



qurate
RETAIL, INC.

Curated Experiences.
Infinite Possibilities.®

Q3 2019

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, the impact of tariffs, 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, 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

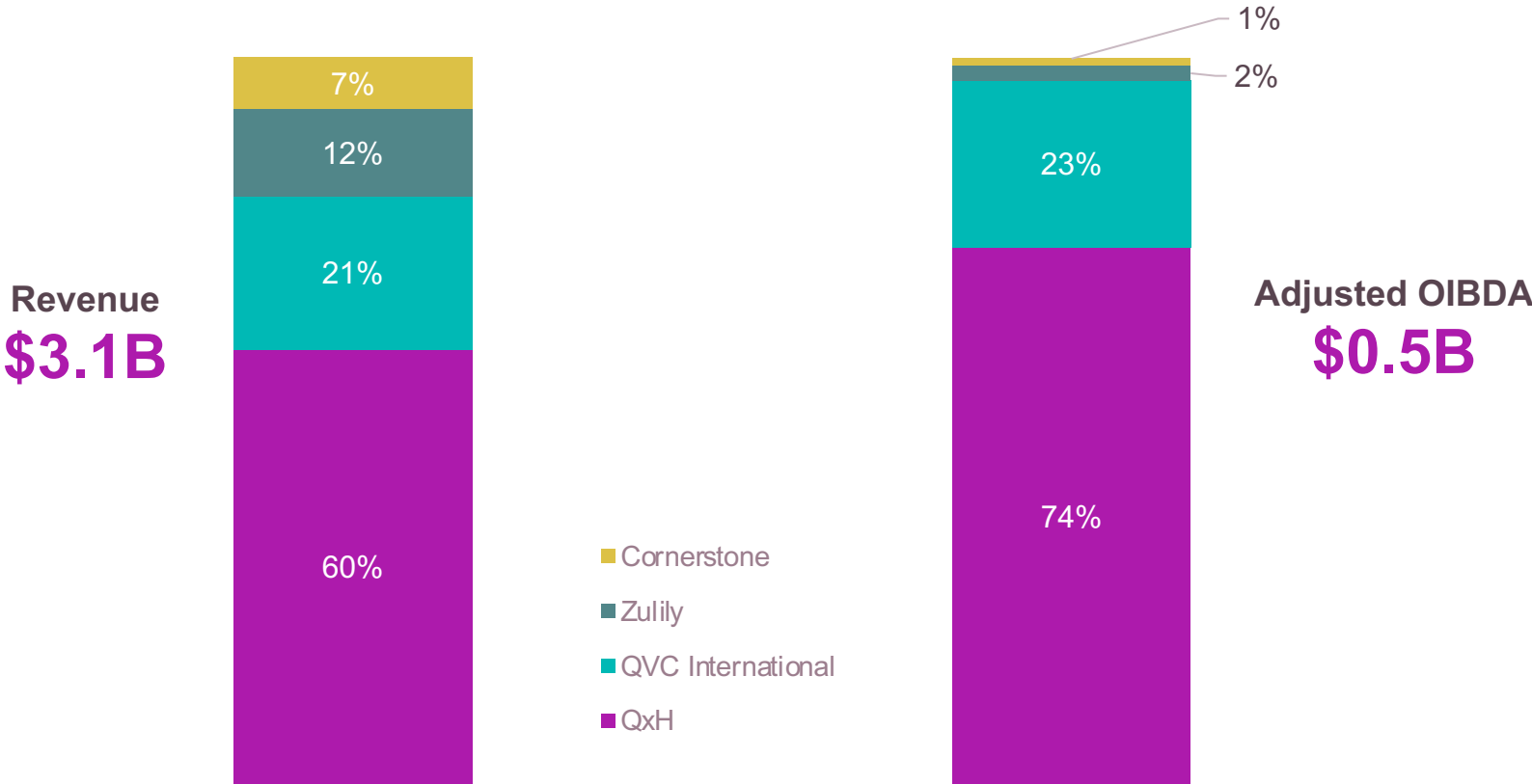
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This presentation includes non-GAAP financial measures including adjusted OIBDA and constant currency. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations can be found in the earnings press release issued November 11, 2019 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 November 11, 2019 earnings release, which is available on our website.

Revenue & Adjusted OIBDA

Business Segment Contribution

Q3 2019



\$1.8B eCommerce Revenue

Note: Percentages exclude intersegment eliminations and unallocated corporate costs

Revenue & Adjusted OIBDA

Year-on-Year Quarterly Comparative

	REVENUE ¹								
	2018					2019			
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	
QxH ²	-2%	-2%	0%	1%	-1%	-4%	-1%	-4%	
QVC International	14%	7%	1%	-3%	4%	-5%	-2%	2%	
QVC International (Constant Currency)	2%	1%	2%	-1%	1%	1%	1%	3%	
Zulily ³	17%	13%	18%	5%	12%	-5%	-13%	-17%	
Cornerstone	-8%	-9%	-7%	-4%	-7%	-10%	-11%	-2%	
Total Qurate Retail⁴	3%	1%	1%	0%	1%	-4%	-4%	-4%	
Total Qurate Retail (Constant Currency) ⁵	1%	0%	2%	1%	1%	-3%	-3%	-4%	

