



NASDAQ: TZOO

First Quarter 2021 Performance

April 22, 2021

Important Notice to Investors

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

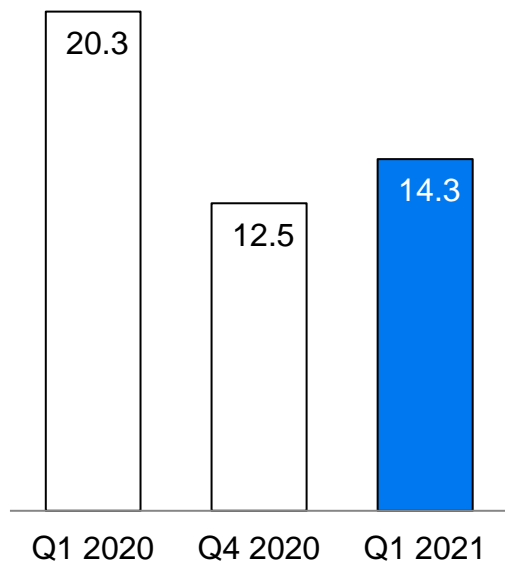
Part 1:
First Quarter 2021 Performance

Part 2:
Management Focus

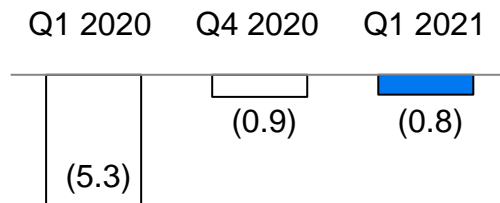
Our business continues to improve: Revenues and operating income are recovering. The number of members is growing.

Financial Performance (Continuing Operations)

