



qurate
RETAIL, INC.

Curated Experiences.
Infinite Possibilities.®

Q4 2021
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; expectations regarding consumer trends 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-Q and 10-K, 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.

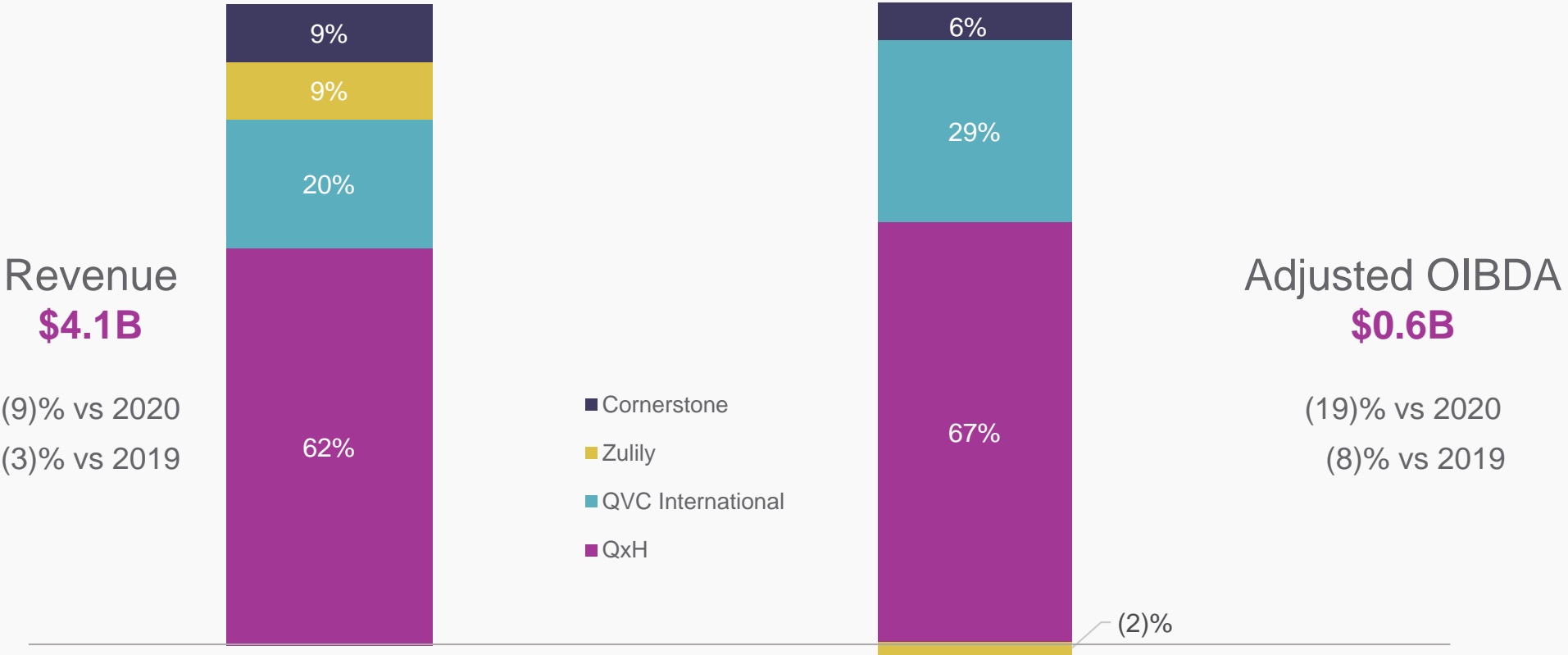
This presentation includes non-GAAP financial measures including adjusted OIBDA, adjusted OIBDA margin, free cash flow, and constant currency. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations, can be found in this presentation or in the earnings press release issued February 25, 2022, 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 February 25, 2022 earnings press release, which is available on our website.

This presentation includes reference to free cash flow, which is a non-GAAP financial measure for QRI. QRI defines free cash flow as cash flows from operating activities less capital expenditures, expenditures for television distribution rights, investments in green energy and dividends paid to non-controlling interests. QRI believes free cash flow is an important indicator of the financial stability of our business. QRI believes cash flows from operating activities is the most directly comparable GAAP measures. Free cash flow is not meant to replace or supersede this GAAP measure, but rather to supplement such GAAP measures in order to present investors with a supplemental metric of financial performance. Please see the reconciliation of free cash flow to cash flows from operating activities calculated in accordance with GAAP for QRI on slide 10 of this presentation.

