

REFINITIV

## DELTA REPORT

### 10-Q

SIRIUS XM HOLDINGS INC.

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 2672

█ CHANGES 501

█ DELETIONS 1030

█ ADDITIONS 1141

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED **JUNE** **SEPTEMBER** 30, 2024  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_  
COMMISSION FILE NUMBER **001-34295** **333-276758**

**SIRIUS** **Sirius XM HOLDINGS INC.** **Holdings Inc.**

(Exact name of registrant as specified in its charter)

Delaware

**38-391651193-4680139**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

**1221 Avenue of the Americas, 35th Floor**  
**New York, NY New York 10020**

(Address of **Principal Executive Offices**) **principal executive offices** (Zip Code)

**10020**

**(212) 584-5100**

(Zip Code)

Registrant's telephone number, including area code: **(212) 584-5100** code)

Former name, former address and former fiscal year, if changed since last report: **Not Applicable**

**Liberty Sirius XM Holdings Inc.**

**12300 Liberty Boulevard**

**Englewood, Colorado 80112**

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
<b>Common stock, \$0.001 par value</b>	<b>SIRI</b>	<b>The Nasdaq Stock Market LLC</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Emerging growth company	<input type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable **date**: **date**:

(Class)	(Outstanding as of <b>July 30, 2024</b> October 29, 2024)
<b>Common stock, \$0.001 par value</b>	<b>3,850,363,154 339,202,065 shares</b>

#### EXPLANATORY NOTE

Sirius XM Holdings Inc., the reporting company under this Quarterly Report on Form 10-Q, is the product of a series of transactions that closed after market close on Monday, September 9, 2024.

On September 9, 2024 at 4:05 p.m., New York City time, Liberty Media Corporation ("Liberty Media" or "Former Parent") completed its previously announced split-off (the "Split-Off") of its former wholly owned subsidiary, Liberty Sirius XM Holdings Inc. ("SplitCo"). The Split-Off was accomplished by Liberty Media redeeming each outstanding share of Liberty Media's Series A, Series B and Series C Liberty SiriusXM common stock, par value \$0.01 per share, in exchange for 0.8375 of a share of SplitCo common stock, par value \$0.001 per share (the "Redemption"), with cash being paid to entitled record holders of Liberty SiriusXM common stock in lieu of any fractional shares of common stock of SplitCo.

Following the Split-Off, on September 9, 2024 at 6:00 p.m., New York City time (the "Merger Effective Time"), a wholly owned subsidiary of SplitCo merged with and into Sirius XM Holdings Inc. ("Old Sirius"), with Old Sirius surviving the merger as a wholly owned subsidiary of SplitCo (the "Merger" and together with the Split-Off, the "Transactions"). Upon consummation of the Merger, each share of common stock of Old Sirius, par value \$0.001 per share, issued and outstanding immediately prior to the Merger Effective Time (other than shares owned by SplitCo and its subsidiaries) was converted into one-tenth (0.1) of a share of SplitCo common stock, with cash being paid to entitled record holders of Old Sirius common stock in lieu of any fractional shares of common stock of SplitCo.

At the Merger Effective Time, Old Sirius was renamed "Sirius XM Inc." and SplitCo was renamed "Sirius XM Holdings Inc." In connection with the Transactions and by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), SplitCo became the successor issuer to Old Sirius and succeeded to the attributes of Old Sirius as the registrant, including Old Sirius's Commission File Number and CIK number.

On September 6, 2024, Sirius XM Radio Inc. was converted from a Delaware corporation to a Delaware limited liability company.

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**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OPERATIONS**  
**(UNAUDITED)**

For the Three Months Ended	For the Six Months Ended June	For the Three Months Ended	For the Nine Months Ended
June 30,	30,	September 30,	September 30,

(in millions, except per share data)

Revenue:

Revenue:

Revenue:

Subscriber revenue

Subscriber revenue

Subscriber revenue

Advertising revenue

Advertising revenue

Advertising revenue

Equipment revenue

Equipment revenue

Equipment revenue

Other revenue

Other revenue

Other revenue

Total revenue

Total revenue

Total revenue

Operating expenses:

Operating expenses:

Operating expenses:

Cost of services:

Cost of services:

Cost of services:

Revenue share and royalties

Revenue share and royalties

Revenue share and royalties

Programming and content

Programming and content

Programming and content

Customer service and billing

Customer service and billing

Customer service and billing

Transmission

Transmission

Transmission

Cost of equipment

Cost of equipment

Cost of equipment

Subscriber acquisition costs

Subscriber acquisition costs

Subscriber acquisition costs

Sales and marketing

Sales and marketing

Sales and marketing

Engineering, design and development

Engineering, design and development

Engineering, design and development

General and administrative

General and administrative

General and administrative

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization

Impairment, restructuring and acquisition costs

Impairment, restructuring and acquisition costs

Impairment, restructuring and acquisition costs

Impairment, restructuring and other costs

Impairment, restructuring and other costs

Impairment, restructuring and other costs

Total operating expenses

Total operating expenses

Total operating expenses

Income from operations

Income from operations

Income from operations

Other (expense) income:

Other (expense) income:

Other (expense) income:

(Loss) income from operations

(Loss) income from operations

(Loss) income from operations

Other income (expense), net
Other income (expense), net
Other income (expense), net
Interest expense
Interest expense
Interest expense
Other income
Other income
Other income
Gain on extinguishment of debt
Gain on extinguishment of debt
Gain on extinguishment of debt
Other income (expense), net
Other income (expense), net
Other income (expense), net
Total other expense
Total other expense
Total other expense
Income before income taxes
Income before income taxes
Income before income taxes
Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Net income
Foreign currency translation adjustment, net of tax
Foreign currency translation adjustment, net of tax
Foreign currency translation adjustment, net of tax
Total comprehensive income
Total comprehensive income
Total comprehensive income
Net income per common share:
Net income per common share:
Net income per common share:
(Loss) income before income taxes
(Loss) income before income taxes
(Loss) income before income taxes
Income tax benefit (expense)
Income tax benefit (expense)
Income tax benefit (expense)
Net (loss) income
Net (loss) income
Net (loss) income
Less net (loss) income attributable to noncontrolling interests
Less net (loss) income attributable to noncontrolling interests
Less net (loss) income attributable to noncontrolling interests
Net (loss) income attributable to Sirius XM Holdings Inc.

Net (loss) income attributable to Sirius XM Holdings Inc.  
 Net (loss) income attributable to Sirius XM Holdings Inc.  
 Net (loss) income per common share:  
 Net (loss) income per common share:  
 Net (loss) income per common share:

Basic  
 Basic  
 Basic  
 Diluted  
 Diluted  
 Diluted

Weighted average common shares outstanding:

Weighted average common shares outstanding:

Weighted average common shares outstanding:

Basic  
 Basic  
 Basic  
 Diluted  
 Diluted  
 Diluted

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

(in millions)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net (loss) income	\$ (2,958)	\$ 291	\$ (2,362)	\$ 760
Credit risk on fair value debt instrument losses, net of tax	(16)	(15)	(30)	(19)
Recognition of previously unrealized gains on debt, net of tax	—	—	—	(34)
Foreign currency translation adjustment, net of tax	5	(9)	(9)	1
Total comprehensive (loss) income	\$ (2,969)	\$ 267	\$ (2,401)	\$ 708
Less: comprehensive (loss) income attributable to noncontrolling interests	(502)	57	(410)	146
Comprehensive (loss) income attributable to Sirius XM Holdings Inc.	\$ (2,467)	\$ 210	\$ (1,991)	\$ 562

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(in millions, except per share data)

(in millions, except per share data)

(in millions, except per share data)

June 30, 2024 December 31, 2023 September 30, 2024 December 31, 2023

**ASSETS**

Current assets:  
 Current assets:  
 Current assets:



Common stock, par value \$0.001 per share; 900 shares authorized; 339 and zero shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	
Common stock, par value \$0.001 per share; 900 shares authorized; 339 and zero shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	
Common stock, par value \$0.001 per share; 900 shares authorized; 339 and zero shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	
Former Parent's investment	
Accumulated other comprehensive (loss) income, net of tax	
Accumulated deficit	
Accumulated deficit	
Accumulated deficit	
Total stockholders' equity (deficit)	
Total liabilities and stockholders' equity (deficit)	
Additional paid-in capital	
Retained earnings	
Total stockholders' equity/Former Parent's investment	
Non-controlling interests	
Total equity	
Total liabilities and equity	

