



Liberty Media Investor Day

November 20, 2020

qurate
RETAIL, INC.

Disclaimers

Forward-Looking Statements

This presentation includes certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about business strategies and priorities (including future business investments and capital allocation), stock repurchases, projected sources and uses of cash, the impact of COVID-19, market potential, future financial performance, the impact of purchase accounting relating to acquisitions, market conditions, sales demand, customer growth, trends in digital video consumption, new services and product offerings and launches, the realization of estimated and expected synergies from prior acquisitions, tax rates, interest deductions, estimated cost savings, deferred tax liability and contingent interest on exchangeable debentures, leverage expectations and targets, organizational structure 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.

Financial Information

Unless otherwise noted, financial data pertaining to QRI and its subsidiaries provided herein is as reported in the QRI and QVC quarterly reports on Form 10-Q for the quarterly period ended September 30, 2020 [and in our earnings press release dated November 4, 2020]. Information regarding other companies is based on most recent publicly available information.

Non-GAAP Measures

This presentation includes certain non-GAAP financial measures including Adjusted OIBDA, Adjusted OIBDA margin, Free Cash Flow and constant currency. The required definitions and reconciliations (Preliminary Note and Schedules) can be found at the end of this presentation.

Qurate Retail Group: *The Third Way To Shop*

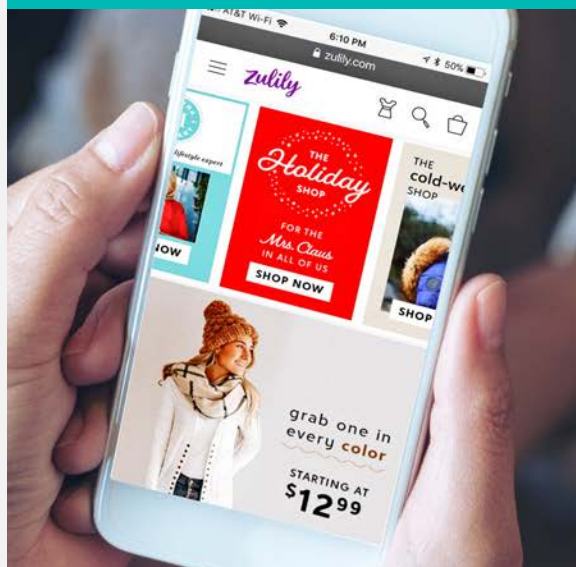


BALLARD DESIGNS | FRONTGATE®
Garnet Hill | **grandinroad.**

World's Largest
Video Commerce Platform



Her Daily Discovery Destination



Aspirational Lifestyle Brands



QxH + QVC INTERNATIONAL

\$11.3B

REVENUE

15.4M

CUSTOMERS

ZULILY

\$1.6B

REVENUE

5.4M

CUSTOMERS

CORNERSTONE BRANDS

\$1.0B

REVENUE

2.3M

CUSTOMERS

Agile And Rapid Response To COVID-19



Studio Park
West Chester, PA

Via Skype

Jay Leno's Garage
Ceramic Coating Kit w/ Accessories

V-37123

OUR 33rd ANNUAL
CHRISTMAS IN
JULY® SALE FINALE
Starts Tonight Midnight ET
& All Day Tomorrow

FEATURED PRICE \$31.41

3 EASY PAYMENTS \$10.47

S&H \$5.50

Order by: iPhone® iPad® or Android™



Strong Results Over Last Six Months

Revenue Growth				Adjusted OIBDA Growth	FCF Growth	New Customer Growth			
+7%	+11%	+13%	+22%	+17%	+250%	+53%	+39%	+37%	+35%
QxH	QVC INTL	ZULILY	CORNERSTONE	QURATE RETAIL		QxH	QVC INTL	ZULILY	CORNERSTONE

All data Q2 + Q3 compared to same period prior year.

Key Takeaways

Pandemic is accelerating shifts toward a digital lifestyle and virtual experiences.

Qurate Retail is well-positioned to win in the new normal:

Distinctive scale,
differentiated experience,
and loyal customer base

Successfully evolving to digitally driven,
agile, personalized, and durable video
streaming model

Continuing to acquire,
develop, and retain high
value customers

We're confident in sustaining healthy long-term Revenue, Adjusted OIBDA, and Free Cash Flow growth.

Pandemic Accelerating Shifts Toward Digital Lifestyle

Digital Life To The Forefront

Shopping journey increasingly digital-driven, connecting physical and virtual channels

Immersive Video Experiences

Live and on-demand video replacing store experiences

Home-Centered Spending Priorities

Dramatic shift in product and service spending toward home life

Brand Authenticity

As important as the search for deals

Social Media Influencers

A growing source of information and community

Social Responsibility Matters

Companies being held to higher standards



The World Is Noticing...

THE WALL STREET JOURNAL.

October 2020

"To get homebound shoppers to splurge, some brands are copying QVC."

"Levi's, Hilfiger push a new kind of online shopping. It looks a lot like QVC."

"With store visits down, brands turn to live online sessions hosted by influencers and celebrities."

"Livestreams are the future of shopping in America... basically digitizing QVC and HSN"

Bloomberg, September 2020

"The New QVC: Gen Z is driving a livestreaming boom"

Modern Retail, March 2020

"GOOGLE wants to turn YouTube into QVC with new shopping features"

Ars Technica, October 2020

QVC And HSN: Unmatched Global Scale And Experience

Distinctive Media Company

380M
PAY TV HOMES
REACHED
WORLDWIDE¹

15
NETWORKS
WITH MULTI-YEAR
ARRANGEMENTS¹

EXTENSIVE OVER-THE-TOP REACH

36
STUDIOS
HIGH VOLUME
LIVE/ON-DEMAND

**OWNED
CONTENT**
LOW COST TO PRODUCE
HIGH MONETIZATION VALUE



Scaled Experimental Retailer

THOUSANDS OF BRAND PARTNERSHIPS

**PROPRIETARY DESIGN, DEVELOPMENT,
AND GLOBAL SOURCING**

470
GLOBAL
MERCHANTS

180M
PACKAGES
SHIPPED
14 FULFILLMENT
CENTERS

167M
CUSTOMER
CONTACTS

1.5B
DIGITAL SESSIONS²
6 WEBSITES/7 APPS

200
SOCIAL MEDIA PAGES²
4M+ FACEBOOK FANS

All data as of FY 2019.

¹Includes QVC's JV in China. ²Includes web, mobile web, and apps.

Our Unique DNA: Refined Over 40 Years



Special Products And Brands

Connecting customers to curated products with stories to tell that inspire and excite

Live-ness

Authentic live (and alive) experience across platforms that drive urgency and excitement

Meaningful Storytelling That Builds Relationships

Emotional storytelling that brings products to life and creates trusted relationships through the largest community of product and brand experts

Compelling Value

Values that trigger the impulse to buy via relevant and attainable deals and offers

An Experience On Her Terms

Seamless customer experience that's personal, transparent, and trustworthy—tailored to her needs

Distinctive Experience Attracts Avid Engaged Shoppers

A Highly Attractive Customer Profile

Avid, Savvy Shopper

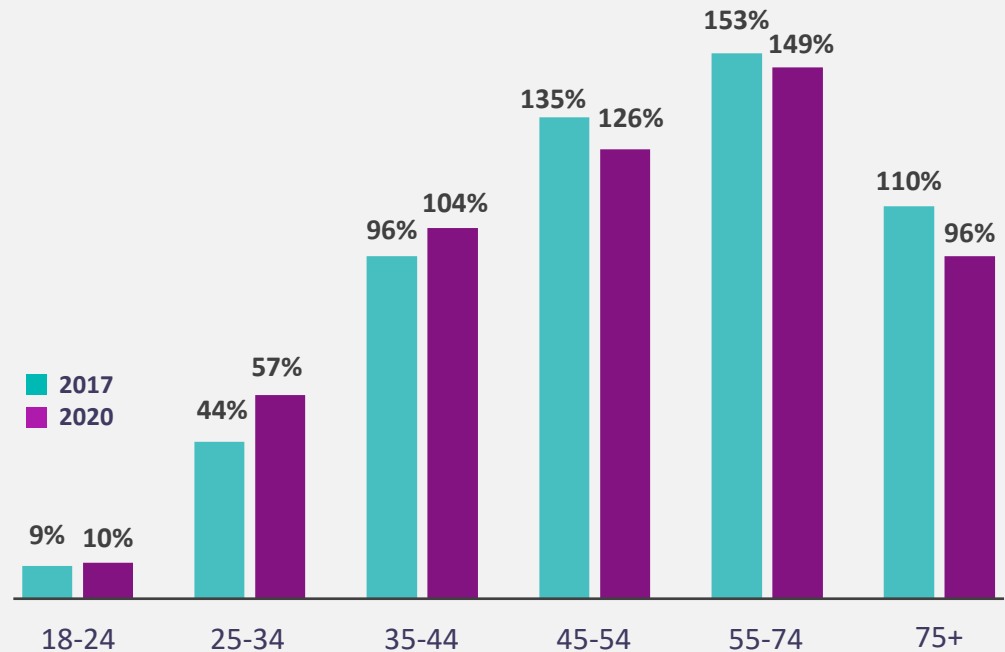
**Above-Average Income and
High Household Wealth**

**Highly Engaged
With Family and Life**

**Hobbies Include Travel,
Cooking, Gardening,
and More**

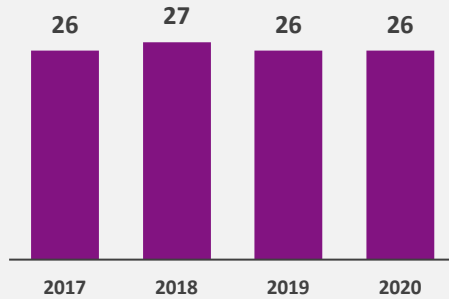
QxH New Customers by Life Stage; Trending Younger

Index to Total Population, Last 12 Months Ended September



High Engagement Leads To High Lifetime Value

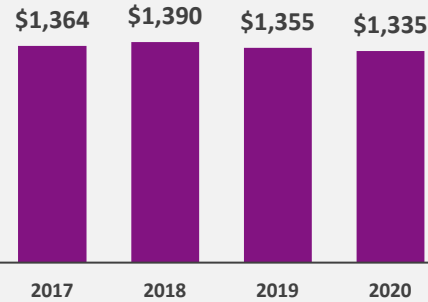
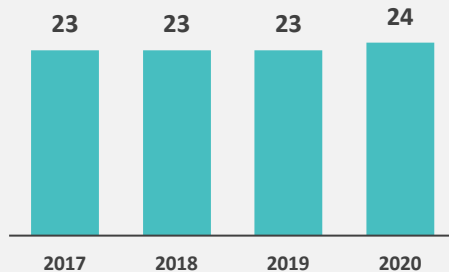
QVC
US



HIGH FREQUENCY

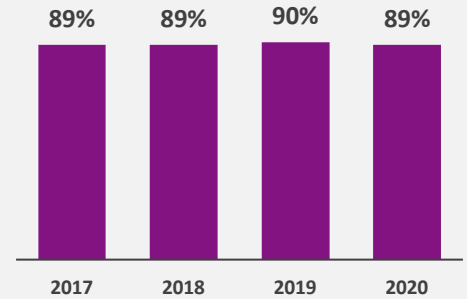
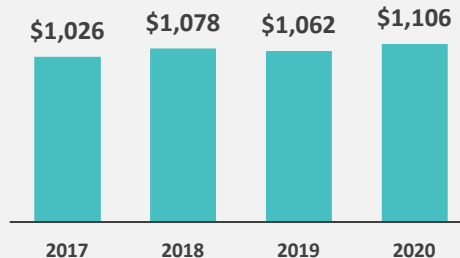
ITEMS PER EXISTING CUSTOMER

