United States
Internet Software and Services

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Travelzoo

Q3 EPS loss, but investing for strong 2027 growth. Large subscriber growth should drive strong 2027. Lowering P/T to $18.

COMPANY UPDATE

Rating: BUY

Ticker: TZOO

Price: $5.27

Target: $18
(from $20)

Q3 EPS loss: Travelzoo recently (on October 27) reported its fiscal Q3 2026 (ending September) results. Revenue was $23 million (+3% y-o-y), compared with our estimates of $23 million and consensus of $23 million. Pro forma EPS was $(0.15) (vs. $0.06 y-o-y), compared with our estimates of $0.01 and consensus of $(0.12). The company did not provide specific Q3 2026 guidance, but did qualitatively state that Q3 revenue will grow.

Growth in U.S. and Europe: North America revenue was +4% (y-o-y), while Europe revenue was +5% (y-o-y).

Q3 EPS impacted from marketing investments, but strong future leverage: Travelzoo continued to invest significantly again in Q3 (same as in Q1 and Q2) to acquire more Club Members which tempered Q3 earnings, but should drive strong revenue and profitability growth in the future. Marketing costs are expensed immediately, but revenue from Club Members are recognized over the year (length of the subscription).

Increasing demand for Travelzoo: Travel demand and travel supply and prices have been strong the past 4 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.

Q4 guidance for growth: The company did not provide specific Q4 2026 guidance, but did qualitatively state that Q4 revenue will grow. For 2027, the company expects substantial growth in revenue and profitability as a result of additional revenue from membership fees.

Lowering estimates: We are lowering our 2026 estimates for revenue to $94 million, from $95 million, and for EPS to $(0.13) from $0.30. We are lowering our 2027 estimates for revenue to $102 million, from $105 million, and for EPS to $0.75 from $1.00.

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.

New membership fee to drive 2027: 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 2026/27. The current U.S. fee is $50/year. The company expects fees to be 30% of 2027 total revenues.

Long term positive: We believe that execution of its long term plan, a strong 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 lowering our 12-month P/T to $18 from $20, which is based on a 18x P/E multiple on our 2028 EPS estimate of $1.00 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.

Stock Data

Exchange:	NasdaqGS
52-week Range:	$4.72 – 12.39
Shares Outstanding (million):	10
Market cap ($million):	$53
EV ($million):	$45
Debt ($million):	$0
Cash ($million):	$8
Avg. Daily Trading Vol. ($million):	$1
Float (million shares):	6
Short Interest (million shares):	0.3
Dividend, annual (yield):	$0 (NA%)

Revenues (US$ million)

	2026E (Cur.)	2026E (Old)	2027E (Cur.)	2027E (Old)
Q1 Mar	24A		26E	27E
Q2 Jun	23A		25E	26E
Q3 Sep	23A	23E	25E	
Q4 Dec	23E	24E	26E	27E
Total	**94E**	**95E**	**102E**	**105E**
EV/Revs	0.5x		0.4x	

Earnings per Share (pro forma)

	2026E (Cur.)	2026E (Old)	2027E (Cur.)	2027E (Old)
Q1 Mar	0.23A		0.23E	0.28E
Q2 Jun	(0.14)A		0.16E	0.20E
Q3 Sep	(0.15)A	0.01E	0.15E	0.18E
Q4 Dec	(0.09)E	0.19E	0.21E	0.34E
Total	**(0.13)E**	**$0.30E**	**$0.75E**	**$1.00E**
P/E	N/A		7x	

Important Disclosures

Ascendiant 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 October 27) reported its fiscal Q3 2026 (ending September) results.
- Revenue was $23 million (+3% y-o-y), compared with our estimates of $23 million and consensus of $23 million.
- Pro forma EPS was $(0.15) (vs. $0.06 y-o-y), compared with our estimates of $0.01 and consensus of $(0.12).
- The company did not provide specific Q3 2026 guidance, but did qualitatively state that Q3 revenue will grow.
- The company did not provide specific Q4 2026 guidance, but did qualitatively state that Q4 revenue will grow.
- We are lowering our 2026 estimates for revenue to $94 million, from $95 million, and for EPS to $(0.13) from $0.30.
- We are lowering our 2027 estimates for revenue to $102 million, from $105 million, and for EPS to $0.75 from $1.00.