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**(UNAUDITED)**

(in millions)	For the Six Months Ended June 30, 2024									
	Common Stock		Accumulated		Treasury Stock		Total		Stockholders'	
	Shares	Amount	Other Comprehensive Income (Loss)	Paid-in Capital	Shares	Amount	Accumulated Deficit	Equity (Deficit)		
Balance at December 31, 2023	3,843	\$ 4	3	\$ —	—	\$ —	—	\$ (2,572)	\$ (2,565)	
Cumulative effect of change in accounting principles	—	—	—	—	—	—	—	3	3	
Comprehensive (loss) income, net of tax	—	—	(10)	—	—	—	—	582	572	
Share-based payment expense	—	—	—	102	—	—	—	—	102	
Exercise of stock options and vesting of restricted stock units	8	—	—	—	—	—	—	—	—	
Withholding taxes on net share settlement of stock-based compensation	—	—	—	(20)	—	—	—	—	(20)	
Cash dividends paid on common stock, \$0.0532 per share	—	—	—	(82)	—	—	—	(123)	(205)	
Balance at June 30, 2024	<b>3,851</b>	<b>\$ 4</b>	<b>(7)</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (2,110)</b>	<b>\$ (2,113)</b>	

(in millions)	For the Three Months Ended September 30, 2024								
	Common Stock			Accumulated			Noncontrolling		
	Shares	Amount	Former Parent's investment	Retained earnings	other comprehensive loss	interest	Total equity		
Balance at June 30, 2024	—	\$ —	\$ (5,242)	\$ 15,859	\$ (19)	\$ 3,124	\$ 13,722		
Net loss	—	—	—	(2,456)	—	(502)	(2,958)		
Change in accounting method	—	—	—	(4)	—	—	(4)		
Other comprehensive loss	—	—	—	—	(11)	—	(11)		

Share-based compensation	—	—	41	16	—	7	64
Exercise of options and RSU vestings in period	—	—	(30)	—	—	30	—
Withholding taxes on net share settlements of share-based compensation	—	—	(16)	—	—	—	(16)
Dividends paid	—	—	—	—	—	(17)	(17)
Tax sharing adjustment with Former Parent	—	—	82	—	—	—	82
Other, net	—	—	(3)	—	—	—	(3)
Change in capitalization in connection with the Split-Off	339	—	5,168	(2,526)	—	(2,642)	—
Balance at September 30, 2024	<u>339</u>	<u>\$</u>	<u>—</u>	<u>\$</u>	<u>10,889</u>	<u>\$</u>	<u>(30)</u>
	<u><u>339</u></u>	<u><u>\$</u></u>	<u><u>—</u></u>	<u><u>\$</u></u>	<u><u>10,889</u></u>	<u><u>\$</u></u>	<u><u>(30)</u></u>

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC.**  
**CONSOLIDATED STATEMENT OF EQUITY**  
**(UNAUDITED)**

For the Three Months Ended September 30, 2023							
(in millions)	Total Former Parent's Investment						
	Former Parent's investment	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interest		Total equity	
Balance at June 30, 2023	\$ (5,298)	\$ 14,948	\$ 4	\$ 2,960	\$ 12,614		
Net income	—	233	—	58	291		
Other comprehensive loss	—	—	(22)	(1)	(23)		
Share-based compensation	54	—	—	9	63		
Exercise of options and RSU vestings in period	(32)	—	—	36	4		
Withholding taxes on net share settlements of share-based compensation	(33)	—	—	—	(33)		
Shares repurchased	5	—	—	(77)	(72)		
Dividends paid	—	—	—	(15)	(15)		
Other, net	(3)	1	—	(1)	(3)		
Balance at September 30, 2023	<u>\$ (5,307)</u>	<u>\$ 15,182</u>	<u>\$ (18)</u>	<u>\$ 2,969</u>	<u>\$ 12,826</u>		

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC.**  
**CONSOLIDATED STATEMENT OF EQUITY**  
**(UNAUDITED)**

For the Nine Months Ended September 30, 2024							
(in millions)	Common Stock						
	Shares	Amount	Former Parent's investment	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interest	
Balance at December 31, 2023	— \$	— \$	(5,284) \$	15,353 \$	7 \$	3,026 \$	13,102
Net loss	—	—	—	(1,952)	—	(410)	(2,362)
Change in accounting method	—	—	—	(1)	—	—	(1)

