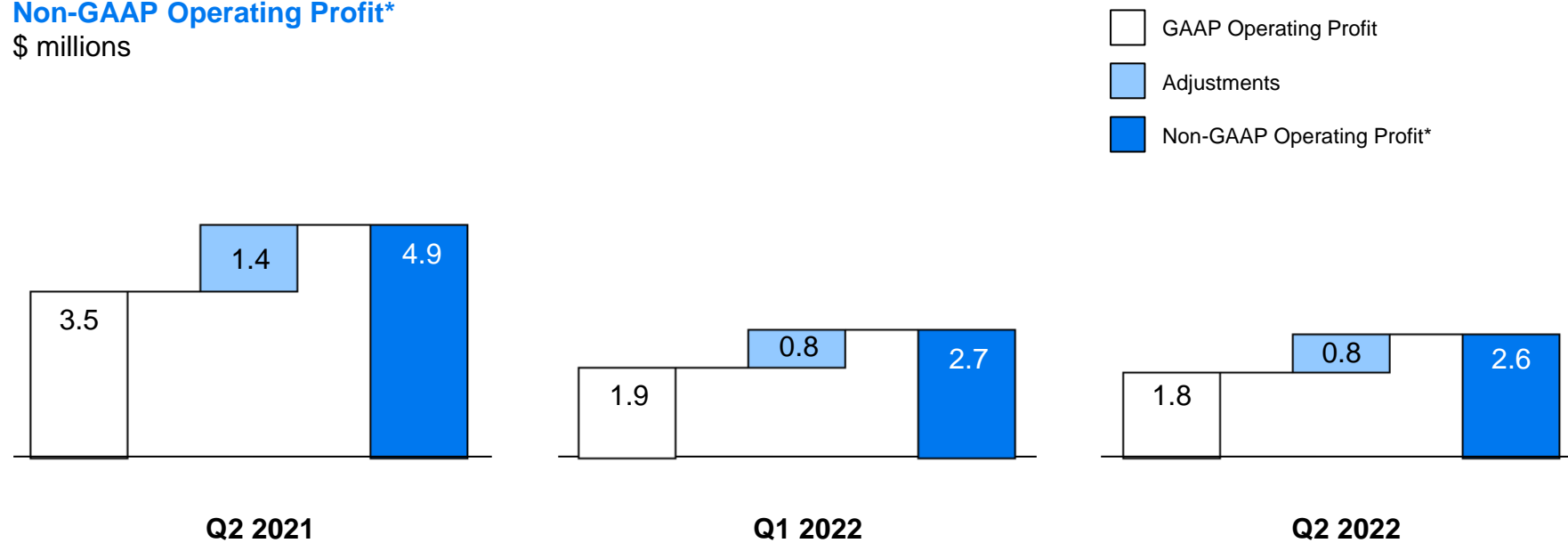


* North America operating margin was also 25% in Q2 2021, which has been the highest since 2015.

Non-GAAP operating profit was \$2.6 million.

Non-GAAP Operating Profit*

\$ millions



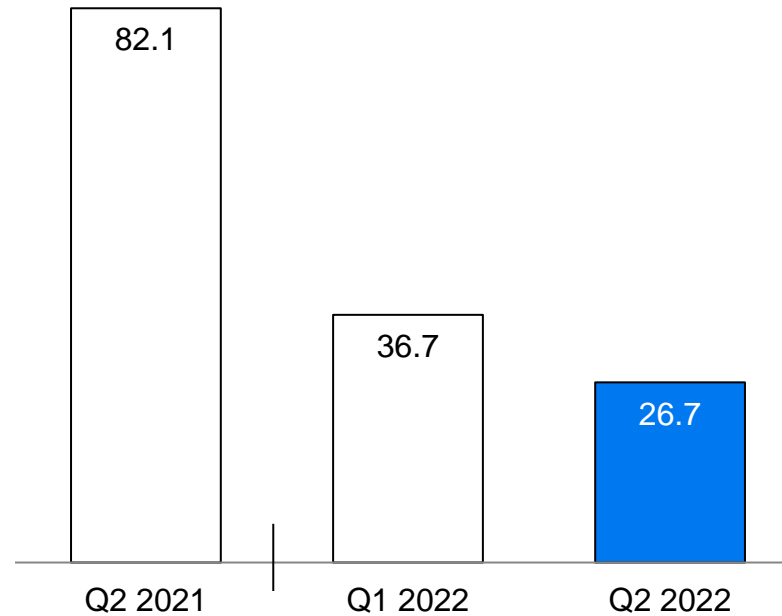
* GAAP operating profit + impairment of intangibles and goodwill + amortization of intangibles + stock option expenses + severance-related expenses = non-GAAP operating income