ADDITIONAL DETAILS

- Gross profit for the quarter was $17 million, compared with our estimate of $18 million.
- Gross margin for the quarter was 75%, versus 80% last year and our expectation of 80%.
- Operating expenses were $20 million, versus our expectation of $19 million.
- Operating loss was $2.6 million, versus our expectation of a loss of $0.2 million.
- Pro forma net loss was $1.5 million, versus our expectation of income of $0.1 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 $8 million in cash (~$1/share) and no debt, compared with $7 million in cash and no debt as of June. In March 2026, the company announced a new stock repurchase program of up to 1 million shares. In Q3 2026, the company repurchased 257K shares of its outstanding common stock.

Exhibit 1: Q4 2026 Guidance and Management Focus (as of October 27, 2026)

Looking Ahead

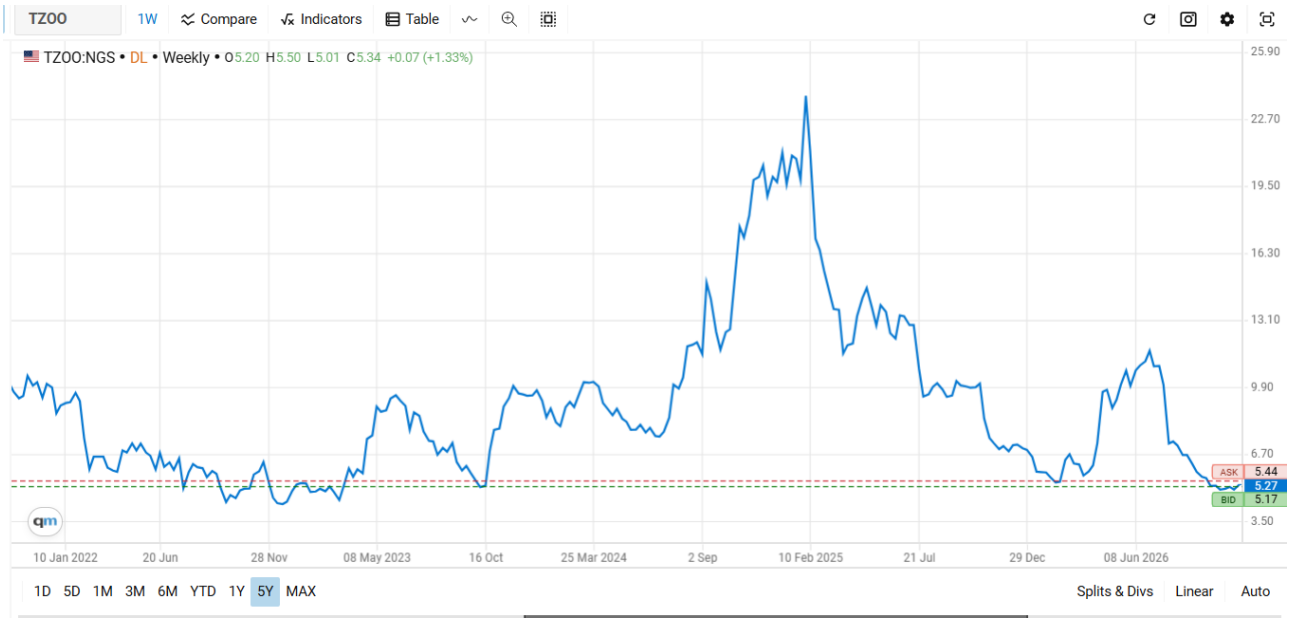
For Q4 2026, we expect year-over-year revenue growth. We also expect revenue growth in subsequent quarters, as membership fees revenue is recognized ratably over the subscription period of 12 months, as we grow Club Members, and as more Legacy Members become Club Members. Over time, we expect profitability to increase as recurring membership fees revenue will be recognized. In the short-term, fluctuations in reported net income are likely.

Management focus

- Grow the number of (paying) members and accelerate revenue growth by converting Legacy Members and adding new Club Members
- Retain, and grow, our profitable advertising business
- Accelerate revenue growth which drives future profits in spite of temporarily lower EPS
- Grow Jack's Flight Club's subscription revenue
- Launch Travelzoo META

Source: Company report

Exhibit 2: Travelzoo Stock Price (Five Years)



Source: https://www.nasdaq.com/, QuoteMedia.

