

qurate
RETAIL, INC.

Curated Experiences.
Infinite Possibilities.®

Q1 2020
Earnings Presentation

Safe Harbor and Non-GAAP Measures

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies, our response to the COVID-19 pandemic, and other matters that are not historical facts. These forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, without limitation, the impact of the COVID-19 pandemic on our businesses, possible changes in market acceptance of new products or services, competitive issues, regulatory matters affecting our businesses, continued access to capital on terms acceptable to Qurate Retail, Inc. (“QRI”) and QVC, Inc. (“QVC”), availability of investment opportunities and market conditions conducive to stock repurchases. These forward-looking statements speak only as of the date of this presentation, and each of QRI and QVC expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement

contained herein to reflect any change in QRI’s or QVC’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Please refer to the publicly filed documents of QRI and QVC, including their most recent Forms 10-K and 10-Q, for additional information about QRI and QVC and about the risks and uncertainties related to their respective businesses which may affect the statements made in this presentation.

This presentation includes non-GAAP financial measures including adjusted OIBDA, free cash flow, and constant currency. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations, can be found in the earnings press release issued May 6, 2020, as well as earnings press releases relating to prior periods, all of which are available on our website. This presentation is designed to be read in conjunction with the May 6, 2020, earnings release, which is available on our website.

COVID-19 Response

Our Team Members



- Protecting our team members' **safety** and **financial wellbeing** is our top priority
 - 10K+ working from home
 - Closed retail stores
 - Increased safety / sanitation (fulfillment centers, live studios)
 - Alternative work arrangements
 - \$19M emergency and recognition pay / benefits

Our Customers



- Stayed open for business on multiple platforms
- Rapidly adjusted product offerings, merchandising, and on-air /online programming
- Extended returns to 90 days at QVC and HSN
- Provided much-needed escape through our broadcasts
- Deepened connections through social media

Our Communities



- Committed \$10M to support urgent needs in communities worldwide, including:
 - Donated airtime for PSAs
 - Small Business Spotlight initiative with National Retail Federation
 - Global PPE-creation project funding artisans globally with Nest
 - Relief programs, including Meals on Wheels and No Kid Hungry