QVC
INTL



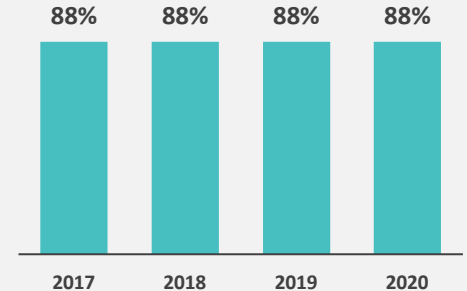
HIGH VALUE

SPEND PER EXISTING CUSTOMER



HIGH LOYALTY

EXISTING CUSTOMER RETENTION

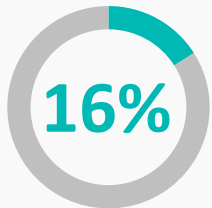


Powered By Super Users

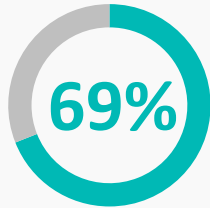
QVC US

Best Customer

20+ Purchases In The Last 12 Months



OF ALL CUSTOMERS



OF SHIPPED SALES

69

ITEMS PER YEAR

\$3.3K

AVERAGE SPEND

33

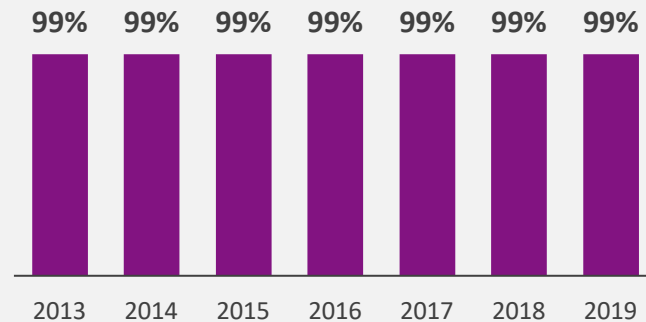
WEB VISITS
PER MONTH

19

DAYS TUNING INTO
QVC PER MONTH¹

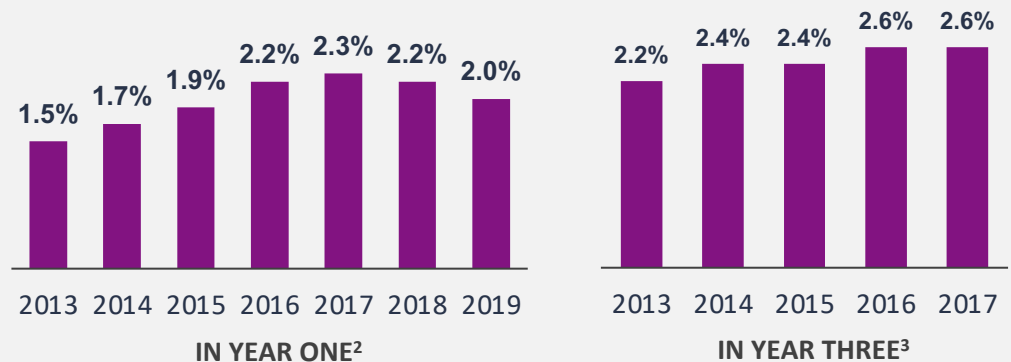
Best Customer Retention Strong and Stable

BEST CUSTOMER RETENTION RATE



Adding Best Customers Every Year

NEW CUSTOMERS CONVERTING TO BEST CUSTOMERS



¹Source: Comscore based on top 20% of monthly viewers. Includes QVC, QVC2, & QVC3

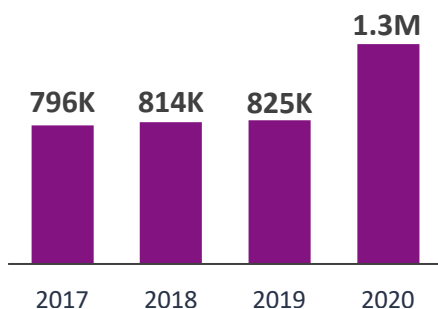
²Customers who became 20+ unit customers (Best) in their first year ³Customers who purchased 20+ units in year 1, year 2, or year 3

Attracting High-Value Customers Through Digital Evolution

Pandemic New Customer Class Compared To Prior Years

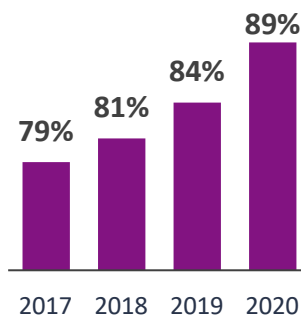
Continued New Customer Growth

NEW CUSTOMER COUNT

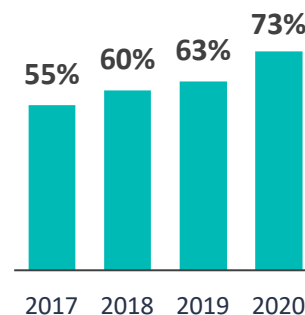


New Customers Increasingly Digital Driven

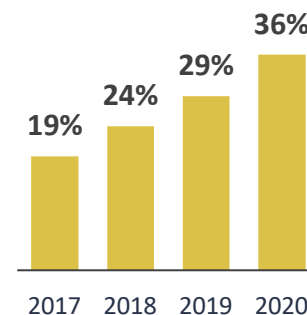
FIRST PURCHASE:
ONLINE



FIRST PURCHASE:
OFF-AIR ITEM



FIRST PURCHASE:
PAID MARKETING



New Customer Lifetime Value Remains Strong

	2017	2018	2019	2020
% of New Customers Making Additional Purchases in First 60 Days	22%	22%	21%	23%
Value of Additional Purchases in First 60 Days	\$56	\$56	\$51	\$52
% of New Customers Becoming Best Customers in First 60 Days	1.0%	0.9%	0.9%	0.8%

All data covers Q2-Q3 of the respective year.

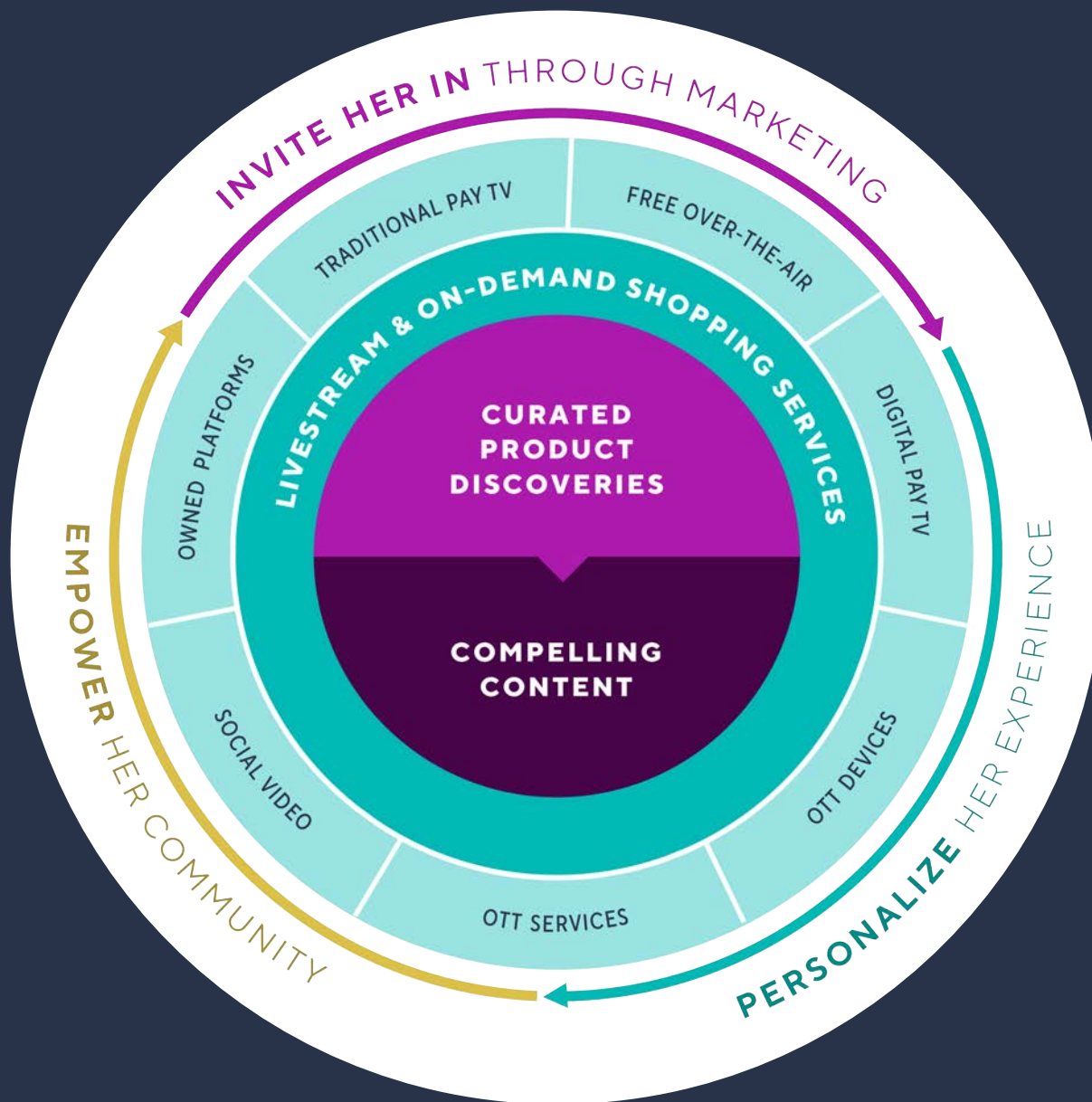
All 60-day metrics incorporate behavior of customers joining between April-July of the respective year.

