

qurate
RETAIL, INC.

Liberty Investor Day

November 21, 2019



OUR PATH FORWARD

OUR PURPOSE

Enrich Life's Everyday Moments Through The Experiences We Create,
The Connections We Make, And The Products We Curate

OUR CUSTOMER PROMISES



To deliver the joy of discovery
through the power of relationships



To deliver the thrill of discovery
through inspiring her passions



To deliver the unexpected every day,
helping customers discover new and
unique finds at prices they can brag about

Cornerstone

To deliver inspirations that help customers
enjoy, enhance, and celebrate life

OUR RESPONSIBILITY

Protecting
The Planet

Supporting
Our Communities

Sourcing
Ethically

Fostering Supportive
And Inclusive Workplaces

OUR PRINCIPLES

Drive Progress

Act With Empathy

Be Brave

Embrace The Future

Do What's Right

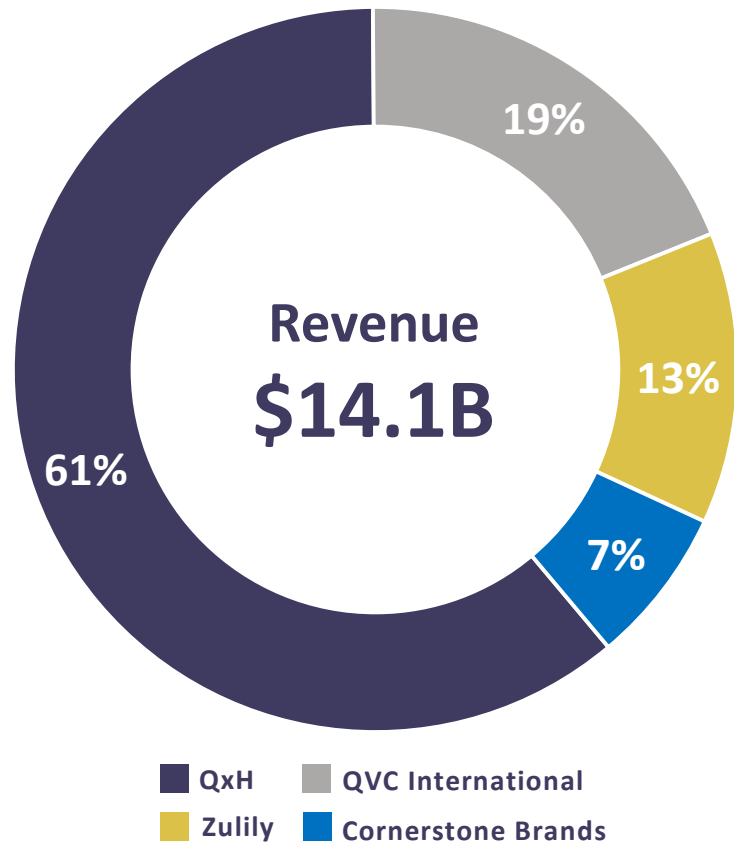
OUR OUTCOMES

Top Quartile Team Engagement

Multi-Generational Customer Expansion

Strong Revenue, Adjusted OIBDA, And Cash Flow

Direct-To-Consumer Shopping Experiences At Scale



	270+ SOCIAL PAGES		15 TV NETWORKS ¹ 380M HOMES REACHED ¹	11 WEBSITES 2.5B DIGITAL SESSIONS ²
Top 10 ECOMMERCE ³			10M FACEBOOK FANS	24M+ CUSTOMERS ⁴
220M+ PACKAGES SHIPPED	22K BRANDS			

FY 2018 data

¹Includes QVC's JV in China

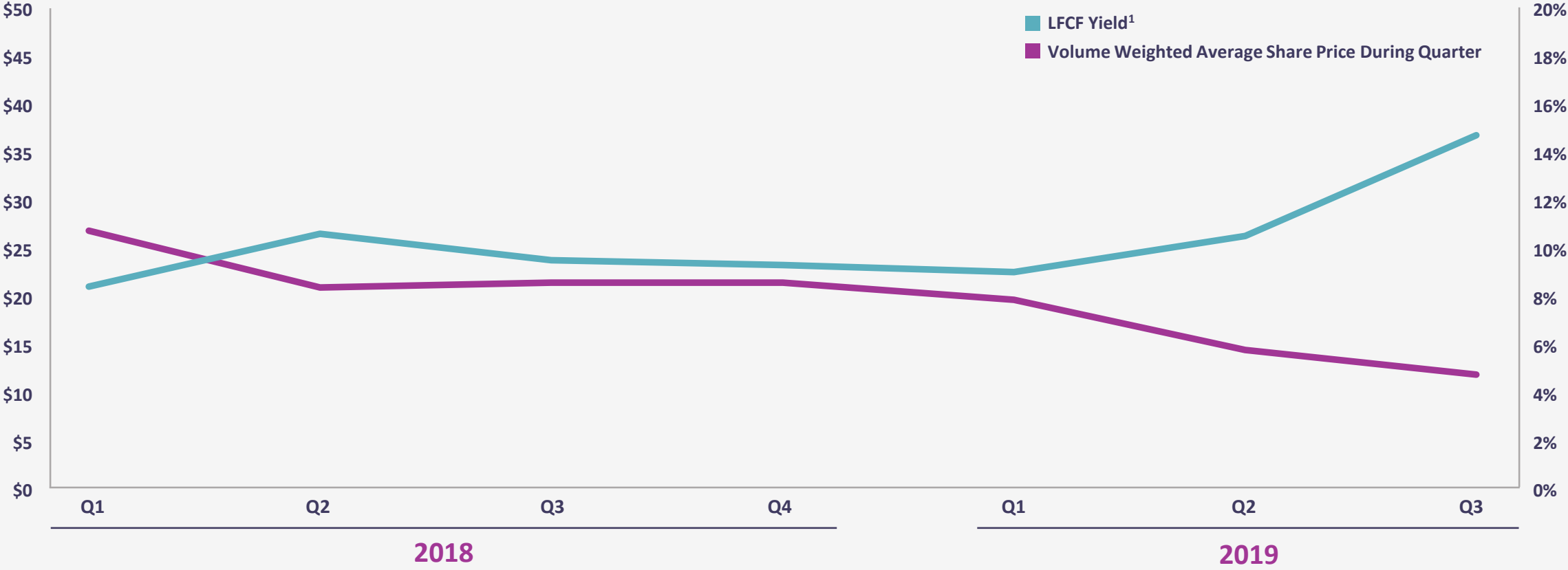
²Includes web, mobile web, and apps

³In North America (Source: Internet Retailer)

⁴Represents total customers across consolidated QVC, HSN, Zulily, and the Cornerstone brands

Performance Since QRI Formation

LFCF Yield vs. Share Price



¹LFCF yield defined as TTM LFCF divided by market cap at quarter end
 LFCF calculated as cash flow from operations less capex, less TV distributions, less dividend to Mitsui, per company filings



Today's Discussion

QVC & HSN

- DEEP DIVE
- STRATEGIC PRIORITIES

ZULILY & CORNERSTONE

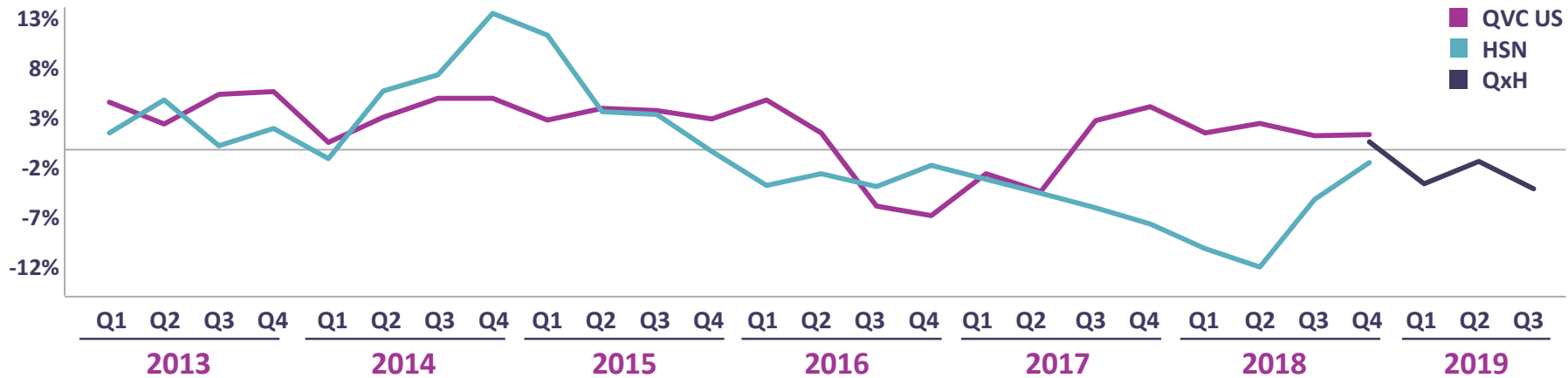
FINANCIAL UPDATE

- OPERATING COMPANY
- CORPORATE

Focused On Addressing Recent US Performance Challenges

US Revenue Performance

Year-on-Year Change

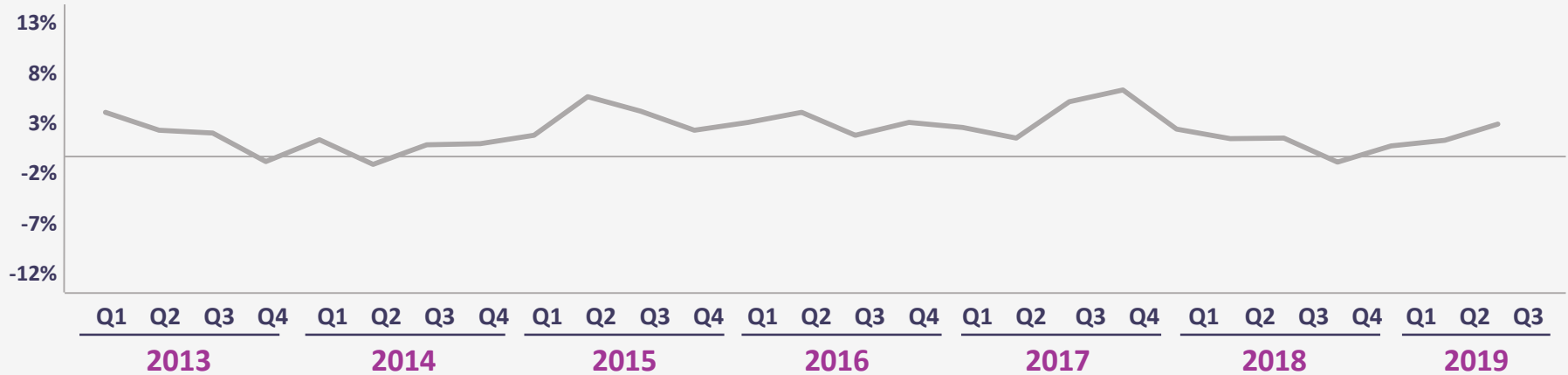


Today...

- Why QVC/HSN brands and business remain relevant
- What is driving recent performance challenges in US
- What actions we're taking to improve trend

International Revenue Performance¹

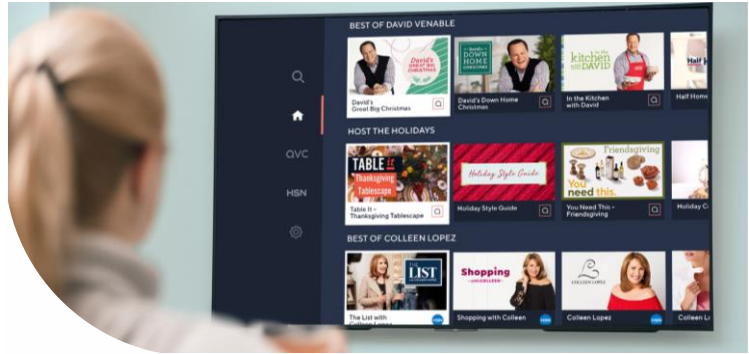
Year-on-Year Change



¹Based on constant currency

Shopping Experience More Relevant Than Ever

Immersive
Video-Rich
Experiences

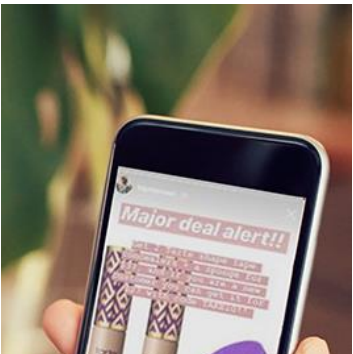


Curated
Discoveries

Aggregator
Of Live
Audiences



Flexible
Payment
Options



Built Around
Influencers

Astounding
Customer
Engagement
And Loyalty

Platform
For Brand
Building



Intense
Social
Engagement



Low
Marketing
Spend

Delivered Through Two Distinct And Powerful Brands

To deliver the joy of discovery through the power of relationships



To deliver the thrill of discovery through inspiring her passions



International



¹

¹China JV not included in QVC International segment results

The Third Way To Shop

QVC/HSN Digital Commerce

Discovery-driven

Engagement and shopping

Curated, exclusive head items

Quality control and supplier responsibility

Story-rich and meaningful products/categories

Urgency and limited time/quantities

First price often best price

Powered by super users

VS.