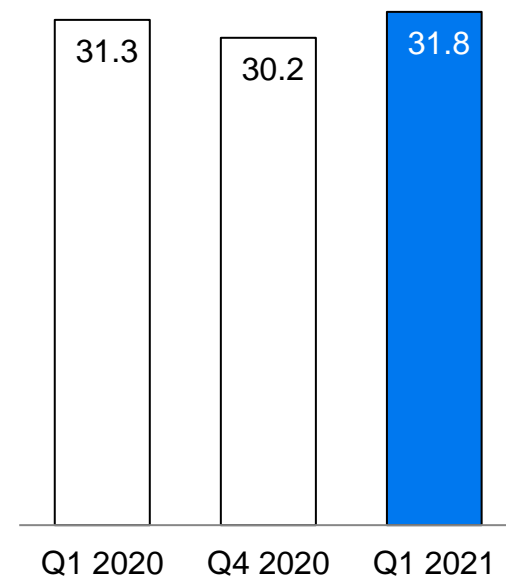
Revenue
\$ millions



Operating Income
\$ millions



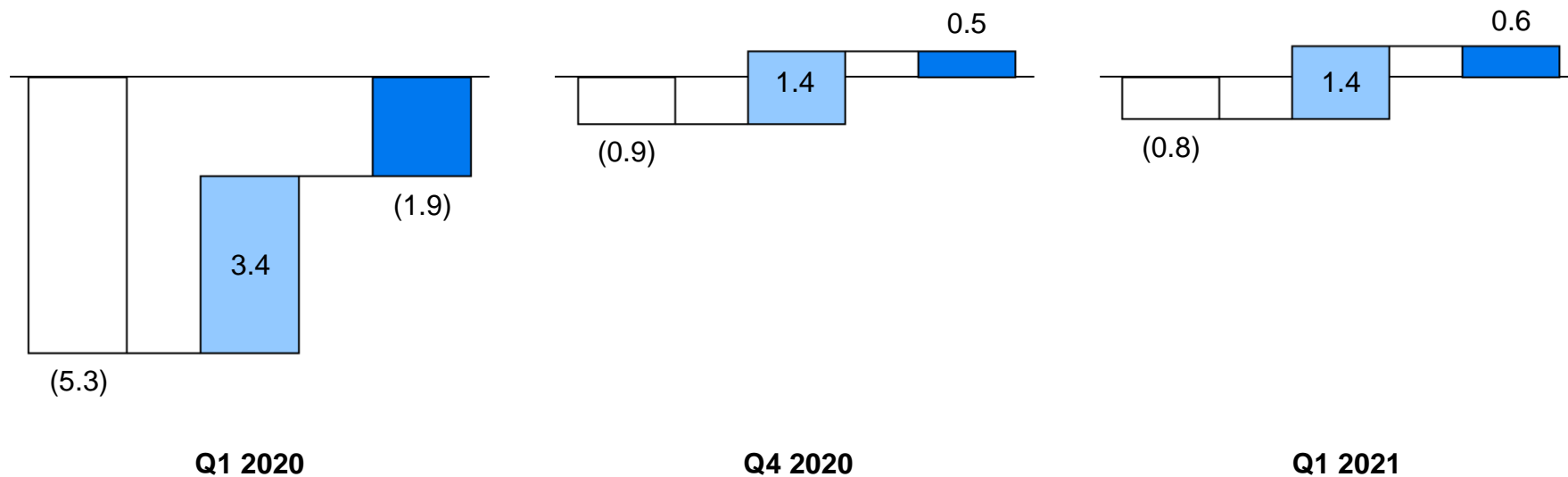
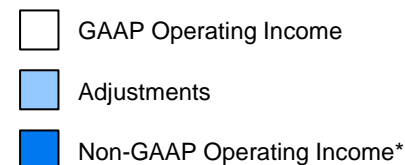
Members



Non-GAAP operating income, which we use to measure financial performance, was in line with our expectations.

Non-GAAP Operating Income*

\$ millions



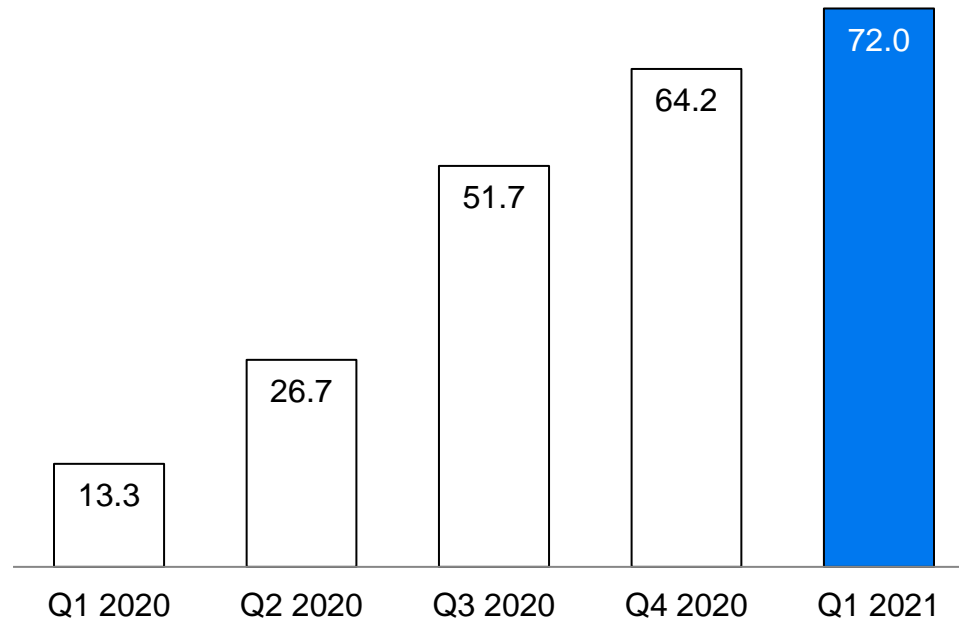
* GAAP operating income + impairment of intangibles and goodwill + amortization of intangibles + stock option expenses + severance-related expenses = Non-GAAP operating income

