

Travelzoo

Q1 EPS upside, and expect strong 2025 growth. Strong travel industry growth should drive strong 2025. Raising P/T to \$25.

COMPANY UPDATE

Rating: BUY

Ticker: TZOO

Price: \$13.40

Target: \$25
(from \$24)

Q1 EPS upside: Travelzoo recently (on April 29) reported its fiscal Q1 2025 (ending March) results. Revenue was \$23 million (+5% y-o-y), compared with our and consensus estimates of \$23 million. Pro forma EPS was \$0.30 (vs. \$0.34 y-o-y), compared with our and consensus estimates of \$0.25. The company did not provide specific Q1 2025 guidance, but did qualitatively state that Q1 revenue will “increase at a higher pace”.

Strength in U.S.: North America revenue was +6% (y-o-y), while Europe revenue was +1% (y-o-y).

Increasing demand for Travelzoo: Travel demand and travel supply and prices have been strong the past 3 years. However, recently this year there has been some areas of softness in the travel industry, and this is good for Travelzoo’s business to promote travel deals.

Q2 guidance for stronger growth: The company did not provide specific Q2 2025 guidance, but did qualitatively state that Q2 revenue will grow ~10% (revenue to grow double from Q1’s +5%). For 2025, the company expects substantial growth in revenue and profitability as a result of additional revenue from membership fees.

Raising 2025 estimates: We are raising our 2025 estimates for revenue to \$97 million, from \$96 million, and for EPS to \$1.50 from \$1.33.

Raising 2026 estimates: We are raising our 2026 estimates for revenue to \$105 million, from \$104 million, and for EPS to \$1.64 from \$1.48.

Travel industry outlook remains overall positive: The company’s near term outlook is positive which is similar to the travel industry (airlines and hotels) which has recovered from the pandemic and is now experiencing strong growth the past several years. We are seeing continued strong positive data for the U.S. and global travel industry that indicate that the travel industry has recovered strongly to prepandemic levels and now is growing much higher. Though there has been some headwinds and slight weakness in the global travel markets, the overall trends remains positive.

Major cost cuts improves profitability: Travelzoo’s “substantial” expense reductions in 2020 and its divestiture of its money losing Asia business in Q1 2020 has positioned it to generate much higher profitability as revenue returns (as it is demonstrating now).

New membership fee to drive 2025: In December 2023, Travelzoo announced a new membership fee of \$40/year to be a new or existing subscriber to its newsletter (which had previously been free). This fee is waived in 2024 for existing subscribers, but is expected to grow strongly in 2025.

Long term positive: We believe that execution of its long term plan, a strong rebound/long term travel industry, and a positive long-term growth outlook bodes well for its share price to increase longer term.

Current valuation attractive: We are maintaining our BUY rating, but raising our 12-month P/T to \$25 from \$24, which is based on a ~15x P/E multiple on our 2026 EPS estimate of \$1.64 which we estimate is its long term EPS growth rate. We believe this appropriately balances out the company’s risks with its high growth prospects and large upside opportunities.

Company Description

Based in New York, NY, Travelzoo publishes emails offering travel-related specials and travel and entertainment local deals.

United States
Internet Software and Services

May 29, 2025

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Stock Data

Exchange:	NasdaqGS
52-week Range:	\$7.12 – 24.85
Shares Outstanding (million):	12
Market cap (\$million):	\$161
EV (\$million):	\$149
Debt (\$million):	\$0
Cash (\$million):	\$12
Avg. Daily Trading Vol. (\$million):	\$3
Float (million shares):	6
Short Interest (million shares):	0.1
Dividend, annual (yield):	\$0 (NA%)

Revenues (US\$ million)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	23A	23E	24E	25E
Q2 Jun	23E		26E	25E
Q3 Sep	25E		27E	26E
Q4 Dec	26E		29E	28E
Total	97E	96E	105E	104E
EV/Revs	1.5x		1.4x	

Earnings per Share (pro forma)

	<u>2025E</u> (Cur.)	<u>2025E</u> (Old)	<u>2026E</u> (Cur.)	<u>2026E</u> (Old)
Q1 Mar	0.30A	0.25E	0.30E	0.35E
Q2 Jun	0.31E	0.26E	0.37E	0.34E
Q3 Sep	0.41E	0.37E	0.45E	0.35E
Q4 Dec	0.48E	0.44E	0.52E	0.43E
Total	\$1.50E	\$1.33E	\$1.64E	\$1.48E
P/E	9x		8x	

Important Disclosures

Ascendant Capital Markets LLC seeks to do business with companies covered by its research team. Consequently, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making an investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report, beginning on page 8.