Transactional eCommerce

Search-driven

Transaction speed and efficiency

Undifferentiated long tail

Marketplace approach

Broader, more commodity-oriented offerings

Endless stuff

Unpredictable, algorithmic pricing

Broad customer base

Unique Product Curation Strategy

Curate special products

Trial with digital or 1-2 on-air showings

Grow successful items/brands with added programming and feature deal spots

Best concepts earn TSV/TS slot

Past TSVs/TSs move into regular assortments at higher price

Products With Stories To Tell

- Items, not assortments
- Meaningful/emotionally resonant
- Solutions
- Impulse oriented
- Exclusivity and special offers

Category Mix Evolves Organically

- Categories grow/shrink based on customer response

Head Items, Not Long Tail

- TSV/TS: 20%-30% of daily sales
- Top 100: 60%-70% of daily sales

Variety Critical

- 370-460 brands, 2,000-2,700 items aired/month
- Average item aired 1.6-1.7x/month

Newness Critical

- 30-60 new items/day on air
- 20-30 new brands/month on air
- 70-80 new brands/month off air across QVC and HSN

Minimal Change In Customer Behavior

QxH Customer Sales Trends

12 Months Ended September 2019

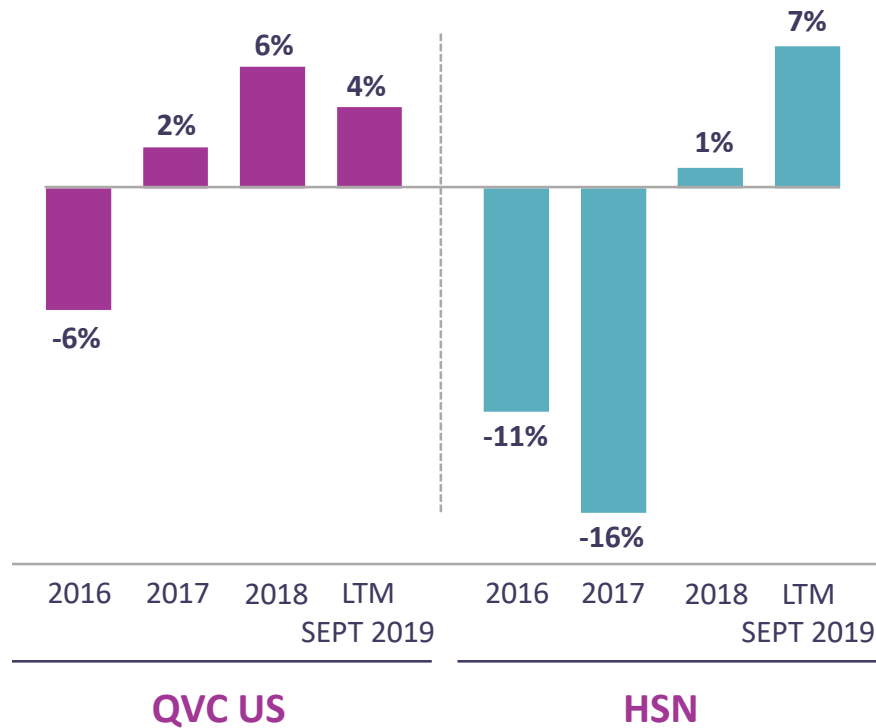
	Count		Retention				Purchases		Average Selling Price	
	Count	Y/Y Change	QVC US Retention	Y/Y Change	HSN Retention	Y/Y Change	Items Per Customer	Y/Y Change	ASP	Y/Y Change
TOTAL	10.7M	-1%	69%	–	64%	+2 pts	16	-1%	\$54.43	-1%
Existing	5.5M	-1%	90%	+1 pt	86%	+3 pts	27	–	\$51.81	-1%
New	2.8M	5%	39%	–	29%	-1 pts	3	-3%	\$84.06	1%
Reactivated	2.4M	-5%	56%	–	52%	+1 pts	3	-2%	\$77.17	1%

Existing customer: Customer who 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
 May not foot due to rounding

Strong New Customer Performance

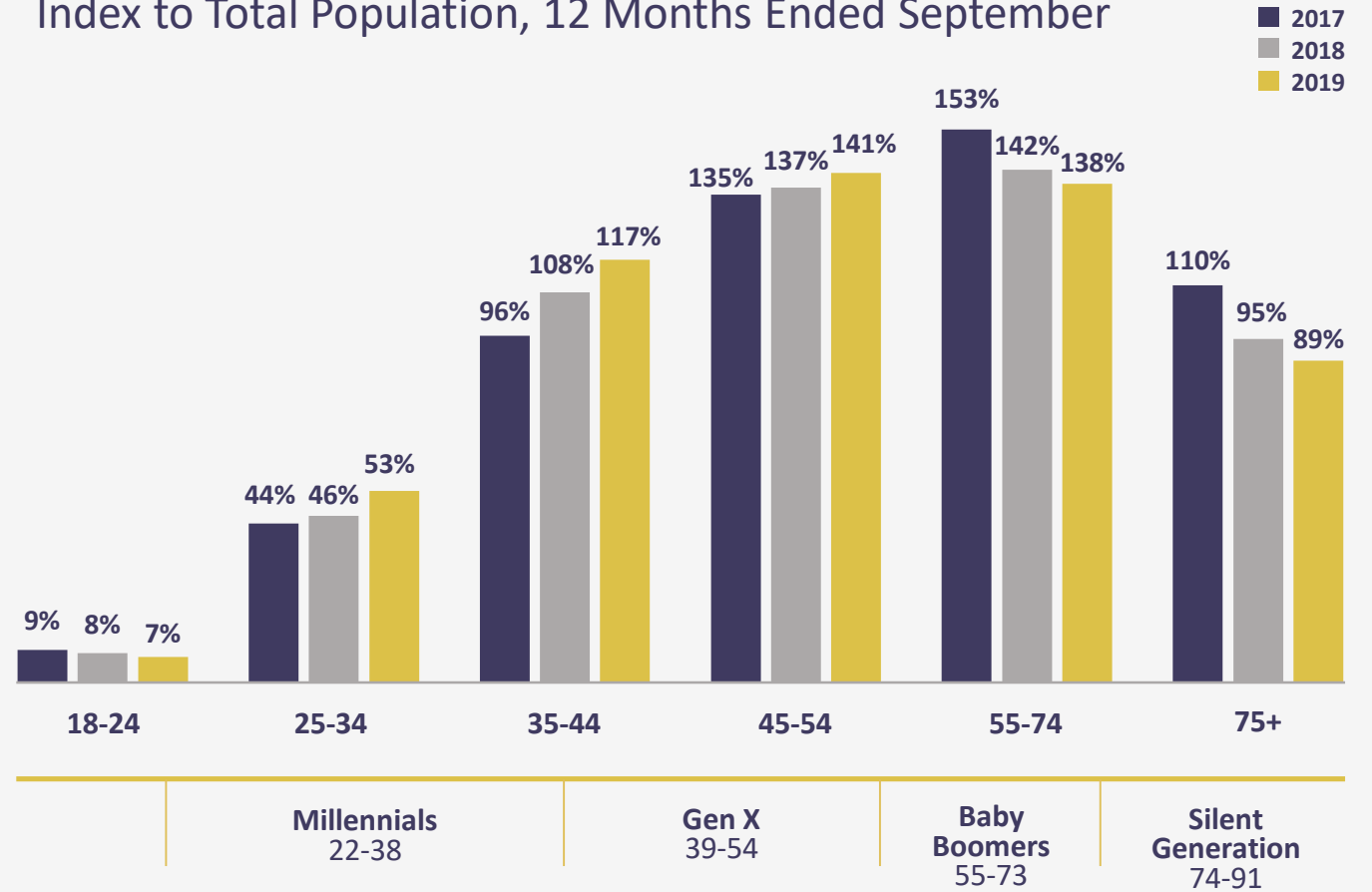
New Customer Acquisition Reaccelerating

Year-on-Year Change



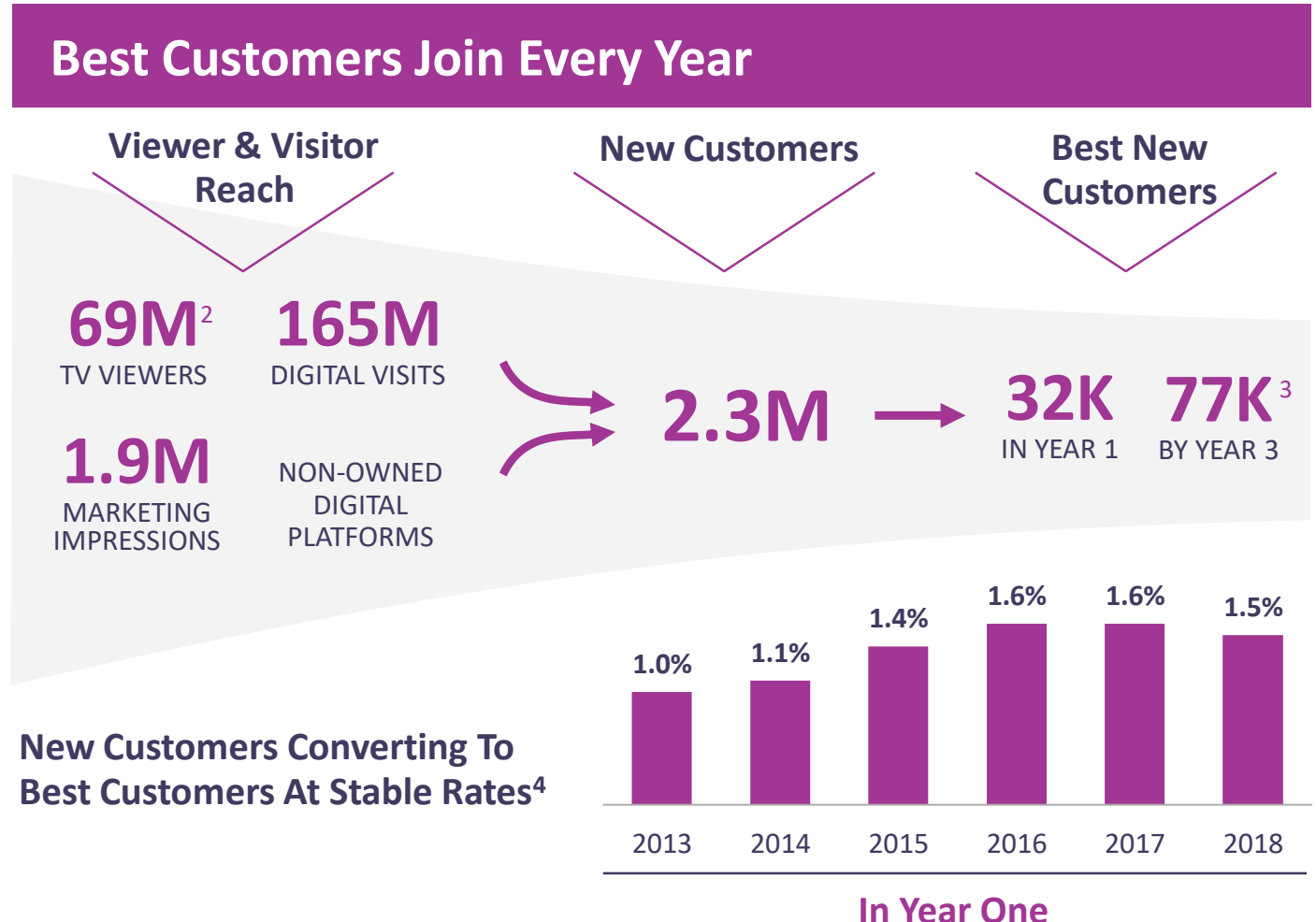
QxH New Customers Trending Younger

Index to Total Population, 12 Months Ended September









Powered By Super Users

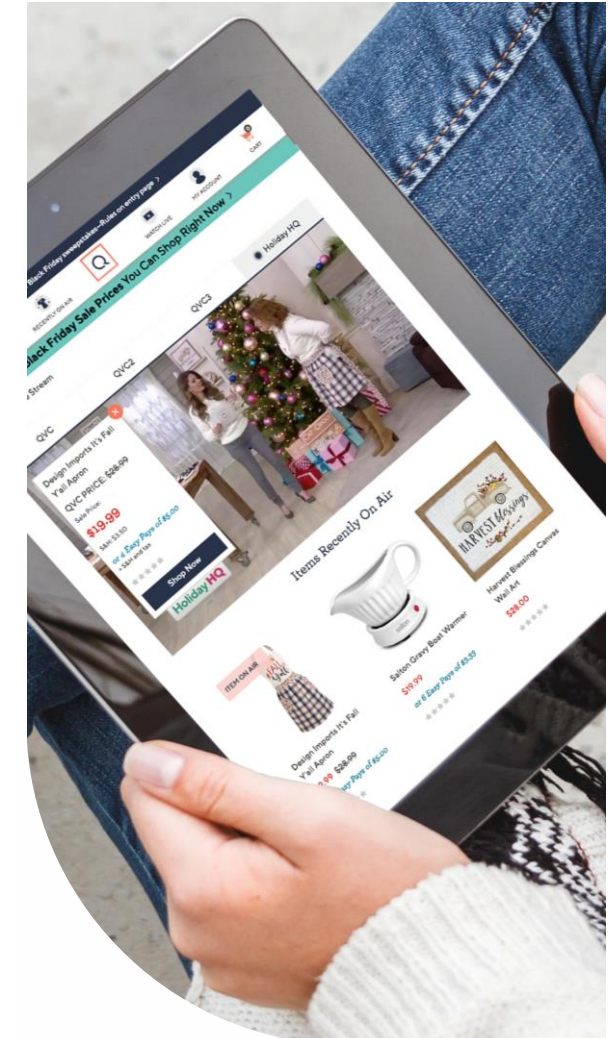
QVC US Example – 12 Months Ended September 2019