Revenue & Adjusted OIBDA

Business Segment Contribution

Q4 2021



Revenue
\$4.1B

(9)% vs 2020
(3)% vs 2019

Adjusted OIBDA
\$0.6B

(19)% vs 2020
(8)% vs 2019

\$2.6B eCommerce Revenue | 65% of Revenue

(9)% vs 2020 | +1% vs 2019

Note: Percentages within the stacked bars exclude intersegment eliminations and unallocated corporate costs.

Revenue & Adjusted OIBDA

Year-on-Year Quarterly Comparative

REVENUE										
	2020					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
QxH	(4)%	7%	7%	1%	3%	8%	(1)%	(8)%	(7)%	(3)%
QVC International	(1)%	11%	11%	16%	10%	22%	11%	(3)%	(9)%	4%
QVC International ^A	0%	12%	8%	10%	8%	15%	5%	(4)%	(5)%	2%
Zulily	(20)%	16%	10%	11%	4%	19%	(6)%	(17)%	(30)%	(11)%
Cornerstone	(5)%	18%	26%	30%	19%	41%	18%	7%	8%	16%
Total Qurate Retail	(5)%	10%	10%	7%	5%	14%	2%	(7)%	(9)%	(1)%
Total Qurate Retail ^A	(5)%	10%	9%	6%	5%	13%	1%	(7)%	(8)%	(1)%

ADJUSTED OIBDA										
	2020					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
QxH	(17)%	(2)%	10%	10%	1%	19%	1%	(14)%	(23)%	(7)%
QVC International	(4)%	12%	25%	22%	14%	47%	21%	(13)%	(1)%	10%
QVC International ^A	(3)%	13%	21%	16%	12%	38%	16%	(14)%	2%	8%
Zulily	(88)%	543%	238%	(44)%	73%	200%	(80)%	NM	NM	NM
Cornerstone	(167)%	50%	775%	233%	185%	1,450%	148%	(31)%	(15)%	46%
Total Qurate Retail	(17)%	10%	24%	14%	8%	35%	3%	(24)%	(19)%	(5)%
Total Qurate Retail ^A	(16)%	10%	23%	13%	8%	32%	2%	(24)%	(19)%	(6)%