Items excluded in the calculation of non-GAAP operating profit

\$ millions	Q2 2021	Q1 2022	Q2 2022
Adjustments	1.4	0.8	0.8
Impairment of intangibles and goodwill	—	—	—
Amortization of intangibles	0.3	0.2	0.2
Stock option expense	0.9	0.6	0.6
Severance-related expenses	0.2	—	—

Our cash balance reached the expected level as the number of vouchers outstanding has become smaller. Payables decreased proportionately.

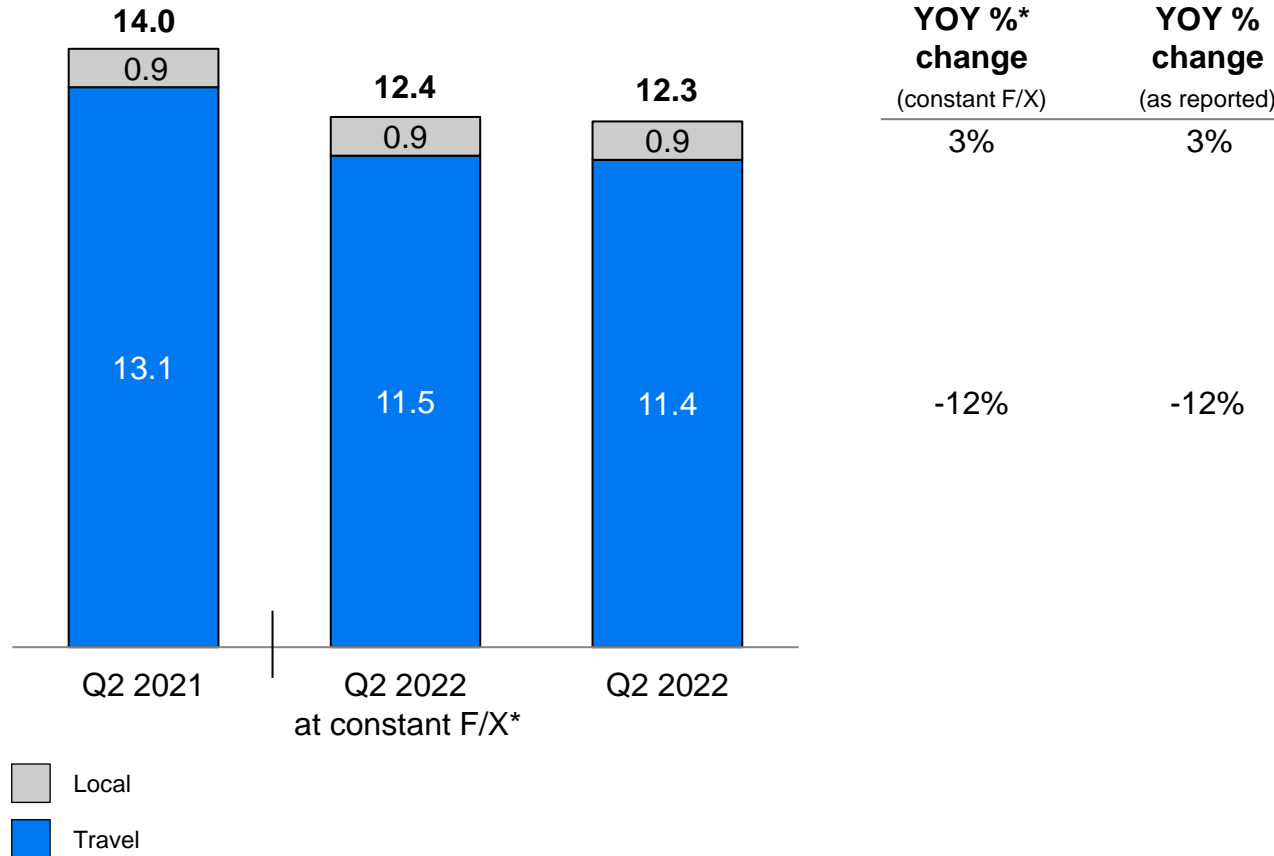
Cash Balance at End of Quarter*
\$ millions