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

\$ millions	Q1 2020	Q4 2020	Q1 2021
Adjustments	3.4	1.4	1.4
Impairment of intangibles and goodwill	3.0	0.0	0.0
Amortization of intangibles	0.2	0.3	0.3
Stock option expense	0.0	1.0	0.9
Severance-related expenses	0.2	0.1	0.2

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

Cash Balance at End of Quarter*
\$ millions

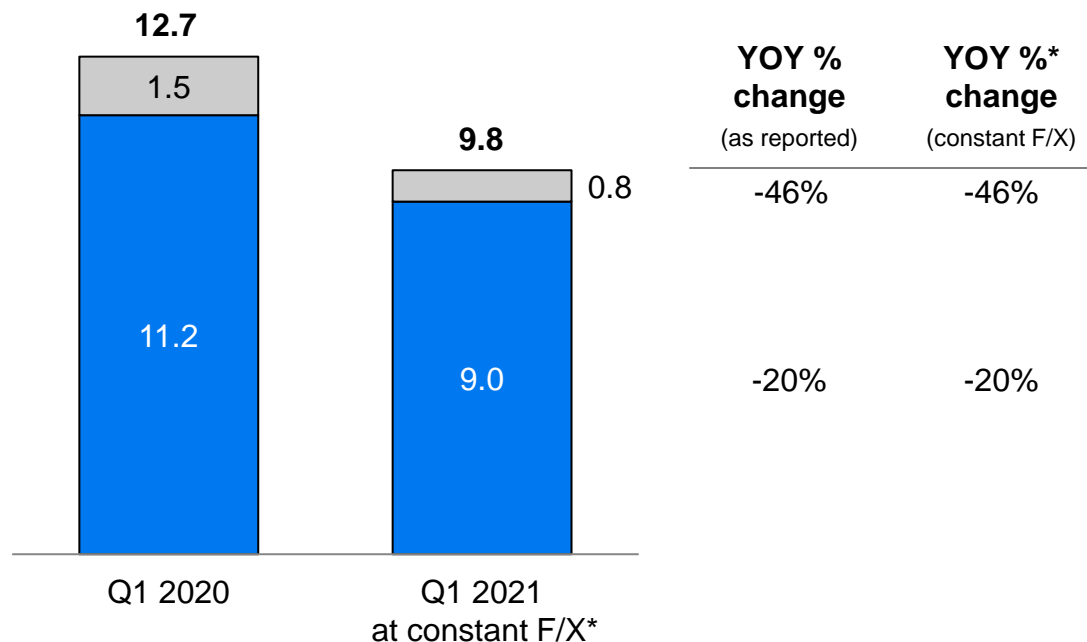


* Includes cash, cash equivalents and restricted cash

North America business segment revenue

North America Revenue by Type

\$ millions



Highlights

- **Travel** – YOY 20% decrease due to lower advertising revenue, partially offset by strong getaway voucher sales.
- **Local** – YOY 46% decrease due to lockdowns in the US and Canada, which closed most restaurants, spas, local businesses and entertainment.

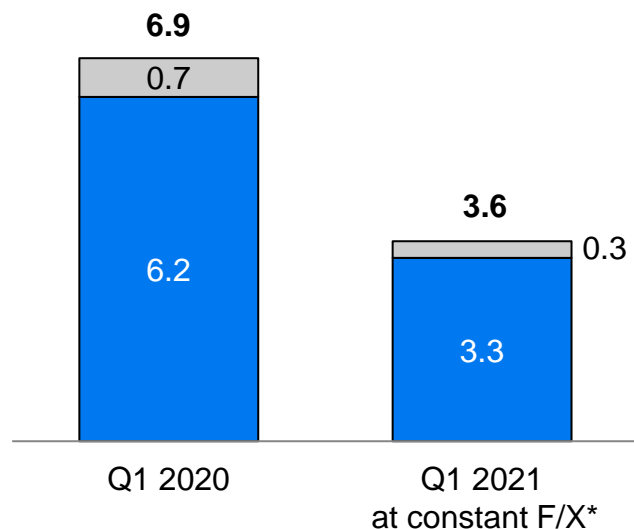
Local
Travel

* 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)
-61%	-64%
-47%	-51%

Highlights

- **Travel** – YOY 47% decrease due to reduced activity from advertisers, partially offset by strong voucher sales.
- **Local** – YOY 61% decrease due to lockdowns in the UK and EU countries, which closed most restaurants, spas, local businesses and entertainment.