¹Source: Comscore based on top 20% of monthly viewers. Includes QVC, QVC2, & QVC3
²Source: Comscore
³Estimate based on 2016 to 2018 conversion rate
⁴QVC US percent of new customers converting to best customers

QxH Super Users Engage Across TV And Digital Platforms

	Omni-Channel	Digital	Traditional
% of Sales	35%	19%	16%
% of Customers	7%	5%	5%
% of New Customers ¹	4%	8%	3%
Items Purchased/Year	78	55	55
Average Annual Spend	\$5.0K	\$3.8K	\$3.2K
Off-Air % of Spend	 33%	 46%	 14%
Digital/Phone Mix	 54% Digital 46% Phone	 100% Digital	 100% Phone



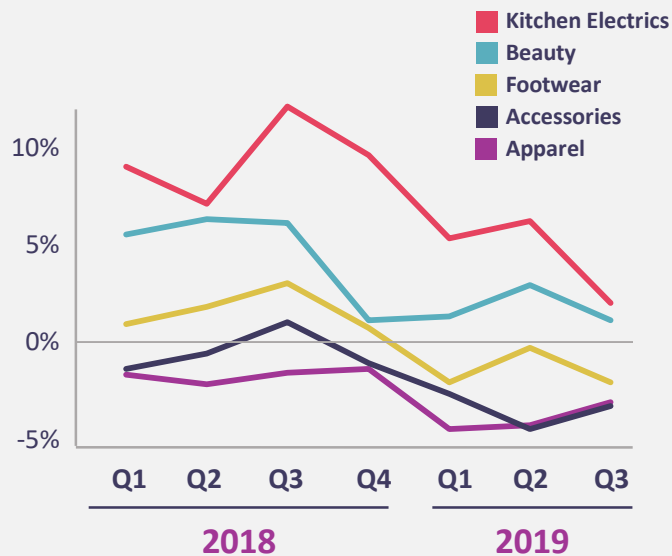
¹Represents percent of customers new in the segment (Omni-Channel, Digital, Traditional)
 Source: BCG Analysis - Segmentation based on representative subset of ~5% of total QxH customer database
 Date range of data – May 1, 2018 to April 30, 2019. Customers who made first purchase in Oct, Nov, Dec of 2018 not included in sample

Recent US Performance Driven By Several Factors

Cyclical Category Challenges

- Slowing industry growth in Fashion/Beauty/Kitchen in 2019

US Industry Category Sales Trends¹
Year-on-Year Change



Short-Term Integration Pressures

- Organizational distraction
- HSN reset and IDL closure
- Fulfillment optimization costs and service challenges

Changing Environment

Headwinds

- Declining linear TV viewership
- Growing brand proliferation
- More ways to reach consumers
- Shorter and more volatile product lifecycles
- Intense price competition

Tailwinds

- Rapid growth in digital media
- Growing importance of:
 - Authentic storytelling
 - Brand building
 - Immersive experiences

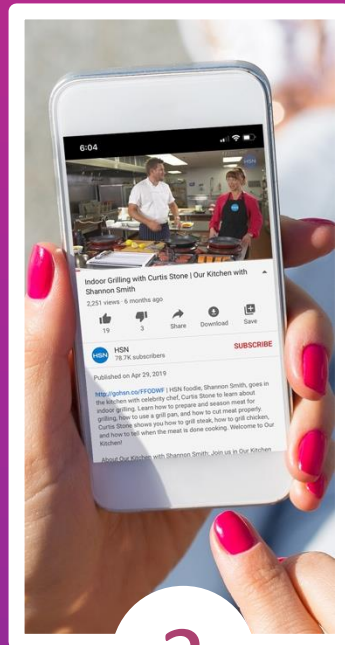
¹Source: NPD

QVC & HSN – Strategic Priorities



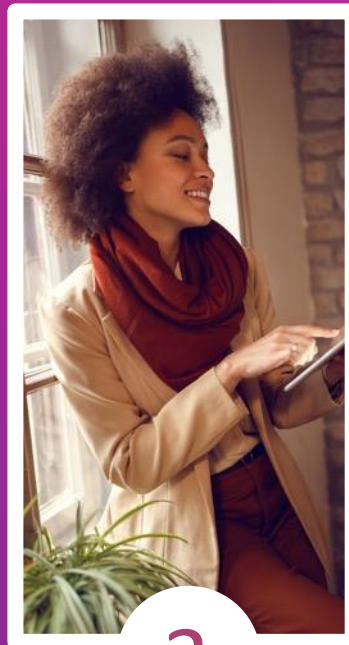
1

Curate Special Products At Compelling Values



2

Extend Video Reach And Relevance



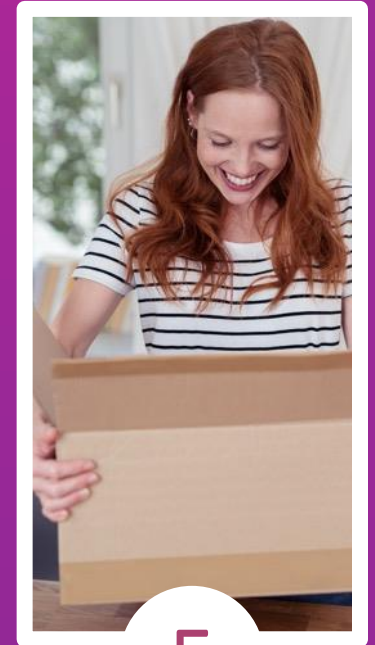
3

Reimagine Daily Digital Discovery



4

Expand And Engage Our Passionate Community



5

Deliver Joyful Customer Service

Curate Special Products At Compelling Values



ASPIRATION

Offer winning products with stories that inspire and excite.
Differentiate on compelling all-in value that triggers the impulse to buy.

INITIATIVES

- Expand, optimize, and target product assortments to increase existing customer spend and acquire new customers
 - Win with new categories, brands, and products
 - Expand proprietary/exclusive brands, leveraging D3 capability
 - Expand limited distribution brands/items, short-term collaborations/capsule collections
- Offer compelling value and drive urgency
 - Optimize pricing and promotion, expand installment pays and S&H offers
- Enable through multi-platform organizational investments

D3 (Discovery, Design, Development)

Batallure Beauty Relationship

Exclusive Collaborations

Category Disruptors



Proprietary
And Exclusive
Brands And
Collaborations

APPROXIMATELY

1/3

OF SALES¹

GROWTH
AREA



¹LTM ended September 2019. Based on analysis of top 600 brands



Limited
Distribution
Brands And
Unique Items

Entrepreneurs
Influencers
Capsule Collections
Direct To Consumer Brands



APPROXIMATELY
1/4
OF SALES¹ | GROWTH
AREA

¹LTM ended September 2019. Based on analysis of top 600 brands

Launch Exclusivity
Special Bundles/Values
Unique Colors
Select Brands Shared
Across QVC And HSN

OVER 40% OF SALES¹

Leading
National
Brands



¹LTM ended September 2019. Based on analysis of top 600 brands

zūda



**Growing
Market
Opportunities**



Sustainability
Size Inclusivity
Health And Wellness
Athleisure
Men's Gifting

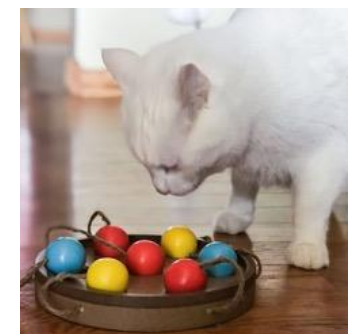


Extending On-Air Brands
White Space Categories




Digital-Only
Assortments

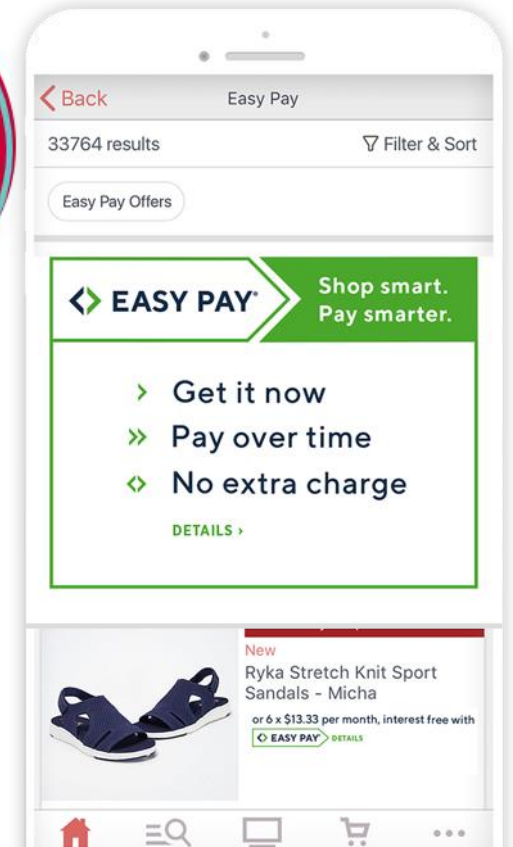
6%
OF TOTAL SALES¹ | 18%
GROWTH¹



¹LTM ended September 2019



Single Payment
2 Payments
3 Payments
4 Payments



**Easy Pay
And FlexPay**

- Highly Differentiated Offer
- Long-Time Leader In This Space
- Growing Trend For Millennials
- Lower Cost Than Third Parties
- Aligning Vendor And Customer Payment Terms

The Black Friday Before Black Friday Event

Thru Sunday

6 EASY PAYS
on **Everything***

*Exclusions apply. See offer details.

Strategic Promotional Lever

Use To Stay Price-Competitive
On National Brands And Key Categories

Drive Urgency

Surprise And Delight

BLACK FRIDAY Countdown

FREE SHIPPING

and 4 or more FlexPay
on everything*

this weekend only

See offer for details.

