

**qurate**  
RETAIL, INC.

Curated Experiences.  
Infinite Possibilities.®

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**Q1 2021**  
**Earnings Presentation**

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## Safe Harbor and Non-GAAP Measures

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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 May 7, 2021, as well as earnings press releases relating to prior periods, all of which are available on our website. This presentation is designed to be read in conjunction with the May 7, 2021, 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 12 of this presentation.

# Key Highlights

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## → Outstanding Q1-21 results

- Strong revenue and profit growth and margin expansion
- Broad-based gains across all businesses and markets
- Robust new customer growth
- Expanded reach across new digital platforms

## → Built sales momentum in quarter

- Sustained momentum in Home categories
- Fashion categories rebounded in late February

## → Repurchased 5.0 million shares for \$61 million from February 1, 2021 through April 30, 2021

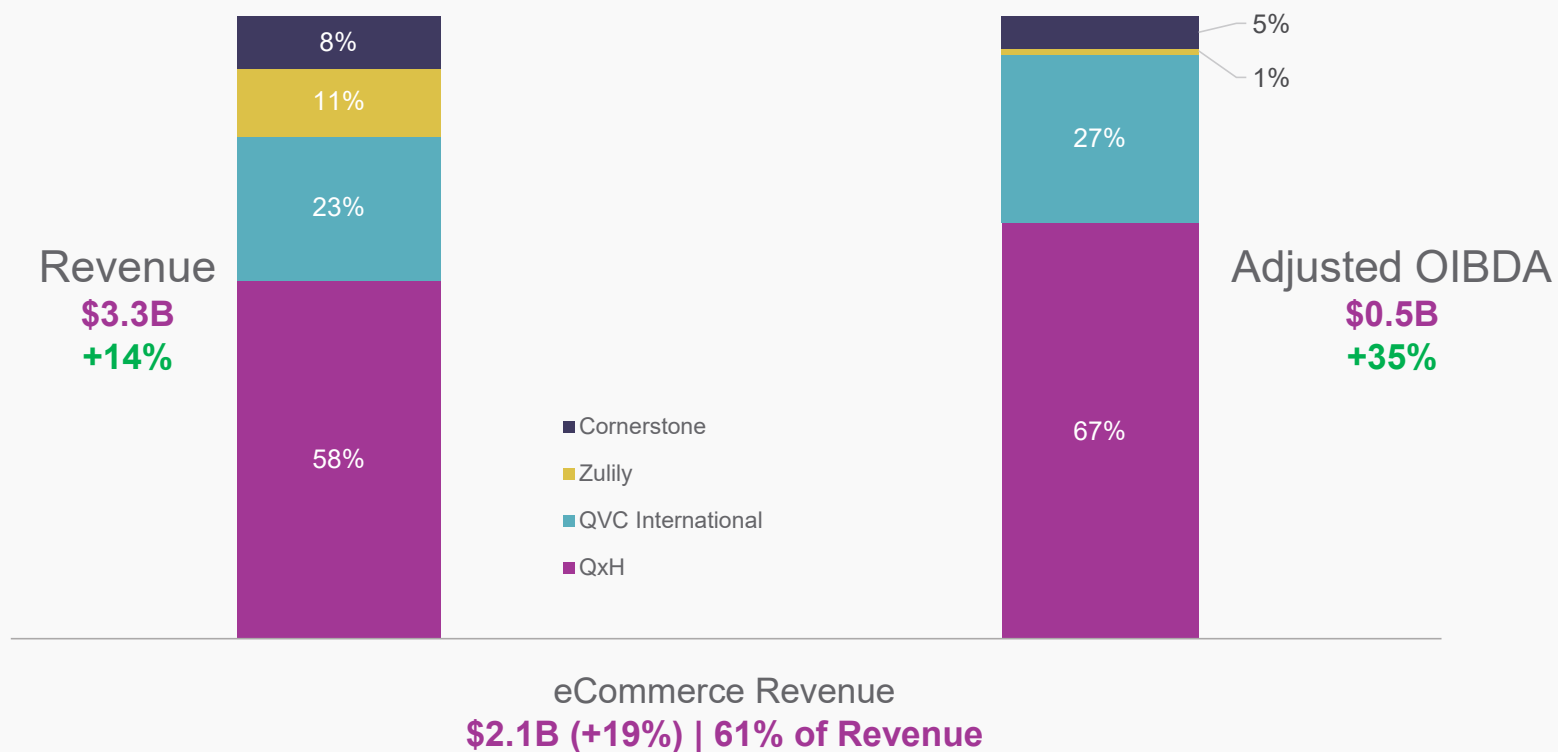
## → Uniquely well-positioned in evolving digital and home-based lifestyle