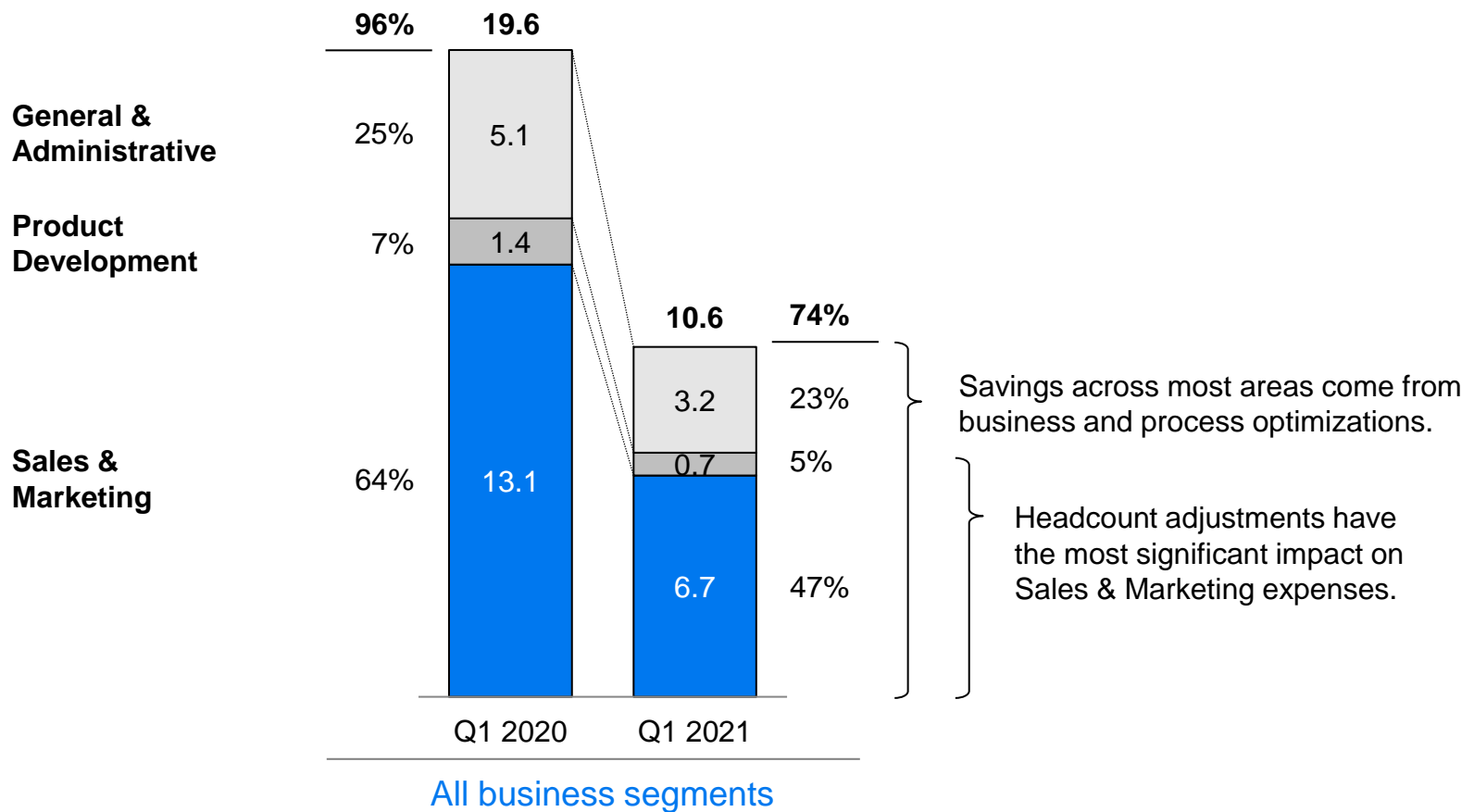


* Based on constant F/X rates for EUR and GBP

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

Non-GAAP Operating Expenses*

\$ millions and as percentage of revenue

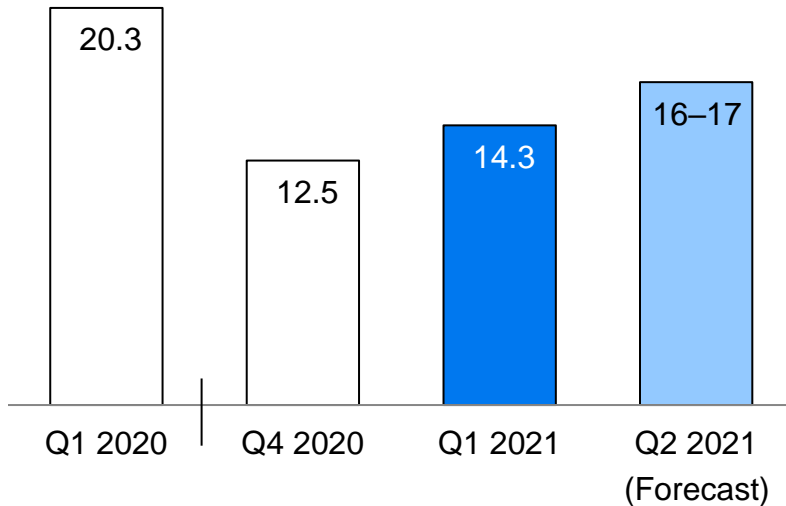


