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**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: February 25, 2022

QURATE RETAIL, INC.

By: /s/ Wade Haufschild  
Name: Wade Haufschild  
Title: Senior Vice President

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From November 1, 2021 through January 31, 2022, repurchased 18.2 million QRTEA shares at an average price per share of \$9.22 (unadjusted for special cash dividend distribution) and total cost of \$168 million

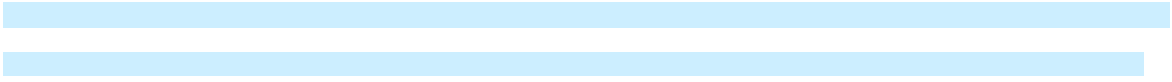
As of December 31, 2021, all



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In the fourth quarter, QxH incurred fire related costs of approximately \$250 million, which includes (i) \$134 million in loss on inventory, (ii) \$87 million in loss on fixed assets, and (iii) \$29 million in other fire related costs, including \$21 million of costs that were not fully reimbursable by QVC's insurance policies, primarily related to shut down pay and severance expense that were netted with expected insurance recoveries. Based on the provisions of QVC's insurance policies, Qurate Retail has determined that recovery of certain fire related costs is probable, and an insurance receivable balance of \$129 million, net of \$100 million of insurance proceeds received in advance, has been recorded as of December 31, 2021. As of the date of this release, Qurate Retail is still in the process of assessing damage to property and inventory and submitting relevant insurance claims. There is approximately \$117 million of inventory at the Rocky Mount facility that is currently being assessed for damage and is included on the consolidated balance sheet as of December 31, 2021. We anticipate any additional inventory losses will be covered by our insurance policies. QxH expects to continue to record additional costs and recoveries until the property and inventory assessment is complete and the insurance claim is fully settled. While the Company has started taking steps to minimize the overall impact to the business, we expect a negative impact to net sales because of lost inventory as well as increased warehouse and logistics costs in 2022.

### **QVC International**

For the quarter, US Dollar denominated results were negatively affected by exchange rate fluctuations. The US Dollar strengthened 8% versus the Japanese Yen and 4% against the Euro, partially offset by weakening 2% versus the British Pound. For the full year, US Dollar denominated results were positively affected by exchange rate fluctuations. The US Dollar weakened 7% versus the British Pound and 3% against the Euro, partially offset by strengthening 3% versus the Japanese Yen. The financial metrics presented in this press release also provide a comparison of the percentage change in QVC International's results in constant currency (where applicable) to the comparable figures calculated in accordance with US GAAP for the fourth quarter and full year 2021.

QVC International's constant currency revenue declined in the fourth quarter primarily due to a 6% decline in units sold. Average selling price was flat. QVC International also experienced supply chain constraints in Europe and reported declines primarily in home, beauty and electronics. For the full year, QVC International's constant currency revenue grew primarily due to Fand rdeC

**Zulily**

For the quarter and full year, Zulily revenue decreased, primarily reflecting supply constraints and marketing challenges.

Operating loss for the quarter and full year increased primarily due to a \$363 million non-cash impairment charge related to Zulily's tradename and goodwill incurred in the fourth quarter of 2021.

Adjusted OIBDA margin decreased in the quarter primarily due to fixed cost deleverage and higher fulfillment and bad debt expenses, which were partially offset by higher product margins, lower marketing expense due to reduced spend and lower management incentive accruals. For the full year, adjusted OIBDA margin decreased primarily due to higher fulfillment, fixed costs and marketing expenses, which were partially offset by lower management incentive accruals and higher product margins.

**Cornerstone**

For the quarter and full year, Cornerstone generated record revenue growth at each of its brands. This is primarily due to strong growth in its home brands (Frontgate, Ballard Designs, and Grandin Road) and demand for apparel and home products at Garnet Hill. For the quarter, operating income and adjusted OIBDA margin decreased primarily from higher freight and marketing costs, which were partially offset by product margin gains. For the full year, operating income and adjusted OIBDA margin increased primarily from sales growth, product margin gains and fixed cost leverage, which were partially offset by higher freight costs.

