



qurate
RETAIL, INC.

Curated Experiences.
Infinite Possibilities.®

Q1 2022
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, the impact of the fire at QVC's Rocky Mount fulfillment center, insurance recoveries, 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.

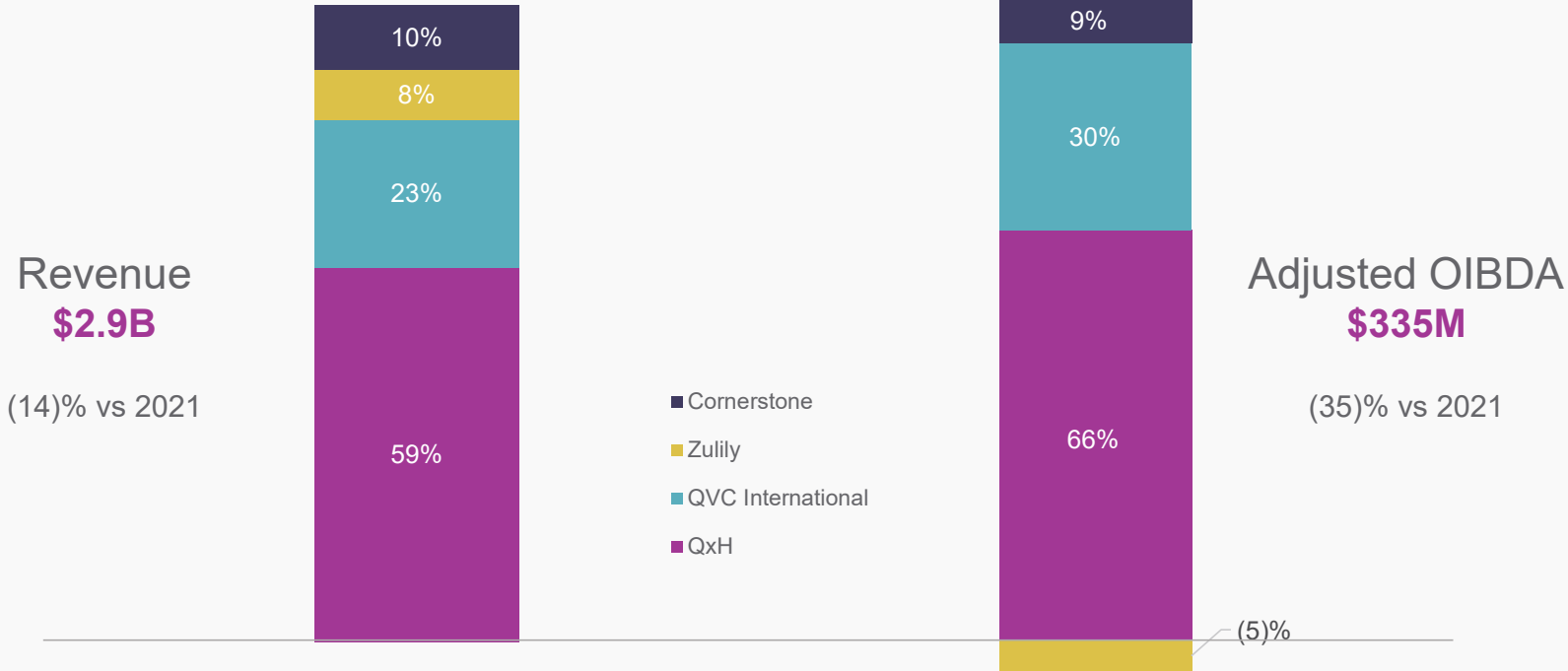
This presentation includes non-GAAP financial measures including adjusted OIBDA, adjusted OIBDA margin, free cash flow, and constant currency. Information regarding the comparable GAAP metrics, along with required definitions and reconciliations, can be found in this presentation or in the earnings press release issued May 6, 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 May 6, 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