* Excluding amortization of intangibles, stock option expenses, severance-related expenses

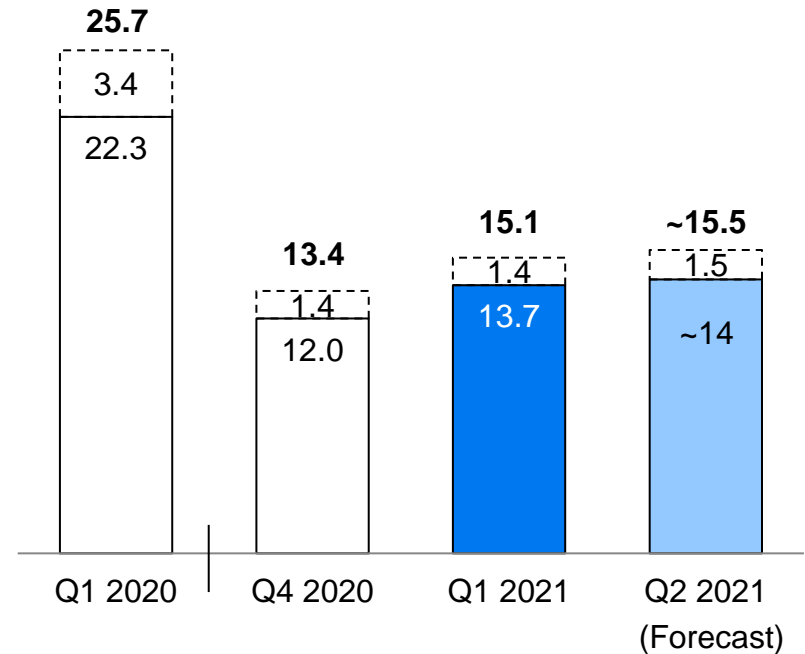
For Q2 2021, we expect revenue to continue to rise. At our reduced expense level, we expect to reach an operating profit.