- Unmatched digital video ecosystem
- Scale and resources
- Customer experience that creates lasting relationships
- Large base of savvy, engaged and highly loyal shoppers

# Revenue & Adjusted OIBDA Growth

## Business Segment Contribution

Q1 2021



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

## Revenue & Adjusted OIBDA Growth

### Year-on-Year Quarterly Comparative

|                                  | REVENUE |     |     |     |     |        | 2021<br>Q1 |
|----------------------------------|---------|-----|-----|-----|-----|--------|------------|
|                                  | 2020    |     |     |     |     | FY2020 |            |
|                                  | Q1      | Q2  | Q3  | Q4  |     |        |            |
| QxH                              | -4%     | 7%  | 7%  | 1%  | 3%  | 8%     |            |
| QVC International                | -1%     | 11% | 11% | 16% | 10% | 22%    |            |
| QVC International <sup>A</sup>   | 0%      | 12% | 8%  | 10% | 8%  | 15%    |            |
| Zulily                           | -20%    | 16% | 10% | 11% | 4%  | 19%    |            |
| Cornerstone                      | -5%     | 18% | 26% | 30% | 19% | 41%    |            |
| <b>Total Qurate Retail</b>       | -5%     | 10% | 10% | 7%  | 5%  | 14%    |            |
| Total Qurate Retail <sup>A</sup> | -5%     | 10% | 9%  | 6%  | 5%  | 13%    |            |

|                                  | ADJUSTED OIBDA |      |      |      |      |         | 2021<br>Q1 |
|----------------------------------|----------------|------|------|------|------|---------|------------|
|                                  | 2020           |      |      |      |      | FY 2020 |            |
|                                  | Q1             | Q2   | Q3   | Q4   |      |         |            |
| QxH                              | -17%           | -2%  | 10%  | 10%  | 1%   | 19%     |            |
| QVC International                | -4%            | 12%  | 25%  | 22%  | 14%  | 47%     |            |
| QVC International <sup>A</sup>   | -3%            | 13%  | 21%  | 16%  | 12%  | 38%     |            |
| Zulily                           | -88%           | 543% | 238% | -44% | 73%  | 200%    |            |
| Cornerstone                      | -167%          | 50%  | 775% | 233% | 185% | 1,450%  |            |
| <b>Total Qurate Retail</b>       | -17%           | 10%  | 24%  | 14%  | 8%   | 35%     |            |
| Total Qurate Retail <sup>A</sup> | -16%           | 10%  | 23%  | 13%  | 8%   | 32%     |            |

A – Constant Currency

Note: Percentages on a segment basis exclude intersegment eliminations and unallocated corporate costs.

QURATE RETAIL, INC.