Exhibit 3: Consensus Expectations (as of October 27, 2026)

	Revenue (mils)	
	2026E	2027E
Q1 Mar	$24A	
Q2 Jun	$23A	
Q3 Sep	$23E	
Q4 Dec	$24E	
Total	$94E	$105E

	EPS	
	2026E	2027E
Q1 Mar	$0.23A	
Q2 Jun	$(0.14)A	
Q3 Sep	$(0.12)E	
Q4 Dec	$(0.09)E	
Total	$(0.14)E	$0.75E

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

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

FINANCIAL MODEL

Travelzoo

Income Statement ($ mils) Fiscal Year End: December 31	Mar-24 Q1A	Jun-24 Q2A	Sep-24 Q3A	Dec-24 Q4A	2024 FY-A	Mar-25 Q1A	Jun-25 Q2A	Sep-25 Q3A	Dec-25 Q4A	2025 FY-A	Mar-26 Q1A	Jun-26 Q2A	Sep-26 Q3A	Dec-26 Q4E	2026 FY-E	Mar-27 Q1E	Jun-27 Q2E	Sep-27 Q3E	Dec-27 Q4E	2027 FY-E
Revenue	**22.0**	**21.1**	**20.1**	**20.7**	**83.9**	**23.1**	**23.9**	**22.2**	**22.5**	**91.7**	**24.3**	**23.2**	**22.9**	**23.2**	**93.6**	**26.4**	**25.2**	**25.0**	**25.9**	**102.4**
Cost of Revenues	2.6	2.5	2.5	2.8	10.5	4.2	5.2	4.5	4.9	18.8	5.2	7.1	5.7	5.8	23.9	5.3	5.0	5.0	5.2	20.5
Gross Profit	19.3	18.6	17.6	17.9	73.4	19.0	18.7	17.7	17.5	72.9	19.0	16.1	17.2	17.4	69.7	21.1	20.2	20.0	20.7	81.9
Operating expenses:																				
Sales and marketing	8.6	9.4	8.2	8.3	34.5	10.2	11.5	12.2	10.9	44.8	11.1	13.7	14.6	12.0	51.5	12.0	12.0	12.0	12.0	48.0
Product development	0.6	0.6	0.6	0.6	2.4	0.6	0.7	0.6	0.6	2.6	0.7	0.6	0.6		1.9					0.0
General and administrative	4.6	4.6	4.7	4.2	18.1	4.4	4.5	4.4	5.5	18.7	3.8	4.5	4.5	7.2	20.1	6.1	6.1	6.0	6.0	24.2
Restructuring and other					0.0					0.0					0.0					0.0
Total operating expenses	13.8	14.6	13.5	13.1	55.0	15.2	16.7	17.2	17.0	66.1	15.6	18.9	19.7	19.2	73.4	18.1	18.1	18.0	18.0	72.2
Operating income (loss)	**5.6**	**4.0**	**4.0**	**4.8**	**18.5**	**3.7**	**2.1**	**0.5**	**0.6**	**6.8**	**3.4**	**(2.8)**	**(2.6)**	**(1.8)**	**(3.7)**	**3.0**	**2.1**	**2.0**	**2.7**	**9.7**
Interest income and other	0.2	0.2	0.3	(0.1)	0.5	0.4	0.1	(0.1)	(0.1)	0.4	(0.0)	0.2	0.1	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Income before income taxes	5.7	4.2	4.3	4.7	19.0	4.2	2.1	0.4	0.5	7.2	3.4	(2.5)	(2.4)	(1.8)	(3.3)	3.0	2.1	2.0	2.7	9.7
Income taxes	1.5	1.3	1.1	1.5	5.4	1.1	0.7	0.2	0.5	2.6	0.9	(0.4)	(0.4)	(0.4)	(0.2)	0.6	0.4	0.4	0.5	1.9