Financial Performance (Continuing Operations)

Revenue \$ millions



Operating Expenses and Cost of Revenues \$ millions



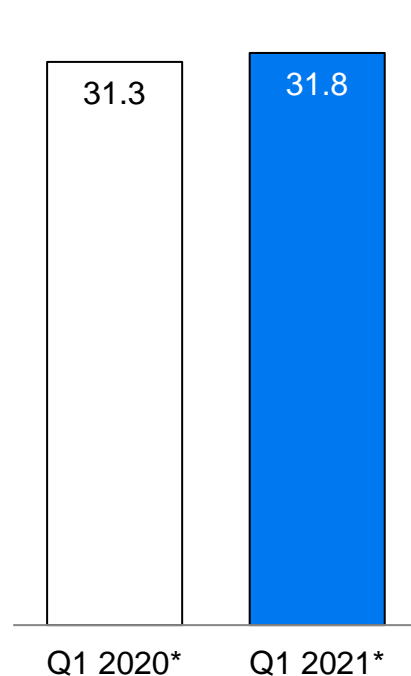
Non-GAAP Adjustments

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.

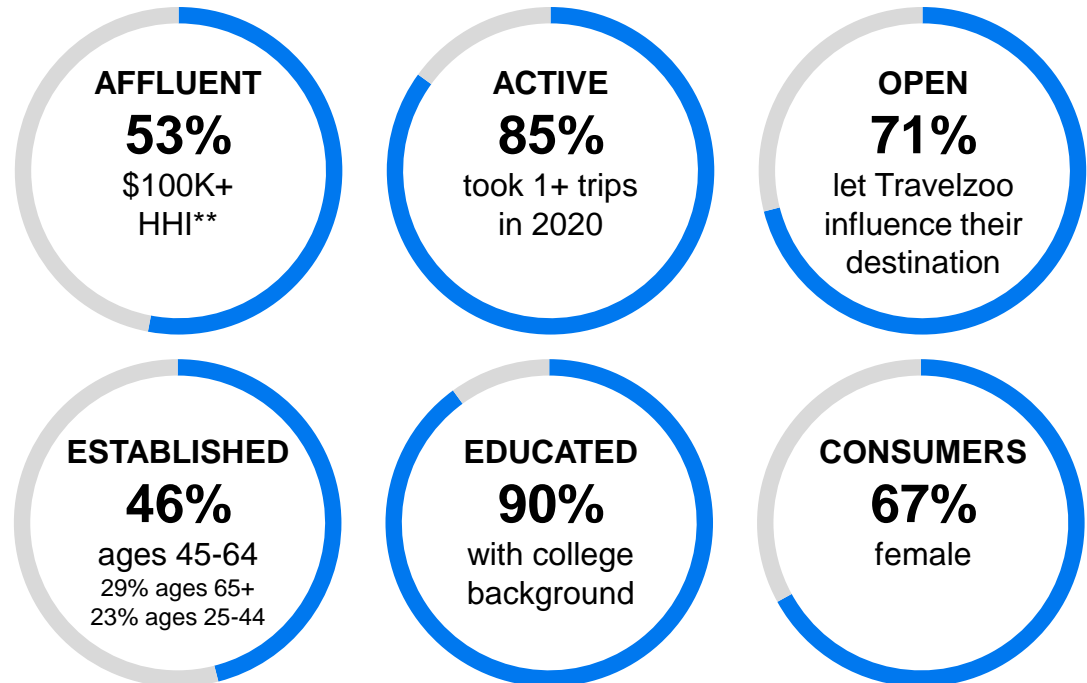
Travelzoo's Global Reach

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:
First Quarter 2021 Performance

Part 2:
Management Focus

- Expand and seize the exceptional industry opportunities for sourcing travel, entertainment, and local deals.
- 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 returns.

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HAVE A NICE DAY!

For questions, please contact Travelzoo Investor Relations:

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