Other comprehensive loss	—	—	—	—	(37)	(2)	(39)
Share-based compensation	—	—	131	15	—	24	170
Exercise of options and RSU vestings in period	—	—	(55)	—	—	55	—
Withholding taxes on net share settlements of share-based compensation	—	—	(39)	—	—	—	(39)
Dividends paid by subsidiary	—	—	—	—	—	(51)	(51)
Tax sharing adjustment with Former Parent	—	—	82	—	—	—	82
Other, net	—	—	(3)	—	—	—	(3)
Change in capitalization in connection with the Split-Off	339	—	5,168	(2,526)	—	(2,642)	—
Balance at September 30, 2024	<u>339</u>	<u>\$</u>	<u>—</u>	<u>\$</u>	<u>10,889</u>	<u>\$</u>	<u>(30)</u>
					<u>(30)</u>	<u>\$</u>	<u>—</u>
						<u>\$</u>	<u>10,859</u>

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC.**  
**CONSOLIDATED STATEMENT OF EQUITY**  
**(UNAUDITED)**

(in millions)	For the Nine Months Ended September 30, 2023						
	Total Former Parent's Investment						
	Former Parent's investment	Retained earnings	Accumulated other comprehensive income (loss)	Noncontrolling interest	Total equity		
Balance at December 31, 2022	\$ (5,368)	\$ 14,567	\$ 34	\$ 3,138	\$ 12,371		
Net income	—	614	—	146	760		
Other comprehensive loss	—	—	(52)	—	(52)		
Share-based compensation	139	—	—	25	164		
Exercise of options and RSU vestings in period	(49)	—	—	54	5		
Withholding taxes on net share settlements of share-based compensation	(52)	—	—	—	(52)		
Shares repurchased by subsidiary	45	—	—	(319)	(274)		
Dividends paid by subsidiary	—	—	—	(48)	(48)		
Other, net	(22)	1	—	(27)	(48)		
Balance at September 30, 2023	<u>\$ (5,307)</u>	<u>\$ 15,182</u>	<u>\$ (18)</u>	<u>\$ 2,969</u>	<u>\$ 12,826</u>		

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

(in millions)	For the Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ (2,362)	\$ 760
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	455	460
Non-cash impairment and restructuring costs	3,355	21
Non-cash interest expense, net of amortization of premium	20	11
Unrealized gains on intergroup interests, net	—	(68)
Realized and unrealized (gains) losses on financial instruments, net	(122)	86
Gain on extinguishment of debt	—	(27)

Share of losses of equity method investments, net	89	10
Share-based payment expense	154	151
Deferred income tax benefit	(176)	(63)
Amortization of right-of-use assets	33	35
Other charges, net	28	31
Changes in operating assets and liabilities:		
Receivables and other assets	(157)	(61)
Deferred revenue	(113)	(81)
Payables and other liabilities	(142)	36
Net cash provided by operating activities	1,062	1,301
Cash flows from investing activities:		
Additions to property and equipment	(563)	(521)
Other investing activities, net	(229)	(44)
Net cash used in investing activities	(792)	(565)
Cash flows from financing activities:		
Taxes paid from net share settlements for stock-based compensation	(39)	(52)
Revolving credit facility borrowings	1,841	1,670
Revolving credit facility repayments	(1,593)	(1,615)
Proceeds from long-term borrowings, net of costs	610	931
Repayments of long-term borrowings	(1,204)	(1,691)
Settlement of intergroup interests	—	273
Common stock repurchased and retired	—	(274)
Dividends paid	(51)	(48)
Other financing activities	(14)	35
Net cash used in financing activities	(450)	(771)
Net decrease in cash, cash equivalents and restricted cash	(180)	(35)
Cash, cash equivalents and restricted cash at beginning of period <sup>(1)</sup>	315	370
Cash, cash equivalents and restricted cash at end of period <sup>(1)</sup>	\$ 135	\$ 335

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**(UNAUDITED)**

(in millions)	For the Three months ended June 30, 2024								
	Common Stock		Accumulated			Treasury Stock		Total	
	Shares	Amount	Comprehensive	Loss	Additional Paid-in Capital	Shares	Amount	Accumulated Deficit	Stockholders' Equity (Deficit)
Balance at March 31, 2024	3,847	\$ 4	\$ (4)	\$ —	\$ —	—	\$ —	\$ (2,370)	\$ (2,370)
Comprehensive (loss) income, net of tax	—	—	(3)	—	—	—	—	316	313
Share-based payment expense	—	—	—	—	52	—	—	—	52
Exercise of stock options and vesting of restricted stock units	4	—	—	—	—	—	—	—	—
Withholding taxes on net share settlement of stock-based compensation	—	—	—	—	(5)	—	—	—	(5)
Cash dividends paid on common stock, \$0.0266 per share	—	—	—	—	(47)	—	—	(56)	(103)
Balance at June 30, 2024	<u>3,851</u>	<u>\$ 4</u>	<u>\$ (7)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$ (2,110)</u>	<u>\$ (2,113)</u>