QxH Category Performance

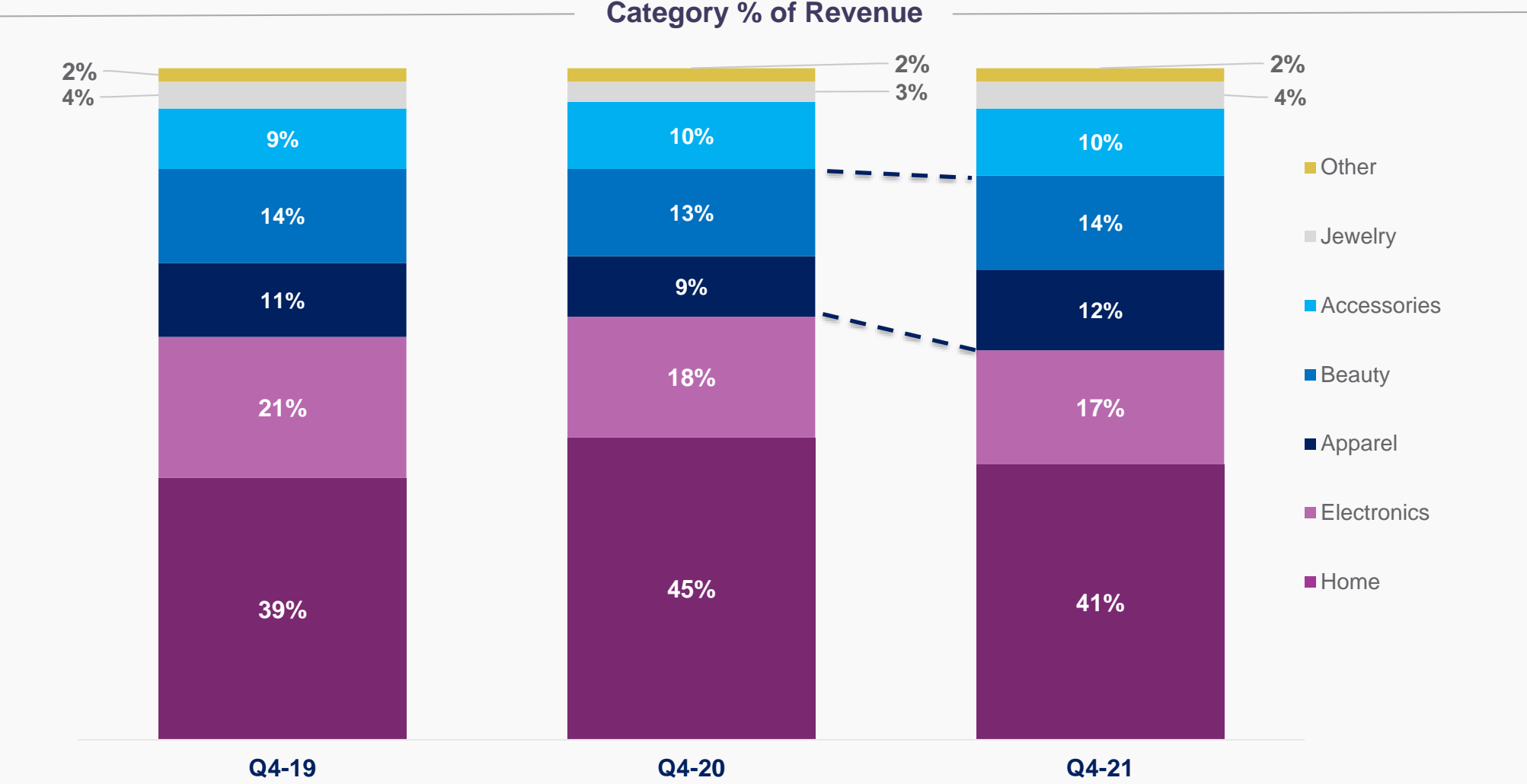
Prior-Year Comparative

	2020					2021				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Home	0%	22%	22%	17%	16%	14%	(3)%	(17)%	(14)%	(7)%
Electronics	(4)%	25%	(6)%	(17)%	(6)%	16%	(23)%	(13)%	(12)%	(10)%
Apparel	(9)%	(12)%	(7)%	(10)%	(9)%	(3)%	19%	8%	19%	10%
Beauty	(1)%	2%	(2)%	(10)%	(3)%	(1)%	(10)%	(6)%	4%	(3)%
Accessories	(4)%	(1)%	10%	6%	3%	12%	11%	(4)%	(3)%	4%
Jewelry	(13)%	(11)%	(5)%	(9)%	(10)%	0%	(7)%	2%	0%	(1)%
Total	(4)%	7%	7%	1%	3%	8%	(1)%	(8)%	(7)%	(3)%

Notable Brands



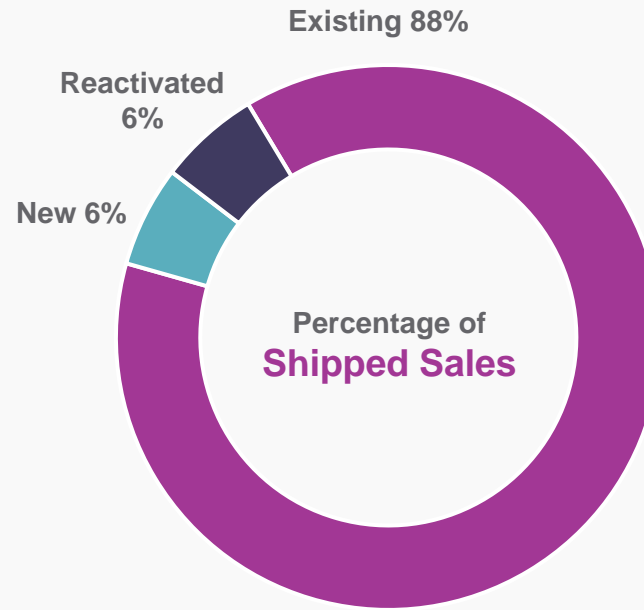
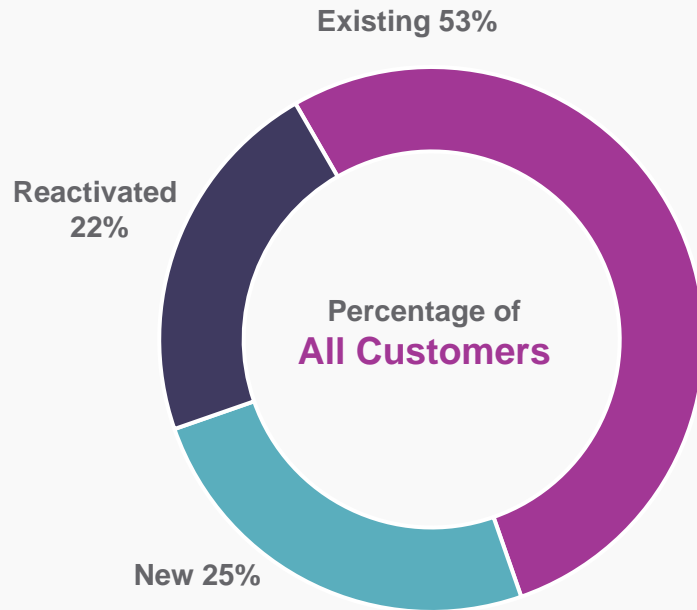
QxH Category Mix Shift to Apparel and Beauty