Net income (loss)	4.2	2.9	3.2	3.3	13.6	3.0	1.4	0.2	(0.0)	4.6	2.5	(2.1)	(2.0)	(1.4)	(3.1)	2.4	1.7	1.6	2.1	7.8
Nonrecurring/noncash adjustme	0.4	0.9	0.9	0.5	2.7	0.6	0.4	0.6	0.3	1.9	0.1	0.7	0.5	0.5	1.7					0.0
Net income	**4.6**	**3.8**	**4.1**	**3.8**	**16.3**	**3.7**	**1.8**	**0.7**	**0.3**	**6.5**	**2.5**	**(1.5)**	**(1.5)**	**(0.9)**	**(1.4)**	**2.4**	**1.7**	**1.6**	**2.1**	**7.8**
EBITDA	6.0	4.2	4.2	5.0	19.4	3.8	2.2	0.5	0.6	7.1	3.5	(2.7)	(2.5)	(1.8)	(3.5)	3.0	2.1	2.0	2.7	9.9
Shares, Basic	13.5	12.9	12.2	11.8	12.6	11.7	11.1	11.0	10.9	11.2	10.8	10.3	10.2	10.2	10.4	10.3	10.4	10.4	10.4	10.4
Shares, Diluted	13.6	13.0	12.4	12.4	12.9	12.2	11.5	11.2	11.0	11.5	10.8	10.3	10.2	10.2	10.4	10.3	10.4	10.4	10.4	10.4
EPS Basic (Pro forma)	0.34	0.29	0.33	0.32	1.29	0.31	0.16	0.07	0.03	0.58	0.23	**(0.14)**	**(0.15)**	**(0.09)**	**(0.13)**	0.23	0.16	0.15	0.21	0.75
EPS Diluted (Pro forma)	**0.34**	**0.29**	**0.33**	**0.30**	**1.27**	**0.30**	**0.15**	**0.06**	**0.03**	**0.56**	**0.23**	(0.14)	(0.15)	(0.09)	(0.13)	**0.23**	**0.16**	**0.15**	**0.21**	**0.75**
Margins																				
Gross margin	88.0%	88.1%	87.3%	86.6%	87.5%	82.0%	78.4%	79.6%	78.0%	79.5%	78.4%	69.4%	74.9%	75.0%	74.5%	80.0%	80.0%	80.0%	80.0%	80.0%
Operating margin	25%	19%	20%	23%	22%	16%	9%	2%	2%	7%	14%	-12%	-11%	-8%	-4%	11%	8%	8%	10%	10%
Net margin	19%	14%	16%	16%	16%	13%	6%	1%	0%	5%	10%	-9%	-9%	-6%	-3%	9%	7%	6%	8%	8%
Sales and marketing	39%	44%	41%	40%	41%	44%	48%	55%	48%	49%	46%	59%	64%	52%	55%	45%	48%	48%	46%	47%
General and administrative	21%	22%	23%	20%	22%	19%	19%	20%	24%	20%	16%	20%	20%	31%	21%	23%	24%	24%	23%	24%
Tax rate, GAAP	26%	30%	27%	31%	28%	27%	35%	62%	104%	37%	28%	15%	18%	20%	7%	20%	20%	20%	20%	20%
Y/Y % change																				
Revenue	2%	0%	-2%	-2%	-1%	5%	13%	10%	9%	9%	5%	-3%	3%	3%	2%	9%	9%	9%	11%	9%
Cost of Revenues	-2%	-13%	-4%	2%	-4%	58%	105%	77%	79%	80%	26%	38%	27%	17%	27%	1%	-29%	-13%	-11%	-14%
Operating income (loss)	19%	23%	30%	8%	19%	-33%	-49%	-88%	-89%	-63%	-8%	NM	NM	NM	NM	-13%	NM	NM	NM	NM
Net income (loss)	15%	11%	36%	-12%	10%	-28%	-52%	-95%	NM	-66%	-18%	NM	NM	NM	NM	-3%	NM	NM	NM	NM
EPS Diluted (Pro forma)	19%	28%	57%	-5%	22%	-13%	-48%	-80%	-90%	-56%	-22%	NM	NM	NM	NM	0%	NM	NM	NM	NM

Source: Company reports and Ascendiant Capital Markets estimates.