Our Investors

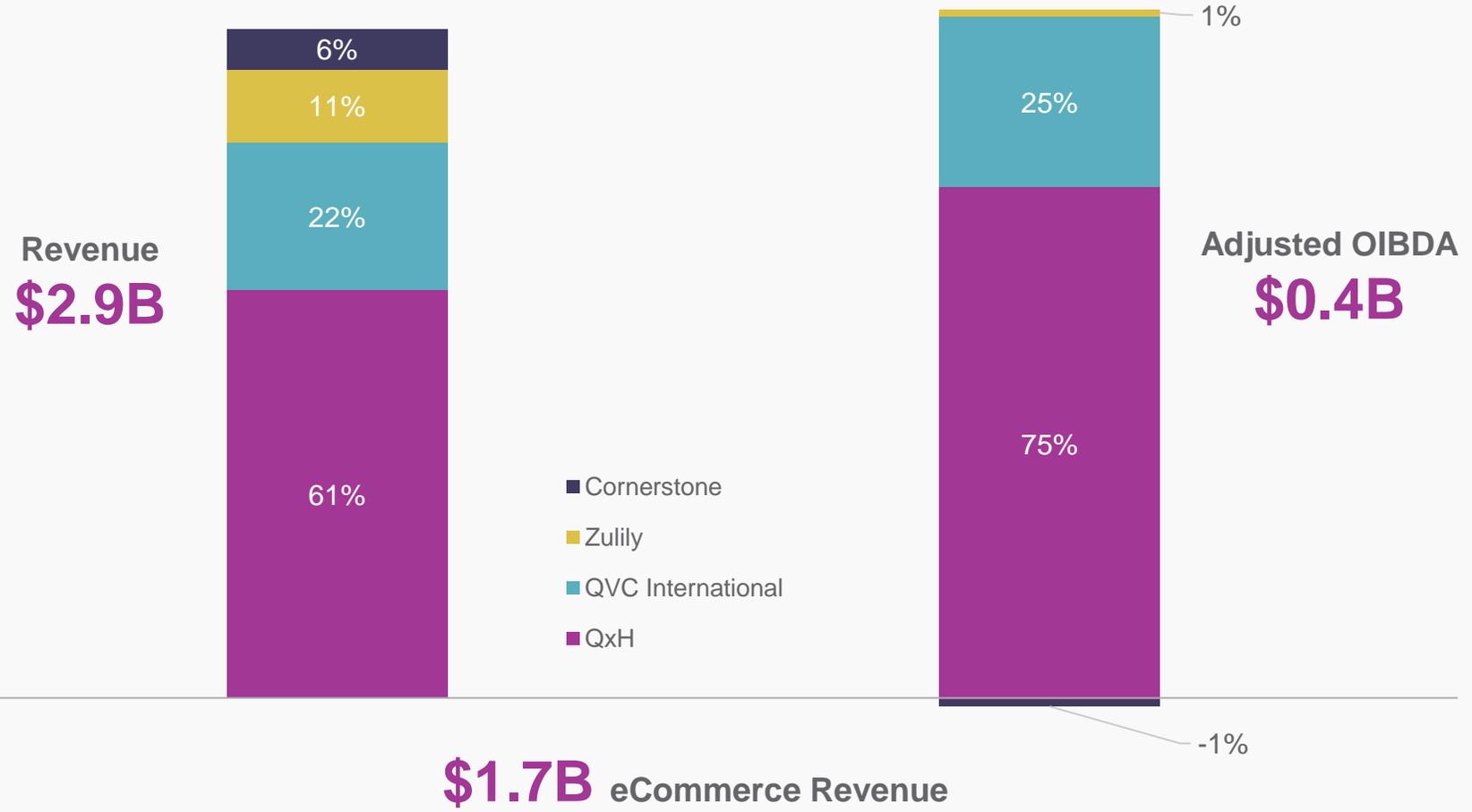


- Maintained operations
- Managing our cost structure
- Reducing capital spend
- Ensuring a healthy balance sheet and ample liquidity

Revenue & Adjusted OIBDA

Business Segment Contribution

Q1 2020



Note: Percentages exclude intersegment eliminations and unallocated corporate costs

Revenue & Adjusted OIBDA

Year-on-Year Quarterly Comparative

	REVENUE						2020 Q1
	2019					FY 2019	
	Q1	Q2	Q3	Q4	Q1		
QxH	-4%	-1%	-4%	-3%	-3%	-4%	
QVC International	-5%	-2%	2%	1%	-1%	-1%	
QVC International (Constant Currency)	1%	1%	3%	1%	1%	0%	
Zulily	-5%	-13%	-17%	-18%	-14%	-20%	
Cornerstone	-10%	-11%	-2%	-6%	-7%	-5%	
Total Qurate Retail	-4%	-4%	-4%	-5%	-4%	-5%	
Total Qurate Retail (Constant Currency)	-3%	-3%	-4%	-5%	-4%	-5%	
	ADJUSTED OIBDA						2020 Q1
	2019					FY 2019	
	Q1	Q2	Q3	Q4	Q1		
QxH	-5%	-1%	-7%	-9%	-6%	-17%	
QVC International	-6%	6%	14%	3%	4%	-4%	
QVC International (Constant Currency)	-1%	10%	15%	3%	6%	-3%	
Zulily	-37%	-76%	-56%	-53%	-56%	-88%	
Cornerstone	0%	-26%	157%	100%	57%	-167%	
Total Qurate Retail	-7%	-5%	-3%	-8%	-6%	-17%	
Total Qurate Retail (Constant Currency)	-5%	-5%	-2%	-7%	-4%	-16%	