	ADJUSTED OIBDA								
	2018					2019			
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3	
QxH	-4%	-2%	4%	-6%	-3%	-5%	-1%	-7%	
QVC International	9%	-7%	-6%	-12%	-5%	-6%	6%	14%	
QVC International (Constant Currency)	-1%	-12%	-7%	-11%	-8%	-1%	10%	15%	
Zulily	80%	12%	50%	-11%	19%	-37%	-76%	-56%	
Cornerstone	-50%	-10%	-200%	-50%	-54%	0%	-26%	157%	
Total Qurate Retail⁶	0%	-3%	0%	-9%	-4%	-7%	-5%	-3%	
Total Qurate Retail (Constant Currency)	-2%	-3%	0%	-8%	-4%	-5%	-5%	-2%	

¹ Excludes private label credit card income for 2018 growth rate calculations.

² QxH as reported for 2018: Q1 through Q4 is 0%, 0%, 1%, and 2%, respectively. Full year is 1%.

³ Zulily as reported for 2018: Q1 through Q4 is 17%, 13%, 18%, and 6%, respectively. Full year is 13%.

⁴ Total Qurate Retail as reported for 2018: Q1 through Q4 is 4%, 2%, 2%, and 1%, respectively. Full year is 2%.

⁵ Total Qurate Retail (constant currency) as reported for 2018: Q1 through Q4 is 1%, 1%, 2%, and 1%, respectively. Full year is 2%.

⁶ Includes unallocated corporate costs.



QxH Category Performance

Prior Year Comparative

CATEGORY	2018					2019		
	Q1	Q2	Q3	Q4	FY 2018	Q1	Q2	Q3
Home	●	●	●	●	●	●	●	●
Apparel	●	●	●	●	●	●	●	●
Beauty	●	●	●	●	●	●	●	●
Accessories	●	●	●	●	●	●	●	●
Electronics	●	●	●	●	●	●	●	Flat
Jewelry	●	●	●	●	●	●	●	●

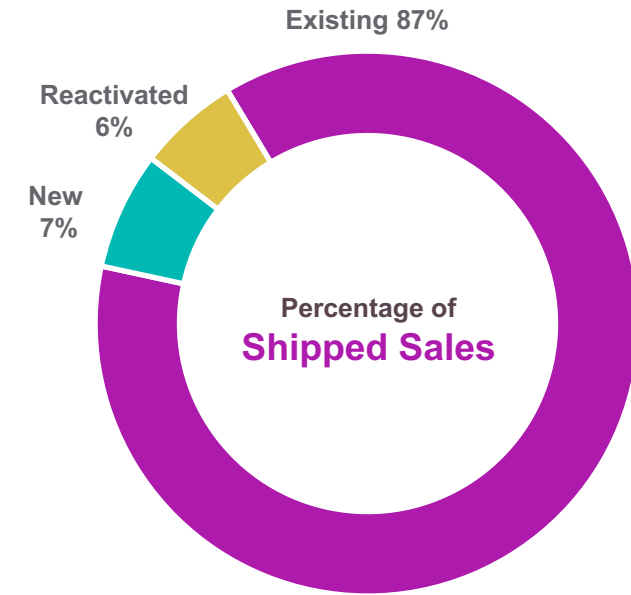
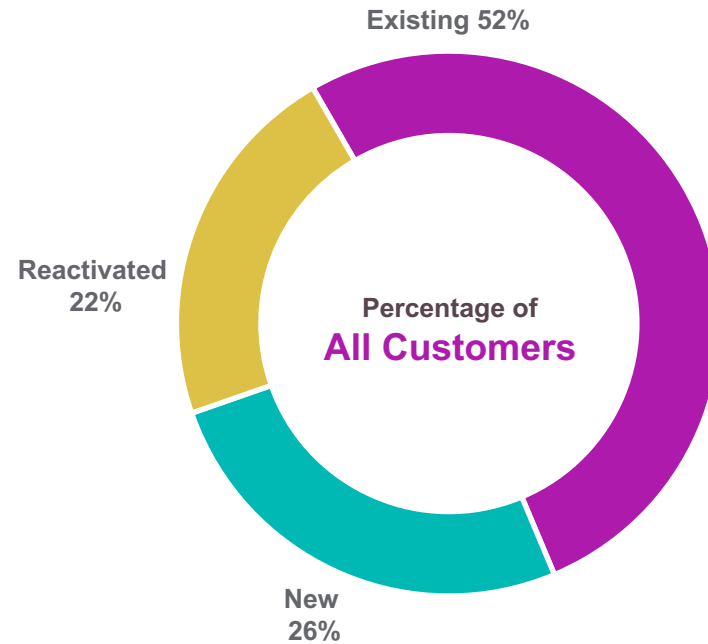
Notable Brands