FROM:

One-Way
Linear TV Experience

TO:

**Interactive
Digitally Driven
Video-Centric
Ecosystem**



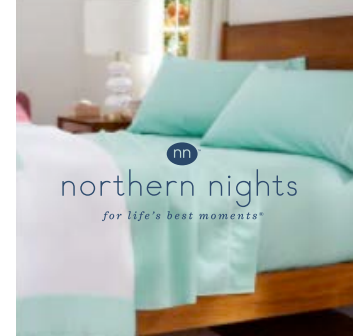
Exclusive Product Finds Drive The Experience



Prestige



Proprietary



THE
BIG
FIND
WITH QVC & HSN



Entrepreneurial
And Indie



Direct-to-
Consumer



Storytelling Aids Discovery And Fuels Engagement



Host &
Influencer
Engagement



Live
Selling

TRAVEL
COOK
REPEAT
WITH CURTIS STONE

Original
Series



Streaming
Deals

Brand
Stories

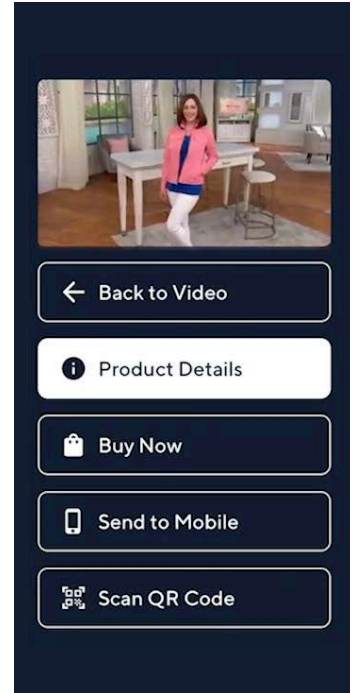


Digital Shopping Services Put Users In Control

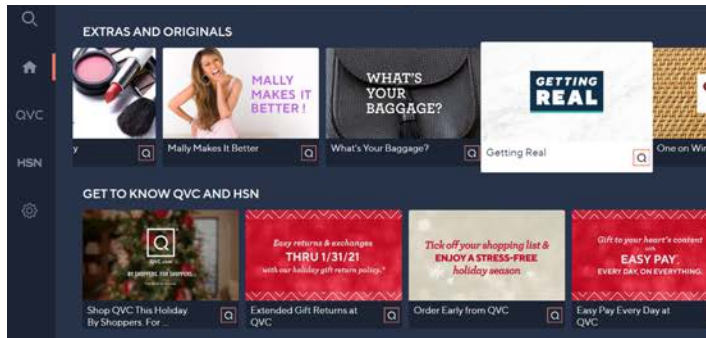
Convenience



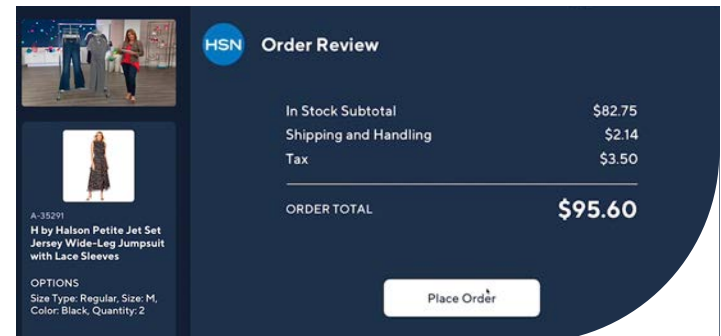
Engagement



Customization



User Control



Customizing Streaming Services For Distribution Partners

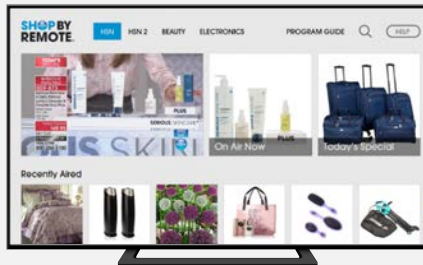


Launched October 2020, with QVC + HSN as lead retailers
Integrated into LG Shop Time with premium placement
Live and on-demand content
Text to buy ('Shop by Mobile')

Pioneering Frictionless Video Commerce

SHOP BY REMOTE

2006



Shop products on-screen
via the remote control

CURRENT REACH
35M SUBSCRIBERS

SHOP BY MOBILE

TODAY



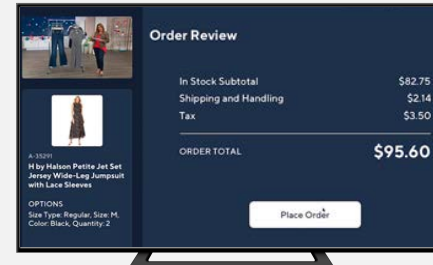
Shop full product library via remote control
and receive text links to product webpages

INITIAL LAUNCH:
LG SHOP TIME: OCT 2020

CURRENT REACH: 7M
ACTIVE MONTHLY USERS

NEXT-GEN ON-PLATFORM TRANSACTIONS

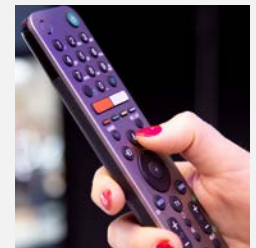
2021
ROADMAP



Shop full product library via
remote control and complete
purchase on platform

VOICE ACTIVATION

2022
ROADMAP



Use Voice by
Remote to
search, shop,
and purchase
products
on platform

Streaming Experiences Are Becoming Ubiquitous As More Distribution Platforms Evolve

The growing universe
of video platforms
will continue to
incorporate streaming

Creates the opportunity
to reach everyone with
a relevant and engaging
experience



Digital Streaming Gains Since Last Investor Day

INCREASED ENGAGEMENT

Roku
Amazon Fire

+73%
INSTALLS

Free
Over-the-Air

+15%
SALES

YouTube

+16%
LIVE VIEWS

QVC and
HSN Websites

+42%
LIVESTREAM VIEWS

NEWEST LAUNCHES

Hulu +
Live TV

4.1M
SUBSCRIBERS

LAUNCHED JUNE 2020

Comcast
Xfinity Flex

1.3M
SUBSCRIBERS

LAUNCHED NOVEMBER 2019

LG Shop Time
+ Streaming Service

7M
ACTIVE USERS

LAUNCHED OCTOBER 2020

QVC Live
Facebook Page

42K
FOLLOWERS

LAUNCHED JUNE 2020

Marketing Innovations

Attract And Engage Customers

Influencer Network



taryntruly I call this look Lumberjack chic. 😊
If you had to choose between plaid and leopard what would you pick? I hate to say it but I am a plaid girl for life. 🐾 // How cute are my new super comfy and warm duck boots? Love the plaid detail on them, and I'm so stoked that they are on sale at @qvc for their TSV today! Linked them up and my comfy casual #falloutfit in the @liketoknow.it app. You can instantly shop any look from the link in my profile.
#liketkit @liketoknow.it
http://liketk.it/2Zi2Q
@liketoknow.it.home #ltkfall
#LTKcurves #LTKshoecrush #ltkstyletip

HSN **SHARE** squad



Make money by posting items you love.



It's as easy as 1, 2, 3

1
Sign up

To get started, simply join the HSN Share Squad. (It's free!)

2
Post

Share your favorite HSN items on your social media account(s).

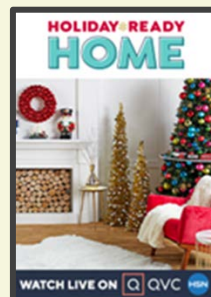
3
Get paid

Earn 5% commission every time someone buys an item from your links.

Customer Ambassadors



Paid And Organic Social



Streaming Service Audience Development

Driving Daily Discovery Through Personalized Web Experiences

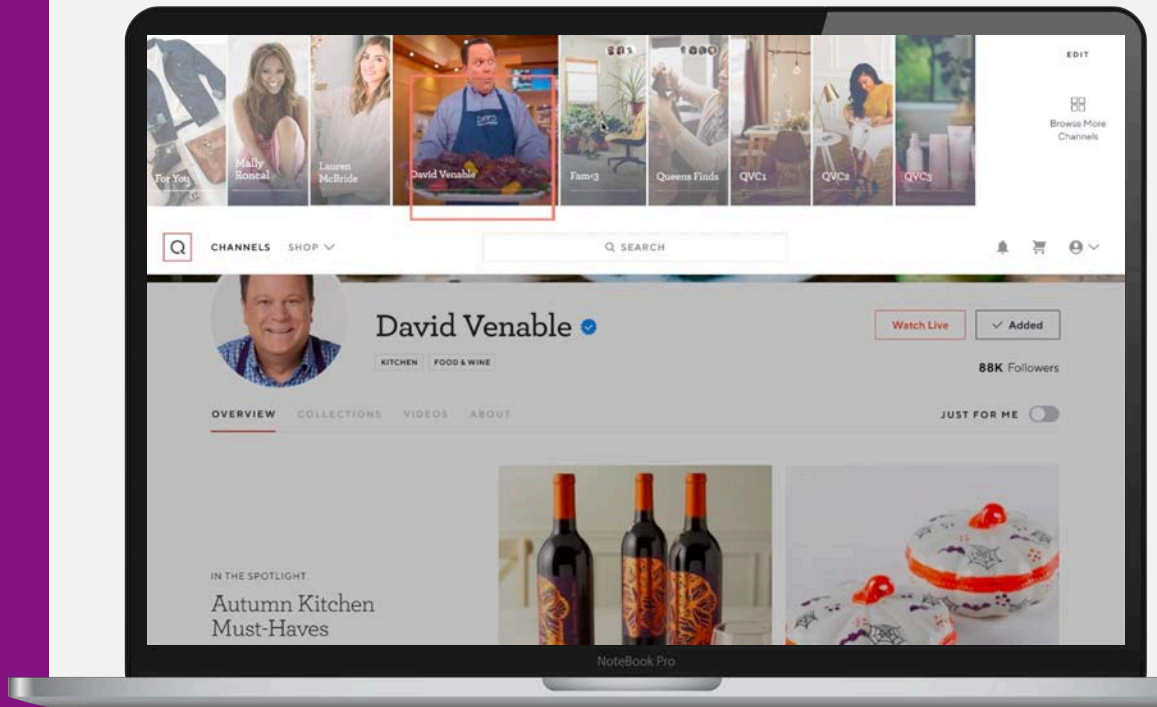
Creates a unique web experience for each user that delivers their favorite items, content, and personalities

Customers can create their own shopping networks

Puts the customer in control

Drives daily discovery and exploration

US alpha test: Q1 2021



Social Discovery App

Lets Customers Become Influencers

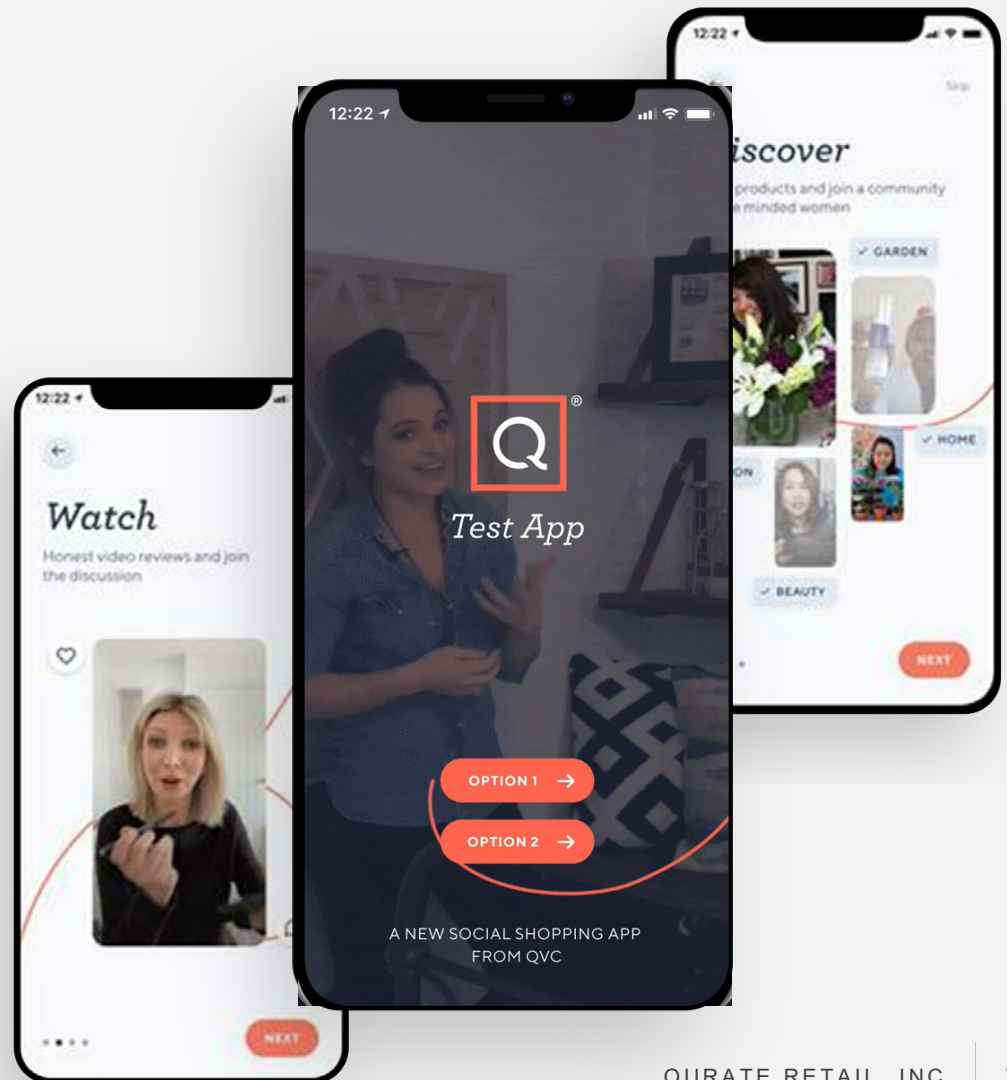
App dedicated to user-generated tune-ins, livestreams, and on-demand shows—building a dynamic community