44%
OF SALES
INCLUDE
FREE S&H¹

Shipping & Handling

Our 1st-Ever

FREE SHIPPING WEEKEND



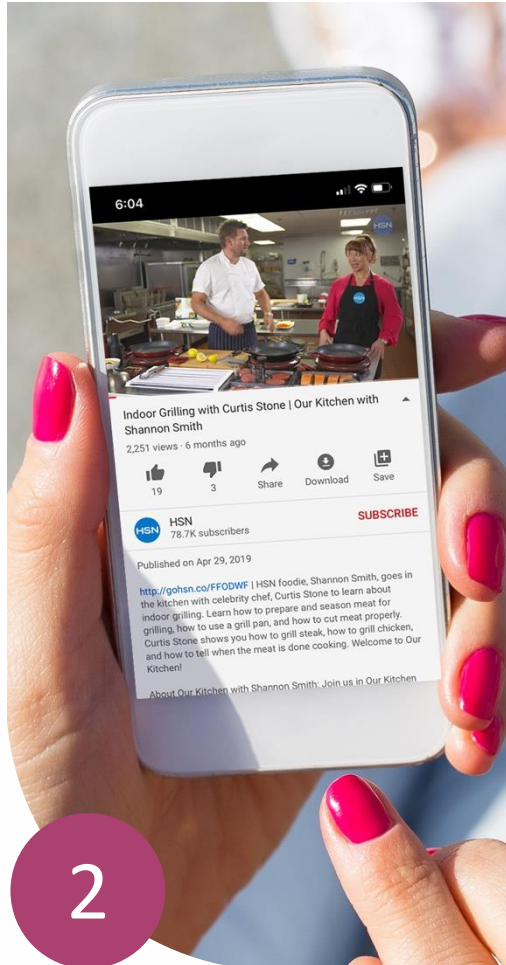
Free Standard S&H

SH 12/2 Harry & David (2) 24-Piece
Holiday Truffle Auto-Delivery

Available for 6 Easy Payments



Extend Video Reach And Relevance



ASPIRATION

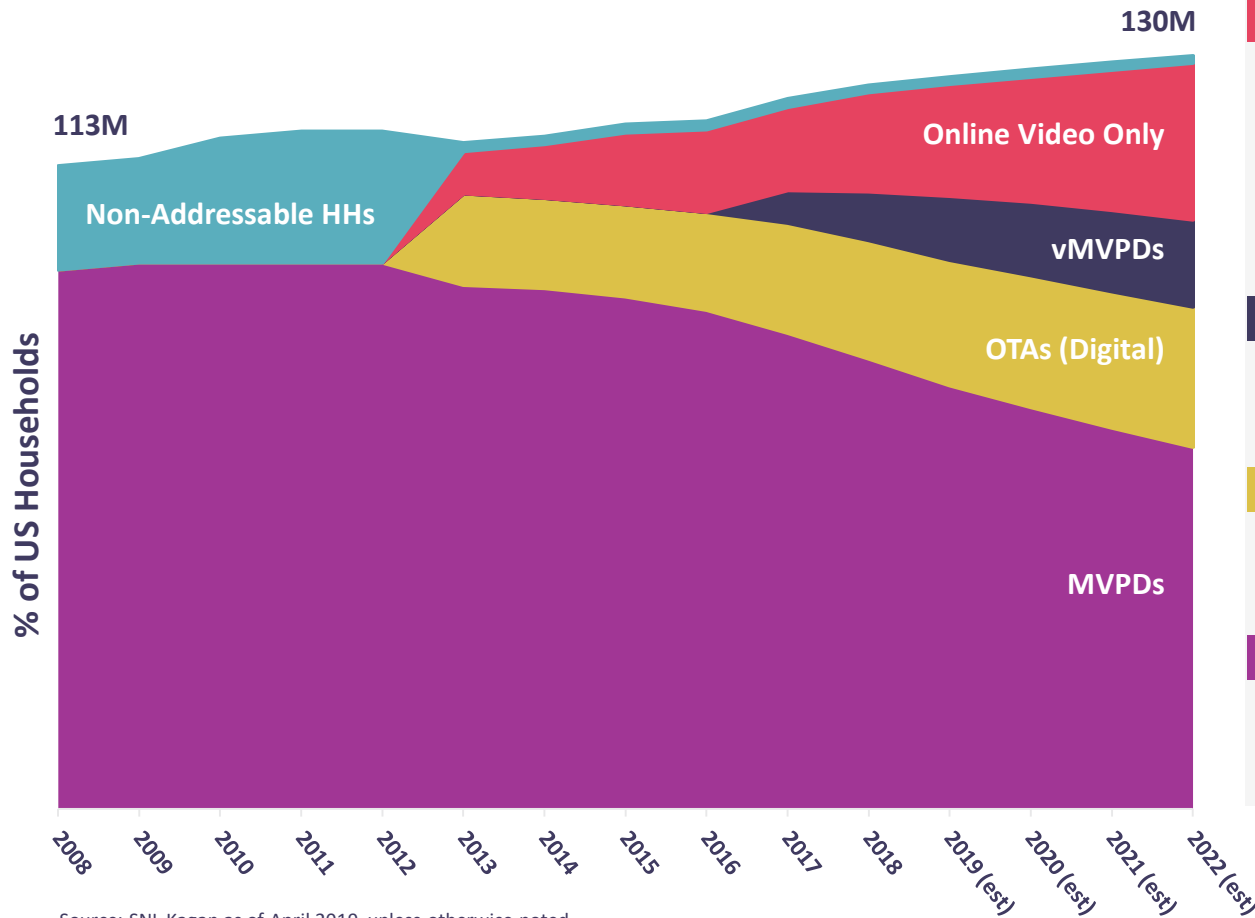
Provide holistic shopping and lifestyle video services across current and next-generation platforms, with relevant content, experiences, and interactive capabilities.

INITIATIVES

- Expand reach across all TV/video platforms
 - Grow MVPD, vMVPD, OTT, OTA
- Increase discoverability, viewership, and engagement
 - Original shopping content
 - Interactive and transactional streaming services
 - Augmented reality

Offsetting Cord Cutting

Total Number Of US Occupied Households



Distribution Platforms	QxH Penetration ²
Online Video Only Over-The-Top Examples: Roku, Apple TV, Fire TV, Comcast Flex, Samsung TV+, Vizio, Pluto TV, Xumo Social Video Examples: YouTube, Facebook/FB Live, Instagram/IGTV Sector Growth Rate: 12% ¹	90%
vMVPDs Examples: AT&T TV Now, Sling, Hulu, YouTube TV, FRNDLY Sector Growth Rate: 11% ¹	12%
Over-The-Air (Digital) Examples: Ion, Tegna, Nexstar, CBS-DABL Sector Growth Rate: 4% ¹	65%
MVPDs Examples: Comcast, DirecTV, Charter, Fios Sector Growth Rate: (4%) ¹	100%

Source: SNL Kagan as of April 2019, unless otherwise noted
¹13-year CAGR, 2019e–2022e
²December 2019 internal estimate

Live Streams Of
6 Channels, VOD
And 20 Digitally
Native Series

Available On Roku,
Amazon Fire TV

On Roku – Top-25
Free App¹ (Among
5000+ Apps Total²)



¹As of November 18, 2019

²As of January 8, 2019. Total apps include free and paid



**vMPVD And
Other Digital
Services**

AT&T TV NOW

- Launching by year end
- 3 broadcast channels (QVC, QVC 2, HSN) out of approximately 50
- 1.1M subscriber households¹

**Launched On Samsung TV+,
Xumo, Comcast Flex**

**Exploring Pay And
Free Streaming Services**



¹As of September 30, 2019



Social Video



Instagram

- Brand takeovers

YouTube

- 6 YouTube channels
- All broadcast network live programming and VOD
- 18 digitally native series

Facebook Live

- Average 350+ live hours weekly¹

¹As of October 2019



4K–Japan

Augmented Reality–Italy

QR Codes–Japan, Germany, UK

Broadcast Innovation



Engagement

↑7%

QxH TV VIEWERSHIP
MINUTES¹

↑105%

QVC US DIGITAL
LIVESTREAM SESSIONS

↑30%

HSN DIGITAL
LIVESTREAM SESSIONS

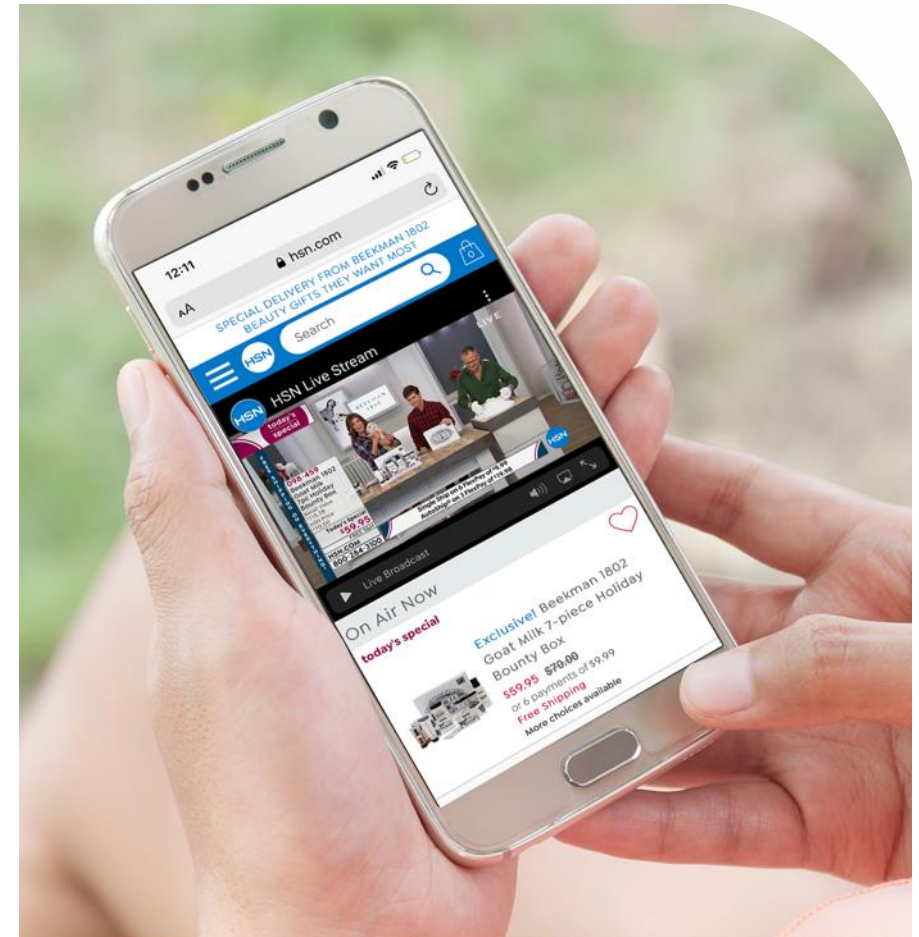
Roku

2.4M

TOTAL INSTALLS

480M

MINUTES STREAMED



Growth rate calculations based on year-on-year change September 2019 YTD. Roku data as of September 2019 YTD
¹Source: Comscore

Reimagine Daily Digital Discovery



ASPIRATION

Build a habitual, live-like experience on our digital platforms through storytelling, personal connections, and compelling products.

INITIATIVES

- Deliver a seamless shopping experience across our websites and apps
- Invent next-gen digital concepts that drive daily discovery

Reducing Friction By Optimizing Key Points In The Digital Customer Journey

Discovery

Increase time on page, time on site, pages viewed, items viewed, bounce rate, % search to product

Product Experience

% to product viewed, increase % product to cart

Purchase

Increase cart conversion, reduce log-in error

Seamless Digital Customer Journey

Speed

Reduce time to interactive, bounce rate

New Checkout Experience

- Continued optimizations for mobile devices
- 70% reduction in time to checkout for existing customers since July 2019 launch (15% reduction for new customers)



Innovating On Our Own Global Platforms



Learning Journeys
Exploring And Dreaming
Individual Representation

Expand And Engage Our Passionate Community



4

ASPIRATION

Drive a comprehensive marketing strategy to aggressively grow the number and spend of avid customers.

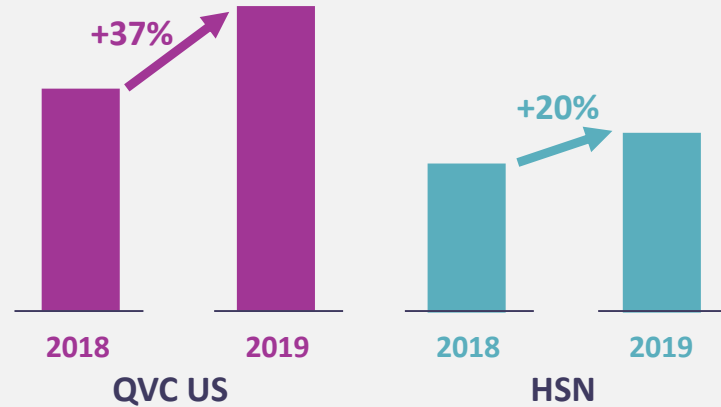
INITIATIVES

- Enhance, optimize, and scale performance marketing
- Accelerate our influencer strategy, leveraging social media influencers, hosts, guests, team members, and customers
- Scale marketing strategies that support brand/product launches

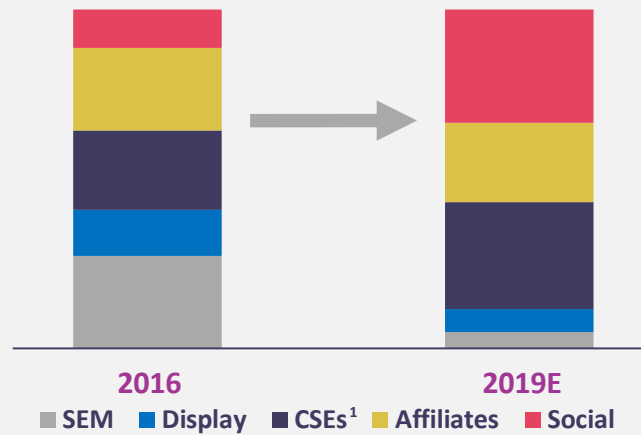
Performance Marketing

Strong Growth In New Customers From Performance Marketing

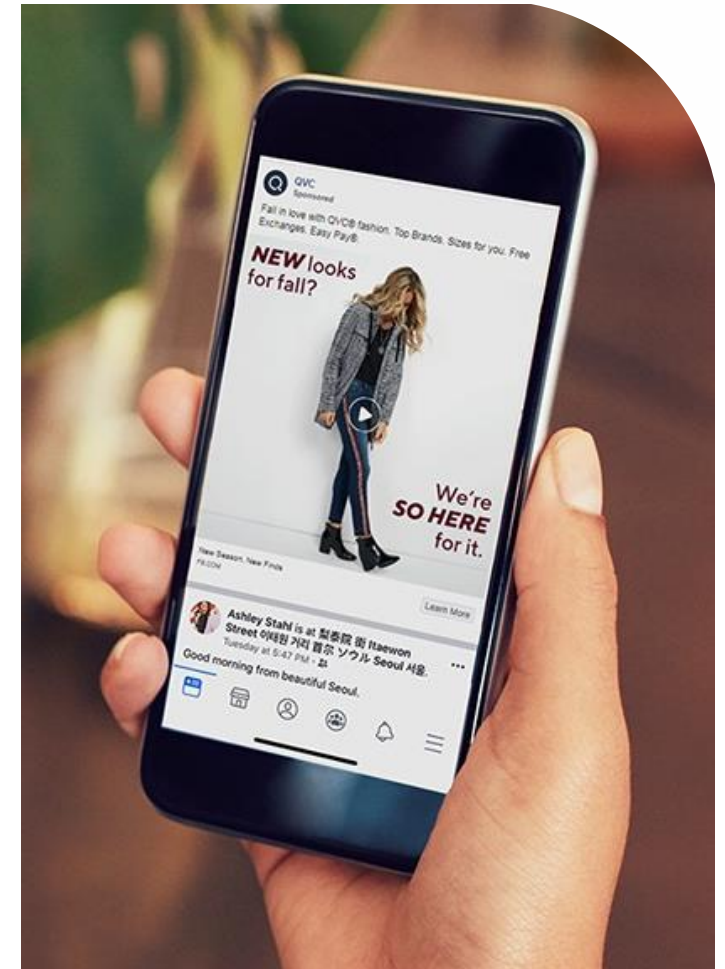
New Customers LTM Ended September



Diversified Marketing Channels QxH



- Disciplined 12-month payback period
- Approximately 30% of QxH new customers through performance marketing
- Continuous optimization
 - Investment in attribution model, inclusive of TV impact
 - Ramping investment in marketing technology