QxH Customer Profile

TTM September 2019



Existing Customers

Annual Purchases: **27** Items purchased

\$1.4K Spend

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

QxH Adjusted OIBDA Margin

Basis Point Change Year-on-Year

CONTRIBUTING FACTOR	Q3 2019
Commissions ¹	95
Product Mix Impact ²	35
Warehouse ³	(65)
Inventory Management ⁴	(60)
Freight (QxH Operated Facilities)	(45)
Marketing	(25)
Other ⁵	15
TOTAL	(50)

¹ Includes accounting changes and synergies from renegotiated contracts and growth in off-air

² Includes initial margin, in-period returns, S&H revenue, ASP leverage and freight (drop ship)

³ Includes ramp up of Ontario, CA fulfillment center and start up costs associated with network optimization

⁴ Includes inventory obsolescence reserve adjustments, liquidations and costs associated with clearing Ingenious Designs (IDL) brands

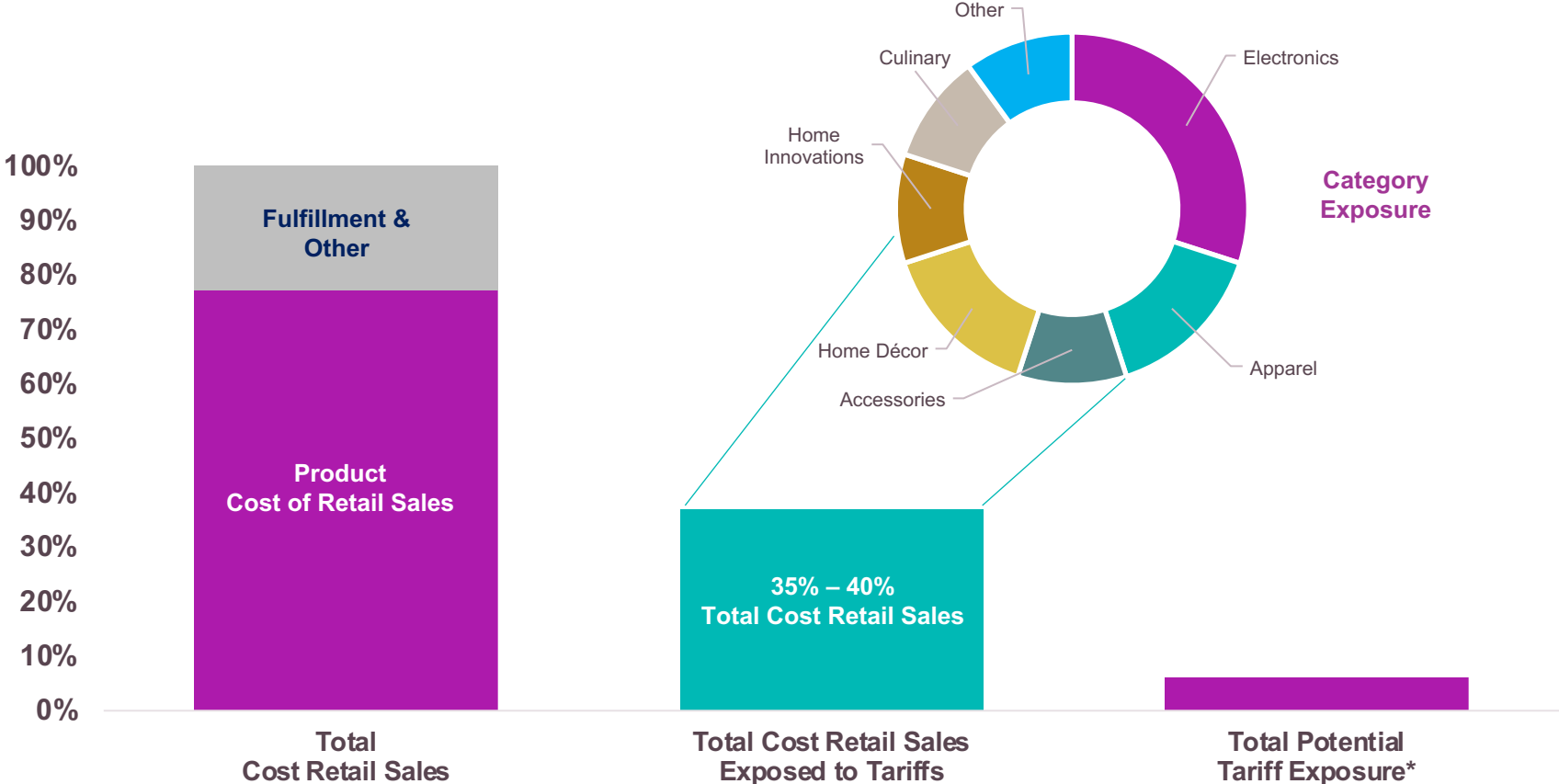
⁵ Includes royalties, PLCC, returns, bad debt and other

Note: All figures rounded to the nearest 5 bps



Qurate Retail Tariff Update

Annualized Net Exposure



- Taking various actions to mitigate future impact
- Approximately 80% of 'Total Cost of Retail Sales Exposed to Tariffs' is vendor-sourced and tariff impact can more easily be mitigated with vendor partners

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