OVERVIEW

- Travelzoo recently (on April 29) reported its fiscal Q1 2025 (ending March) results.
- Revenue was \$23 million (+5% y-o-y), compared with our and consensus estimates of \$23 million.
- Pro forma EPS was \$0.30 (vs. \$0.34 y-o-y), compared with our and consensus estimates of \$0.25.
- The company did not provide specific Q1 2025 guidance, but did qualitatively state that Q1 revenue will “increase at a higher pace”.
- For 2025, the company expects substantial growth in revenue and profitability as a result of additional revenue from membership fees.
- The company did not provide specific Q2 2025 guidance, but did qualitatively state that Q2 revenue will grow ~10% (revenue to grow double from Q1’s +5%).
- We are raising our 2025 estimates for revenue to \$97 million, from \$96 million, and for EPS to \$1.50 from \$1.33.
- We are raising our 2026 estimates for revenue to \$105 million, from \$104 million, and for EPS to \$1.64 from \$1.48.

ADDITIONAL DETAILS

- Gross profit for the quarter was \$19 million, compared with our estimate of \$19 million.
- Gross margin for the quarter was 82%, versus 88% last year and our expectation of 85%.
- Operating expenses were \$15 million, versus our expectation of \$16 million.
- Operating income was \$3.7 million, versus our expectation of \$3.9 million.
- Pro forma net income was \$3.7 million, versus our expectation of \$3.2 million.

Travelzoo reaches 30 million travelers. This includes Jack's Flight Club. Comparisons to prior periods are no longer meaningful due to strategic developments of the Travelzoo membership so the company no longer provides subscribers information.

The company’s balance sheet is solid with \$12 million in cash (~\$1/share) and no debt, compared with \$17 million in cash and no debt as of December.

Exhibit 1: Q2 2025 Guidance and Management Focus (as of April 29, 2025)**Looking Ahead**

For Q2 2025, we expect year-over-year revenue growth to double. We expect revenue growth to accelerate as a trend in subsequent quarters, as membership fees revenue is recognized ratably over the subscription period, as we acquire new members, and as more Legacy Members become Club Members. Over time, we expect profitability to increase as recurring membership fees revenue will be recognized. In the short-term, fluctuations in reported net income are possible because we might see attractive opportunities to increase marketing. We expense marketing costs immediately.

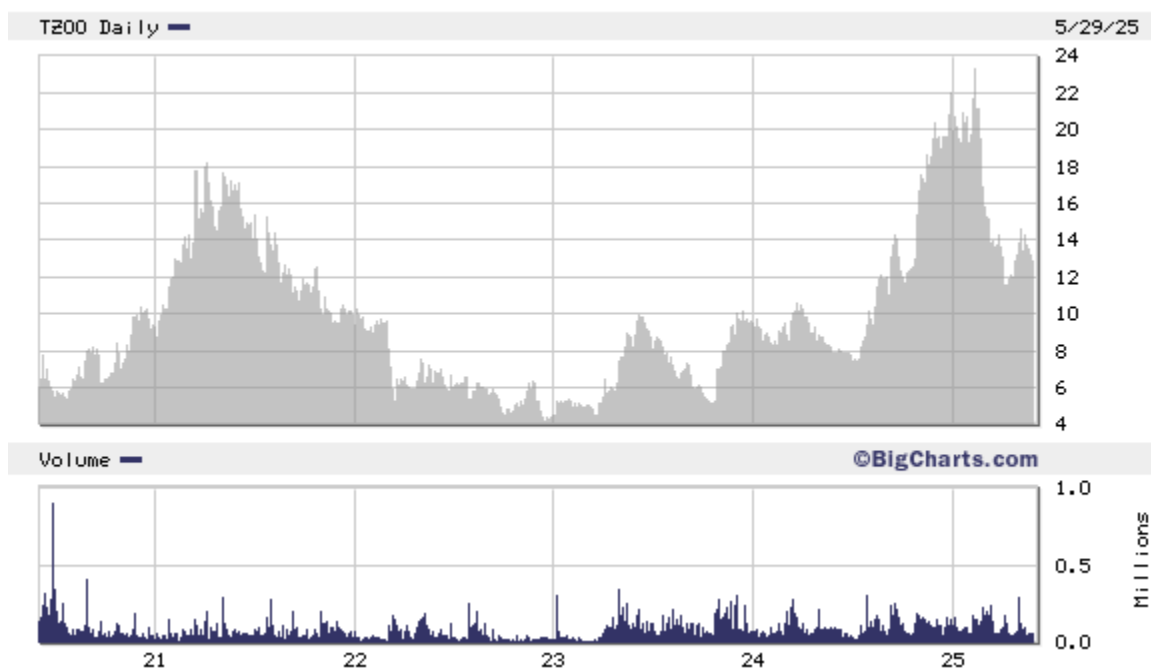
In 2024, we introduced a membership fee for Travelzoo. Legacy Members, who joined prior to 2024, continue to receive certain travel offers. However, Club Offers and new benefits are only available to Club Members, who pay the membership fee. Therefore, we are seeing many Legacy Members become Club Members over time—in addition to new members who join.