¹“Comparison Shopping Engines”

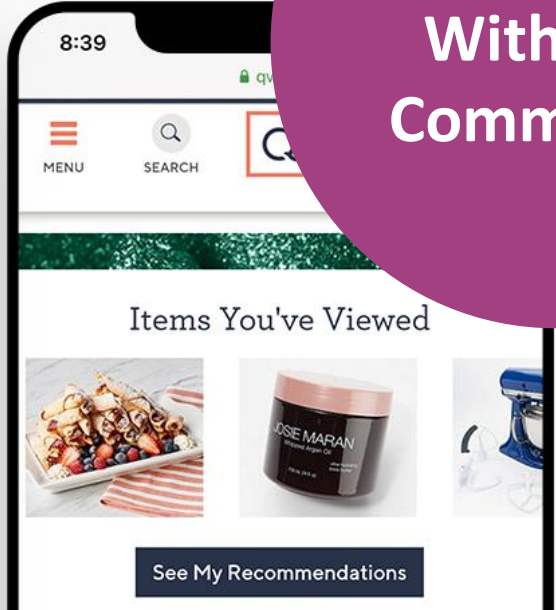


Influencers

- Hosts
- Customer advocates
- Team members
- Vendors and guests



Connecting With Our Community



- Customer Engagement Events
- Loyalty Programs
- Personalization
- Shop & Share Squad

Deliver Joyful Customer Service



ASPIRATION

Deliver unique and special moments that spark joy and interest, build trust, and create lifetime loyalty.

INITIATIVES

- Provide avid customers with meaningful perks and recognition that deepen their relationship with us and inspire them to purchase more frequently
- Systematically remove all friction points across service journey
- Optimize our fulfillment network to improve the delivery and returns experience

Personalized Upsell Opportunity

**Special Experiences For
Avid Customers**

**Targeted Video Content
Leveraging Vendor Personalities**

“For Curtis to take the time to let us know about the shipping delays because of the hurricane is awesome. Customer for life!”

**–Celestine Person,
HSN Customer**

**Scaling Our
Personalized
Customer
Service
Approach**



Combined Fulfillment Centers

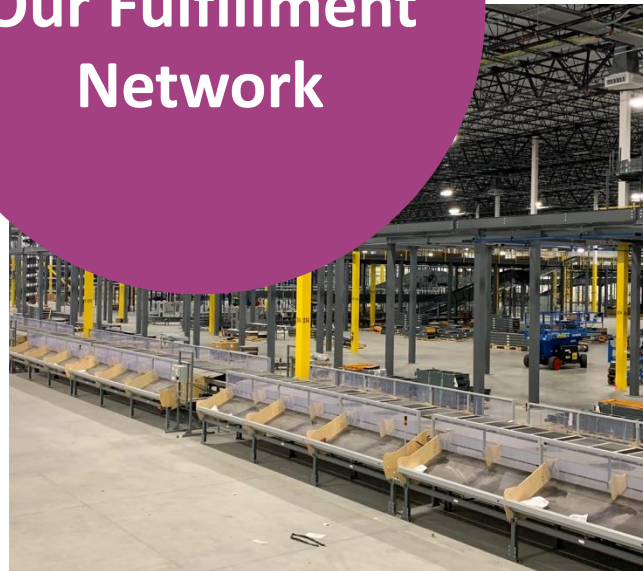
Move Closer To Customers

Convert To Multi-Line

Increase Package Consolidation

Improve Order-To-Delivery Time

Optimizing
Our Fulfillment
Network

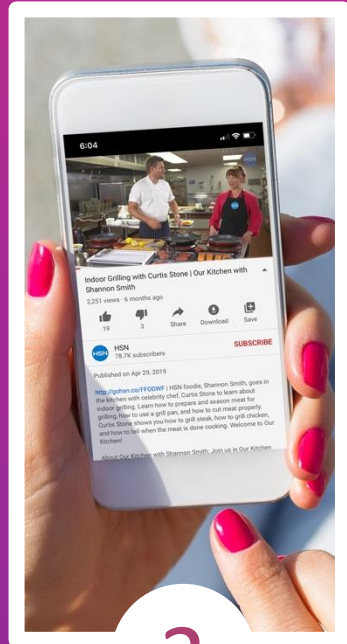


QVC & HSN – Strategic Priorities



1

Curate Special Products At Compelling Values



2

Extend Video Reach And Relevance



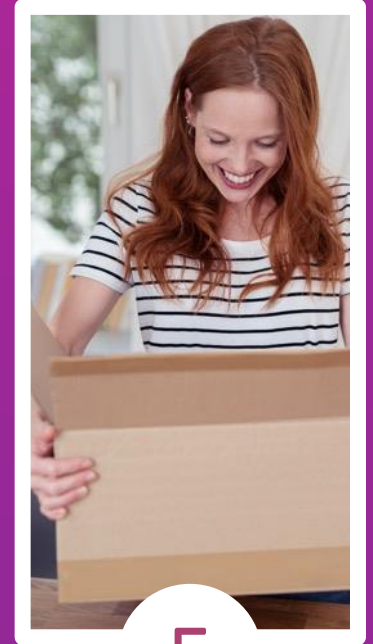
3

Reimagine Daily Digital Discovery



4

Expand And Engage Our Passionate Community



5

Deliver Joyful Customer Service

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ZULILY & CORNERSTONE

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Zulily



Our Promise to Her

To deliver the unexpected every day, helping customers discover new and unique finds at prices they can brag about

Great Finds

Thousand of products, at incredible prices

Fun And Addictive

Differentiated mobile shopping experience

Low Prices

Commitment to price transparency: lowest prices anywhere

New Leadership



Jeff Yurcisin
President

Joined: August 2018
Prior Experience: Amazon, Shopbop, Strategy Consulting (Various)



John Lohnas
SVP & Chief Merchant

Joined: May 2019
Prior Experience: Amazon, Nine Star Sports, LVMH



Kelly Wolf
VP of People

Joined: June 2019
Prior Experience: Amazon, Shopbop



Olly Downs
VP Machine Learning & Data

Joined: July 2019
Prior Experience: Zillow Group, Amplero



Rena Wong
VP Finance

Joined: October 2019
Prior Experience: Whole Foods



Pedro Fuentes
VP Technology

Joined: February 2019
Prior Experience: Groupon

Zulily Strategic Initiatives

Great Fresh Finds

- National Brands, Direct to Consumer
- Social Brands, Great Quality

Reinvent The Store

- Multiple ways to shop Zulily for more intentional shopper (Search, Browse by Category)
- Improved personalization, compelling storytelling and use of video

Earn Her Trust

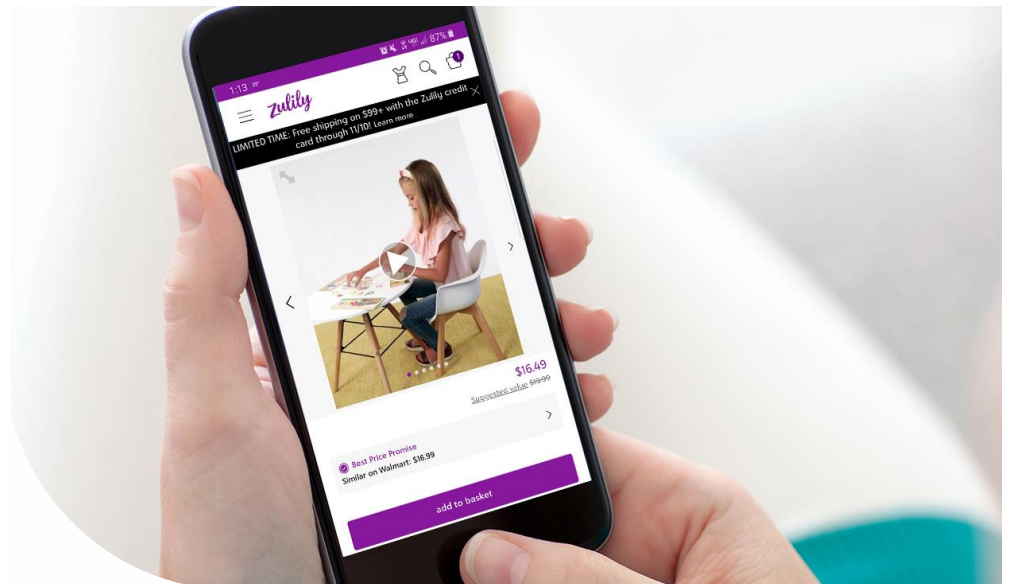
- Best Price Promise: Increase transparency to deliver heightened engagement and conversion

Win In Marketing

- Engage her where she is
- Continue fast experimentation to drive positive return on ad sales, rather than new customers

Reduce Order To Delivery

- Improve service levels, shipping and return costs



Cornerstone

BALLARD DESIGNS

FRONTGATE

Garnet Hill

grandinroad.

Ryllace

Our Promise To Her

To deliver inspirations that help customers enjoy, enhance, and celebrate life

Strategic Initiatives

- Sustain **Home** segment momentum
 - Ballard retail expansion
 - Product assortment refinement and innovation
- Progress **Gross Margin** initiatives
- **Operating Expense** discipline
- Drive LTV through enhanced **Customer Journey**
- Grow **Ryllace** (Launched September 2019)



Ryllace



Garnet Hill



FRONTGATE



grandinroad.



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ZULILY & CORNERSTONE

FINANCIAL UPDATE

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QxH Adjusted OIBDA

YTD margins pressured by Network Optimization buildout, HSN integration and elevated freight rates

Basis Point Change	Adjusted OIBDA	Explanations
YTD SEP 2018	19.8%	
Product Mix Impact ¹	50	Pricing & Promotion Activity
Commissions ²	120	Renegotiated MSO Contracts eCommerce Penetration MSO Accounting Change
Inventory Management ³	(65)	Ingenious Designs Accelerated Exit (HSN)
Warehouse ⁴	(65)	Network Optimization (Dual facility cost, Ontario Ramp and Units/Hour erosion)
Freight (QxH Operated Facilities)	(40)	General Freight Rate Increase
Marketing	(25)	Performance Marketing
Other ⁵	5	
YTD SEP 2019	19.6%	
Δ vs LY	(20)	

¹Includes initial margin, in-period returns, S&H revenue, ASP leverage and freight (drop ship)

²Includes accounting changes and synergies from renegotiated contracts and growth in off-air

³Includes inventory obsolescence reserve adjustments, liquidations and costs associated with clearing Ingenious Designs (IDL) brands

⁴Includes ramp up of Ontario, CA fulfillment center and start up costs associated with network optimization

⁵Includes royalties, PLCC, returns, bad debt and other

Note: All figures rounded to the nearest 5 bps

QxH Adjusted OIBDA

Opportunity for margin expansion upon further execution of Synergies (in process)

Transition costs remain a headwind through balance of calendar 2020

Major Driver	Key Components	Expectation
Product Mix Impact	<ul style="list-style-type: none"> Initial Margin Shipping & Handling (net vendor credits) Freight (Drop Ship Vendors) 	<ul style="list-style-type: none"> Improve through strategic vendor management Reduce (invest) through targeted promotional activity Vary with customer preference
Warehouse	<ul style="list-style-type: none"> Labor Occupancy 	<ul style="list-style-type: none"> Moderate with completion of network optimization milestones Dual operating and fixed costs for balance of 2020
Freight (QxH Operated Facilities)	<ul style="list-style-type: none"> Freight Rates 	<ul style="list-style-type: none"> Freight rate increases expected to moderate (industry trend) Increase package consolidation savings (Network Optimization) Inventory Regionalization
Commissions	<ul style="list-style-type: none"> Carrier Commissions 	<ul style="list-style-type: none"> Sustain synergies and reduce costs via increased eCommerce penetration
Marketing	<ul style="list-style-type: none"> Performance Other 	<ul style="list-style-type: none"> Increase investment with positive ROI
Other	<ul style="list-style-type: none"> Fixed Costs Customer Service Bad Debt PLCC 	<ul style="list-style-type: none"> Disciplined cost management Deliver synergies and reduce costs via increased eCommerce penetration Moderate through process improvements Growth through further penetration and full year implementation