Fashion Categories: Apparel, Beauty, Accessories and Jewelry
 Home Categories: Home and Electronics

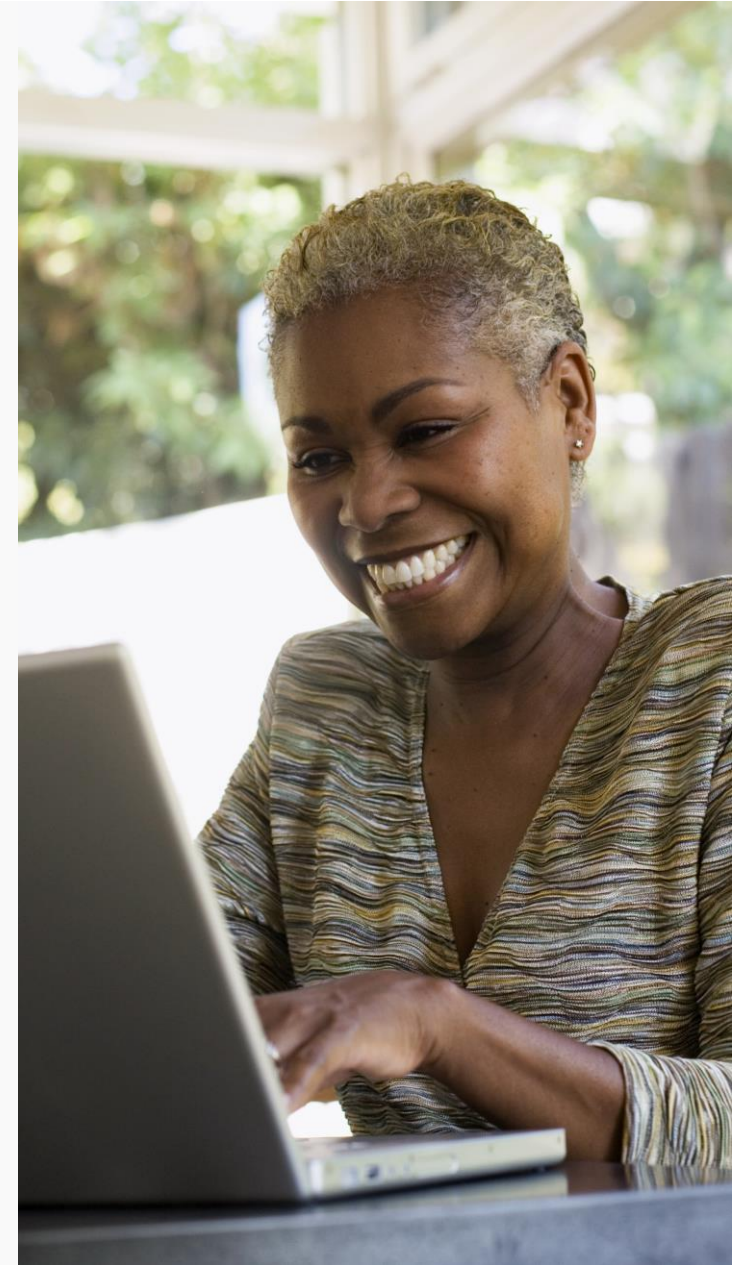
QxH Customer Profile

Trailing Twelve Months
Ended December 31, 2021

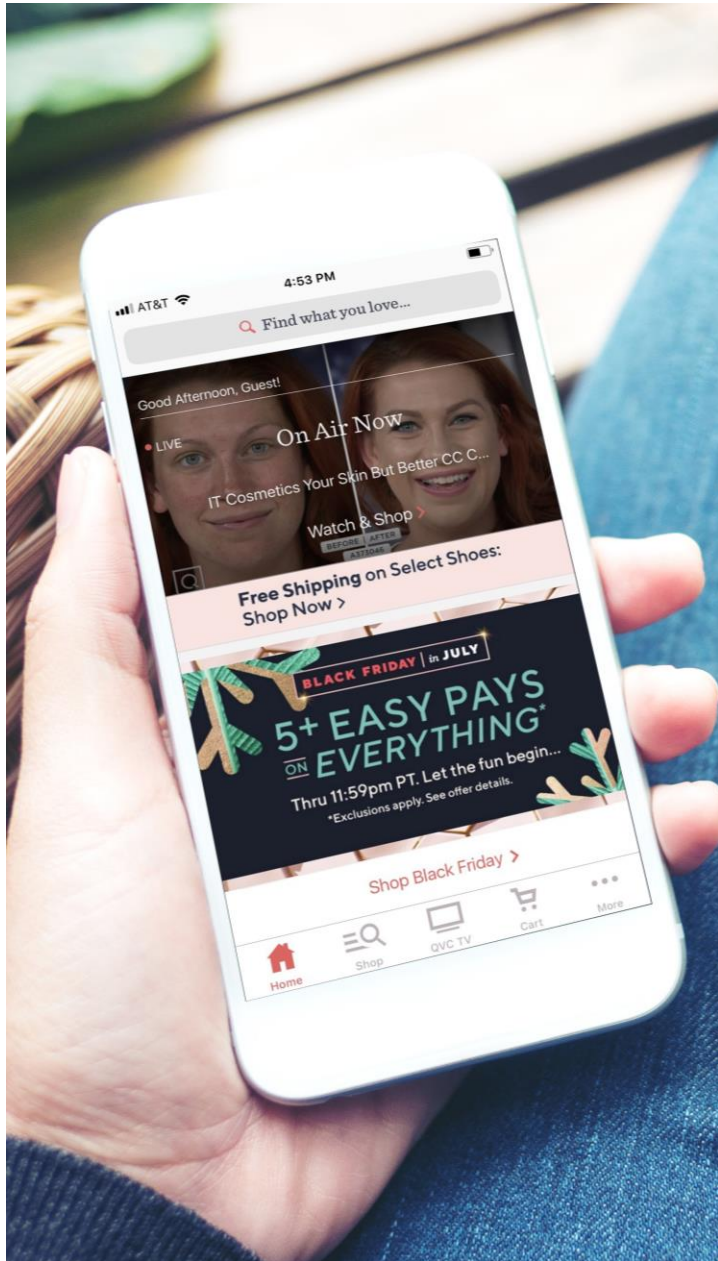


Existing Customers

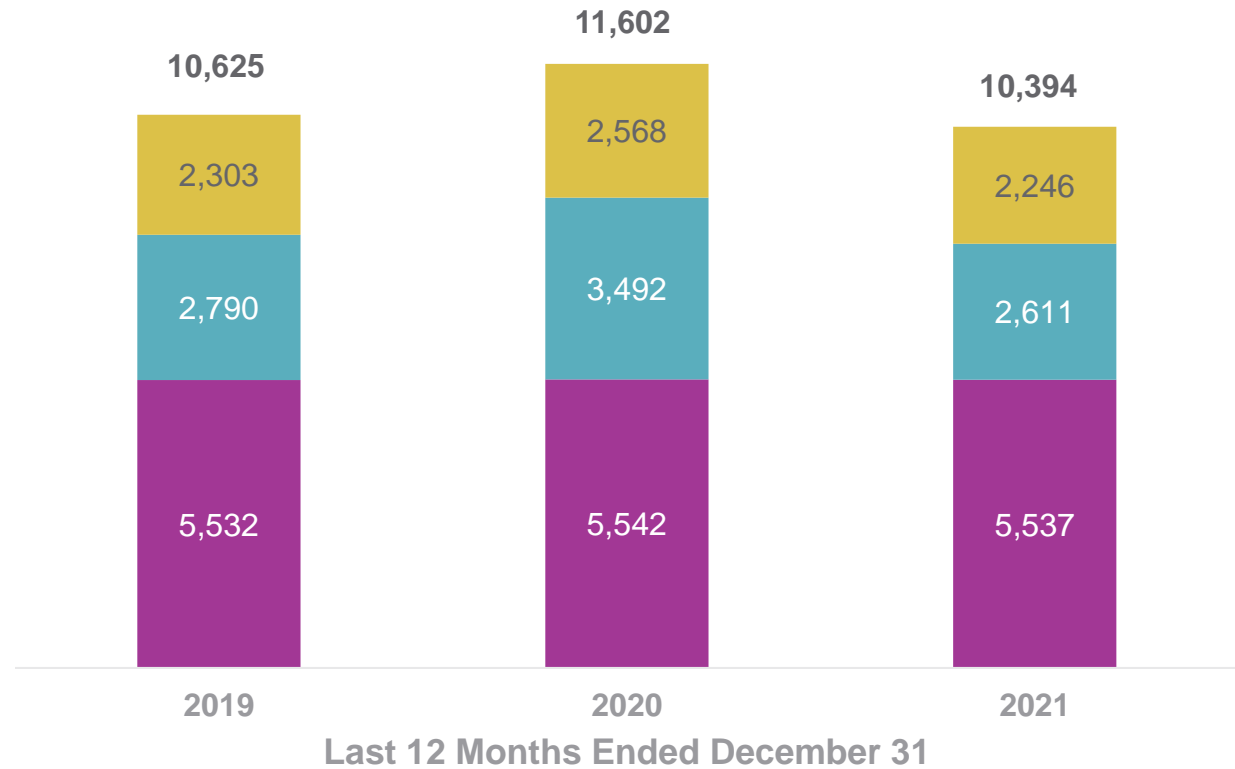
Annual Purchases: **28** Items purchased | **\$1.4K** Spend



New: Never purchased previously
Reactivated: Purchased in past, but not in last 12 months
Existing: Made a purchase in two consecutive 12-month periods



QxH Customer Count



■ Existing ■ New ■ Reactivated

Customer count in thousands










New: Never purchased previously

Reactivated: Purchased in past, but not in last 12 months

Existing: Made a purchase in two consecutive 12-month periods

QxH Adjusted OIBDA Margin

Basis Point Change Year Over Year

		Fiscal 2021					Q4 Trend Driver
		Q1	Q2	Q3	Q4	FY	