* Includes cash, cash equivalents and restricted cash

North America business segment revenue

North America Revenue by Type
\$ millions

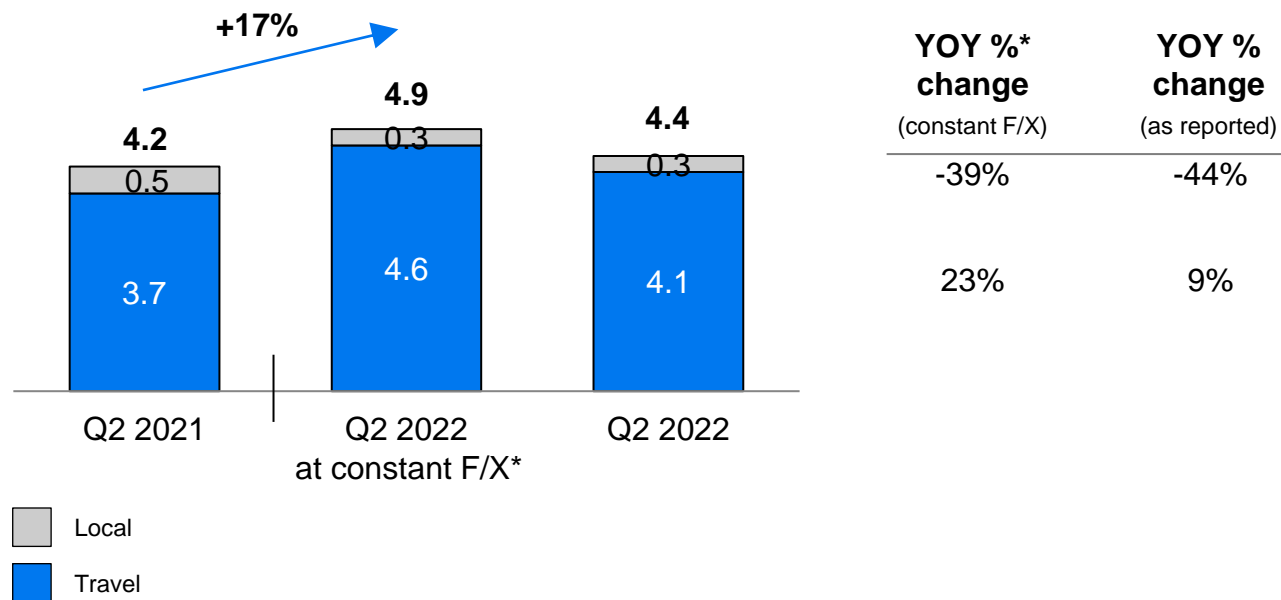


* Based on constant F/X rates for CAD

Europe business segment revenue, which we report in USD, is negatively impacted by the strong dollar.