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

Source: Company report

Exhibit 2: Travelzoo Stock Price (Five Years)



Source: <https://bigcharts.marketwatch.com/>

Exhibit 3: Consensus Expectations (as of April 29, 2025)

Revenue (mils)			EPS		
	2025E	2026E		2025E	2026E
Q1 Mar	\$23E		Q1 Mar	\$0.25E	
Q2 Jun	\$23E		Q2 Jun	\$0.26E	
Q3 Sep			Q3 Sep		
Q4 Dec			Q4 Dec		
Total	\$96E	\$121E	Total	\$1.20E	\$1.88E

*Quarterly estimates may not add to annual estimates due to variations in contributing estimates and rounding.

Source: Company report, LSEG, and Ascendant Capital Markets estimates

FINANCIAL MODEL

Travelzoo

Income Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Revenue	21.6	21.1	20.6	21.1	84.5	22.0	21.1	20.1	20.7	83.9	23.1	23.3	24.5	25.9	96.9	23.7	25.6	27.0	28.5	104.9
Cost of Revenues	2.7	2.9	2.7	2.7	10.9	2.6	2.5	2.5	2.8	10.5	4.2	3.5	3.2	3.4	14.2	3.1	3.3	3.5	3.7	13.6
Gross Profit	18.9	18.2	17.9	18.5	73.5	19.3	18.6	17.6	17.9	73.4	19.0	19.8	21.3	22.6	82.7	20.6	22.3	23.5	24.8	91.2
Operating expenses:																				
Sales and marketing	9.3	10.1	9.8	8.5	37.8	8.6	9.4	8.2	8.3	34.5	10.2	9.0	9.0	9.1	37.3	9.0	9.0	9.0	9.1	36.1
Product development	0.5	0.5	0.5	0.6	2.1	0.6	0.6	0.6	0.6	2.4	0.6				0.6					0.0
General and administrative	4.4	4.3	4.5	4.9	18.1	4.6	4.6	4.7	4.2	18.1	4.4	6.0	6.0	6.0	22.4	7.0	7.5	7.5	7.5	29.5
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	14.2	15.0	14.8	14.0	58.0	13.8	14.6	13.5	13.1	55.0	15.2	15.0	15.0	15.1	60.3	16.0	16.5	16.5	16.6	65.6
Operating income (loss)	4.7	3.3	3.1	4.5	15.6	5.6	4.0	4.0	4.8	18.5	3.7	4.8	6.3	7.5	22.4	4.6	5.8	7.0	8.2	25.6
Interest income and other	0.3	0.4	0.3	0.9	1.9	0.2	0.2	0.3	(0.1)	0.5	0.4	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Income before income taxes	5.1	3.7	3.4	5.3	17.5	5.7	4.2	4.3	4.7	19.0	4.2	4.8	6.3	7.5	22.8	4.6	5.8	7.0	8.2	25.6
Income taxes	1.4	1.1	1.0	1.6	5.1	1.5	1.3	1.1	1.5	5.4	1.1	1.0	1.3	1.5	4.8	0.9	1.2	1.4	1.6	5.1
Net income (loss)	3.7	2.6	2.3	3.7	12.4	4.2	2.9	3.2	3.3	13.6	3.0	3.8	5.1	6.0	17.9	3.7	4.6	5.6	6.6	20.5
Nonrecurring/noncash adjustments	0.8	0.9	0.7	0.8	3.2	0.4	0.9	0.9	0.5	2.7	0.6				0.6					0.0
Net income	4.5	3.5	3.1	4.5	15.6	4.6	3.8	4.1	3.8	16.3	3.7	3.8	5.1	6.0	18.5	3.7	4.6	5.6	6.6	20.5
EBITDA	5.2	3.3	3.6	5.0	17.0	6.0	4.2	4.2	5.0	19.4	3.8	5.0	6.4	7.6	22.8	4.8	6.2	7.2	8.6	26.8
Shares, Basic	15.7	15.3	14.8	13.9	14.9	13.5	12.9	12.2	11.8	12.6	11.7	11.8	11.8	11.8	11.7	11.9	12.0	12.0	12.0	11.9
Shares, Diluted	15.8	15.3	14.8	13.9	15.0	13.6	13.0	12.4	12.4	12.9	12.2	12.3	12.3	12.3	12.3	12.4	12.5	12.5	12.5	12.5
EPS Basic (Pro forma)	0.29	0.23	0.21	0.32	1.05	0.34	0.29	0.33	0.32	1.29	0.31	0.33	0.43	0.51	1.58	0.31	0.39	0.47	0.55	1.72
EPS Diluted (Pro forma)	0.29	0.23	0.21	0.32	1.04	0.34	0.29	0.33	0.30	1.27	0.30	0.31	0.41	0.48	1.50	0.30	0.37	0.45	0.52	1.64
Margins																				
Gross margin	87.5%	86.4%	87.1%	87.2%	87.1%	88.0%	88.1%	87.3%	86.6%	87.5%	82.0%	85.0%	87.0%	87.0%	85.3%	87.0%	87.0%	87.0%	87.0%	87.0%
Operating margin	22%	15%	15%	21%	18%	25%	19%	20%	23%	22%	16%	21%	26%	29%	23%	20%	23%	26%	29%	24%
Net margin	17%	12%	11%	18%	15%	19%	14%	16%	16%	16%	13%	16%	21%	23%	18%	16%	18%	21%	23%	20%
Sales and marketing	43%	48%	48%	40%	45%	39%	44%	41%	40%	41%	44%	39%	37%	35%	39%	38%	35%	33%	32%	34%
General and administrative	20%	20%	22%	23%	21%	21%	22%	23%	20%	22%	19%	26%	24%	23%	23%	30%	29%	28%	26%	28%
Tax rate, GAAP	27%	29%	30%	30%	29%	26%	30%	27%	31%	28%	27%	20%	20%	20%	21%	20%	20%	20%	20%	20%
Y/Y % change																				
Revenue	17%	19%	30%	14%	20%	2%	0%	-2%	-2%	-1%	5%	10%	22%	25%	15%	2%	10%	10%	10%	8%
Cost of Revenues	-5%	33%	15%	1%	9%	-2%	-13%	-4%	2%	-4%	58%	39%	25%	22%	36%	-26%	-5%	10%	10%	-4%
Operating income (loss)	145%	84%	NM	25%	106%	19%	23%	30%	8%	19%	-33%	20%	57%	54%	21%	24%	21%	10%	10%	15%
Net income (loss)	56%	155%	195%	52%	86%	15%	11%	36%	-12%	10%	-28%	31%	60%	83%	32%	22%	21%	10%	10%	14%
EPS Diluted (Pro forma)	14%	53%	61%	10%	27%	19%	28%	57%	-5%	22%	-13%	6%	25%	59%	19%	0%	19%	8%	8%	9%

Source: Company reports and Ascendant Capital Markets estimates.