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## QxH Category Performance

### Prior-Year Comparative

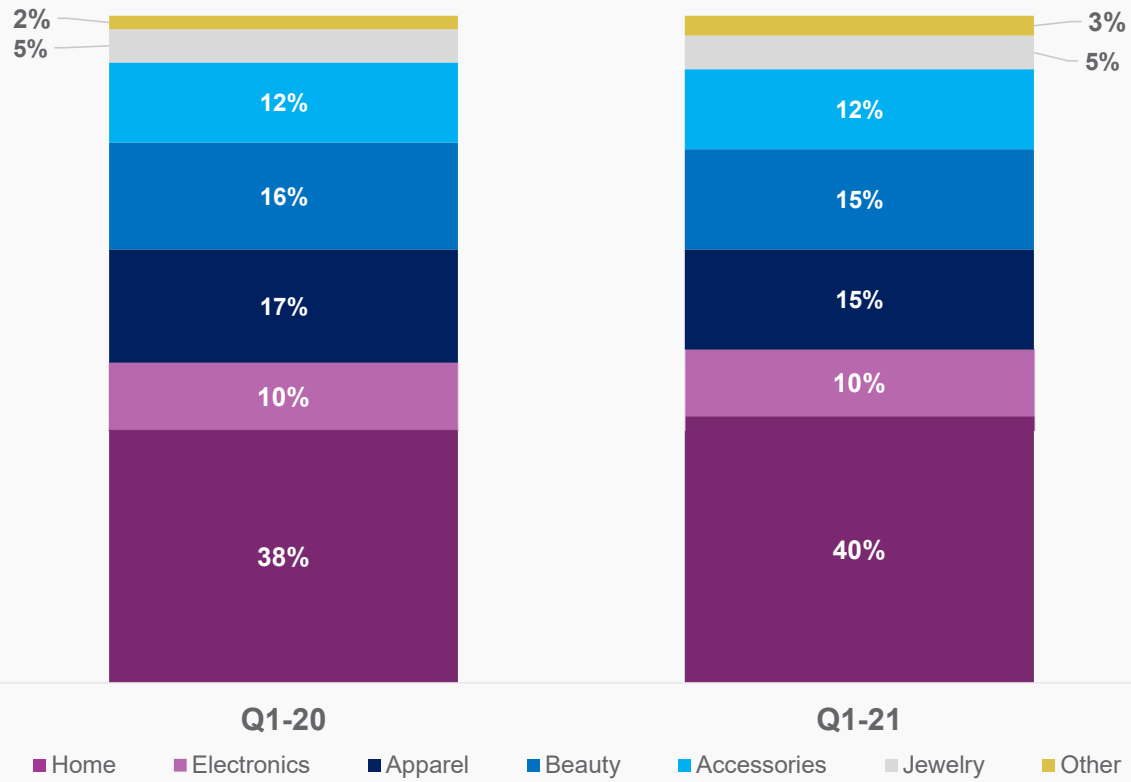
|              | 2020       |           |           |           |           | 2021      |
|--------------|------------|-----------|-----------|-----------|-----------|-----------|
|              | Q1         | Q2        | Q3        | Q4        | FY 2020   | Q1        |
| Home         | 0%         | 22%       | 22%       | 17%       | 16%       | 14%       |
| Electronics  | -4%        | 25%       | -6%       | -17%      | -6%       | 16%       |
| Apparel      | -9%        | -12%      | -7%       | -10%      | -9%       | -3%       |
| Beauty       | -1%        | 2%        | -2%       | -10%      | -3%       | -1%       |
| Accessories  | -4%        | -1%       | 10%       | 6%        | 3%        | 12%       |
| Jewelry      | -13%       | -11%      | -5%       | -9%       | -10%      | 0%        |
| <b>Total</b> | <b>-4%</b> | <b>7%</b> | <b>7%</b> | <b>1%</b> | <b>3%</b> | <b>8%</b> |