QxH Category Performance

Prior Year Comparative

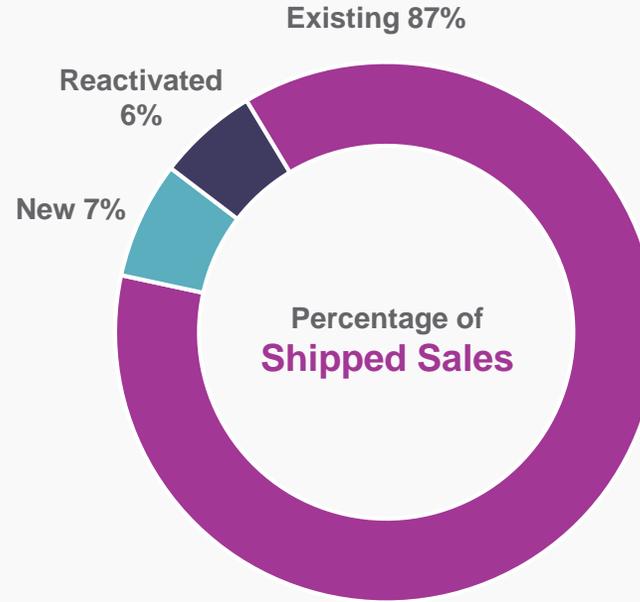
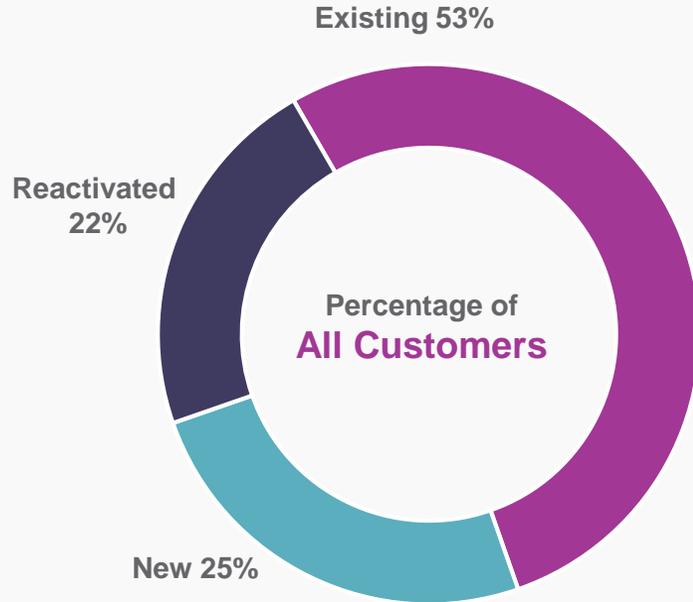
CATEGORY	2019					2020
	Q1	Q2	Q3	Q4	FY 2019	Q1
Home	●	●	●	●	●	●
Apparel	●	●	●	●	●	●
Beauty	●	●	●	●	●	●
Accessories	●	●	●	●	●	●
Electronics	●	●	Flat	●	●	●
Jewelry	●	●	●	●	●	●

Notable Brands



QxH Customer Profile

TTM March 2020



Existing Customers

Annual Purchases: **27** Items purchased

\$1.4K Spend

Existing customer:

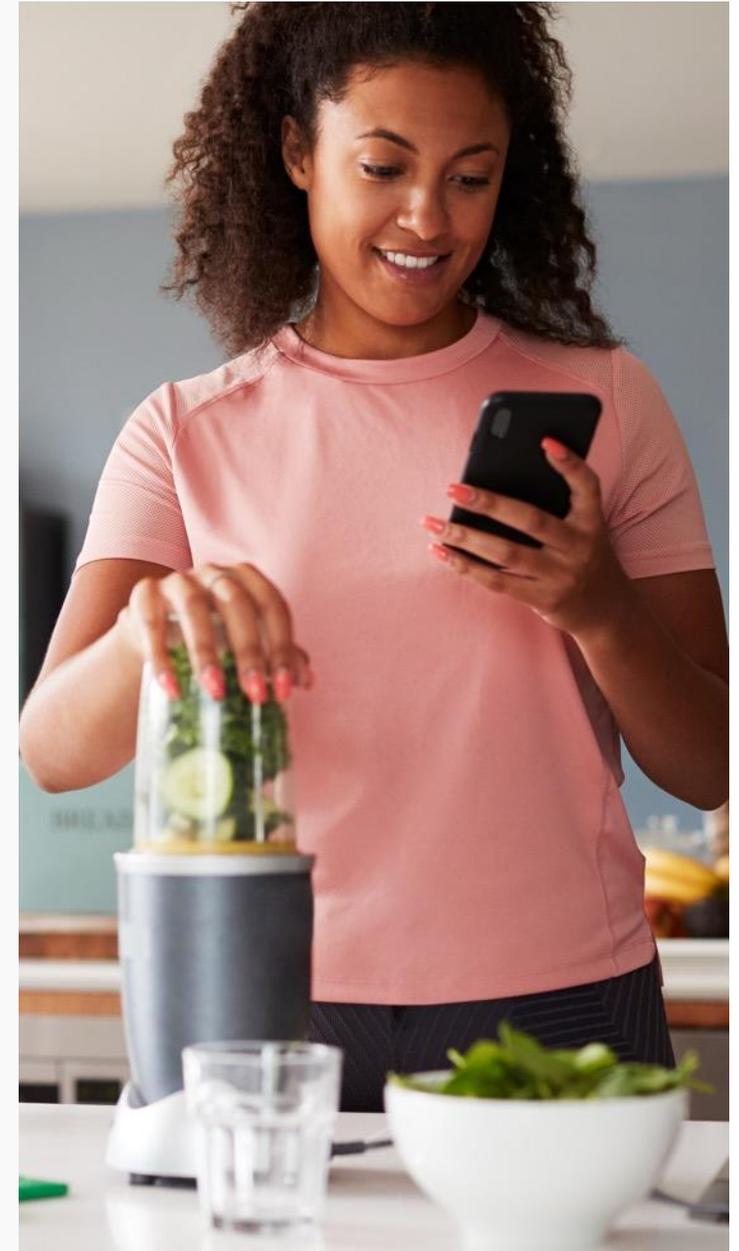
Made a purchase in two consecutive 12-month periods

New customer:

Never purchased previously

Reactivated customer:

Purchased in past, but not in last 12 months



QxH Adjusted OIBDA Margin

Basis Point Change Year-on-Year

CONTRIBUTING FACTOR		Q1 2020
Product Margin¹	Costs of Goods Sold	5
Fulfillment (Warehouse/Freight)²	Costs of Goods Sold	(125)
Obsolescence	Costs of Goods Sold	30
Commissions³	Operating Expense	(10)
Marketing	SG&A	(25)
Bad Debt	SG&A	(50)
Administrative Costs⁴	SG&A	(65)
Other⁵		(20)
TOTAL		(260)

Note: All figures rounded to the nearest 5 bps

¹ Includes Net Revenue less Product Costs of Goods Sold (including shipping & handling revenue, private label card income, returns, royalties and liquidation costs)

² Includes owned facilities Manpower and Non-Manpower expenses, and drop-ship

³ Reflects carriage agreements and off-air penetration

⁴ Includes other Manpower and Non-Manpower expenses (including bonus accrual, outside services, legal settlements, severance, and travel & entertainment)

⁵ Includes miscellaneous non-material items not included in above categories

Qurate Retail, Inc. Free Cash Flow

US\$ in Millions

	Q1 2019	Q1 2020
Net Cash Provided by Operating Activities	156	172
Less: Capital Expenditures	(61)	(45)
Less: Expenditures for Television Distribution Rights	(52)	(1)
Less: Investments in and Loans to Cost and Equity Investees	(43)	(36)
Less: Dividends Paid to Non-controlling Interest	(22)	(15)
Free Cash Flow	(22)	75

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RETAIL, INC.

 QVC |  HSN | *zulily* | BALLARD DESIGNS | FRONTGATE | Garnet Hill | *grandinroad.* | Ryllace