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Balance Sheet ($ mils)	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4A	Q1A	Q2A	Q3A	Q4E	Q1E	Q2E	Q3E	Q4E
Assets																
Cash and cash equivalents	$16.2	$12.6	$11.4	$17.1	$11.5	$10.4	$ 8.5	$ 10.0	$ 10.6	$ 6.8	$ 8.1	$ 6.5	$ (6.2)	$ 4.8	$ 7.0	$ 9.2
Short term investments												-	-	-	-	-
Accounts receivable, net	13.2	13.2	13.2	12.8	12.4	11.5	12.5	10.7	13.6	14.5	11.2	13.0	51.3	14.5	13.8	13.7
Deposits												-	-	-	-	-
Prepaid expenses and other current assets	2.2	2.7	2.8	1.9	2.5	2.2	3.5	2.6	4.3	3.9	4.1	1.7	6.6	1.6	1.6	1.6
Deferred income taxes												1.0	1.0	1.0	1.0	1.0
Total current assets	31.6	28.5	27.3	31.8	26.3	24.2	24.4	23.3	28.5	25.3	23.3	22.3	52.7	21.9	23.5	25.6
Deposits	0.2	0.2	0.2	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.4	0.4
Investments												-	-	-	-	-
Deferred income taxes	3.1	3.1	3.2	3.4	3.4	3.6	3.5	4.2	4.1	4.7	5.0	5.0	5.0	5.0	5.0	5.0
Property and equipment, net	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	6.6	6.5	6.8	6.3	6.4	6.0	5.3	4.8	5.5	5.1	5.5	5.5	5.5	5.5	5.5	5.5
Intangibles	12.7	12.6	12.5	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4	12.4
Total assets	**$54.7**	**$51.5**	**$50.5**	**$54.7**	**$49.3**	**$46.7**	**$ 46.2**	**$ 45.1**	**$ 50.9**	**$ 47.8**	**$ 46.7**	**$45.6**	**$ 76.0**	**$45.2**	**$46.8**	**$48.9**
Liabilities and stockholders' equity																
Accounts payable	$ 5.5	$ 5.2	$ 5.0	$ 6.1	$ 6.1	$ 6.1	$ 8.4	$ 7.8	$ 8.3	$ 7.8	$ 10.5	$10.2	$ 24.5	$ 6.0	$ 6.0	$ 6.0
Merchant payables	17.8	16.7	17.3	16.3	14.8	12.4	11.8	11.7	13.5	10.7	10.4	10.4	10.4	10.4	10.4	10.4
Accrued expenses	3.6	4.2	4.1	3.4	4.5	5.6	4.6	3.9	4.6	5.5	5.0	4.9	18.6	4.6	4.6	4.6
Deferred revenue	3.2	3.2	3.9	6.5	7.8	8.5	9.1	8.7	10.7	13.4	13.5	13.5	13.5	13.5	13.5	13.5
Income tax payable and other	3.3	3.5	4.1	4.1	3.4	2.6	2.1	2.0	2.3	2.1	2.2	2.2	2.2	2.2	2.2	2.2
Debt												$ -	$ -	$ -	$ -	$ -
Total current liabilities	**33.5**	**32.8**	**34.4**	**36.5**	**36.6**	**35.2**	**35.8**	**34.1**	**39.3**	**39.6**	**41.6**	**41.2**	**69.2**	**36.8**	**36.8**	**36.7**
Debt												-	-	-	-	-
Other liabilities	12.4	13.0	13.6	13.9	14.1	13.6	13.4	13.4	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8
Total non-current liabilities	**12.4**	**13.0**	**13.6**	**13.9**	**14.1**	**13.6**	**13.4**	**13.4**	**14.8**	**14.8**	**14.8**	**14.8**	**14.8**	**14.8**	**14.8**	**14.8**
Minority interest	4.7	4.7	4.8	4.8	4.8	5.0	5.0	5.1	5.1	5.1	5.2	5.2	5.2	5.2	5.2	5.2
Common stock	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	0.1	0.1
Treasury stock												-	-	-	-	-
Retained earnings	20.1	17.1	14.2	14.3	8.7	7.9	6.9	7.2	6.5	3.1	(0.2)	(1.6)	0.8	2.5	4.1	6.2
Additional paid-in capital												-	-	-	-	-
Other	(11.3)	(11.3)	(11.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)	(9.5)
Accumulated other comprehensive (loss) in	(4.9)	(5.0)	(5.1)	(5.3)	(5.5)	(5.6)	(5.6)	(5.3)	(5.3)	(5.4)	(5.4)	(5.4)	(5.4)	(5.4)	(5.4)	(5.4)
Accumulated deficit												0.8	0.8	0.8	0.8	0.8
Total stockholders' equity	**8.8**	**5.6**	**2.5**	**4.4**	**(1.4)**	**(2.1)**	**(3.1)**	**(2.4)**	**(3.2)**	**(6.6)**	**(9.8)**	**(10.4)**	**(8.0)**	**(6.4)**	**(4.8)**	**(2.6)**
Total stockholders' equity and liabilities	**$54.7**	**$51.5**	**$50.5**	**$54.7**	**$49.3**	**$46.7**	**$ 46.2**	**$ 45.1**	**$ 50.9**	**$ 47.8**	**$ 46.7**	**$45.6**	**$ 76.0**	**$45.2**	**$46.8**	**$48.9**