### Notable Brands



# QxH Category Mix Shift to Home

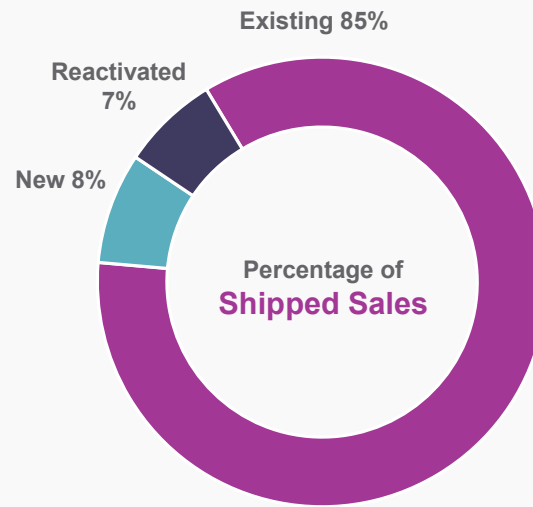
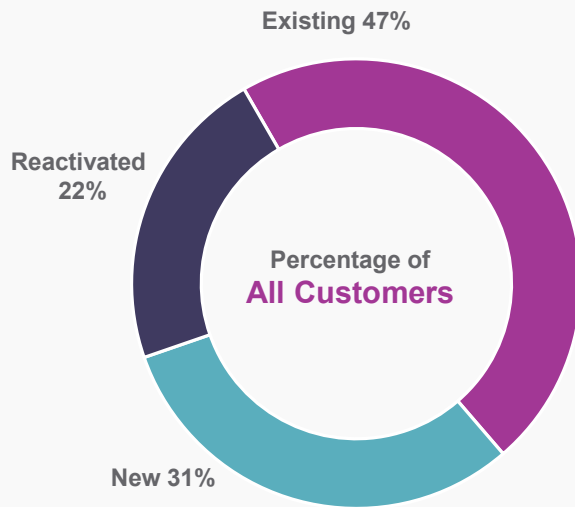
Category % of Revenue