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**(UNAUDITED)**

For the Six Months Ended June 30, 2023											
(in millions)	Common Stock		Accumulated			Treasury Stock		Total			
	Shares	Amount	Other Comprehensive (Loss) Income	Additional Paid-in Capital	Shares	Amount	Accumulated Deficit	Stockholders' Equity (Deficit)			
Balance at December 31, 2022	3,891	\$ 4	\$ (4)	\$ —	—	\$ —	\$ (3,351)	\$ (3,351)			
Comprehensive income, net of tax	—	—	7	—	—	—	—	543	550		
Share-based payment expense	—	—	—	94	—	—	—	—	—	94	
Exercise of stock options and vesting of restricted stock units	6	—	—	—	—	—	—	—	—	—	
Withholding taxes on net share settlement of stock-based compensation	—	—	—	(18)	—	—	—	—	—	(18)	
Capital contribution to Liberty Media related to Tax Sharing Agreement	—	—	—	—	—	—	—	4	4		
Cash dividends paid on common stock, \$0.0484 per share	—	—	—	(76)	—	—	—	(112)	(188)		
Common stock repurchased	—	—	—	—	53	(202)	—	—	(202)		
Common stock retired	(52)	—	—	—	(52)	199	(199)	—	—		
Balance at June 30, 2023	<b>3,845</b>	<b>\$ 4</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>1</b>	<b>\$ (3)</b>	<b>\$ (3,115)</b>	<b>\$ (3,111)</b>			

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**(UNAUDITED)**

For the Three Months Ended June 30, 2023											
(in millions)	Common Stock		Accumulated			Treasury Stock		Total			
	Shares	Amount	Other Comprehensive (Loss) Income	Additional Paid-in Capital	Shares	Amount	Accumulated Deficit	Stockholders' (Deficit) Equity			
Balance at March 31, 2023	3,879	\$ 4	\$ (4)	\$ (4)	—	1	\$ (5)	\$ (3,254)	\$ (3,259)		
Comprehensive income, net of tax	—	—	7	—	—	—	—	310	317		
Share-based payment expense	—	—	—	46	—	—	—	—	—	46	
Exercise of stock options and vesting of restricted stock units	2	—	—	—	—	—	—	—	—	—	
Withholding taxes on net share settlement of stock-based compensation	—	—	—	(4)	—	—	—	—	—	(4)	
Capital contribution to Liberty Media related to Tax Sharing Agreement	—	—	—	—	—	—	—	—	18	18	
Cash dividends paid on common stock, \$0.0242 per share	—	—	—	(42)	—	—	—	(52)	(94)		
Common stock repurchased	—	—	—	—	36	(135)	—	—	(135)		
Common stock retired	(36)	—	—	—	(36)	137	(137)	—	—	—	
Balance at June 30, 2023	<b>3,845</b>	<b>\$ 4</b>	<b>\$ 3</b>	<b>\$ —</b>	<b>1</b>	<b>\$ (3)</b>	<b>\$ (3,115)</b>	<b>\$ (3,111)</b>			