Source: Company reports and Ascendiant Capital Markets estimates.

Travelzoo

Cash Flow Statement ($ mils)	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	Mar-27	Jun-27	Sep-27	Dec-27	2027
Fiscal Year End: December 31	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4A	FY-A	Q1A	Q2A	Q3A	Q4E	FY-E	Q1E	Q2E	Q3E	Q4E	FY-E
Cash flow from operating activities																				
Net income	4.2	2.9	3.3	3.3	13.7	3.0	1.5	0.2	0.1	4.8	2.5	(2.1)	(2.0)	(1.4)	(3.0)	2.4	1.7	1.6	2.1	7.8
Depreciation and amortization	0.4	0.2	0.2	0.2	0.9	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.0	0.0	0.2	0.0	0.1	0.0	0.1	0.1
Deferred income taxes	(0.0)	(0.0)	(0.0)	(0.5)	(0.5)		0.0	(0.0)	(0.5)	(0.5)	(0.0)	(0.7)	(0.2)		(1.0)					-
Provision for losses on accounts recei	(0.0)	0.0			(0.0)	0.2	(0.1)	(0.1)	0.2	0.2	0.0	(0.2)	(0.0)		(0.2)					-
Non-cash revenues other than barter					-					-					-					-
Stock comp and tax benefits from opti	0.1	0.7	0.5	0.4	1.6	0.4	0.3	0.4	0.3	1.4	0.0	0.7	0.3	0.3	1.4	0.3	0.3	0.3	0.3	1.4
Accrued interest income from investments					-					-					-					-
Other gains/losses			0.1	(0.1)	0.0					-				(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(1.4)
F/X gains/losses	0.0	(0.0)	(0.2)	0.1	(0.0)	(0.2)	(0.2)	0.1	0.0	(0.3)	0.1	(0.0)	0.0		0.1					-
Other					-					-					-					-
Changes in operating assets and liabilities:					-					-					-					-
Accounts receivable	(0.2)	(0.2)	0.1	0.1	(0.1)	0.4	1.3	(1.0)	1.6	2.4	(2.9)	(1.0)	3.4	(1.9)	(2.4)	(38.2)	36.8	0.6	0.1	(0.6)
Deposits					-					-				-	-	-	-	-	-	-
Prepaid expenses & other current ass	0.6	(0.4)	(0.2)	0.7	0.7	(0.6)	0.6	(0.7)	0.9	0.1	(1.8)	0.7	(0.4)	1.3	(0.2)	(4.9)	5.0	-	0.0	0.1
Accounts payable	1.0	(0.3)	(0.3)	1.3	1.7	(0.0)	(0.0)	2.3	(0.7)	1.6	0.6	(0.5)	1.0	(0.3)	0.8	14.3	(18.4)	-	(0.0)	(4.2)
Merchant payables	(2.7)	(1.1)	0.4	(0.7)	(4.1)	(1.7)	(2.8)	(0.6)	(0.1)	(5.2)	1.9	(2.7)	(0.3)		(1.1)					-
Accrued expenses	1.0	0.5	0.5	(0.7)	1.3	0.9	1.0	(1.0)	(0.6)	0.2	0.6	1.2	(0.5)	(0.1)	1.1	13.7	(14.0)	-	(0.0)	(0.3)
Deferred revenue				2.8	2.8	1.2	0.5	0.6	(0.3)	2.0	2.0	2.8	0.8	-	5.5	-	-	-	-	-
Income tax payable and other	0.3	0.8	0.9	0.8	2.7	(0.4)	(0.9)	(0.6)	0.6	(1.3)	0.9	0.2	(0.3)	-	0.8	-	-	-	-	-
Net cash (used in) provided by operati	**$ 4.6**	**$ 3.1**	**$ 5.3**	**$ 7.7**	**$ 20.7**	**$ 3.3**	**$ 1.3**	**$ (0.4)**	**$ 1.5**	**$ 5.7**	**$ 3.9**	**$ (1.7)**	**$ 1.8**	**$ (2.4)**	**$ 1.6**	**$(12.7)**	**$ 11.1**	**$ 2.2**	**$ 2.3**	**$ 2.9**
Cash flow from investing activities																				
Purchases of property and equipment	(0.0)	(0.0)	(0.0)	(0.0)	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)
Purchases of short-term investments					-					-					-					-
Sale of short-term investments					-					-					-					-
Acquisitions					-					-					-					-