Europe Revenue by Type

\$ millions

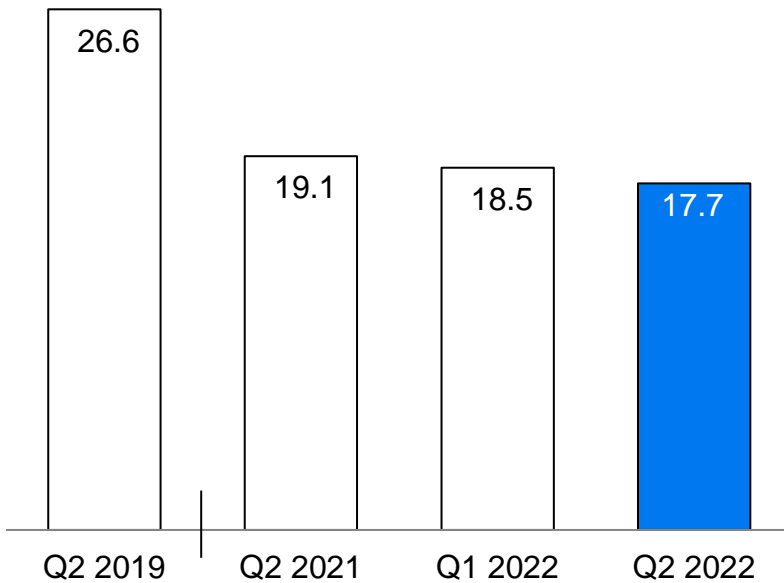


* Based on constant F/X rates for EUR and GBP

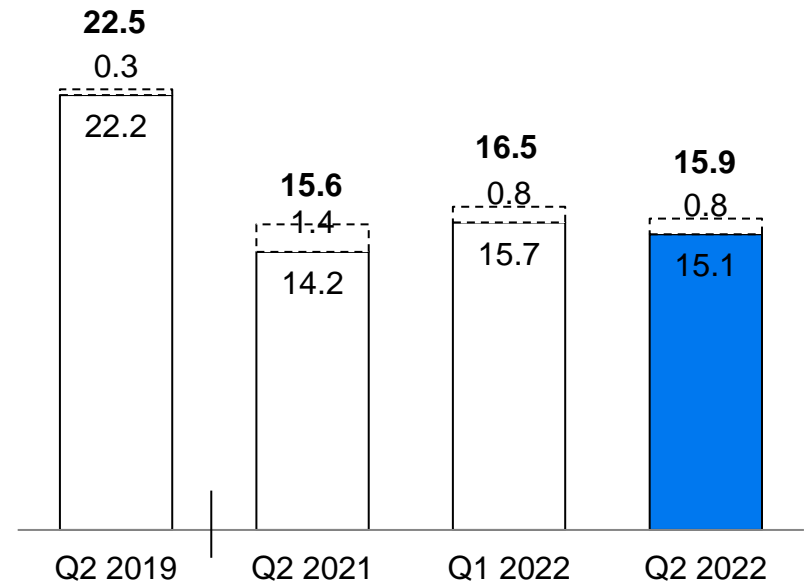
The pandemic led to a significant reduction of fixed costs which can be kept relatively low in the foreseeable future—while revenues are expected to grow.