Q1 2022



\$1.8B eCommerce Revenue | 61% of Revenue
(14)% vs 2021

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

Revenue & Adjusted OIBDA

Prior Year Quarterly Comparative

	REVENUE					
	2021					2022
	Q1	Q2	Q3	Q4	FY-21	Q1
QxH	8%	(1)%	(8)%	(7)%	(3)%	(13)%
QVC International	22%	11%	(3)%	(9)%	4%	(13)%
QVC International ^A	15%	5%	(4)%	(5)%	2%	(7)%
Zulily	19%	(6)%	(17)%	(30)%	(11)%	(38)%
Cornerstone	41%	18%	7%	8%	16%	19%
Total Qurate Retail	14%	2%	(7)%	(9)%	(1)%	(14)%
Total Qurate Retail ^A	13%	1%	(7)%	(8)%	(1)%	(12)%

	ADJUSTED OIBDA					
	2021					2022
	Q1	Q2	Q3	Q4	FY-21	Q1
QxH	19%	1%	(14)%	(23)%	(7)%	(36)%
QVC International	47%	21%	(13)%	(1)%	10%	(27)%
QVC International ^A	38%	16%	(14)%	2%	8%	(22)%
Zulily	200%	(80)%	NM	NM	NM	NM
Cornerstone	1,450%	148%	(31)%	(15)%	46%	15%
Total Qurate Retail	35%	3%	(24)%	(19)%	(5)%	(35)%
Total Qurate Retail ^A	32%	2%	(24)%	(19)%	(6)%	(34)%

A – Constant Currency

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

QURATE RETAIL, INC.