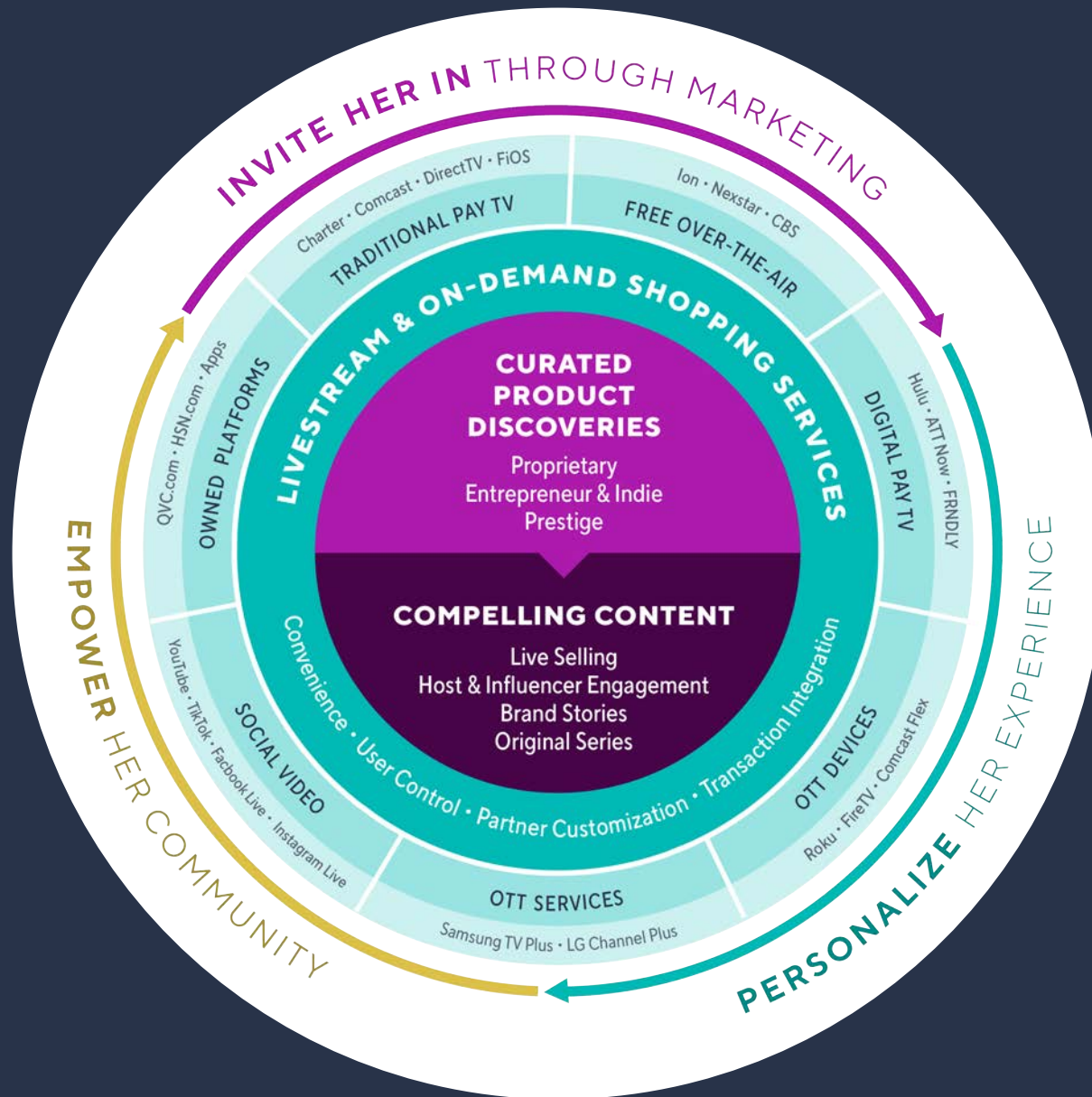
Extends beyond reviews and recommendations

Creates daily experiences

UK beta testing: Q3-Q4 2020

UK initial launch: Q1 2021



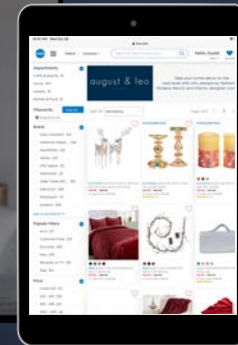
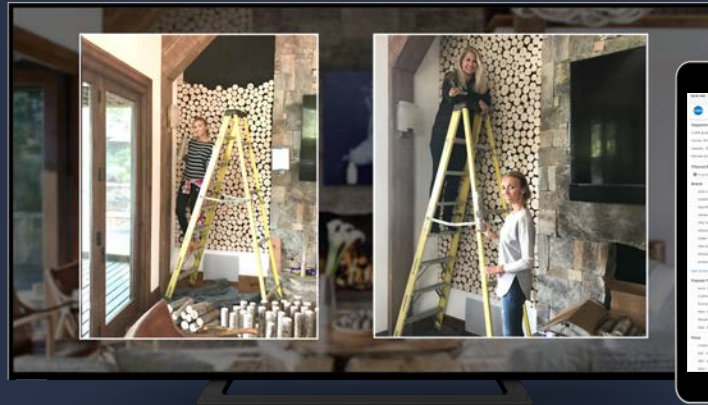


BRINGING IT ALL TOGETHER...

Ideas And Inspiration For Reimagining Your Home



august & leo
h o m e



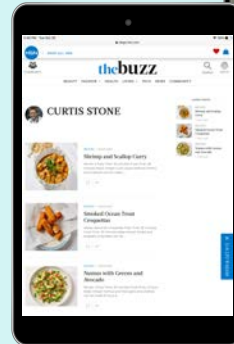
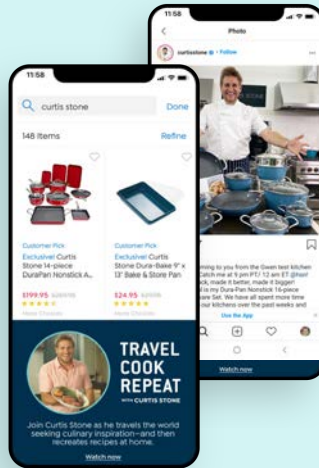
Product | Live Broadcast | Brand Landing Page | Instagram Video | Facebook Video

BRINGING IT ALL TOGETHER...

Traveling The World From Your Kitchen



CURTIS STONE

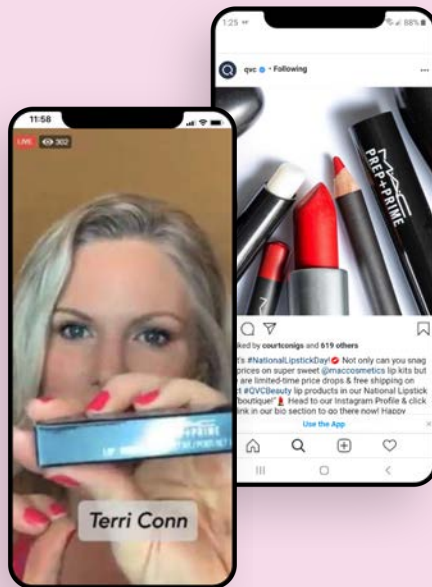


Product | Product Gallery | Social Amplification | Live Programming | Recipes | Original Series

BRINGING IT ALL TOGETHER...

Learning From MAC Makeup Artists

MAC

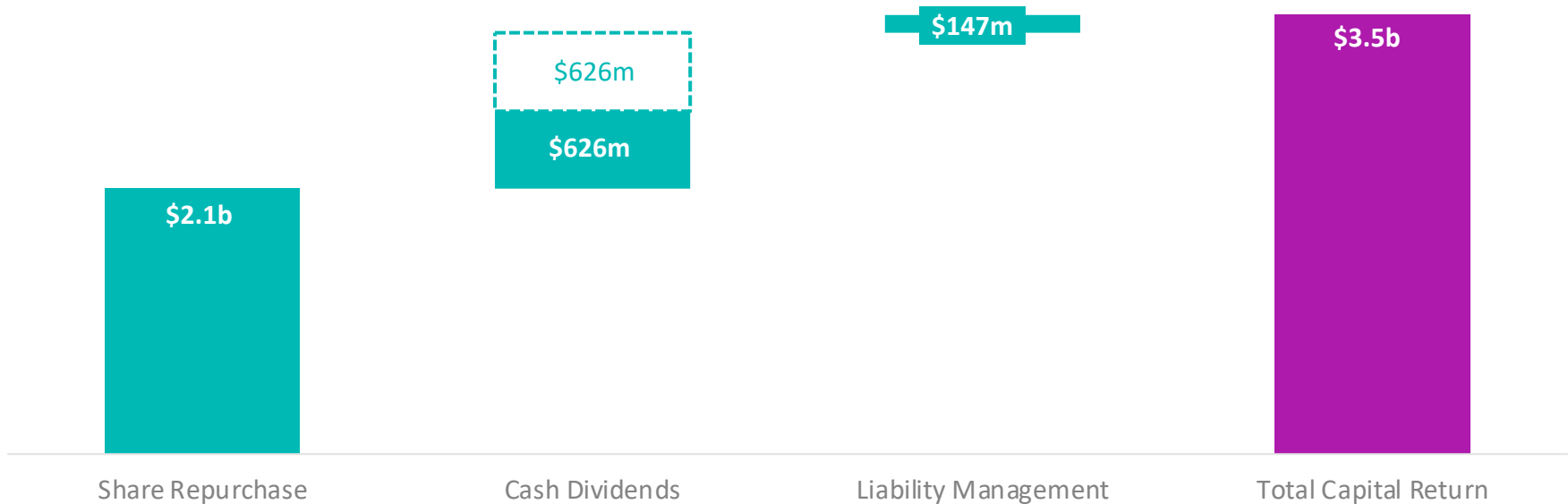


Product | Instagram Post | YouTube Video | Facebook Live | Live Broadcast

Capital Allocation

Strong business trends and outstanding free cash flow generation give us confidence for multi-tier approach to return capital to shareholders, while continuing to invest in the business