Prior Year		16.4%	19.3%	19.2%	17.8%	18.2%	
Gross Margin	Product Margin ¹	50	60	(40)	(30)	10	 Category Mix SH Revenue  Inbound Freight Costs Returns
Gross Margin	Fulfillment ²	(55)	(145)	(130)	(140)	(120)	 Category Mix  Cost Inflation (Labor Rates Freight Rates Shipping Materials) Supply Chain Inefficiencies
Gross Margin	Obsolescence	(15)	115	105	(5)	45	
Operating Expense	Commissions	15	(15)	(10)	--	(5)	
SGA	Marketing	(80)	(95)	(75)	(140)	(95)	 National Ad Campaign Inflation
SGA	Bad Debt	140	100	(20)	(20)	45	 Lower Default Rates Category and Customer Mix  Prior-Year Provisional Adjustment
SGA	Administrative Costs ³	90	35	80	45	60	 Incentive Compensation  Higher Fixed Costs
	Other ⁴	15	(15)	(40)	(20)	(20)	
Current Year		18.0%	19.7%	17.9%	14.7%	17.4%	
Δ vs. LY		160	40	(130)	(310)	(80)	

Note: All figures rounded to the nearest 5 bps

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

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

³ Includes other Manpower and Non-Manpower expenses (including bonus accrual, outside services, legal settlements, severance, remote work allowances, COVID-related costs, and travel & entertainment)

⁴ Includes other items not included in above categories

Qurate Retail, Inc. Free Cash Flow

US\$ Millions

	Twelve Months Ended December 31	
	2020	2021
Net Cash Provided by Operating Activities	2,455	1,225
Less: Capital Expenditures	(257)	(244)
Less: Expenditures for Television Distribution Rights	(56)	(187)
Less: Investments in Green Energy ¹	(118)	(123)
Less: Dividends Paid to Non-controlling Interest	(62)	(60)
Free Cash Flow	1,962	611

¹Included within investments in and loans to cost and equity investees

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RETAIL, INC.

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