QxH Synergy Progress Update

Area	Initiative	Expected Run Rate	Progress Update
Duplicate Functions	<ul style="list-style-type: none"> • Headcount • Public Company Costs 	\$80M – \$88M	<p>Complete</p> <p>Complete</p>
MSO Distribution / Marketing	<ul style="list-style-type: none"> • MSO, Channel Placement and Quality • Market Spend Optimization 	\$20M – \$25M	<p>Complete</p> <p>Complete</p>
Procurement	<ul style="list-style-type: none"> • Ocean Freight & Other Indirect Savings • Direct Sourcing / Strategic Vendor Management • Payment Options 	\$125M – \$135M	<p>Complete</p> <p>In Process</p> <p>In Process</p>
Business Process Integration	<ul style="list-style-type: none"> • Supply Chain Network Optimization • Contact Centers Optimization • Other¹ 	\$145M – \$152M	<p>In Process</p> <p>In Process</p> <p>In Process</p>
TOTAL		\$370M – \$400M	
Total One-Time Costs		\$90M	

¹Represents credit screening/collections and IT Datacenter/Other

QxH Network Optimization Overview – Phase 1

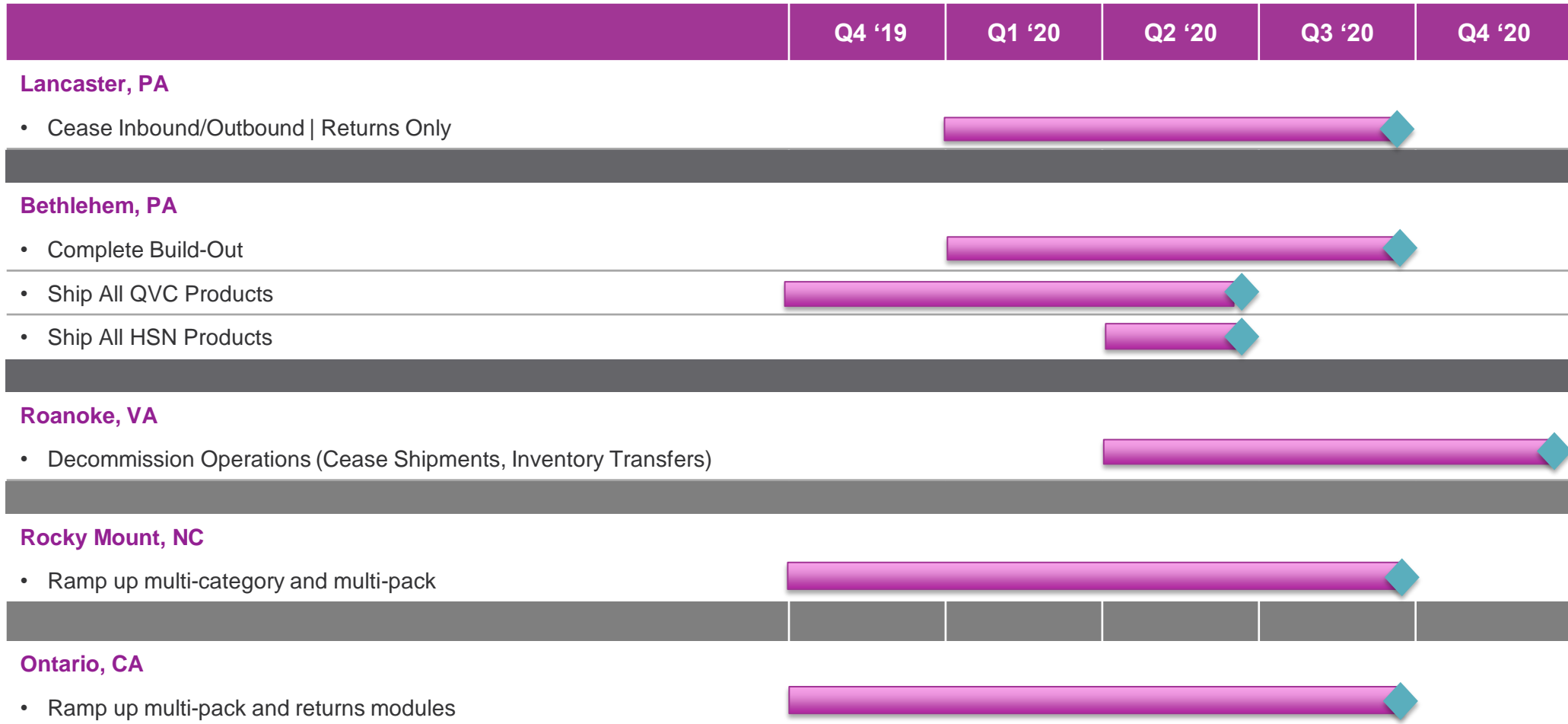
What We Expect to Achieve

- Improved Delivery Speed and Returns Experience
- Increased Units Per Packaged Shipped
- Improved Productivity
- Fixed Cost Reductions / Capital Avoidance
- Increased Network Capacity
- Reduced US Fulfillment Footprint

Current	Brand	Hard Goods	Soft Goods	Jewelry
Lancaster, PA	Q		X	
Rocky Mount, NC	Q	X	Partial	
Suffolk, NC	Q	X	Partial	
Florence, SC	Q	X	Partial	X
Ontario, CA	Q	X	X	
Roanoke, VA	HSN		X	
Greenville, TN	HSN	X		
Fontana, CA	HSN	X		
Piney Flats, TN	HSN	X		X

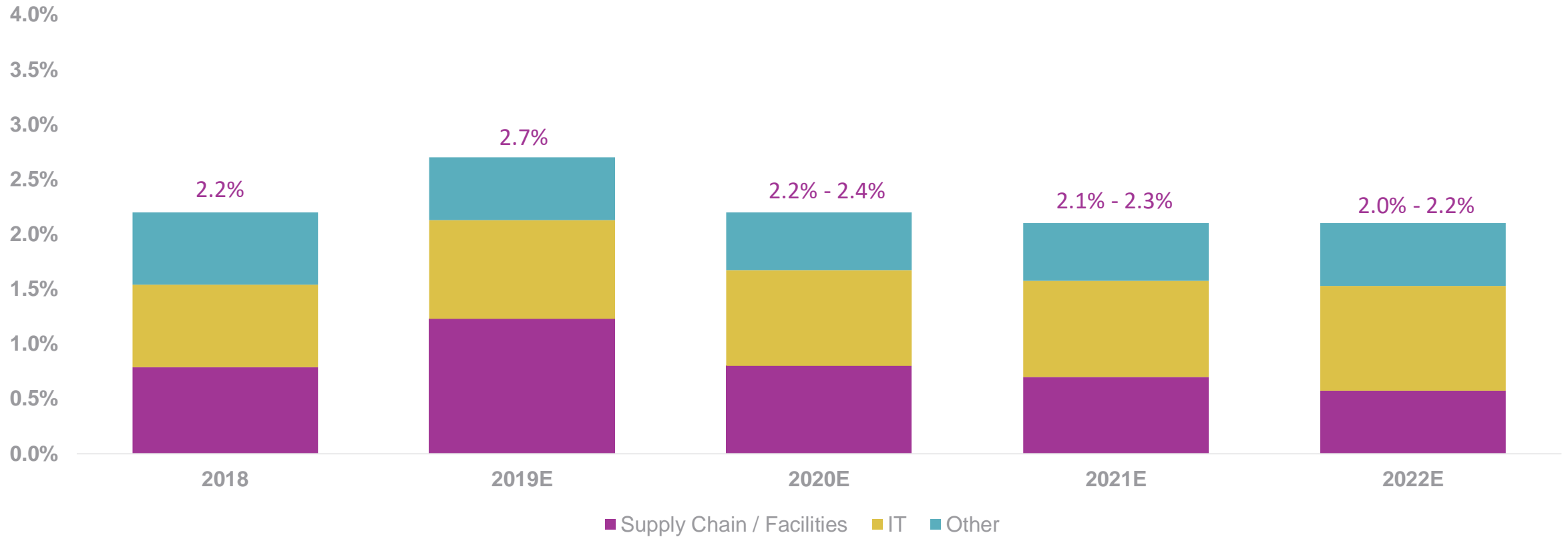
Announced	Brand	Hard Goods	Soft Goods	Jewelry
Lancaster, PA				Decommission
Bethlehem, PA	QxH	X	X	
Rocky Mount, NC	QxH	X	X	
Suffolk, NC	QxH	X	Partial	
Florence, SC	QxH	X	Partial	X
Ontario, CA	QxH	X	X	
Roanoke, VA				Decommission
Greenville, TN				Decommission
Fontana, CA	QxH	X		
Piney Flats, TN	QxH	X	X	X

QxH Network Optimization – Phase 1 Key Milestones



Qurate Retail, Inc.

Net Capital Expenditures as % Net Revenue¹




- IT and Supply Chain (Network Optimization) investments drive increase from 2017-2020
- Capital expenditures expected to return to normalized historical levels in 2022

¹Net Capital Expenditures include expected proceeds from the sale of certain facilities in 2020-2021

Qurate Retail, Inc.

High Free Cash Conversion: 42% Adjusted OIBDA contributes to Levered Free Cash Flow

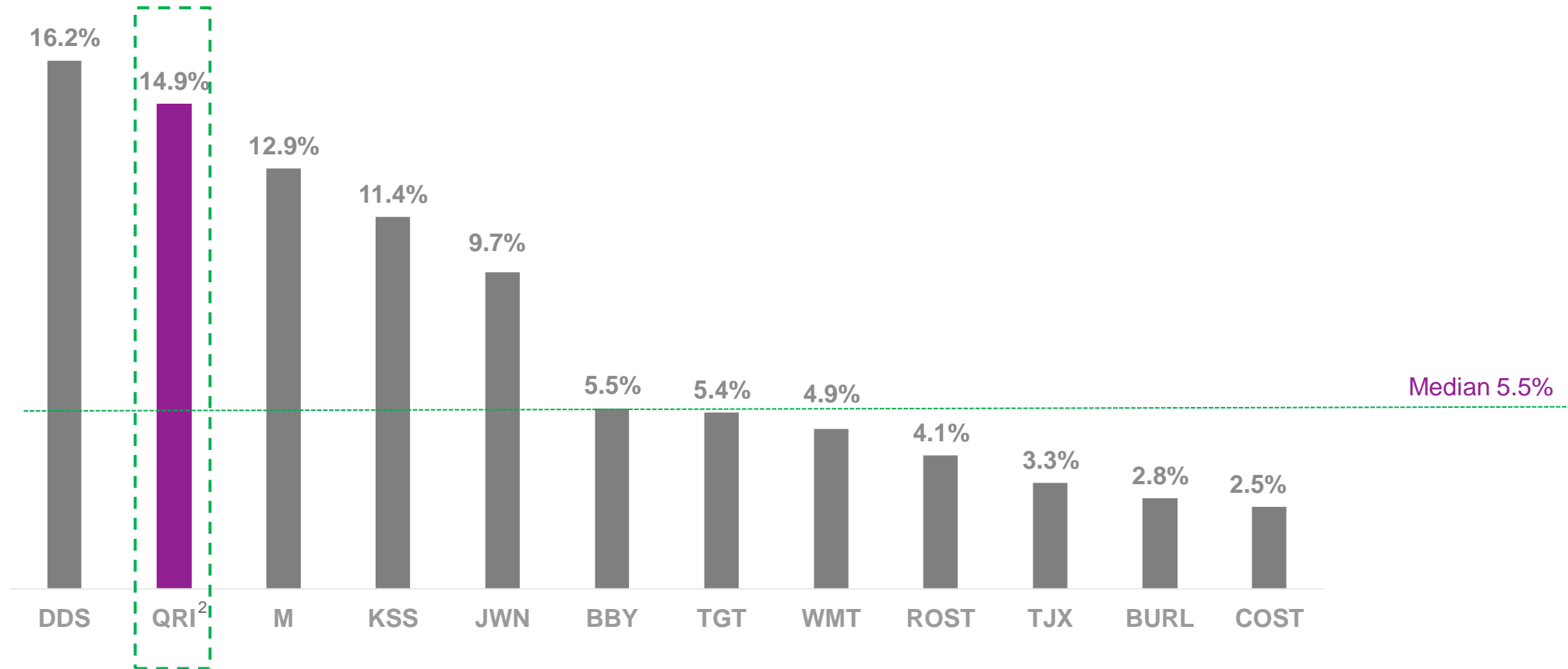
	3-Year Average TTM (Q3)		
	2018	2019	Delta
ADJUSTED OIBDA	100%	100%	-
① Working Capital	(2%)	(5%)	(3%)
② Capital Expenditures	(12%)	(13%)	(1%)
③ MSO Carriage Agreements	(3%)	(5%)	(2%)
Cash Taxes	(16%)	(16%)	-
OPERATING CASH FLOW	67%	61%	(6%)
Dividend to Mitsui (NCI)	(2%)	(2%)	-
Cash Interest, net	(10%)	(11%)	(1%)
Other	(2%)	(3%)	(1%)
QURATE RETAIL GROUP L-FCF	53%	45%	(8%)
Overhead	(1%)	(1%)	-
Cash Interest, net	(6%)	(6%)	-
Estimated Corporate Tax Benefit	8%	8%	-
Other	(3%)	(4%)	(1%)
CONSOLIDATED L-FCF	51%	42%	(9%)

- 
1. Higher receivables due to terms and use of Easy Pay & Flex Pay and replenished inventory to support sales (primarily at HSN)
 2. U.S. fulfillment network optimization and continued technology & platform investments
 3. Capitalized multi-year carriage agreement payments (HSN), which were previously recorded as quarterly installments within Operating Expense

Opportunity to expand L-FCF conversion as CapEx moderates to normalized run-rate and execution of disciplined working capital management

Qurate Retail, Inc.