Financial Performance

Revenue*
\$ millions



Operating Expenses and Cost of Revenues*
\$ millions



Non-GAAP Adjustments

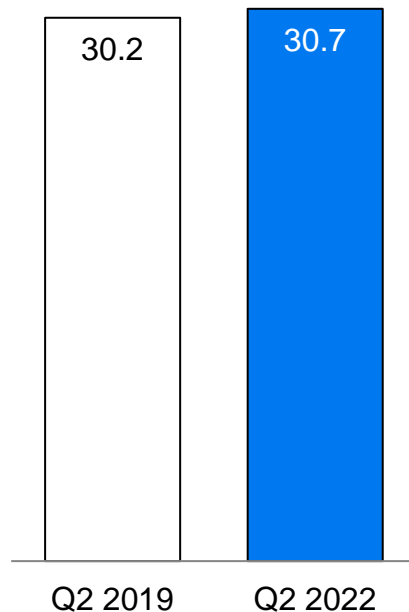
OPEX and Cost of Revenues

* Excluding discontinued Asia operations

With more than 30 million members, 7 million mobile app users, and 4 million social media followers, Travelzoo is loved by travel enthusiasts who are affluent, active, and open to new experiences.

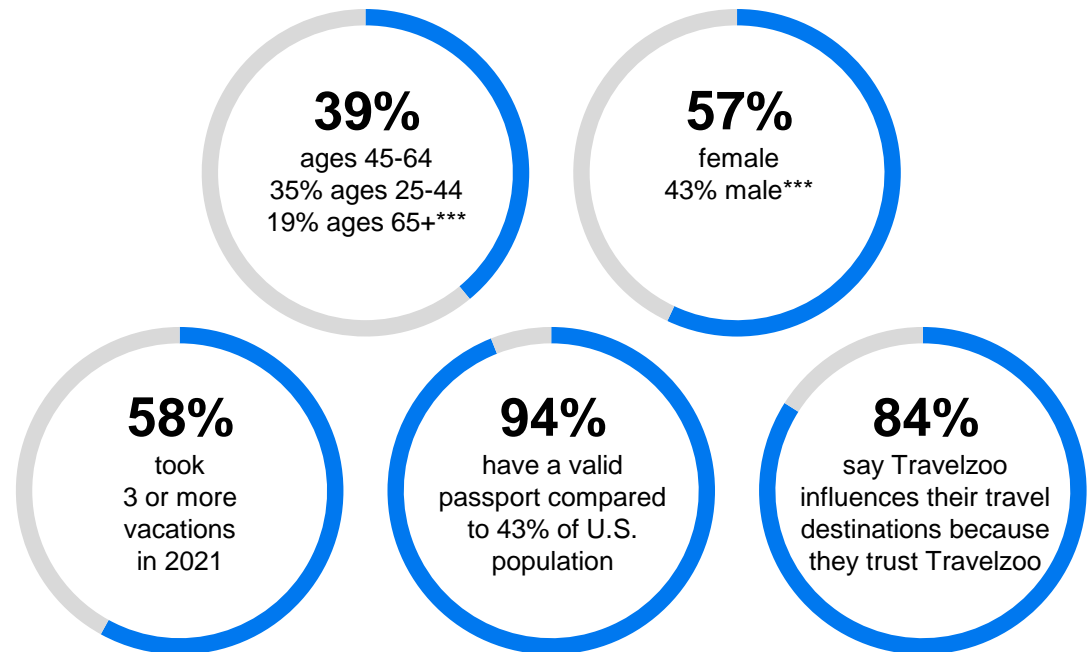
Travelzoo's Global Reach

Members*
Millions



High-Quality Users, Followers and Subscribers

Travelzoo U.S. Member Survey**
December 2021



* Including members of Jack's Flight Club ** Sources: Google Analytics, average taken over October 2020 to September 2021 (marked with ***); Travelzoo U.S. Member Survey; December 11-20, 2021; n=1,457; U.S. Department of State – Bureau of Consular Affairs, U.S. Census Bureau

Part 1:
Second Quarter 2022 Performance

Part 2:
Management Focus

Part 3:
Travelzoo META

Management Focus

- Increase number of members and accelerate revenue growth to reach and then exceed pre-pandemic levels.
- Grow Jack's Flight Club's profitable subscription revenue.
- Utilize higher operating margins to significantly increase EPS.
- Launch Travelzoo META.