**FOURTH QUARTER 2021 SUPPLEMENTAL METRICS**

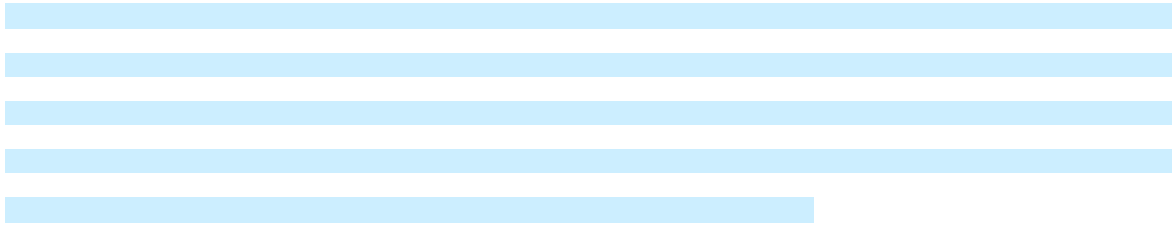
<i>(amounts in millions unless otherwise noted)</i>	4Q20	4Q21	% Change	% Change Constant Currency <sup>(a)</sup>
<b>QxH</b>				
Cost of Sales % of Revenue	66.8 %	68.6 %	180 bps	
Operating Income Margin (%)	14.1 %	9.7 %	(440)bps	
Adjusted OIBDA Margin (%)	17.8 %	14.7 %	(310)bps	
Average Selling Price	\$ 55.17	\$ 55.34	-	%
Units Sold			(6)%	
Return Rate <sup>(b)</sup>	12.0 %	13.1 %	110 bps	
eCommerce Revenue <sup>(c)</sup>	\$ 1,701	\$ 1,598	(6) %	
eCommerce % of Total Revenue	62.5 %	62.9 %	40 bps	
Mobile % of eCommerce Revenue <sup>(d)</sup>	65.8 %	67.0 %	120 bps	
<b>QVC – International</b>				
Cost of Sales % of Revenue	62.3 %	61.1 %	(120)bps	
Operating Income Margin (%)	16.1 %	17.3 %	120 bps	
Adjusted OIBDA Margin (%)	18.1 %	19.7 %	160 bps	
Average Selling Price			(4)%	-
Units Sold			(6)%	
Return Rate <sup>(b)</sup>	18.5 %	18.0 %	(50)bps	
eCommerce Revenue <sup>(c)</sup>	\$ 434	\$ 402	(7)%	(4)%
eCommerce % of Total Revenue	48.4 %	49.4 %	100 bps	
Mobile % of eCommerce Revenue <sup>(d)</sup>	73.3 %	75.1 %	180 bps	
<b>Zulily</b>				
Cost of Sales % of Revenue	77.9 %	78.9 %	100 bps	
Operating Income Margin (%) <sup>(e)</sup>	(3.0)%	(1)2.8)%	giw r	



Capital Returns

On November 22, 2021, Qurate Retail distributed a special cash dividend to holders of QRTEA and QRTEB common stock in the amount of \$1.25 per common share, for an aggregate dividend of \$488 million.

From November 1, 2021 through January 31, 2022, Qurate Retail repurchased approximately 18.2 million shares mhas





under GAAP. Qurate Retail defines Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, transaction related costs (including restructuring, integration and advisory fees), impairments and fire-related costs. Further, this press release includes Adjusted OIBDA margin which is also a non-GAAP financial measure. Qurate Retail defines Adjusted OIBDA margin as Adjusted OIBDA divided by revenue.

Qurate Retail believes Adjusted OIBDA is an important indicator of the operational strength and performance of its businesses by identifying those items that are not directly a reflection of each business's 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. Because Adjusted OIBDA is used as a measure of operating performance, Qurate Retail views operating income as the most directly comparable GAAP measure. Adjusted OIBDA is not meant to replace or supersede operating income or any other GAAP measure, but rather to supplement such GAAP measures in order to present investors with the same information that Qurate Retail's management considers in assessing the results of operations and performance of its assets. Please see the attached schedules for applicable reconciliations.

In addition, this press release includes references to adjusted net income and adjusted earnings per share, which are non-GAAP financial measures, for Qurate Retail. Qurate Retail defines adjusted net income as net income, excluding the impact of acquisition accounting amortization (net of deferred tax benefit), mark to market adjustments on certain public debt and equity securities and other one-time adjustments. Qurate Retail defines adjusted earnings per share as diluted earnings per share plus the diluted per share effects of certain adjustments, net of tax.

Qurate Retail believes adjusted net income and adjusted earnings per share are important indicators of financial performance due to the impact of purchase accounting amortization, mark to market adjustments and other one-time items identified in Schedule 3 below. Because adjusted net income and adjusted earnings per share are used as measures of overall performance, we believe that the information presented in this press release is important to investors' understanding of our financial performance and position. <sup>9</sup>share il bells



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 || ~~including~~ ~~me~~ ~~c~~ ~~g~~ ~~t~~ ~~h~~ ~~s~~




**SUBSIDIARY ADJUSTED OIBDA RECONCILIATION**

(amounts in millions)

