

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 8-K**  
**CURRENT REPORT**

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **November 4, 2020**

**QURATE RETAIL, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**001-33982**  
(Commission  
File Number)

**84-1288730**  
(I.R.S. Employer  
Identification No.)

**12300 Liberty Blvd.**  
**Englewood, Colorado 80112**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(720) 875-5300**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Series A common stock	QRTEA	The Nasdaq Stock Market LLC
Series B common stock	QRTEB	The Nasdaq Stock Market LLC
8.0% Series A Cumulative Redeemable Preferred Stock	QRTEP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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On November 4, 2020, Qurate Retail, Inc. (the "Company") issued a press release (the "Earnings Release") setting forth information, including financial information, which is intended to supplement the financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed with the Securities and Exchange Commission (the "SEC") on November 5, 2020.

This Item 2.02 and the Earnings Release attached hereto are contained in a

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 5, 2020

QURATE RETAIL, INC.

By: /s/ Wade Haufschild  
Name: Wade Haufschild  
Title: Vice President  
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Cash dividend of \$1.50 per share

Newly issued preferred stock dividend of \$3.00 per share

QVC issued \$500 million of 4.375% senior notes due 2028

Proceeds used to tender for outstanding \$500 million 5.125% senior notes due 2022

Discussion of Results

Unless otherwise noted, the following discussion compares financial information for the three months ended September 30, 2020 to the same period in 2019.

**THIRD QUARTER 2020 FINANCIAL RESULTS**

<i>(amounts in millions)</i>	<u>3Q19</u>	<u>3Q20</u>	<u>% Change</u>	<u>% Change Constant Currency<sup>(a)</sup></u>
<b>Revenue</b>				
QxH	\$ 1,854	\$ 1,980	7 %	
QVC International	650	723	11 %	8 %
Zulily	359	395	10 %	
Cornerstone	226	285	26 %	
<b>Total Qurate Retail Revenue</b>	<u>\$</u>	<u></u>	<u></u>	
	<u></u>	<u></u>	<u></u>	
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**THIRD QUARTER 2020 NET INCOME AND ADJUSTED NET INCOME<sup>(3)</sup>**

*(amounts in millions)*

	<u>3Q19</u>	<u>3Q20</u>	<u>% Change</u>
Net income (loss)	\$ (355)	\$ 352	NM
Adjusted net income			







### Capital Returns

Qurate Retail did not repurchase shares from August 1, 2020 through October 31, 2020. The remaining repurchase authorization for Qurate Retail is approximately \$497 million.

On September 14, 2020, Qurate Retail distributed a special dividend to holders of QRTEA and QRTEB common stock consisting of (i) cash in the amount of \$1.50 per common share for an aggregate cash dividend of approximately \$626 million and (ii) \$3.00 per share of newly issued 8.0% Series A Cumulative Redeemable Preferred Stock (the “Preferred Stock”), having an initial liquidation price of \$100 per share of Preferred Stock, with cash paid in lieu of fractional shares. Holders of the Preferred Stock are entitled to receive quarterly cash dividends at a rate of 8.0% per annum of the liquidation price on a cumulative basis. If declared, accrued dividends will be payable quarterly on each dividend payment date, beginning December 15, 2020, and thereafter on each March 15, June 15, September 15 and December 15 during the term. There were 12.5 million shares of Preferred Stock issued and outstanding at September 30, 2020. The Preferred Stock is accounted for as a liability on Qurate Retail’s balance sheet at its liquidation value. Given the liability classification of the Preferred Stock, all dividends accrued will be classified as interest expense in the condensed consolidated statements of operations.

### **FOOTNOTES**

- 1) Qurate Retail’s President and CEO, Mike George, and Executive Chairman, Greg Maffei will discuss these headlines and other matters on Qurate Retail’s earnings conference call which will begin at 8:30 a.m. (E.S.T.) on November 5, 2020. For information regarding how to access the call, please see “Important Notice” later in this document.
- 2) For a definition of constant currency financial metrics, see the accompanying schedules. Applicable reconciliations can be found in the financial tables at the beginning of this press release.
- 3) For definitions and applicable reconciliations of Adjusted OIBDA, Adjusted OIBDA margin, adjusted net income and adjusted EPS, see the accompanying schedules.

The following presentation is provided to separately identify cash and debt information.

(amounts in millions)

	6/30/2020	9/30/2020
<b>Cash and cash equivalents (GAAP)</b>	<b>\$ 948</b>	<b>\$ 1,044</b>
<b>Indemnification Asset<sup>(a)</sup></b>	<b>\$ 215</b>	<b>\$ 310</b>
<b>Debt:</b>		
QVC senior notes <sup>(b)</sup>	\$ 4,450	\$ 4,450
QVC bank credit facility	—	—
<b>Total Qurate Retail Group Debt</b>	<b>\$ 4,450</b>	<b>\$ 4,450</b>
Senior notes <sup>(b)</sup>	791	791
Senior exchangeable debentures <sup>(c)</sup>	1,417	1,413
<b>Corporate Level Debentures</b>	<b>2,208</b>	<b>2,204</b>
<b>Total Qurate Retail, Inc. Debt</b>	<b>\$ 6,658</b>	<b>\$ 6,654</b>
Unamortized discount, fair market value adjustment and deferred loan costs	(17)	212
<b>Total Qurate Retail, Inc. Debt (GAAP)</b>	<b>\$ 6,641</b>	<b>\$ 6,866</b>
<b>Other Financial Obligations:</b>		
Preferred stock <sup>(d)</sup>	\$ —	\$ 1,248
QVC, Inc. leverage <sup>(e)</sup>	2.0x	2.0x

- a) Indemnity from GCI Liberty, pursuant to an indemnification agreement with respect to the 1.75% exchangeable debentures due 2046 (the "Charter exchangeable debentures") issued by Liberty Interactive LLC ("LI LLC"), as described in this press release.
- b) Face amount of Senior Notes and Debentures with no reduction for the unamortized discount.
- c) Face amount of Senior Exchangeable Debentures with no reduction for the fair market value adjustment.
- d) Preferred Stock has a face value of \$100 per share initial liquidation preference plus accrued and unpaid dividends and is non-voting.