Capital Returns: 2017 to Date



- From 2017 – 2019, returned 70%+ of free cash flow and proceeds from asset sales to shareholders through share repurchase and tax / liability management
- Returning capital in 2020 through combination of special cash dividends, preferred dividend, share repurchase, and continued tax / liability management
- Expect to continue to distribute substantial portion of free cash flow to shareholders in future

Qurate Retail Is Positioned For Long-Term Growth

ACCELERATED MEGA TRENDS

Digital Life To
The Forefront

Immersive Video
Experiences

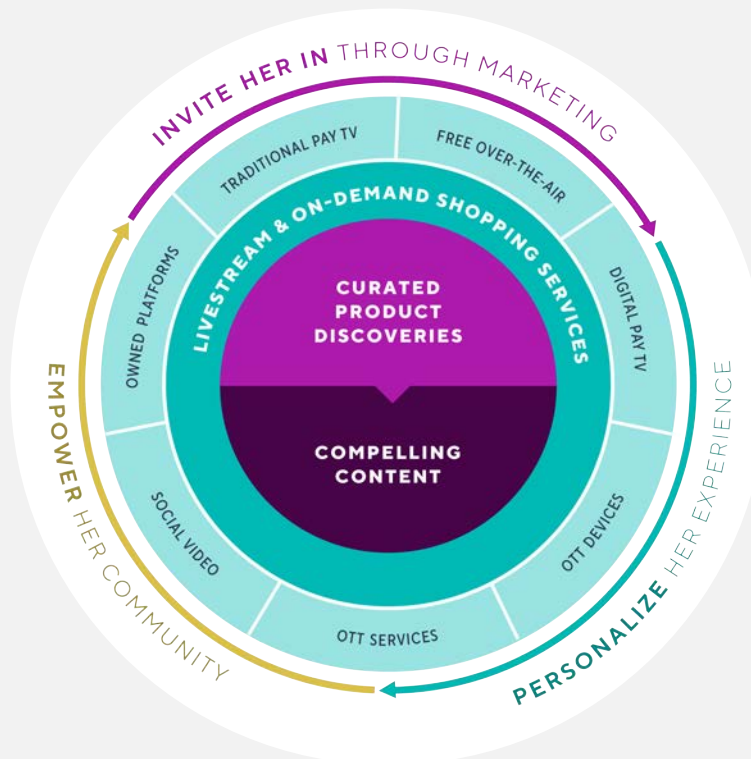
Home-Centered
Spending Priorities

Brand Authenticity

Social Media
Influencers

Social
Responsibility
Matters

OUR DIGITAL ECOSYSTEM IS IDEALLY
SUITED FOR THE MEGATRENDS OF
TODAY AND TOMORROW



MULTIPLE GROWTH LEVERS

Attract High-Value
New Customers

Increase Existing
Customer Purchase
Occasions

Retain Highly
Engaged Customers

Sits Atop A Strong
Financial Foundation



Financial Discussion

A CLOSER LOOK

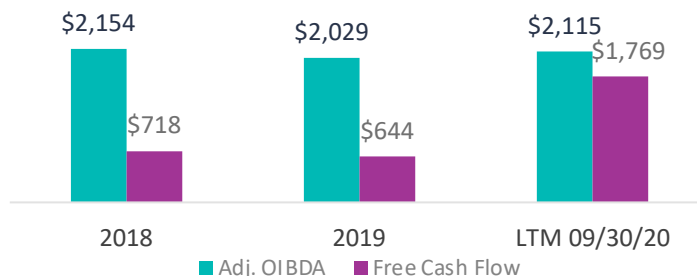
- **A Strong Financial Foundation**
- **Inside The Rebound**
- **Multiple Paths
To Sustained Growth**

Financial Strength

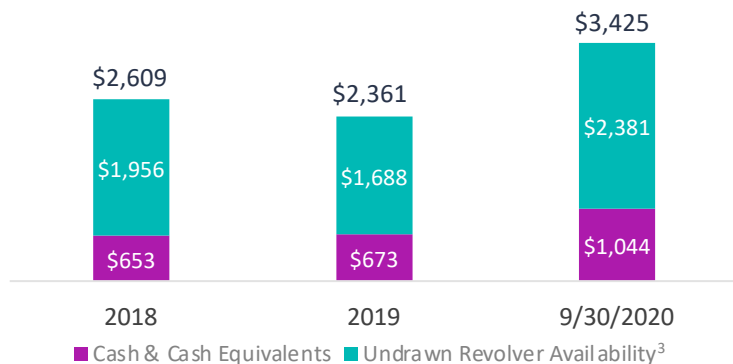
Consistent high-level OIBDA and significant free cash flow generation

Low leverage with substantial access to liquidity

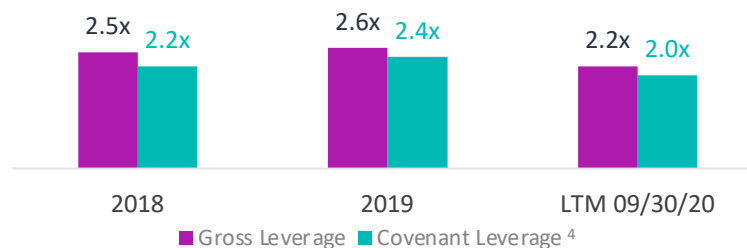
QRI Adjusted OIBDA & Free Cash Flow (\$ Millions)¹



QRI Liquidity (\$ Millions)²



QVC, Inc. Gross & Covenant Leverage⁴



*Recall: RCF was reduced by \$700M in February 2019

Note: Data includes QxH and QVC International financials unless otherwise noted; 1 Free Cash Flow for QVC, Inc., reconciliation provided. QRI operating income and net cash provided by operating activities can be found in the QRI earnings release and the QRI 10-Q and 10-K for the respective time periods; 2 Includes cash and cash equivalents for QVC, Inc. plus undrawn revolver availability on QVC, Inc.'s \$2.95B Credit Facility. Available liquidity under the revolver is subject to the 3.5x maximum consolidated debt ratio test included in QVC's bond indentures; 3 Undrawn revolver excludes outstanding letters of credit 4 Covenant Leverage Adjusted OIBDA consolidated with Zulily. Covenant Leverage calculated as defined in QVC, Inc.'s credit agreement (includes QxH, QVC International and Zulily),

Experiencing Global Six-Month Rebound/Expansion



Constant Currency



qurate
RETAIL, INC.

	% Growth		
	Key Performance Metric		
	2018	2019	6 Months Ended 9/30/20
Net Revenue ¹	(1%)	(3%)	+7%
Customer Count	Flat	(3%)	+13%
Adjusted OIBDA ¹	(3%)	(6%)	+4%
Net Revenue	+1%	+1%	+7%
Customer Count	+2%	(2%)	+9%
Adjusted OIBDA	(8%)	+6%	+14%
Free Cash Flow ²	\$718	\$644	\$1,440

2018 QxH revenue excludes private label credit card income from growth calculation. As reported, QxH revenue growth was 1%.

¹ 2018 QxH net revenue and adjusted OIBDA includes HSN as of 1/1/2017.

² QRI net cash provided by operating activities can be found in the QRI earnings release and the QRI 10-Q and 10-K for the respective periods.

QxH

Recent Performance

Supported by strategic actions and aided by COVID

Cyclical Category Challenges

- Slowing industry growth in Fashion, Beauty, Kitchen
- Best customer spend pressured

Short-Term Integration Pressures

2018 - 2019

- HSN reset & IDL closure
- Synergy investments; Network optimization costs
- Organization distraction

Changing Environment

- Cord cutting & intense product competition
- Digital video growth
- Growing importance
 - Authentic storytelling
 - Brand building
 - Immersive experience

6 Months Ended September 30, 2020

Growing demand for Home-related products offset worsening Fashion & Beauty trends

- ✓ Leading to outsized gains among new, reactivated, and occasional customers

Largely Past Integration Challenges

- ✓ HSN returned to growth after meaningful brand exit
- ✓ Flowthrough of synergies
- ✓ Optimized integrated QxH functions

Growing favorable impact from Strategic Initiatives

- ✓ Gains in building out digital ecosystem (Distribution, Marketing, Product curation)
- ✓ More disciplined promotional practices

QxH

Strong Customer Growth Across Entire Portfolio

Best customer file remained active as spend shifted to Home

	Q2 2020 7% Net Revenue Growth			Q3 2020 7% Net Revenue Growth		
	New + Reactivated	Occasional	Best	New + Reactivated	Occasional	Best
Fashion						
Shipped Sales Growth	\$18	(\$2)	(\$107)	\$7	\$0	(\$38)
Customer Count % Growth	42%	3%	-2%	17%	5%	3%
Home						
Shipped Sales Growth	\$88	\$54	\$68	\$22	\$20	\$62
Customer Count % Growth	58%	12%	1%	25%	11%	5%

Best customer total category revenue turned positive for 3 months September 30, 2020

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

QxH

Adjusted OIBDA Margin

Sequential improvement through strategic initiatives and leverage

Basis Point Change Year over Year	2019	Fiscal 2020			Trend Driver
	Q4	Q1	Q2	Q3	
Prior Year	17.5%	19.0%	21.1%	18.7%	
Product Margin	(50)	5	(25)	220	<div>▲ Returns S&H Vendor Negotiations Pricing Optimization</div> <div>▼ Category Mix</div>
Fulfillment	(130)	(125)	(60)	(90)	<div>▲ Returns Network Efficiency</div> <div>▼ Freight Rates Labor Rates</div>
Obsolescence	40	30	(10)	(65)	▼ Outlet Store Closures
Commissions	55	(10)	35	30	▲ Digital Penetration Sales Leverage Fixed/Non-Commission Platforms
Marketing	(40)	(25)	(55)	(35)	▼ Performance Marketing (Audience Engagement and Development)
Bad Debt	(15)	(50)	(10)	75	<div>▲ Installment Payment Management</div> <div>▼ Category & Customer Mix Economic Risk</div>
Administrative Costs	30	(65)	(40)	(105)	<div>▲ Sales Leverage</div> <div>▼ Incentive Comp Team Member & Community Support CDC Protocol</div>
Other	10	(20)	(15)	20	▲ Customer Service
Current Year	16.5%	16.4%	19.3%	19.2%	
Δ vs. LY	(100)	(260)	(180)	50	

QVC International

Adjusted OIBDA Margin

Commensurate sequential improvement and similar themes as US market

Basis Point Change Year over Year	2019	Fiscal 2020			Trend Driver
	Q4	Q1	Q2	Q3	
Prior Year	16.8%	15.7%	16.6%	16.3%	
Product Margin	(30)	(15)	(50)	65	<div>▲ Returns S&H Revenue Pricing Optimization</div> <div>▼ Category Mix</div>
Fulfillment	-	10	30	20	<div>▲ Sales Leverage Through Higher Average Selling Price</div>
Obsolescence	40	(35)	(70)	(10)	<div>▼ Outlet Store Closures</div>
Commissions	(15)	(15)	25	50	<div>▲ Sales Leverage Renegotiated Contracts</div>
Marketing	0	5	(5)	5	
Bad Debt	15	5	5	-	
Administrative Costs	20	35	70	60	<div>▲ Sales Leverage Travel Expenses</div> <div>▼ Incentive Comp Team Members & Community Support</div>
Other	10	(30)	5	10	<div>▲ Customer Service</div>
Current Year	17.2%	15.3%	16.7%	18.3%	
Δ vs. LY	40	(40)	10	200	