Part 1:
Second Quarter 2022 Performance

Part 2:
Management Focus

Part 3:
Travelzoo META

TRAVELZOO

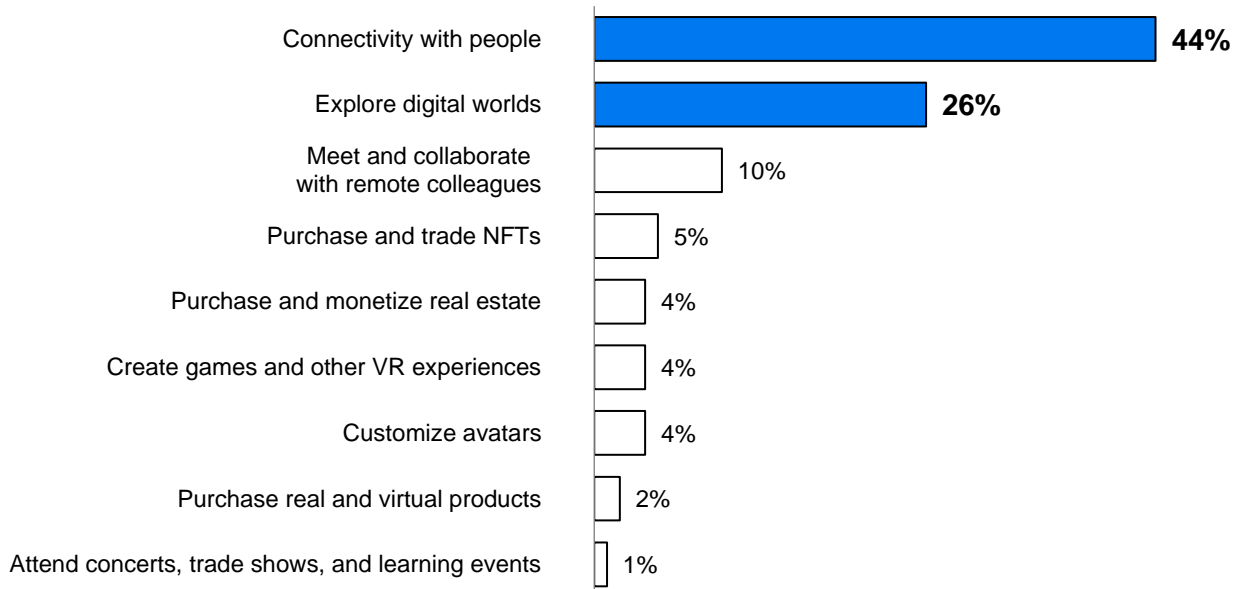
M E T A

What are the status and timing?

- Given the newness of this industry, we launched Phase 1 in May in a controlled test environment to a limited set of users.
- We are deploying learnings from the test into our next phase which is scheduled to launch in September.
- We are continuing with our phased approach and test and learn strategy.
- We will provide updates as appropriate.

Top categories of value-creation in the Metaverse

According to a large consumer survey by McKinsey & Company published in June 2022*—asking for "Drivers of excitement for consumers who prefer virtual immersive experience over similar activities in the physical world"—virtual immersive travel is the second most sought-after experience in the Metaverse:



* Source: <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/value-creation-in-the-metaverse>

The McKinsey & Company report validates Travelzoo META strategy.

- McKinsey & Company found that consumers in the Metaverse are looking to explore and travel digital worlds. Travelzoo META will allow its members to do so and, therefore, give them the experiences they value the most.
- Travelzoo META experiences will be browser-enabled entertaining travel experiences that allow members to interact with, and in, the Metaverse.
- Travelzoo META is expected to attract a completely new generation of members, in addition to complementing real-world lifestyle and travel experiences curated by Travelzoo for its existing 30 million members.
- Being a first-mover is important.

TRAVELZOO[®]

NASDAQ: TZOO

HAVE A NICE DAY!

For questions, please contact Travelzoo Investor Relations:

ir@travelzoo.com