Purchases of intangible assets					-					-				-	-	-	-	-	-	-
Net cash used in investing activities	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.2)**	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.1)**	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.0)**	**$ (0.1)**	**$ (0.0)**	**$ (0.1)**	**$ (0.0)**	**$ (0.1)**	**$ (0.1)**
Cash flow from financing activities																				
Repayment of loans from principal stockholder				1.9	1.9					-					-					-
Repurchase of common stock	(3.9)	(6.6)	(6.2)	(2.3)	(18.9)	(8.9)	(2.5)	(1.5)		(13.0)	(3.3)	(1.9)	(0.5)		(5.7)					-
Proceeds from stock option exercises			(0.3)	(1.2)	(1.5)		(0.1)			(0.1)					-					-
Proceeds from issuance of common stock					-					-				-	-	-	-	-	-	-
Cash provided by (used in) financing a	**$ (3.9)**	**$ (6.6)**	**$ (6.5)**	**$ (1.6)**	**$ (18.5)**	**$ (8.9)**	**$ (2.6)**	**$ (1.5)**	**$ -**	**$ (13.1)**	**$ (3.3)**	**$ (1.9)**	**$ (0.5)**	**$ -**	**$ (5.7)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Effect of exchange rate on cash and cash	(0.2)	(0.1)	0.1	(0.4)	(0.6)	0.1	0.3	(0.0)	0.1	0.5	(0.0)	(0.1)	(0.0)		(0.1)					-
Net increase (decrease) in cash and e	**0.5**	**(3.6)**	**(1.1)**	**5.6**	**1.3**	**(5.5)**	**(1.0)**	**(2.0)**	**1.5**	**(7.0)**	**0.6**	**(3.7)**	**1.3**	**(2.4)**	**(4.3)**	**(12.7)**	**11.0**	**2.2**	**2.2**	**2.8**
Beginning cash and equivalents	16.4	16.9	13.2	12.1	16.4	17.7	12.2	11.2	9.2	17.7	10.8	11.3	7.6	8.8	10.8	6.5	(6.2)	4.8	7.0	6.5
Ending cash and equivalents	**16.9**	**13.2**	**12.1**	**17.7**	**17.7**	**12.2**	**11.2**	**9.2**	**10.762**	**10.762**	**11.325**	**7.6**	**8.8**	**6.5**	**6.5**	**(6.2)**	**4.8**	**7.0**	**9.2**	**9.2**

Source: Company reports and Ascendiant Capital Markets estimates.

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Source: S&P Capital IQ.

Report	Report Date Date	Rating	Price Target
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
79	5/29/2025	Buy	$ 25.00
80	8/25/2025	Buy	$ 26.00
81	11/17/2025	Buy	$ 23.00
82	3/12/2026	Buy	$ 22.00
83	5/21/2026	Buy	$ 23.00
84	8/18/2026	Buy	$ 20.00

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HOLD: We expect the stock to provide a total return of negative 15% to positive 15% within a 12-month period.

SELL: We expect the stock to have a negative total return of more than 15% within a 12-month period.

Total return is defined as price appreciation plus dividend yield.

Ascendiant Capital Markets, LLC Distribution of Investment Ratings (as of October 11, 2026)

			Investment Banking Services Past 12 months	
Rating	**Count**	**Percent**	**Count**	**Percent**
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Hold	0	0%	0	0%
Sell	1	2%	0	0%
Total	49	100%	19	39%

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