This press release also references certain financial metrics on a constant currency basis, which is a non-GAAP measure, for Qurate Retail. Constant currency financial metrics, as presented herein, are calculated by translating the current-year and prior-year reported amounts into comparable amounts using a single foreign exchange rate for each currency.

Qurate Retail believes constant currency financial metrics are an important indicator of financial performance, in particular for QVC, due to the translational impact of foreign currency fluctuations relating to its subsidiaries in the UK, Germany, Italy and Japan. We use constant currency financial metrics to provide a framework to assess how our businesses performed excluding the effects of foreign currency exchange fluctuations. Please see the financial tables at the beginning of this press release for a reconciliation of the impact of foreign currency fluctuations on revenue, operating income, Adjusted OIBDA and average selling price.

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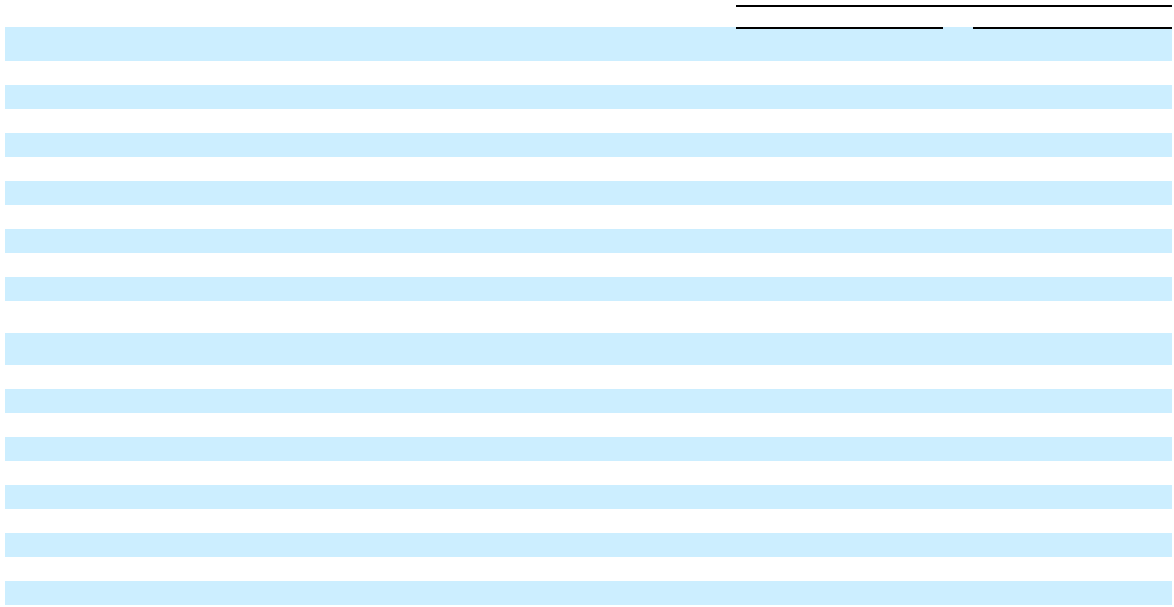
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**QURATE RETAIL, INC.**  
**BALANCE SHEET INFORMATION**  
(unaudited)

	September 30, 2020	December 31, 2019
amounts in millions		
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,044	673
Trade and other receivables, net	1,142	1,854
Inventory, net	1,481	1,413
Other current assets	702	636
Total current assets	4,369	4,576
Property and equipment, net	1,282	1,351
Intangible assets not subject to amortization	9,769	9,744
Intangible assets subject to amortization, net	799	955
Other assets, at cost, net of accumulated amortization	573	679
Total assets	\$ 16,792	17,305
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	1,147	1,091
Accrued liabilities	1,101	1,173
Current portion of debt	1,682	1,557
Other current liabilities	226	180
Total current liabilities	4,156	4,001
Long-term debt	5,184	5,855
Deferred income tax liabilities	1,744	1,716
Preferred stock	1,248	—
Other liabilities	753	761
Total liabilities	13,085	12,333
Equity	3,578	4,840
Non-controlling interests in equity of subsidiaries	129	132
Total liabilities and equity	16,792	17,305





**QURATE RETAIL, INC.**  
**STATEMENT OF CASH FLOWS INFORMATION**  
(unaudited)

	Nine months ended	
	September 30,	
	2020	2019
	amounts in millions	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net earnings (loss)	\$ 577	(559)
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	427	457
Impairment of intangible assets	—	1,020
Stock-based compensation	46	54
Share of (earnings) losses of affiliates, net	96	104
Realized and unrealized gains (losses) on financial instruments, net	127	239
(Gains) losses on transactions, net	(224)	1
Deferred income tax expense (benefit)	19	(165)
Other, net	52	10
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	720	575
Decrease (increase) in inventory	(63)	(209)
Decrease (increase) in prepaid expenses and other assets	69	53
(Decrease) increase in trade accounts payable	52	(192)
(Decrease) increase in accrued and other liabilities	(43)	(478)
Net cash provided (used) by operating activities	<u>1,855</u>	<u>910</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments in and loans to cost and equity investees	(88)	(109)
Capital expenditures	(165)	(249)
Expenditures for television distribution rights	(4p)	
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