Multiple Paths to Sustain Net Revenue and Adjusted OIBDA Growth

Major Driver	Key Components	Core Drivers and Expected Actions
Net Revenue	<ul style="list-style-type: none"> New Customers Multiple Categories Digital Platforms PLCC 	<ul style="list-style-type: none"> Stay-at-home lifestyle, with elevated eCommerce & streaming Elevated Home demand supporting new/occasional customer growth Incremental value from new/reactivated customers since Q1; Best customer conversion Upside with best customers as behavior shifts back to Fashion
Product Margin	<ul style="list-style-type: none"> Returns Shipping & Handling Initial Margin 	<ul style="list-style-type: none"> Category mix rebalance with customer preference (drives margins and returns) Continued realization of strategic vendor management initiative Reduced promotional activities
Fulfillment	<ul style="list-style-type: none"> Freight & Warehouse 	<ul style="list-style-type: none"> Decrease dual fulfillment operating and fixed costs Increase package consolidation; inventory regionalization Continued freight rate pressure (Industry Trend) Competitive labor market (Industry Trend)
Commissions	<ul style="list-style-type: none"> Carrier Arrangements 	<ul style="list-style-type: none"> Increased eCommerce penetration & contract negotiations
Marketing	<ul style="list-style-type: none"> Performance / Other 	<ul style="list-style-type: none"> Increase investment to support acquisition/retention and audience growth
Other	<ul style="list-style-type: none"> Fixed Costs Customer Service Bad Debt 	<ul style="list-style-type: none"> Disciplined cost management Pressure from transition to on-demand cloud computing Reduce costs via increased eCommerce penetration Moderate through technology and process improvements

Synergies & Other Cost Savings

- Largely on track to deliver annual run rate savings of \$370M – \$400M by 2022 (~70% Complete)
- Delivered customer contact center optimization and strategic vendor management negotiations in 2020
- Improving productivity and operating efficiency measures initially impaired by COVID restrictions
- Preparing to decommission duplicative distribution centers in 2021 and 2022

Strategic Initiatives Fueling Rebound And Foundation For Long-Term Growth

Strong Rebound

Six Months Ended September 30, 2020

+13%

REVENUE GROWTH

+380%

ADJUSTED OIBDA GROWTH

STRATEGIC INITIATIVES

Acquire New Brands

- ✓ Business Development Team
- ✓ China Buying Team

Drive Customer Loyalty

- ✓ Best Price Promise
- ✓ Automated Pricing Tool
- ✓ Simplify & Improve Return Experience

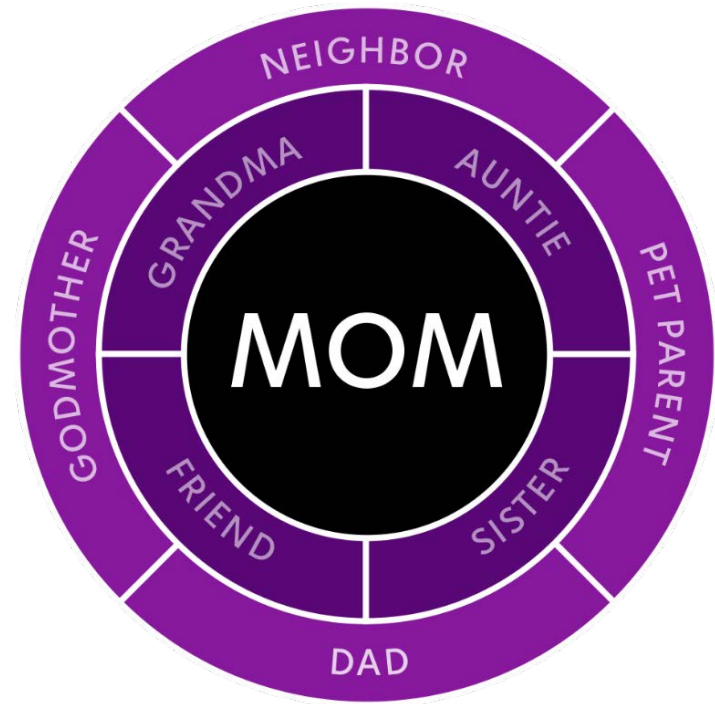
Invest in User Experience

- ✓ Machine Learning Experimentation
- ✓ Search Engine Optimization
- ✓ Personalization
- ✓ Video and Animation

Optimize Marketing

- ✓ Expand/Diversify Marketing Channels
- ✓ ROAS Discipline
- ✓ Leverage 70M member base

Creating the Best Shopping Experience for Mom



Moms control household purchases representing **\$2.4T** spending power

Cornerstone Brands

Strategic Initiatives Yield Outstanding Revenue And OIBDA Growth

Strong Results

Six Months Ended September 30, 2020

+22%

REVENUE GROWTH

+211%

ADJUSTED OIBDA GROWTH

STRATEGIC INITIATIVES

Sustain Home Segment Momentum

- ✓ Design Driven Merchandising
- ✓ Expand Omnichannel (Retail) & Design Services

Progress Gross Margin Initiatives

- ✓ Price Optimization & Promotion Management
- ✓ Efficient, High-Quality Global Sourcing

Operating Expense Discipline

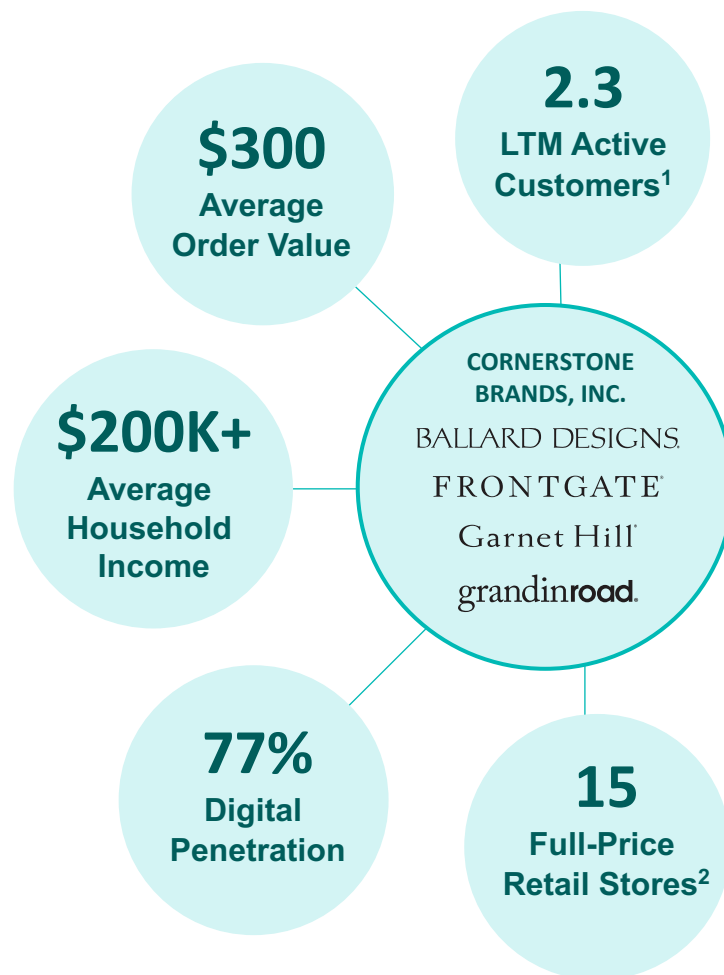
- ✓ Scalable Support Platform

Drive Lifetime Value through Enhanced Customer Journey

- ✓ 360 Degree Approach to Channels, Commerce and Content
- ✓ Customer-Centric Marketing Providing Personalized Experience

¹LTM ended September 30, 2020

²Excludes outlets and includes commitments for Nashville and Houston



Qurate Retail, Inc.

Core earnings, disciplined working capital and low CAPEX generates strong free cash flow

				9 Months Ended 9/30	
	2018	2019	TTM Sept 30	2019	2020
Net cash provided by operations activities	\$1,273	\$1,284	\$2,229	910	1,855
Capital Expenditures	(275)	(325)	(241)	(249)	(165)
TV Distribution Rights	(140)	(134)	(47)	(128)	(41)
Dividend paid to noncontrolling interest	(40)	(40)	(52)	(34)	(46)
Cost and Equity Investments in TTM	(100)	(141)	(120)	(109)	(88)
Free Cash Flow	\$718	\$644	\$1,769	\$390	\$1,515
Adjusted OIBDA Conversion	33%	32%	84%	27%	100%

Free Cash Flow

2020 major drivers supported by discrete actions expected to normalize in future periods

Major Driver	Key Components	Actions Taken
Accounts Receivable	<ul style="list-style-type: none"> Customer Installments Bad Debt Reserve 	<ul style="list-style-type: none"> Strategic pullback in offered customer installments Improved customer delinquency trends
Inventory	<ul style="list-style-type: none"> Receipts Obsolescence Reserve 	<ul style="list-style-type: none"> Cutback receipts within underperforming categories; Robust customer demand outpaced replenishment in high demand categories Transition network optimization
Accounts Payable	<ul style="list-style-type: none"> Vendor Terms Drop Ship Penetration 	<ul style="list-style-type: none"> Aligned payment terms with industry standards and customer installments Category/product mix shift
Accrued Liabilities	<ul style="list-style-type: none"> Management Incentive Customer Returns CARES Act 	<ul style="list-style-type: none"> Incentive payout in current year vs. \$0 in prior year Reduced returns from category/product mix shift; Customer behavior 2-year deferral for employer portion Social Security
TV Distribution	<ul style="list-style-type: none"> Contract Renewal 	<ul style="list-style-type: none"> Off-cycle year for renewal of cable/satellite/telco multi-year contracts

In Summary

- Resilient profile built on a foundation of broad-based curated product offerings and loyal expansive customer file
- Adjustable operating structure responsive to rapid changes in customer demand behaviors
- Growing OIBDA and moderate capital requirements convert into high levels of Free Cash Flow to support future shareholder capital allocation strategies
- Manageable leverage with future maturities adequately addressed through ample liquidity from Free Cash Flow, capacity under the revolving credit facility, and access to debt capital markets

Non-GAAP Reconciliations

This presentation includes Adjusted OIBDA, which is a non-GAAP financial measure. QRI and QVC define Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, restructuring, acquisition and other related costs and impairments. Further, this presentation includes Adjusted OIBDA margin, which is also a non-GAAP financial measure. QRI and QVC define Adjusted OIBDA margin as Adjusted OIBDA divided by revenue. This presentation also includes Free Cash Flow, which is a non-GAAP financial measure. QRI and QVC define Free Cash Flow as net cash provided by operating activities less certain investing and financing expenses: Capital Expenditures, Expenditures for Television Distribution Rights, Investments in and Loans to Cost and Equity Investees, and Dividends Paid to Non-controlling Interest.

QRI and QVC's chief operating decision maker and management team use Adjusted OIBDA and Free Cash Flow in conjunction with other measures to evaluate the businesses and make decisions about allocating resources among the businesses.

QRI and QVC believe Adjusted OIBDA is an important indicator of the operational strength and performance of its business by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Adjusted OIBDA is used as a measure of operating performance and QRI and QVC view operating income as the most directly comparable GAAP measure.

Free Cash Flow is not a measurement of our financial performance or liquidity under GAAP and does not purport to be an alternative to net cash provided from operating activities or any other performance or liquidity measures derived in accordance with GAAP. Management believes Free Cash Flow is useful as a supplemental measure of our liquidity and uses Free Cash Flow to facilitate company-to-company cash flow comparisons, which may vary from company to company for reasons unrelated to operating performance. QRI and QVC view net cash from operations as the most comparable GAAP measure.