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

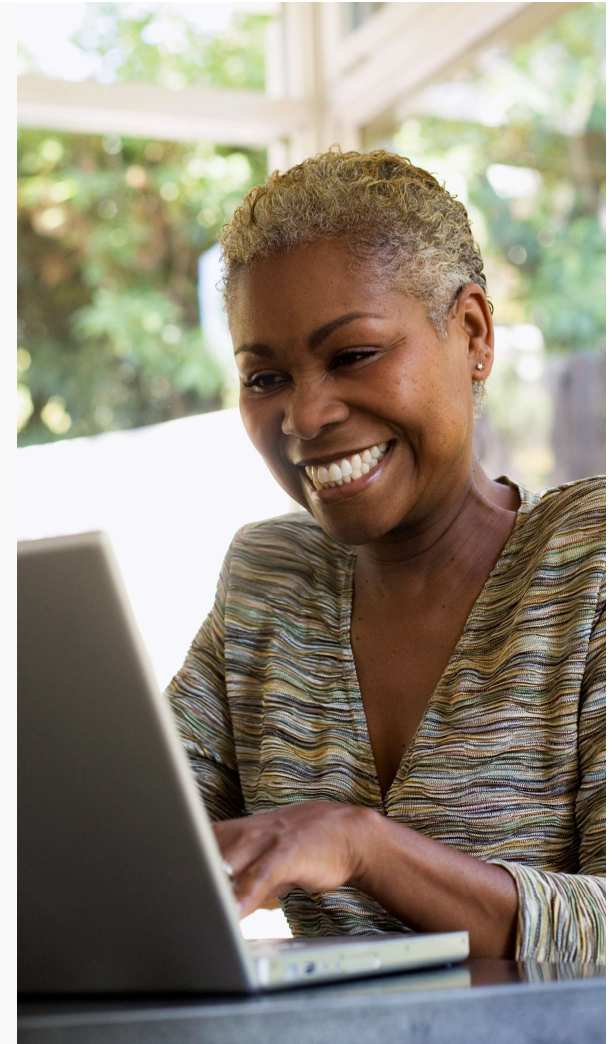
# QxH Customer Profile

Trailing Twelve Months  
Ended March 2021



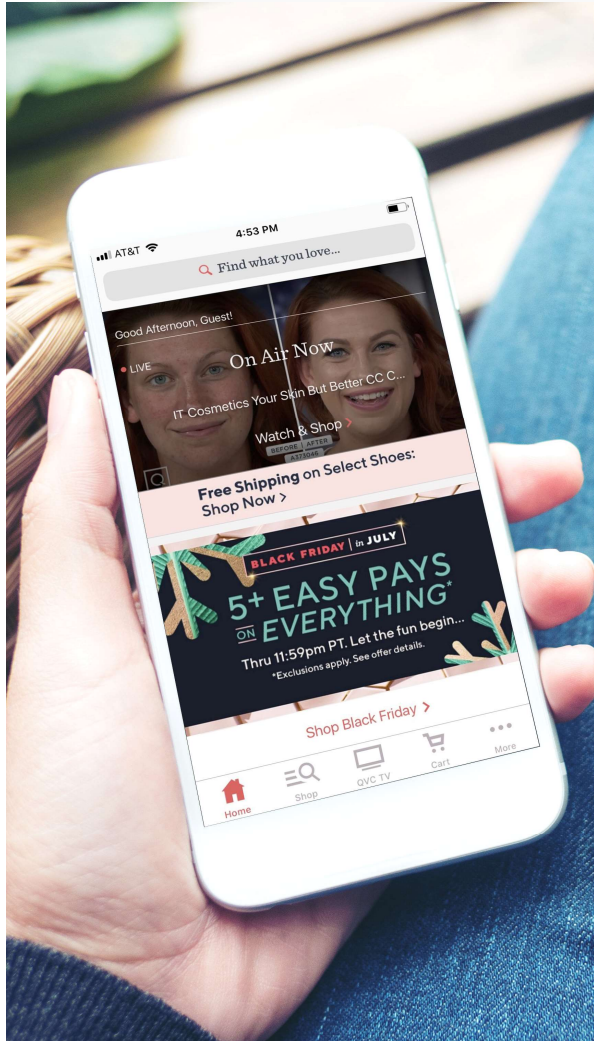
## Existing Customers

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



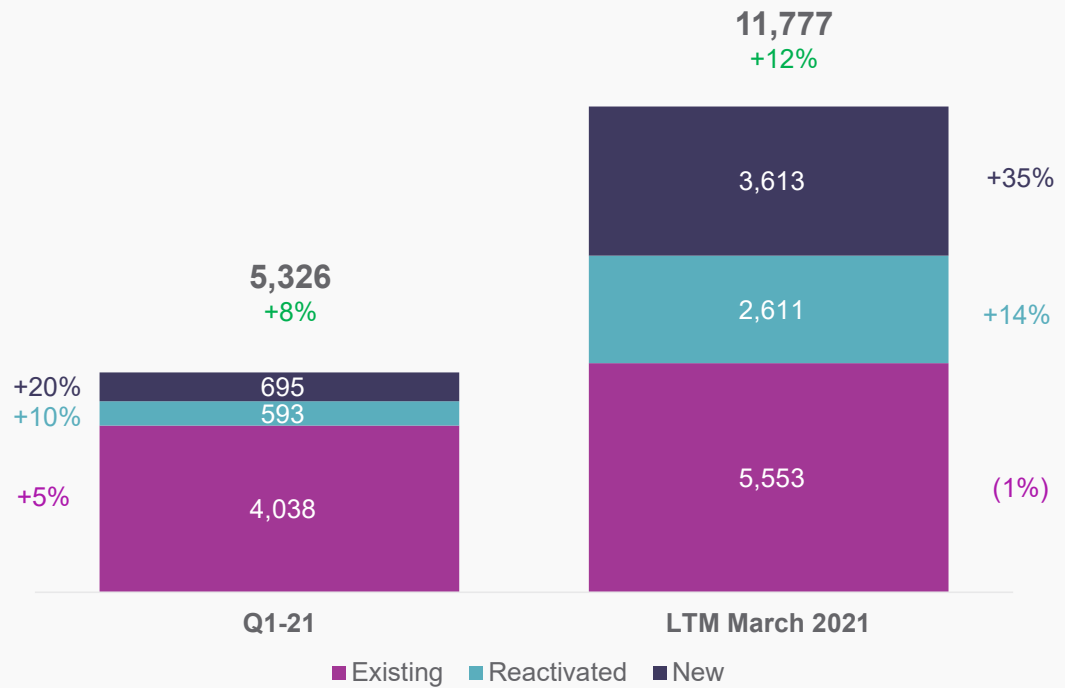
**New:** Never purchased previously  
**Reactivated:** Purchased in past, but not in last 12 months  
**Existing:** Made a purchase in two consecutive 12-month periods