Travelzoo

Balance Sheet (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2E	Q3E	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	\$19.1	\$19.5	\$15.9	\$15.7	\$16.2	\$12.6	\$ 11.4	\$17.1	\$11.5	\$15.7	\$20.1	\$25.4	\$ 29.8	\$33.6	\$38.5	\$44.2
Short term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable, net	13.7	10.3	10.7	13.0	13.2	13.2	13.2	12.8	12.4	12.7	13.4	14.1	13.0	14.0	14.8	15.6
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other current assets	3.2	2.2	2.4	2.1	2.2	2.7	2.8	1.9	2.5	1.4	1.4	1.4	1.4	1.5	1.5	1.5
Deferred income taxes	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0	-	1.0	1.0	1.0
Total current assets	36.0	32.0	29.0	30.8	31.6	28.5	27.3	31.8	26.3	30.8	35.9	41.9	45.2	50.1	55.7	62.4
Deposits	4.6	2.5	2.5	1.1	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred income taxes	3.2	3.2	3.3	3.2	3.1	3.1	3.2	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Property and equipment, net	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Other	7.5	7.0	7.0	6.7	6.6	6.5	6.8	6.3	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Intangibles	14.2	13.8	13.4	13.0	12.7	12.6	12.5	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4
Total assets	\$66.3	\$59.1	\$55.8	\$55.4	\$54.7	\$51.5	\$ 50.5	\$54.7	\$49.3	\$53.8	\$58.9	\$64.9	\$ 68.2	\$73.1	\$78.7	\$85.4
Liabilities and stockholders' equity																
Accounts payable	\$ 3.1	\$ 2.3	\$ 2.9	\$ 4.5	\$ 5.5	\$ 5.2	\$ 5.0	\$ 6.1	\$ 6.1	\$ 6.0	\$ 6.0	\$ 6.0	\$ 5.3	\$ 5.5	\$ 5.5	\$ 5.5
Merchant payables	28.0	23.9	23.7	20.6	17.8	16.7	17.3	16.3	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Accrued expenses	4.6	4.3	4.4	3.7	3.6	4.2	4.1	3.4	4.5	4.4	4.4	4.4	4.7	4.8	4.8	4.9
Deferred revenue	3.1	2.7	2.8	2.0	3.2	3.2	3.9	6.5	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Income tax payable and other	3.1	3.1	3.3	3.3	3.3	3.5	4.1	4.1	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.4
Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	42.0	36.2	37.1	34.2	33.5	32.8	34.4	36.5	36.6	36.4	36.4	36.5	36.1	36.4	36.4	36.4
Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	11.5	11.8	12.0	12.3	12.4	13.0	13.6	13.9	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Total non-current liabilities	11.5	11.8	12.0	12.3	12.4	13.0	13.6	13.9	14.1	14.1	14.1	14.1	14.1	14.1	14.1	14.1
Minority interest	4.6	4.6	4.7	4.7	4.7	4.7	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8	4.8
Common stock	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Treasury stock	(7.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained earnings	10.8	13.4	15.8	19.5	20.1	17.1	14.2	14.3	8.7	12.6	17.7	23.6	27.3	32.0	37.5	44.1
Additional paid-in capital	23.7	11.8	5.2	0.4	-	-	-	-	-	-	-	-	-	-	-	-
Other	(14.3)	(14.3)	(14.3)	(11.3)	(11.3)	(11.3)	(11.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
Accumulated other comprehensive (loss) in	(4.8)	(4.7)	(4.8)	(4.6)	(4.9)	(5.0)	(5.1)	(5.3)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)	(5.5)
Accumulated deficit	-	-	-	-	-	-	-	-	-	0.8	0.8	0.8	-	0.8	0.8	0.8
Total stockholders' equity	12.8	11.1	6.7	8.9	8.8	5.6	2.5	4.4	(1.4)	3.2	8.3	14.3	18.0	22.6	28.2	34.8
Total stockholders' equity and liabilities	\$66.3	\$59.1	\$55.8	\$55.4	\$54.7	\$51.5	\$ 50.5	\$54.7	\$49.3	\$53.8	\$58.9	\$64.9	\$ 68.2	\$73.1	\$78.7	\$85.4

Source: Company reports and Ascendant Capital Markets estimates.