Adjusted OIBDA and Free Cash Flow are not meant to replace or supersede operating income, net cash flow from operations or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that QRI and QVC's management considers in assessing the results of operations and performance of its assets. Please see the schedules at the end of this presentation for a reconciliation of Adjusted OIBDA to operating income calculated in accordance with GAAP and Free Cash Flow to cash flows from operating activities calculated in accordance with GAAP.

Constant currency, as presented herein, is calculated by translating the respective period reported amounts in US Dollars to comparable amounts using a single foreign exchange rate for each currency. QRI and QVC believe 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. Constant/local currency financial metrics are used 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)

	YTD	YTD	LTM
	<u>12/31/2018</u>	<u>12/31/2019</u>	<u>9/30/2020</u>
QRI Operating Income	1,324	184	1,329
Depreciation & Amortization	637	606	576
Stock-based Compensation	88	71	63
Impairment of Intangibles	33	1,167	147
Transaction-Related Costs	72	1	-
QRI Adjusted OIBDA	2,154	2,029	2,115

The table above provides a reconciliation for Qurate Retail, Inc.'s adjusted OIBDA to operating income in accordance with US GAAP for 2018, 2019 and LTM ended September 30, 2020

Reconciling Schedule

Qurate Retail, Inc. Net Cash Provided By Operations Activities to Free Cash Flow
(\$ in millions)

	YTD		YTD		6 Months
	<u>12/31/2018</u>		<u>12/31/2019</u>		<u>9/30/2020</u>
QRI Net cash provided by operations activities	1,273		1,284		1,683
Capital Expenditures	(275)		(325)		(120)
TV Distribution Rights	(140)		(134)		(40)
Dividend paid to noncontrolling interest	(40)		(40)		(31)
Cost and Equity Investments	(100)		(141)		(52)
QRI Free Cash Flow	718		644		1,440

The table above provides a reconciliation for Qurate Retail, Inc.'s adjusted OIBDA to operating income in accordance with US GAAP for 2018, 2019 and 6 months ended September 30, 2020

qurate

RETAIL, INC.

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

Brian Wendling

Chief Accounting Officer,
Principal Financial Officer

1,800,000,000

- a) Most recent Forbes valuation for the Atlanta Braves
- b) Qurate Retail's TTM free cash flow
- c) World population in 1918
- d) All of the above

Creatively Returning Capital to Shareholders

Pulled Multiple Tools from our Toolkit in 2020...



Cash Dividend

- Issued \$1.50 special cash dividend in September
- Efficient method of distribution for recent cash build from operations and green energy sale

Preferred Dividend

- Issued \$3.00 preferred dividend in September
- Attractive security for income-oriented investors with compelling yield and attractive tax treatment
- Annual preferred dividend small relative to free cash flow

Debt and Tax Liability Management

- Delevered at QVC, Inc. from 2.4x to 2.0x
- Invested to reduce deferred tax liability on exchangeable bonds
 - Repurchased 50k of 3.50% MSI exchangeable bonds YTD
- Continued investment in high return, tax-advantaged green energy assets

... And Here's What's Next

Share Repurchases

- Reinitiating open market repurchases
 - Were prevented from repurchasing stock in Q3 for tax reasons
- Remaining repurchase authorization \$497m

Another Cash Dividend

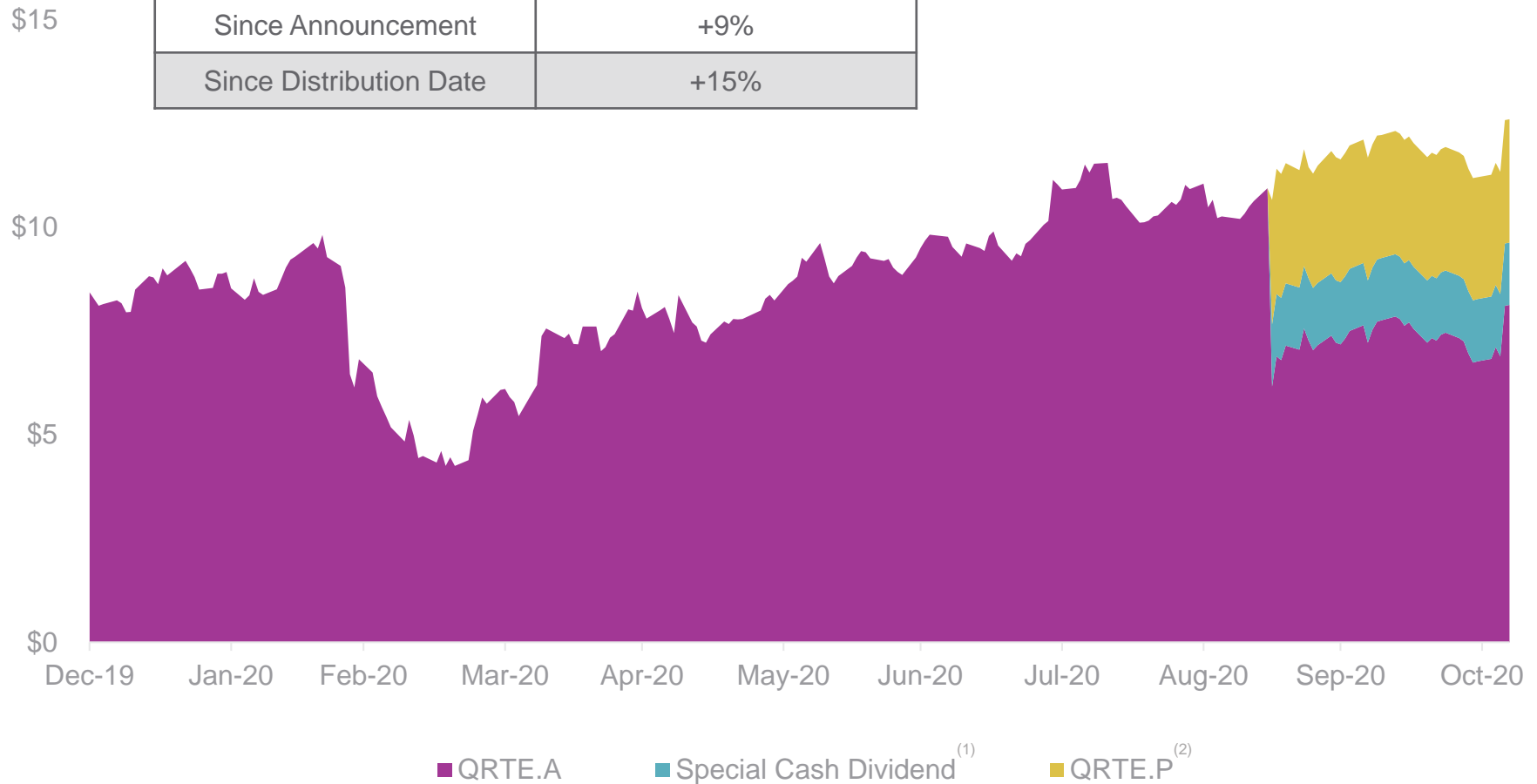
- \$1.50 special cash dividend to be paid before year end
- Optimal timing in event tax rates increase

Expect to continue to return substantial portion of Qurate Retail's free cash flow to shareholders going forward

Composite Trading Strong...

Preferred Stock and Common Equity in Aggregate Trading Above Pre-Dividend Levels

Period	Composite Trading
YTD	+49%
Since Announcement	+9%
Since Distribution Date	+15%



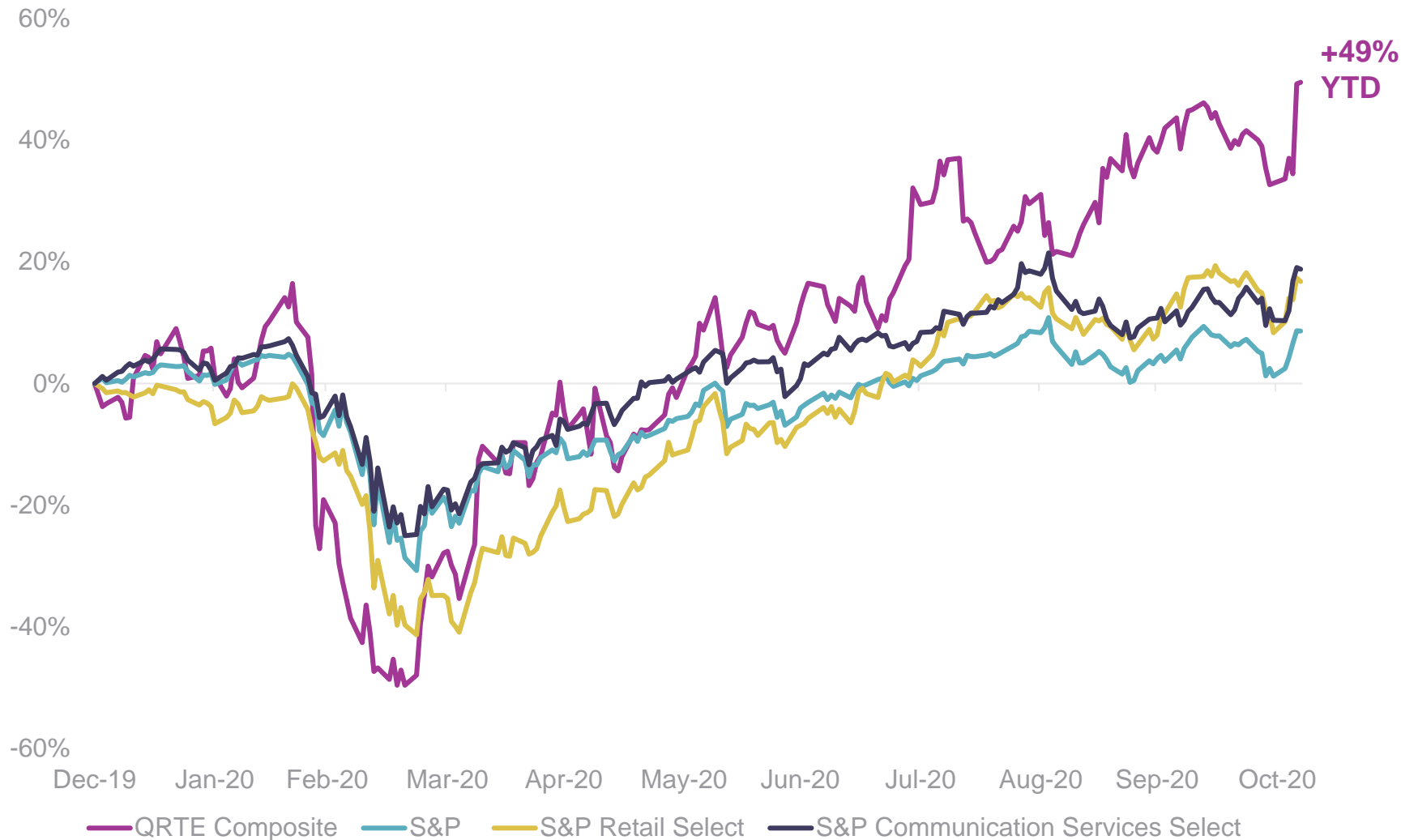
As of 11/6/20.

(1) \$1.50.

(2) Trading price of QRTEP times 0.03.