## QxH Customer Growth

Number of Customers  
Year-on-Year Comparative



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

## QxH and QVC International Strategic Priorities

### Strategic Priority

#### **Create Special Products at Compelling Values**

- Offer winning products with stories that inspire and excite
- Differentiate on compelling all-in value that triggers purchases

#### **Extend Reach and Relevance**

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

#### **Reimagine Daily Digital Discovery**

- Build habitual live-like experiences on our digital platforms through storytelling, personal connections, compelling product

#### **Expand and Engage Our Passionate Community**

- Create demand and drive engagement through customer-centric, comprehensive marketing strategies coordinated across the customer journey that will increase customer spend and grow our customer file

#### **Deliver Joyful Customer Service**

- Deliver unique and special moments that speak joy and interest, build trust and create lifetime loyalty

## QxH Adjusted OIBDA Margin

### Basis Point Change Year Over Year

| Basis Point Change<br>Year over Year | Fiscal 2021 | Q1 Trend Driver |   |
|--------------------------------------|-------------|-----------------|---|
|                                      | Q1          |                 |   |
| Prior Year                           | 16.4%       |                 |   |
| Product Margin <sup>1</sup>          | 50          | ▲<br>▼          | Returns, Strategic Sourcing, Promotional Pullback<br>Shipping and Handling Revenue                                    |
| Fulfillment <sup>2</sup>             | (55)        | ▲<br>▼          | Fixed Cost Leverage<br>Freight Rates and Surcharges, Labor Rates including COVID pay                                  |
| Obsolescence                         | (15)        |                 |   |
| Commissions <sup>3</sup>             | 15          |                 |   |
| Marketing                            | (80)        | ▼               | Customer Acquisition, Development and Engagement  |
| Bad Debt                             | 140         | ▲               | Lower Customer Default Rates, Fewer Offered Installments, Anniversary Prior-Year Provision Increase, Credit Screening |
| Administrative Costs <sup>4</sup>    | 90          | ▲               | Sales Leverage  |
| Other <sup>5</sup>                   | 15          |                 |   |
| Current Year                         | 18.0%       |                 |   |
| Δ vs. LY                             | 160         |                 |   |

Note: All figures rounded to the nearest 5 bps

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

<sup>2</sup> Includes owned facilities warehouse and freight, Manpower and Non-Manpower expenses, and drop-ship

<sup>3</sup> Reflects carriage agreements and off-air penetration

<sup>4</sup> Includes other Manpower and Non-Manpower expenses (including bonus accrual, outside services, legal settlements, severance, remote work allowances, COVID-related costs, and travel & entertainment)

<sup>5</sup> Includes miscellaneous non-material items not included in above categories

## Qurate Retail, Inc. Free Cash Flow

US\$ Millions

|   | Three Months Ended March 31 |            |
|---|-----------------------------|------------|
|   | 2020                        | 2021       |
| <b>Net Cash Provided by Operating Activities</b>      | 172                         | 153        |
| Less: Capital Expenditures                            | (45)                        | (47)       |
| Less: Expenditures for Television Distribution Rights | (1)                         | (56)       |
| Less: Investments in Green Energy <sup>1</sup>        | (36)                        | (40)       |
| Less: Dividends Paid to Non-controlling Interest      | (15)                        | (16)       |
| <b>Free Cash Flow</b>                                 | <b>75</b>                   | <b>(6)</b> |

<sup>1</sup>Included within investments in and loans to cost and equity investees

# qurate

RETAIL, INC.

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