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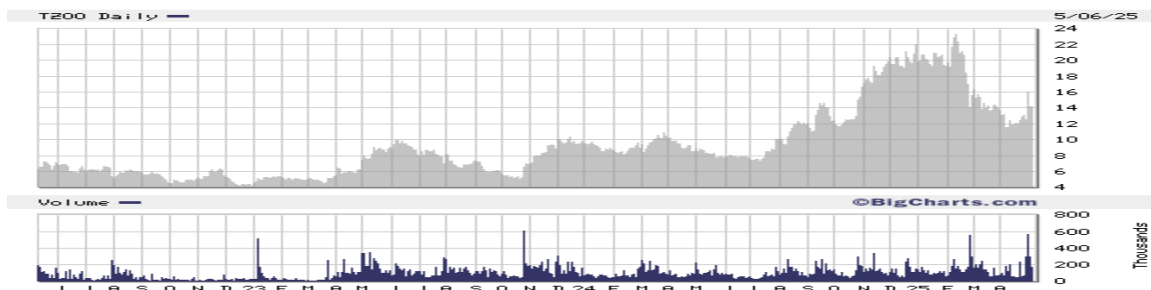
Cash Flow Statement (\$ mils)	Mar-23	Jun-23	Sep-23	Dec-23	2023	Mar-24	Jun-24	Sep-24	Dec-24	2024	Mar-25	Jun-25	Sep-25	Dec-25	2025	Mar-26	Jun-26	Sep-26	Dec-26	2026
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2E	Q3E	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	3.7	(1.0)	2.4	3.7	8.8	4.2	2.9	3.3	3.3	13.7	3.0	3.8	5.1	6.0	17.9	3.7	4.6	5.6	6.6	20.5
Depreciation and amortization	0.5	(0.0)	0.5	0.5	1.4	0.4	0.2	0.2	0.2	0.9	0.1	0.2	0.0	0.2	0.5	0.2	0.4	0.2	0.4	1.1
Deferred income taxes	(0.1)	0.1	(0.1)	0.2	0.1	(0.0)	(0.0)	(0.0)	(0.5)	(0.5)	-	-	-	-	-	-	-	-	-	-
Provision for losses on accounts receiv	(0.6)	0.3	(0.1)	0.2	(0.4)	(0.0)	0.0	0.0	(0.5)	(0.0)	0.2	-	-	-	0.2	-	-	-	-	-
Non-cash revenues other than barter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stock comp and tax benefits from opti	0.4	0.0	0.4	0.4	1.2	0.1	0.7	0.5	0.4	1.6	0.4	0.4	0.4	0.4	1.5	0.4	0.4	0.4	0.4	1.5
Accrued interest income from investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other gains/losses	-	0.0	-	(0.1)	(0.1)	-	-	0.1	(0.1)	0.0	-	(0.4)	(0.4)	(0.4)	(1.1)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)
F/X gains/losses	0.0	(0.0)	0.1	(0.1)	(0.1)	0.0	(0.0)	(0.2)	0.1	(0.0)	(0.2)	-	-	-	(0.2)	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in operating assets and liabilities:																				
Accounts receivable	0.4	3.1	(0.6)	(2.2)	0.7	(0.2)	(0.2)	0.1	0.1	(0.1)	0.4	(0.3)	(0.7)	(0.8)	(1.3)	1.1	(1.1)	(0.7)	(0.8)	(1.5)
Deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses & other current assi	0.4	2.7	(0.1)	1.7	4.6	0.6	(0.4)	(0.2)	0.7	0.7	(0.6)	0.1	-	(0.0)	(0.5)	(0.1)	(0.0)	-	(0.0)	(0.1)
Accounts payable	(1.3)	0.2	0.7	1.2	0.8	1.0	(0.3)	(0.3)	1.3	1.7	(0.0)	(0.1)	-	0.0	(0.1)	(0.7)	0.2	-	0.0	(0.5)
Merchant payables	(4.6)	0.6	(0.2)	(3.3)	(7.5)	(2.7)	(1.1)	0.4	(0.7)	(4.1)	(1.7)	-	-	-	(1.7)	-	-	-	-	-
Accrued expenses	0.9	(1.4)	0.2	(1.5)	(1.8)	1.0	0.5	0.5	(0.7)	1.3	0.9	(0.1)	-	0.0	0.8	0.3	0.1	-	0.0	0.4
Deferred revenue	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-	1.2	-	-	-	-	-