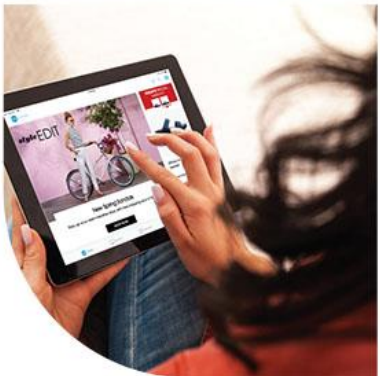
Levered Free Cash Flow – LTM Yield (%) ¹



Note: LTM LFCF as of Q2-19, except for QRI and COST, which are as of Q3-19
Market data as of 11/13/19 per Capital IQ. Sources: Company websites & filings

¹Levered free cash flow = cash flow from operations – capex.

²LFCF calculated as cash flow from operations less capex, less TV distributions, less dividend to Mitsui, per company filings.

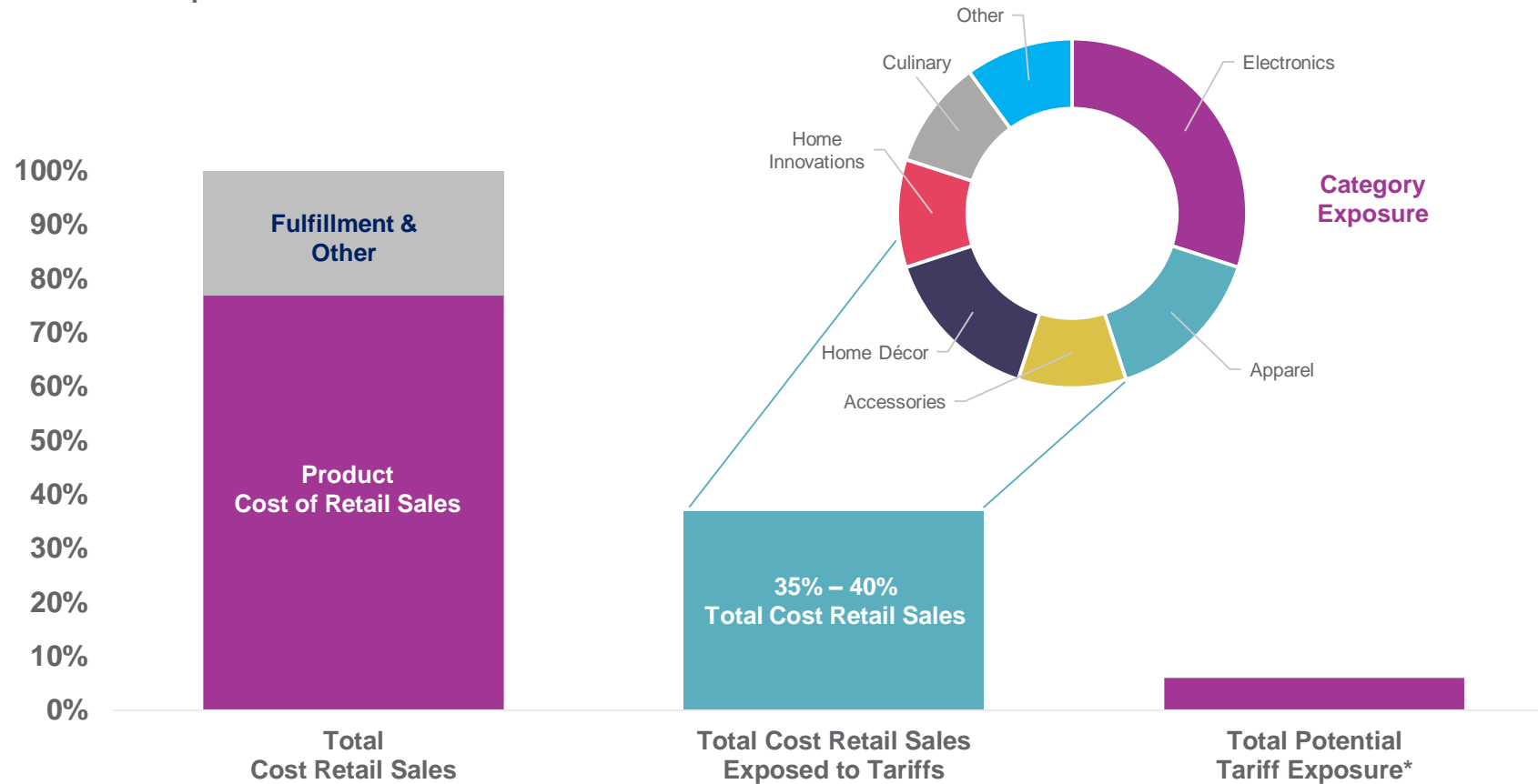


qurate
RETAIL, INC.

Appendix

Qurate Retail Tariff Update

Annualized Net Exposure



- Approximately 80% of Products, subject to tariffs, are vendor-sourced
- **Taking various actions to mitigate future impact**

*Tariff Rates Applied: List 3 = 25% | List 4A (9/1/2019) = 15% | List 4B (12/15/19) = 15%

Non-GAAP Reconciliations

This presentation includes references to Adj. OIBDA and constant currency growth rates, which are non-GAAP financial measures for Qurate Retail and certain of its subsidiaries. Qurate Retail defines Adj. OIBDA as operating income less cost of sales, operating expenses and selling, general and administrative expenses (excluding stock and other equity-based compensation) and excludes from that definition depreciation and amortization, restructuring and impairment charges and legal settlements that are included in the measurement of operating income pursuant to GAAP. Further, this presentation includes Adj. OIBDA margin, which is also a non-GAAP financial measure. Qurate Retail and QVC define Adj. OIBDA margin as Adj. OIBDA divided by revenue.

Qurate Retail believes Adj. OIBDA is an important indicator of the operational strength and performance of their businesses, including the ability to service debt and fund capital expenditures. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Because Adj. OIBDA is used as a measure of operating performance, Qurate Retail views operating income as the most directly comparable GAAP measure. Adj. OIBDA is not meant to replace or supersede operating income or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that Qurate Retail's management considers in assessing the results of operations and performance of its assets. Please see the attached schedule for a reconciliation of Adj. OIBDA to operating income (loss) calculated in accordance with GAAP.

Constant currency revenue growth rates, as presented herein, are calculated by translating the respective-period reported amounts in US Dollars to comparable amounts using a single foreign exchange rate for each currency.

Qurate Retail believes constant/local currency financial metrics are an important indicator of financial performance due to the transitional impact of foreign currency fluctuations relating to subsidiaries in non-US markets. We use constant/local currency financial metrics to provide a framework to assess how our businesses performed excluding the effects of foreign currency exchange fluctuations.

Reconciling Schedule

Qurate Retail, Inc. Operating Income to Adjusted OIBDA (\$ in millions)

	Q1-17	Q2-17	Q3-17	Q4-17	Q1-18	Q2-18	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19
Qurate Retail, Inc. Operating Income	\$ 213	\$ 254	\$ 208	\$ 368	\$ 294	\$ 358	\$ 237	\$ 435	\$ 288	\$ 336	\$ (727)
Depreciation and amortization	208	206	180	131	163	159	167	148	153	158	146
Stock compensation expense	16	21	22	64	23	23	21	21	19	18	17
Impairment of intangible assets	-	-	-	-	-	-	-	33	-	-	1,020
Operating company level transaction related costs	-	-	3	40	8	2	43	15	-	1	-
Corporate level transaction related costs	-	-	-	15	4	-	-	-	-	-	-
Qurate Retail, Inc. Adjusted OIBDA (as reported)	\$ 437	\$ 481	\$ 413	\$ 618	\$ 492	\$ 542	\$ 468	\$ 652	\$ 460	\$ 513	\$ 456
Former Liberty Ventures Group adjusted OIBDA	8	7	6	6	5	-	-	-	-	-	-
Pre-acquisition HSN and Cornerstone adjusted OIBDA	54	71	50	91	-	-	-	-	-	-	-
Qurate Retail, Inc. Adjusted OIBDA (pro forma)	\$ 499	\$ 559	\$ 469	\$ 715	\$ 497	\$ 542	\$ 468	\$ 652	\$ 460	\$ 513	\$ 456

Year-Over-Year % Change

Qurate Retail, Inc. Adjusted OIBDA (pro forma)	0%	-3%	0%	-9%	-7%	-5%	-3%
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The table above provides a reconciliation for Qurate Retail, Inc.'s adjusted OIBDA to operating income in accordance with US GAAP for the quarters Q1-17 to Q3-19.

Foreign Currency Exposure

Operation Risk

- Impact of currency fluctuations on inventory purchases sourced in currencies other than the local currency of the business unit
- Approximately 1% of Qurate Retail Total Cost of Retail Sales is sourced in non-local currency. Fluctuations in non-local foreign currency rates have not resulted in a meaningful impact to the overall QRG P&L

Translation Risk

- Impact of currency fluctuations on translating foreign business unit results to USD for reporting purposes
- Over the past 4 years the translation impact to the QVC International OIBDA has been +/- 2%, which we do not believe is meaningful to the overall Qurate Retail P&L

Reconciling Schedule

QVC International Net Revenue Y/Y Growth Rates as reported in USD and in Constant Currency

Quarter	Y/Y % Var.	
	USD	Constant Currency
Q3-19	2%	3%
Q2-19	-2%	1%
Q1-19	-5%	1%
Q4-18	-3%	-1%
Q3-18	1%	2%
Q2-18	7%	1%
Q1-18	14%	2%
Q4-17	11%	6%
Q3-17	4%	5%
Q2-17	-3%	2%
Q1-17	-2%	2%
Q4-16	0%	3%
Q3-16	4%	2%
Q2-16	7%	4%
Q1-16	2%	3%
Q4-15	-5%	2%
Q3-15	-10%	4%
Q2-15	-11%	6%
Q1-15	-12%	2%
Q4-14	-7%	1%
Q3-14	1%	1%
Q2-14	2%	-1%
Q1-14	1%	1%
Q4-13	-6%	-1%
Q3-13	-6%	2%
Q2-13	-6%	2%
Q1-13	-2%	4%

The table above provides a comparison of QVC International year-over-year percentage change in revenue in constant currency to the comparable figures calculated in accordance with US GAAP from Q1-13 to Q3-19.

Reconciling Schedule

QxH Operating Income to Adjusted OIBDA

(\$ in millions)

	Nine Months Ended Sept. 30	
	2019	2018
Operating income	\$ 782	\$ 803
Depreciation and amortization	286	256
Stock compensation expense	27	32
Impairment of intangibles	-	-
Transaction related costs	(2)	50
Adjusted OIBDA	1,093	1,141
Net Revenue	\$ 5,585	\$ 5,755
Adj. OIBDA Margin	19.6%	19.8%

The table above provides a reconciliation for QxH's adjusted OIBDA to operating income in accordance with US GAAP for the nine months of 2019 and 2018.



2019 Investor Day

November 21, 2019

Brian Wendling

Qurate Retail, Inc.

Principal Financial Officer

Capital Allocation

High return investments in business for the future

- Capital investment for multi-year fulfillment network improvement
 - 2019E CapEx \$370-390m elevated vs. prior years due to fulfillment center initiatives
 - CapEx normalizes to 2.0 – 2.2% of revenue in 2022
- IT improvements, distribution platforms, mobile experience, fulfillment efficiencies
- Investing in performance marketing
 - Ramping marketing spend from historically <1% of revenue to 2.5-3.0% of revenue, while maintaining return hurdles
- Increasing content production for digital-only platforms

Liability and tax management

- Invest to reduce deferred tax liability on exchangeable bonds
 - Repurchased 112k of 3.50% MSI exchangeable bonds in 2019
 - Hedging portion of uncovered MSI exposure that underlies 3.50% MSI exchangeable bond through total return swap
- Deploying capital into high return tax advantaged investments (i.e. additional green energy assets)

Return capital to shareholders

- Repurchased \$392m YTD through 10/31
- Since 2006, reduced share count by 60%
 - 53% net of share issuances

Qurate Retail continues to generate high, sustainable free cash flow, enabling flexibility to pursue various capital allocation alternatives while continuing to invest in core business

Reduced Deferred Tax Liability on Exchangeable Bonds

- Repurchased 112k of 3.50% MSI exchangeable bonds in 2019
 - Includes 100k repurchased in Q4-19
 - Total cash outlay \$98m
- Repurchase resulted in:
 - Tax gain from retirement of MSI bonds offset with interest expense that would otherwise be disallowed in 2019
 - While disallowed interest can be carried forward and does not expire, prefer to minimize annual disallowance
 - Reduced deferred tax liability associated with MSI bonds
 - Total DTL as of 12/31/19 related to contingent interest on all exchangeable bonds will be \$1b
 - Inclusive of approximately \$85m DTL reduction due to MSI exchangeable bond repurchases
- Expect some disallowed interest in 2019 and future years, resulting in significant deferred interest carryforward by 2029 which should offset approximately $\frac{1}{2}$ of gross DTL at maturity⁽¹⁾



My name is Bond.