	4Q20	1Q21	2Q21	3Q21	4Q21	2020	2021
<b>QVC</b>							
Operating income	\$ 528	\$ 381	\$ 422	\$ 316	\$ 388	\$ 1,567	\$ 1,507
Depreciation and amortization	109	102	102	111	114	453	429
Stock compensation	11	9	11	13	11	37	44
Fire related costs, net of recoveries	—	—	—	—	21	—	21
<b>Adjusted OIBDA</b>	<b>\$ 648</b>	<b>\$ 492</b>	<b>\$ 535</b>	<b>\$ 440</b>	<b>\$ 534</b>	<b>\$ 2,057</b>	<b>\$ 2,001</b>
<b>QxH Adjusted OIBDA</b>	<b>\$ 486</b>	<b>\$ 349</b>	<b>\$ 391</b>	<b>\$ 325</b>	<b>\$ 374</b>	<b>\$ 1,547</b>	<b>\$ 1,439</b>
<b>QVC International Adjusted OIBDA</b>	<b>\$ 162</b>	<b>\$ 143</b>	<b>\$ 144</b>	<b>\$ 115</b>	<b>\$ 160</b>	<b>\$ 510</b>	<b>\$ 562</b>
<b>Zulily</b>							
Operating income (loss)	\$ (15)	\$ (18)	\$ (15)	\$ (40)	\$ (396)	\$ (12)	\$ (469)
Depreciation and amortization	20	20	20	20	21	80	81
Stock compensation	4	4	4	3	2	15	13
Impairment of intangible assets	—	—	—	—	363	—	363
<b>Adjusted OIBDA (Loss)</b>	<b>\$ 9</b>	<b>\$ 4</b>	<b>\$ 5</b>	<b>\$ (17)</b>	<b>\$ (10)</b>	<b>\$ 83</b>	<b>\$ (12)</b>
<b>Cornerstone</b>							
Operating income	\$ 34	\$ 21	\$ 44	\$ 16	\$ 27	\$ 64	\$ 108
Depreciation and amortization	6	6	7	8	6	29	27
Stock compensation	—	—	1	—	1	1	2
<b>Adjusted OIBDA</b>	<b>\$ 40</b>	<b>\$ 27</b>	<b>\$ 52</b>	<b>\$ 24</b>	<b>\$ 34</b>	<b>\$ 94</b>	<b>\$ 137</b>

**SCHEDULE 3**

The following table provides a reconciliation of Qurate Retail's net income (loss) to its adjusted net income and diluted earnings (loss) per share to adjusted earnings per share, in each case, calculated in accordance with GAAP for the three months ended December 31, 2020, March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021 and years ended December 31, 2020 and 2021.

ADJUSTED NET INCOME

	4Q20	1Q21	2Q21	3Q21	4Q21	2020	2021

- a) Add-back relates to non-cash, non-tax deductible purchase accounting amortization from Qurate Retail's acquisitions of QVC, HSN, Zulily and Cornerstone, net of book deferred tax benefit.
- b) Add-back includes realized and unrealized gains/losses on financial instruments, net of tax.

SCHEDULE 4

The following table provides certain incremental costs incurred related to the Rocky Mount, Inc. fulfillment center fire and related insurance recovery for the year ended December 31, 2021.

	<u>Year ended December 31, 2021</u>	
	amounts in millions	
Loss on inventory	\$	134
Loss on fixed assets		87
Other fire related costs <sup>(1)</sup>		29
Total		250
Insurance recoveries received		(100)
Expected insurance recoveries		(129)
Fire related costs, net	\$	<u>21</u>

- 1) Amount includes \$21 million of costs that will not be reimbursed by QVC's insurance policies, primarily related to personnel costs.



**QURATE RETAIL, INC.**  
**STATEMENT OF OPERATIONS INFORMATION**

	Years ended December 31,	
	2021	2020
	amounts in millions	
<b>Revenue:</b>		
Total revenue, net	\$ 14,044	14,177
<b>Operating costs and expenses:</b>		
Cost of retail sales (exclusive of depreciation shown separately below)	9,231	9,291
Operating expense	875	867
Selling, general and administrative, including stock-based compensation	1,930	1,885
Impairment of intangible assets and long-lived assets	363	—
Fire related costs, net	21	—
Depreciation and amortization	537	562
	<u>12,957</u>	<u>12,605</u>
Operating income (loss)	1,087	1,572
<b>Other income (expense):</b>		
Interest expense	(468)	(408)
Share of earnings (losses) of affiliates, net	(94)	(156)
Realized and unrealized gains (losses) on financial instruments, net	99	(110)
Gains (losses) on transactions, net	10	224
Tax sharing income (expense) with Liberty Broadband	10	(39)
Other, net	(6)	(32)
	<u>(449)</u>	<u>(521)</u>
Earnings (loss) from continuing operations before income taxes	638	1,051
Income tax (expense) benefit	(217)	211
Net earnings (loss)	421	1,262
Less net earnings (loss) attributable to the noncontrolling interests	81	58
Net earnings (loss) attributable to Qurate Retail, Inc. shareholders	<u>\$ 340</u>	<u>1,204</u>

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