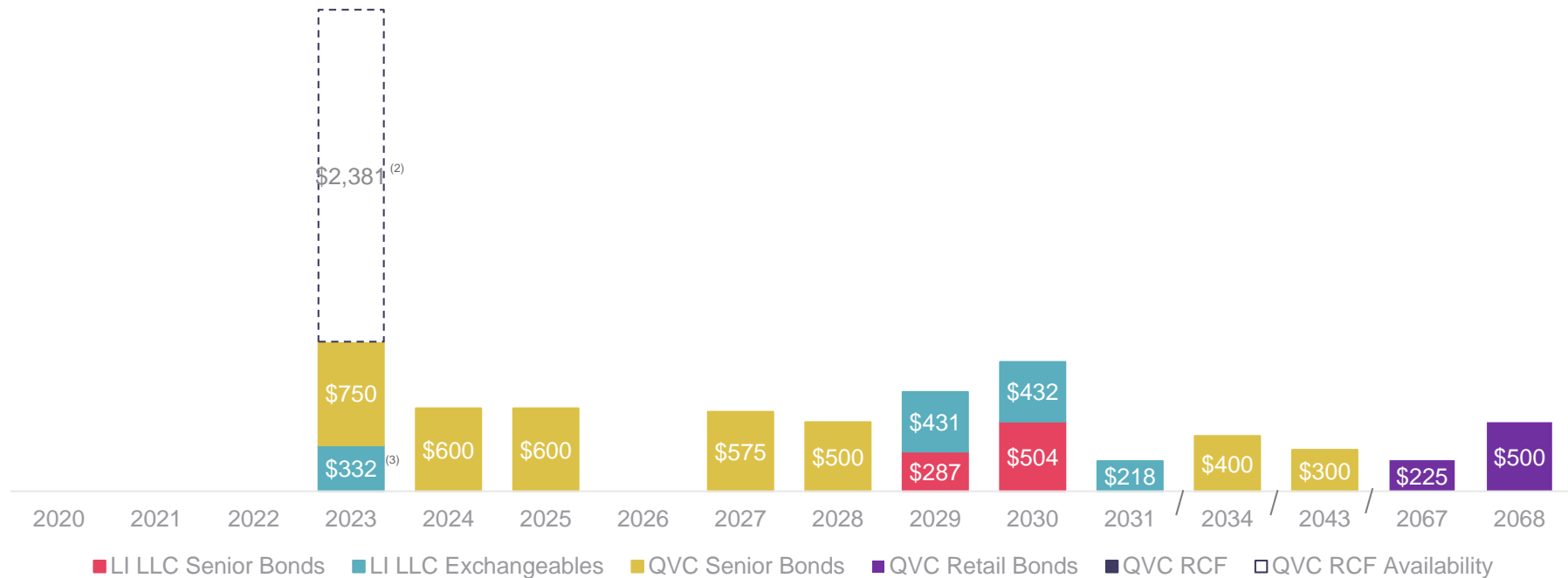
... Despite Challenging Market Backdrop

Preferred Stock and Common Equity in Aggregate Outperforming in Volatile Market



Debt Maturity Profile and Leverage

\$ in millions



- Issued over \$1b new bonds YTD, with maturities in 2027 and 2028
- 2.0x leverage ratio⁽¹⁾ at QVC, Inc. as of 9/30
 - Leverage ratio excludes debt at Liberty Interactive LLC
 - Delevered from 2.4x as of Q4-19
 - Maintaining leverage target of 2.5x at QVC, Inc.

As of 9/30/20. Liberty Interactive LLC exchangeables shown at face value.

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

(2) Available liquidity of \$2,381m under the QVC, Inc. revolver is subject to the 3.5x maximum consolidated debt ratio test included in QVC, Inc.'s bond indentures; undrawn revolver excludes outstanding letters of credit. Total revolver capacity is \$2.95b.

(3) 1.75% CHTR exchangeable at par; indemnification asset from GCI Liberty covers exchange value.

Still Going Green



Faux Greg Maffei @maffei_fake · 1h
We sold that green investment, Abengoing, Abengoa, Abengone.

1



3



[Show this thread](#)



- Green energy investments are attractive and have been successful part of Qurate Retail's financial strategy
 - Generate tax benefits in two ways:
 - (i) Assets generate operating losses which appear on P&L
 - (ii) Tax credits associated with investments
 - → **15% - 18% effective tax rate incorporates benefits from green energy operating losses and tax credits**
- Sold solar investment in Q3 for \$272m pre-tax proceeds
 - After tax IRR of 23.5%
- Green energy investments will continue to be a part of tax strategy
 - Credits from current green energy portfolio phasing out in 2021 and 2022
 - Reviewing carbon capture projects which would have tax benefits beginning 2022

Qurate Retail Tax Considerations

Effective tax rate

- Qurate Retail's normalized annual effective tax rate expected to be 15% - 18% of pre-tax income through 2021
 - Includes federal, state and foreign taxes, partially offset by tax credits from green energy investments
 - No impact from Solana sale
- Expect to manage effective tax rate at 15% - 18% in the future
 - May be slightly higher in 2022 – 2023 due to sunset of clean coal investment credits at end of 2021
 - Actively exploring new green energy investments and other tax planning strategies to take effect beginning 2022
- Exchangeable bonds do not impact effective tax rate

Cash tax rate

- Qurate Retail annual cash taxes expected to be 9% – 12% of adjusted OIBDA through 2022
- Cash tax rate driven lower by deductible portion of contingent interest expense from exchangeable debentures

Changes in Tax Legislation

- Assumptions based on current tax law
 - We continue to monitor potential tax legislation changes and will take necessary planning actions
- “CARES” Act raised limit on interest deductibility from 30% to 50% of EBITDA for 2019 and 2020

Appendix

Qurate Retail 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	\$218m	\$432m	\$431m
Number of bonds outstanding ⁽¹⁾	332,240	437,422	459,999	468,728
Fair value of bonds outstanding ⁽¹⁾	\$614m	\$371m	\$342m	\$355m
Exchange price	\$341.10	\$94.53 ⁽²⁾	Basket	Basket
Parity ⁽³⁾	\$188.94	\$173.99	\$3.73	\$5.23
Conversion/\$1,000 principal amount	CHTR: 2.9317 shares	MSI: 5.2598 shares	TMUS: 0.2419 shares LUMN: 0.5746 shares	TMUS: 0.3309 shares LUMN: 0.7860 shares
Shares underlying	CHTR: 1.0m shares	MSI: 2.3m shares	TMUS: 0.1m shares LUMN: 0.3m shares	TMUS: 0.2m shares LUMN: 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 9/30/20.

(2) Remaining principal per \$1,000 original principal amount of debentures as of 9/30/20, divided by MSI shares underlying each debenture.

(3) As of 11/6/20. One 1.75% Charter Exchangeable Debenture was exchanged in Q3.

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 deductibility of interest income of 30% of EBITDA in 2021
 - Do not expect to exceed cap in 2020 as limitation increased to 50% of EBITDA under the “CARES” Act
 - 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 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
- Total DTL as of 12/31/20 related to contingent interest on all exchangeable bonds will be \$1.1b
- Disallowed interest in future years results in significant deferred interest carryforward by 2029 which should offset approximately ½ of gross DTL at maturity

3.50%, 3.75% and 4.00% Exchangeable Debentures:

Glossary of Key Terms

- Cash interest: stated interest on bonds
 - 2020 expected cash interest: \$52m⁽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
 - 2020 expected contingent interest: \$471m
 - Growing to \$1.0b 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 12/31/20 related to contingent interest on exchangeable bonds will be \$1.1b⁽²⁾
 - Gross DTL grows to \$2.9b⁽²⁾ at maturity
 - Expect a significant deferred interest carryforward by 2029, which should offset approximately ½ gross DTL at maturity
 - Net amount likely to become a cash tax liability at that date
 - 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) 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) 9/30/20	FV (\$m) 9/30/20	Interest Rate Tax Purposes	Accreted Basis (\$m) 12/31/19
2029 ⁽¹⁾	0.3309 TMUS 0.786 LUMN	4%	\$431	\$355	9.069%	\$1,769
2030 ⁽²⁾	0.2419 TMUS 0.5746 LUMN	3.75%	\$432	\$342	9.43%	\$1,915
2031 ⁽³⁾	5.2598 MSI	3.5%	\$218	\$371	9.5%	\$1,898
TOTAL			\$1,081	\$1,068		\$5,582

Bond	Cash Coupon 2020E (\$m) ⁽⁴⁾	Contingent Interest 2020E (\$m)	Total Tax Deductible Interest 2020E (\$m) (current and deferred)	Debt Retiremen ts	Estimated Accreted Basis (\$m) 12/31/20E
2029 ⁽¹⁾	\$19	\$145	\$164	-	\$1,914
2030 ⁽²⁾	\$17	\$167	\$184	-	\$2,082
2031 ⁽³⁾	\$16	\$159	\$175	\$(196)	\$1,861
TOTAL	\$52	\$471	\$523	\$(196)	\$5,857

(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).

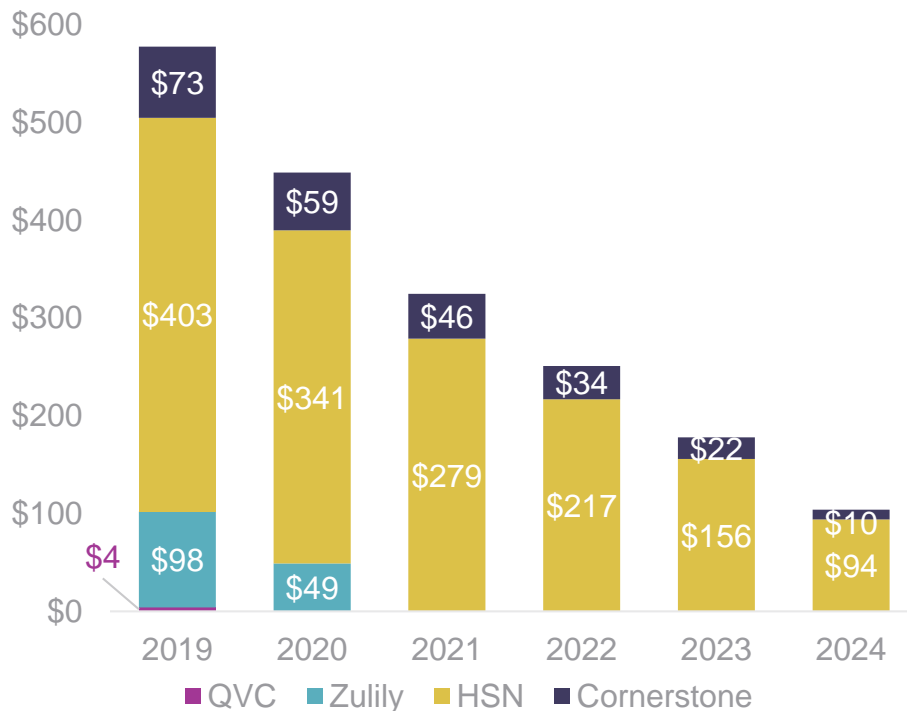
(3) Estimated principal amount at maturity is \$121 million (assumes no further extraordinary distributions).

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

Review of Purchase Accounting Amortization

Qurate Retail Intangible Asset Balance

\$ in millions



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
- QVC purchase accounting rolled off in 2019
 - Dated back to 2003 acquisition of Comcast's interest in QVC
- Other non-acquisition related amortization at Qurate Retail approximately \$237m⁽¹⁾
 - 57% related to channel placement (QxH)
 - 43% related to internally developed software

(1) For the twelve months ended 9/30/20.

Accounting Treatment for Green Energy Investments

- 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*