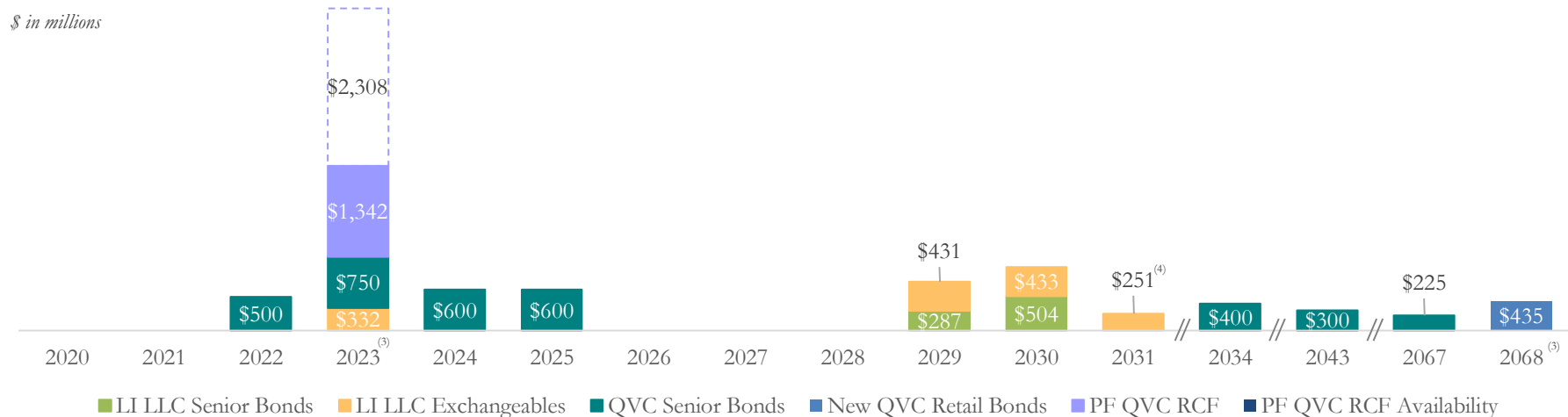
~~JAMES BOND~~

EXCHANGEABLE

(1) These estimates could vary materially depending on Qurate Retail's future EBITDA/EBIT, acquisitions and dispositions, early retirements of bonds, changes in tax law, and other future events.

Debt Maturity Profile and Leverage

- Tuesday, priced \$435m⁽¹⁾ of 49yr retail bonds at 6.25% maturing 2068
 - Expect to use proceeds to pay down revolver balance
- 2.3x leverage ratio⁽²⁾ at QVC, Inc. as of 9/30
 - Maintaining leverage target of 2.5x at QVC, Inc.
 - 3.5x covenant threshold



(1) Potential for \$500m with 15% greenshoe exercise. QVC RCF and RCF availability pro forma for anticipated pay down with \$435m retail bond net proceeds. Balances exclude retail bond issuance fees.

(2) As defined in QVC, Inc.'s credit facility and based on combined adjusted OIBDA of QVC, Inc. and Zulily, LLC.

(3) PF for \$435m retail bond offering; assumes proceeds used to pay down revolver balance.

(4) 3.5% MSI exchangeable due 2031 principal pro forma for 100k bonds / \$51m principal amount repurchased in October 2019.

Green Energy Investments Result in Tax Savings

- Green energy investments financially attractive and will continue to be a part of tax strategy
 - Portfolio of assets include solar, wind, clean coal
 - Continue to explore new investments (including carbon capture) as existing tax credits sunset
- Generate tax benefits in two ways:
 - (i) Assets generate operating losses which appear on P&L
 - (ii) Tax credits associated with investments

→ Resulted in average ~9% lower effective tax rate over last 3 years
- After-tax cash flow received to-date ~\$200m since 2011
- Potential for near term monetization of solar and wind assets for approximately \$190m after-tax proceeds
- Continuing focus on ESG initiatives



See Slide 14 for Accounting Treatment of Green Energy Investments

Qurate Retail Tax Considerations

Effective tax rate

- Ongoing, normalized Qurate Retail annual effective tax rate expected to be 15% – 18% of pre-tax income
 - Includes federal, state and foreign taxes, partially offset by tax credits from green energy investments
 - Book tax rate in 2019 impacted by one-time items, including (i) tax loss generated by sale of investment in FTD in Q2 and (ii) Zulily goodwill impairment in Q3
- Exchangeable bonds do not impact effective tax rate







Cash tax rate

- Qurate Retail annual cash taxes expected to be 9% – 12% of adjusted OIBDA for several years
- Difference between effective and cash tax rates driven by deductible portion of contingent interest expense from exchangeable debentures



Appendix

QRTE Exchangeable Debt Cheat Sheet

Description	1.75% Exchange. Debent. 	3.50% Exchange. Debent. 	3.75% Exchange. Debent.  	4.00% Exchange. Debent.  
Issuing Entity	Liberty Interactive LLC			
Maturity date	Sept. 30, 2046	Jan. 15, 2031	Feb. 15, 2030	Nov. 15, 2029
Put/call date	Oct. 5, 2023	Call: Nov. 15, 2003	Call: Feb. 15, 2004	Call: Jan. 16, 2006
Principal ⁽¹⁾	\$332m	\$251m	\$433m	\$432m
Number of bonds outstanding ⁽¹⁾	332,241	487,422	459,999	468,743
Fair value of bonds outstanding ⁽¹⁾	\$425m	\$445m ⁽²⁾	\$322m	\$342m
Exchange price	\$341.10	\$97.79 ⁽³⁾	Basket	Basket
Parity ⁽⁴⁾	\$140.77	\$165.25	\$2.42	\$3.40
Conversion/\$1,000 principal amount	CHTR: 2.9317 shares	MSI: 5.2598 shares	S: 2.3587 shares CTL: 0.5746 shares	S: 3.2265 shares CTL: 0.7860 shares
Shares underlying	CHTR: 1.0m shares	MSI: 2.6m shares	S: 1.1m shares CTL: 0.3m shares	S: 1.5m shares CTL: 0.4m shares
Dividend Threshold	n/a	\$0.28 quarterly per MSI share	No threshold, entire dividend passed-through	No threshold, entire dividend passed-through

(1) As of 9/30/19. 3.5% MSI exchangeable due 2031 principal pro forma for 100,000 bond purchase in Oct. 2019. 4.0% Sprint/CenturyLink exchangeable due 2029 principal pro forma for semi-annual principal payment in Nov. 2019.

(2) Fair market value per bond as of 9/30/19. Number of 3.5% MSI exchangeable bonds due 2031 pro forma for 100,000 bond purchase in Oct. 2019.

(3) Remaining principal per \$1,000 original principal amount of debentures as of 9/30/19, divided by MSI shares underlying each debenture.

(4) As of 11/13/19.

Understanding Qurate Retail Interest Deductions

Interest deductibility

- Annual interest expense comprised of cash interest and contingent interest on exchangeables
- Annual interest expense expected to exceed limitation on interest deductibility of interest income plus 30% of EBITDA in 2019
 - EBITDA for tax purposes is different than reported adjusted OIBDA
 - Tax EBITDA excludes adjusted OIBDA from Japan and is impacted by certain book to tax adjustments
 - Limitation on interest deductibility scheduled to change to 30% of EBIT in 2022
- Disallowed interest expected in 2019 and future years
 - Carryforward does not expire
 - Expect utilization of all of the contingent interest expense carryforward by 2030
 - Plan to minimize annual disallowance in intervening years
 - i.e. gain from retirement of exchangeable bonds can be used to offset disallowed interest

3.50%, 3.75% and 4.00% Exchangeable Debentures: *Glossary of Key Terms*

- Cash interest: stated interest on bonds
 - 2019 expected cash interest: \$56m⁽¹⁾
- Interest for tax purposes: rate higher than cash coupon allowed to be deducted for tax purposes and calculated off of bond's accreted basis
- Contingent interest: difference between interest for tax purposes and cash interest
 - Creates current period cash benefit from tax deductions that compounds semi-annually
 - 2019 expected contingent interest: \$473m
 - Growing to \$1.1b in 2029⁽²⁾
 - Results in \$100m+ annual tax benefits today, growing to \$250m+ annual tax benefits by 2029
 - Annual tax benefits result in current period cash savings; remainder is deferred for use in future years
- Accreted basis: basis on bonds accretes annually by amount of contingent interest
- Deferred tax liability (“DTL”): accrual of current period contingent interest deductions that has to be paid at earlier of bond maturity or redemption of underlying bond
 - DTL calculated as: (accreted basis – face value) x (prevailing tax rate)
 - DTL as of 12/31/19 related to contingent interest on exchangeable bonds is \$1b⁽²⁾
 - Gross DTL grows to \$3.0b⁽²⁾ at maturity and likely to become a cash tax liability at that date
 - Expect a significant deferred interest carryforward by 2029, which should offset approximately 1/2 gross DTL at maturity
 - In addition to the DTL, will owe \$950m+ principal at maturity

Note: all information based on current interpretation of tax legislation and subject to change.

(1) Only includes cash interest on Qurate Retail's 3.50%, 3.75% and 4.00% exchangeable debentures.

(2) Pro forma for repurchase of 100k MSI bonds in Q4-19; assuming remaining bonds stay outstanding until maturity in 2029, 2030 and 2031.

3.50%, 3.75% and 4.00% Exchangeable Debentures

Bond	Exch Ratio(s)	Cash Interest	Face (\$m) 9/30/19	FV (\$m) 9/30/19	Interest Rate Tax Purposes	Accreted Basis (\$m) 12/31/18
2029 ⁽¹⁾	3.2265 S 0.786 CTL	4%	\$432	\$342	9.069%	\$1,636
2030 ⁽²⁾	2.3587 S 0.5746 CTL	3.75%	\$433	\$322	9.43%	\$1,763
2031 ⁽³⁾	5.2598 MSI	3.5%	\$251 ⁽⁴⁾	\$445 ⁽⁴⁾	9.5%	\$2,134
TOTAL			\$1,116	\$1,109		\$5,533

Bond	Cash Coupon 2019E (\$m) ⁽⁵⁾	Contingent Interest 2019E (\$m)	Total Tax Deductible Interest 2019E (\$m) (current and deferred)	Debt Retirements	Estimated Accreted Basis (\$m) 12/31/19E
2029 ⁽¹⁾	\$19	\$133	\$152	-	\$1,769
2030 ⁽²⁾	\$17	\$152	\$169	-	\$1,915
2031 ⁽³⁾	\$20	\$188	\$208	\$(424)	\$1,898 ⁽⁴⁾
TOTAL	\$56	\$473	\$529	\$(424)	\$5,582

(1) Estimated principal amount at maturity is \$413 million (assumes no further extraordinary distributions).

(2) Estimated principal amount at maturity is \$421 million (assumes no further extraordinary distributions).

(3) Estimated principal amount at maturity is \$135 million (assumes no further extraordinary distributions).

(4) Adjusted to reflect repurchase of MSI bonds in Q4-19.

(5) Tax deductible interest. A portion of this reduces the outstanding principal amount of the bonds. See Qurate Retail press releases for more detail.

Qurate Retail Intangible Asset Balance



Qurate Retail Purchase Accounting Amort.

- Purchase accounting amortization associated with Zulily, HSN & Cornerstone acquisitions
 - Annual HSN & Cornerstone purchase accounting amortization \$50m - \$75m through 2026 with minimal amortization in 2027
- Purchase accounting amortization is not deductible for cash tax purposes
- Majority of QVC purchase accounting rolled off as of Q3-17
 - Dated back to 2003 acquisition of Comcast's interest in QVC
- Other non-acquisition related amortization at Qurate Retail approximately \$223m⁽¹⁾
 - 54% related to channel placement (QVC and HSN)
 - 46% related to internally developed software

(1) For the twelve months ended 9/30/19.

- GAAP treatment of green energy different from cash impact
- **Balance sheet**
 - Investments included in *Other assets, at cost, net of accumulated amortization*
 - Accounted for using equity method
- **Income statement**
 - Record share of underlying investments losses in *Share of earnings (losses) of affiliates, net*
 - Tax benefit from both operating loss and tax credits recognized in *Income tax (expense) benefit*
- **Statement of cash flows**
 - New investments (cash outflow) recorded in *Investments in and loans to cost and equity investees*
 - Occasionally get distributions from investments, including in event of asset sale; typically small and included in *Other investing activities, net*