Income tax payable and other	0.8	(0.0)	0.5	1.0	2.3	0.3	0.8	0.9	0.8	2.7	(0.4)	-	-	-	(0.4)	-	-	-	-	-
Net cash (used in) provided by operat	\$ 0.5	\$ 4.6	\$ 3.6	\$ 1.4	\$ 10.1	\$ 4.6	\$ 3.1	\$ 5.3	\$ 7.7	\$ 20.7	\$ 3.3	\$ 3.7	\$ 4.4	\$ 5.4	\$ 16.8	\$ 4.5	\$ 4.2	\$ 5.0	\$ 6.2	\$ 20.0
Cash flow from investing activities																				
Purchases of property and equipment	(0.1)	0.1	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)	(0.2)	(0.0)	(0.2)	(0.4)	(0.2)	(0.4)	(0.2)	(0.4)	(1.1)
Purchases of short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of short-term investments	0.0	0.0	-	0.1	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchases of intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash used in investing activities	\$ (0.1)	\$ 0.1	\$ (0.1)	\$ 0.1	\$ 0.0	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ (0.2)	\$ (0.0)	\$ (0.2)	\$ (0.0)	\$ (0.2)	\$ (0.4)	\$ (0.2)	\$ (0.4)	\$ (0.2)	\$ (0.4)	\$ (1.1)
Cash flow from financing activities																				
Repayment of loans from principal stockholder	-	(4.7)	(6.9)	(2.0)	(13.6)	-	-	-	1.9	1.9	-	-	-	-	-	-	-	-	-	-
Repurchase of common stock	(0.2)	(0.1)	-	(0.1)	(0.4)	(3.9)	(6.6)	(6.2)	(2.3)	(18.9)	(8.9)	-	-	-	(8.9)	-	-	-	-	-
Proceeds from stock option exercises	-	-	-	-	-	-	(0.3)	(1.2)	(1.5)	(1.5)	-	-	-	-	-	-	-	-	-	-
Proceeds from issuance of common stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash provided by (used in) financing	\$ (0.2)	\$ (4.8)	\$ (6.9)	\$ (2.1)	\$ (14.0)	\$ (3.9)	\$ (6.6)	\$ (6.5)	\$ (1.6)	\$ (18.5)	\$ (8.9)	\$ -	\$ -	\$ -	\$ (8.9)	\$ -	\$ -	\$ -	\$ -	\$ -
Effect of exchange rate on cash and cash	0.2	0.0	(0.3)	0.4	0.3	(0.2)	(0.1)	0.1	(0.4)	(0.6)	0.1	-	-	-	0.1	-	-	-	-	-
Net increase (decrease) in cash and ei	0.4	(0.1)	(3.6)	(0.2)	(3.4)	0.5	(3.6)	(1.1)	5.6	1.3	(5.5)	3.5	4.4	5.3	7.7	4.3	3.9	4.8	5.8	18.8
Beginning cash and equivalents	19.8	20.3	20.2	16.6	19.8	16.4	16.9	13.2	12.1	16.4	17.7	12.2	15.7	20.1	25.4	25.4	29.8	33.6	38.5	25.4
Ending cash and equivalents	20.3	20.2	16.6	16.4	16.4	16.9	13.2	12.1	17.7	17.7	12.2	15.7	20.1	25.4	25.4	29.8	33.6	38.5	44.2	44.2