4

QxH Category Performance

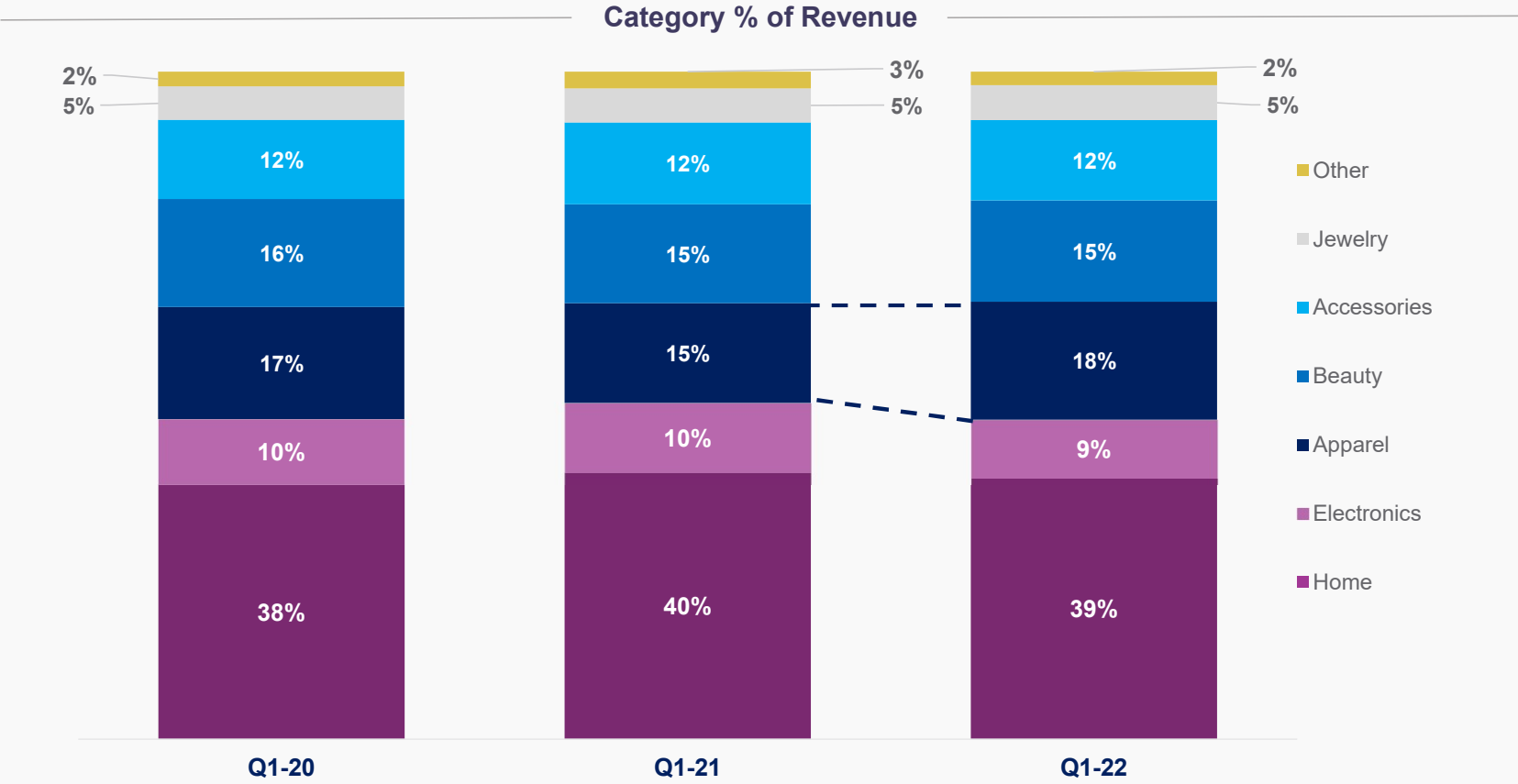
Prior-Year Comparative

	2021					2022
	Q1	Q2	Q3	Q4	FY-21	Q1
Home	14%	(3)%	(17)%	(14)%	(7)%	(16)%
Electronics	16%	(23)%	(13)%	(12)%	(10)%	(27)%
Apparel	(3)%	19%	8%	19%	10%	2%
Beauty	(1)%	(10)%	(6)%	4%	(3)%	(9)%
Accessories	12%	11%	(4)%	(3)%	4%	(15)%
Jewelry	0%	(7)%	2%	0%	(1)%	(11)%
Total	8%	(1)%	(8)%	(7)%	(3)%	(13)%