Source: Company reports and Ascendant Capital Markets estimates.

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Travelzoo



Source: <https://bigcharts.marketwatch.com/>

	Report Date		Price
Report	Date	Rating	Target
50	2/8/2018	Hold	
51	4/25/2018	Hold	
52	7/25/2018	Hold	
53	10/24/2018	Hold	
54	2/7/2019	Hold	
55	4/29/2019	Hold	
56	7/25/2019	Hold	
57	10/28/2019	Hold	
58	3/3/2020	Hold	
59	6/25/2020	Hold	
60	8/5/2020	Hold	
61	10/22/2020	Hold	
62	3/25/2021	Buy	\$ 20.00
63	4/28/2021	Buy	\$ 21.00
64	8/8/2021	Buy	\$ 22.00
65	11/21/2021	Buy	\$ 20.00
66	3/17/2022	Buy	\$ 18.00
67	5/15/2022	Buy	\$ 19.00
68	8/6/2022	Buy	\$ 17.00
69	11/10/2022	Buy	\$ 16.00
70	3/26/2023	Buy	\$ 17.00
71	5/10/2023	Buy	\$ 18.00
72	8/7/2023	Buy	\$ 17.00
73	10/29/2023	Buy	\$ 18.00
74	3/7/2024	Buy	\$ 19.00
75	5/9/2024	Buy	\$ 17.00
76	8/17/2024	Buy	\$ 18.00
77	11/10/2024	Buy	\$ 23.00
78	3/1/2025	Buy	\$ 24.00

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Total return is defined as price appreciation plus dividend yield.

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Rating	Count	Percent	Investment Banking Services Past 12 months	
			Count	Percent
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Sell	1	2%	0	0%
Total	53	100%	21	40%

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