Notable Brands



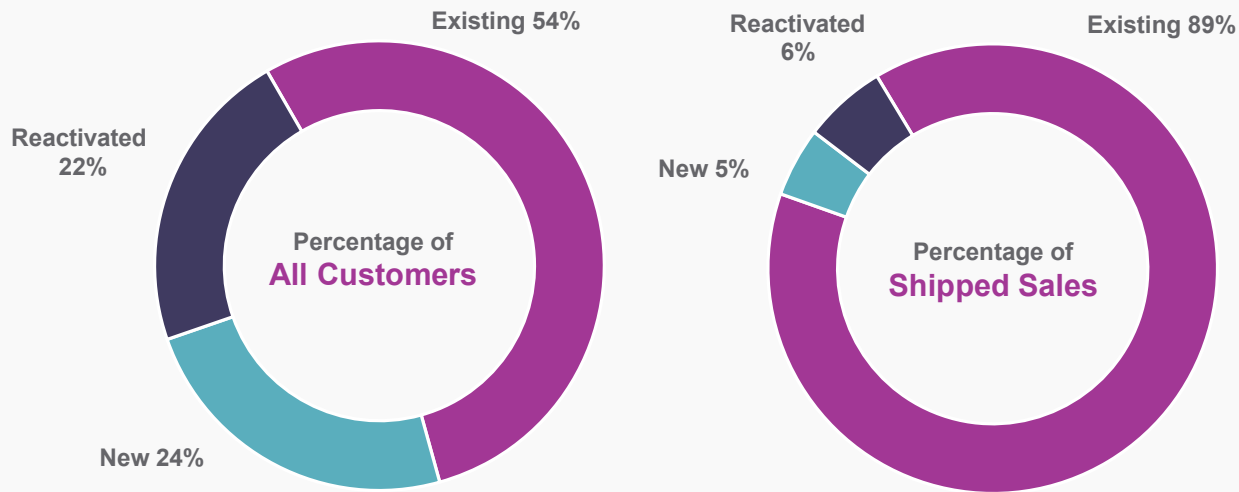
QxH Category Mix Shift to Apparel



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

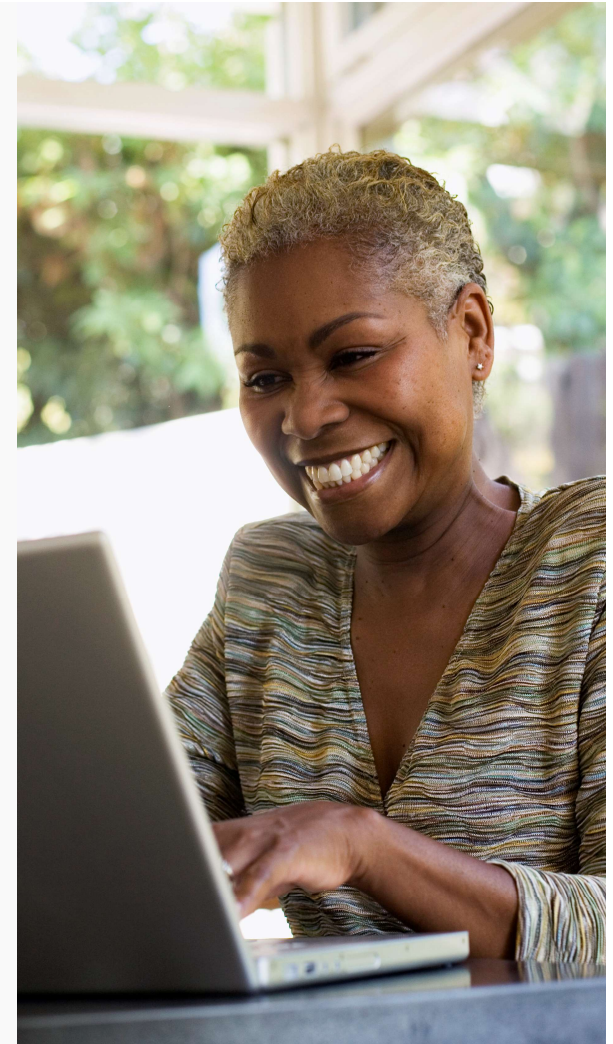
QxH Customer Profile

Trailing Twelve Months
Ended March 2022

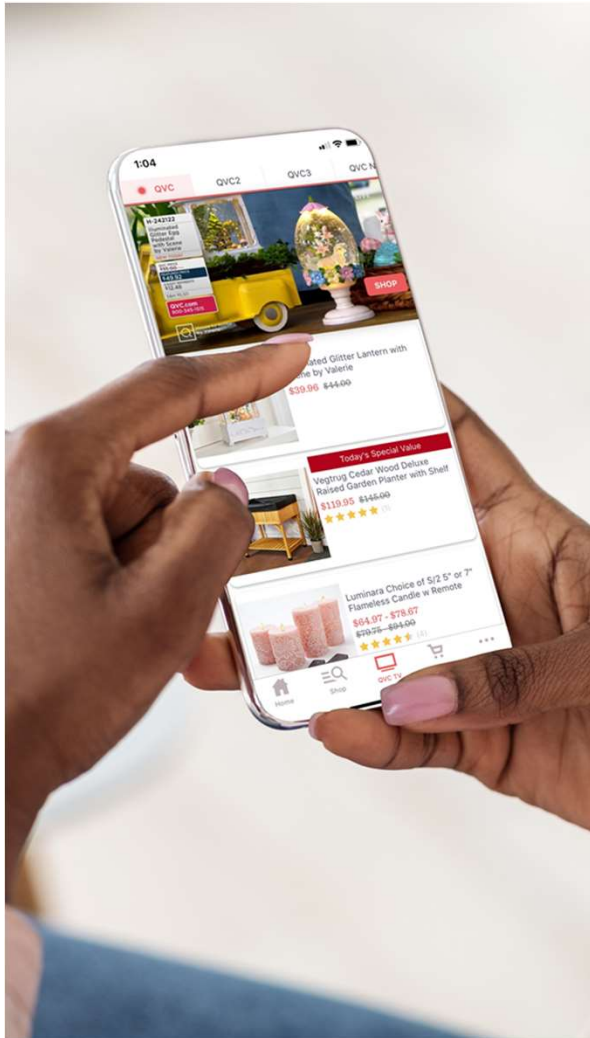


Existing Customers

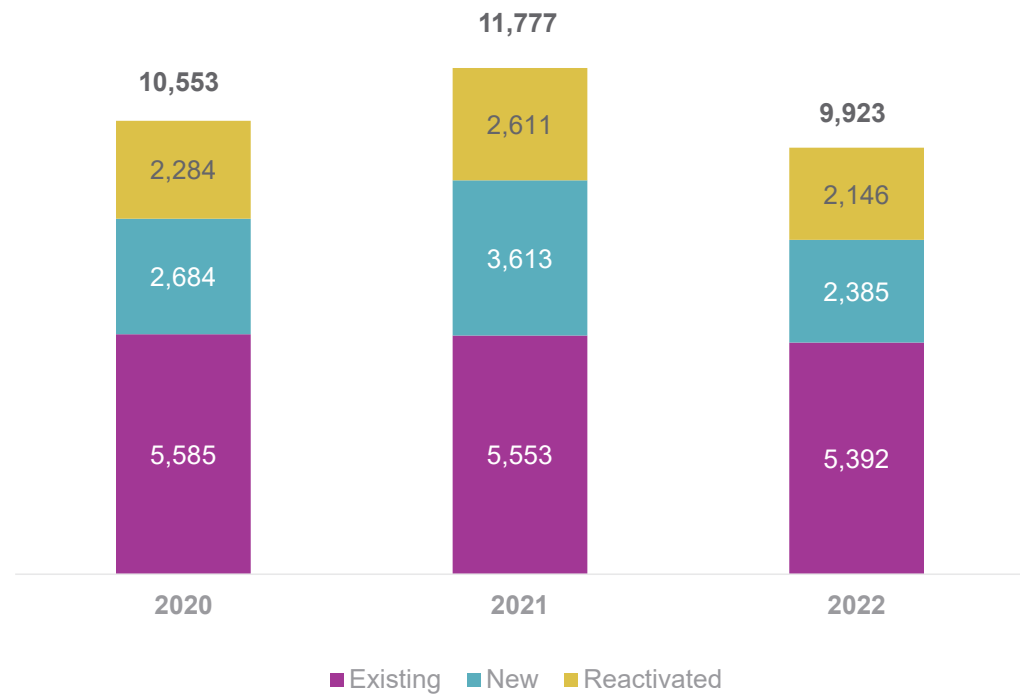
Annual Purchases: **28** Items purchased | **\$1.4K** Spend



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 Last 12 Months Ended March 31 (‘000s)



- 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 2022	Q1 Trend Driver	
		Q1		
Prior Year		18.0%		
Gross Margin	Product Margin ¹	140	▲	Initial Margin (Category Mix and Pricing) Returns S&H Revenue
Gross Margin	Fulfillment ²	(165)	▲	Network Optimization Capacity Inefficiencies (including Rocky Mount) Cost Inflation (Freight Rates Labor Rates) Sales Deleverage
Gross Margin	Obsolescence	(105)	▼	Increased Inventory
Operating Expense	Commissions	(25)	▼	Higher Mix of Sales in Commissionable Window
SGA	Marketing	(25)	▼	Inflation
SGA	Bad Debt	(65)	▼	PY Reserve Release CY Higher Reserves (Increased Installments Offered, Default Rates)
SGA	Administrative Costs ³	(155)	▼	Sales Deleverage Higher Fixed Costs
	Other ⁴	(60)	▼	Customer Service Calls (Rocky Mount) Credit Card Fees
Current Year		13.4%		
Δ vs. LY		(460)		

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

	Three Months Ended March 31	
	2021	2022
Net Cash Provided (Used) by Operating Activities	153	(179)
Less: Capital Expenditures	(47)	(43)
Less: Expenditures for Television Distribution Rights	(56)	(2)
Less: Investments in Green Energy ¹	(40)	(6)
Less: Dividends Paid to Non-controlling Interest	(16)	(14)
Free Cash Flow	(6)	(244)

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

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