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

<i>(in millions)</i>	For the Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 582	\$ 543
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	273	275
Non-cash impairment and restructuring costs	1	20
Non-cash interest expense, net of amortization of premium	8	7
Provision for doubtful accounts	26	31
Loss on unconsolidated entity investments, net	57	4
Gain on other investments	(5)	(5)
Share-based payment expense	91	87
Deferred income tax benefit	(22)	(94)
Amortization of right-of-use assets	24	21
Changes in operating assets and liabilities:		
Receivables	39	(36)
Related party, net	4	17
Prepaid expenses and other current assets	(14)	(15)
Other long-term assets	—	(1)
Accounts payable and accrued expenses	(179)	(18)
Accrued interest	1	—
Deferred revenue	(71)	(40)
Operating lease liabilities	(25)	(25)
Other long-term liabilities	32	30
Net cash provided by operating activities	822	801
Cash flows from investing activities:		
Additions to property and equipment	(347)	(333)
Purchase of other investments	—	(1)
Investments in related parties and other equity investees	(210)	(31)
Net cash used in investing activities	(557)	(365)
Cash flows from financing activities:		
Taxes paid from net share settlements for stock-based compensation	(20)	(18)
Revolving credit facility borrowings	1,352	1,117
Revolving credit facility repayments	(1,002)	(974)
Principal payments of long-term borrowings	(505)	(177)
Payment of contingent consideration for business acquisition	(1)	(3)
Common stock repurchased and retired	—	(199)
Dividends paid	(205)	(188)
Net cash used in financing activities	(381)	(442)
Net decrease in cash, cash equivalents and restricted cash	(116)	(6)
Cash, cash equivalents and restricted cash at beginning of period <sup>(1)</sup>	224	65
Cash, cash equivalents and restricted cash at end of period <sup>(1)</sup>	\$ 108	\$ 59

*See accompanying notes to the unaudited consolidated financial statements.*

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS - Continued**  
**(UNAUDITED)**

		For the Six Months Ended June 30,
		For the Six Months Ended June 30,
		For the Six Months Ended June 30,
		For the Nine Months Ended September 30,
		For the Nine Months Ended September 30,
		For the Nine Months Ended September 30,
(in millions)		
Supplemental Disclosure of Cash and Non-Cash Flow Information		
Supplemental Disclosure of Cash and Non-Cash Flow Information		
Supplemental Disclosure of Cash and Non-Cash Flow Information		
Cash paid during the period for:		
Cash paid during the period for:		
Cash paid during the period for:		
Interest, net of amounts capitalized		
Interest, net of amounts capitalized		
Interest, net of amounts capitalized		
Income taxes paid		
Income taxes paid		
Income taxes paid		
Non-cash investing and financing activities:		
Non-cash investing and financing activities:		
Non-cash investing and financing activities:		
Finance lease obligations incurred to acquire assets		
Finance lease obligations incurred to acquire assets		
Finance lease obligations incurred to acquire assets		
Accumulated other comprehensive (loss) income, net of tax		
Tax equity investments		
Accumulated other comprehensive (loss) income, net of tax		
Tax equity investments		
Accumulated other comprehensive (loss) income, net of tax		
Capital contribution from Liberty Media pursuant to Tax Sharing Agreement		
Capital contribution from Liberty Media pursuant to Tax Sharing Agreement		
Capital contribution from Liberty Media pursuant to Tax Sharing Agreement		
Tax equity investments		
Tax equity investments		
Tax equity investments		

(1) The following table reconciles cash, cash equivalents and restricted cash per the statement of cash flows to the balance sheet. The restricted cash balances are primarily due to letters of credit which have been issued to the landlords of leased office space. The terms of the letters of credit primarily extend beyond one year.

		As of September 30,		As of September 30,		As of September 30,
(in millions)						
(in millions)						
(in millions)	(in millions)		June 30, 2024		December 31, 2023	
Cash and cash equivalents						
Cash and cash equivalents						
Cash and cash equivalents						
Restricted cash included in Other long-term assets						
Restricted cash included in Other long-term assets						
Restricted cash included in Other long-term assets						
Total cash, cash equivalents and restricted cash at end of period						
Total cash, cash equivalents and restricted cash at end of period						

See accompanying notes to the unaudited consolidated financial statements.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
(Dollars and shares in millions, except per share amounts) amounts or otherwise stated)

**(1) Business & Basis of Presentation**

**This Liberty Media Transactions**

Sirius XM Holdings Inc., the reporting company under this Quarterly Report on Form 10-Q, presents information for is the product of a series of transactions that closed after market close on Monday, September 9, 2024.

On September 9, 2024 at 4:05 p.m., New York City time, Liberty Media Corporation ("Liberty Media" or "Former Parent") completed its previously announced split-off (the "Split-Off") of its former wholly owned subsidiary, Liberty Sirius XM Holdings Inc. and its subsidiaries (collectively "Holdings" ("SplitCo"). The terms "Holdings," "we," "us," "our," Split-Off was accomplished by Liberty Media redeeming each outstanding share of Liberty Media's Series A, Series B and "our company" as used herein, Series C Liberty SiriusXM common stock, par value \$0.01 per share, in exchange for 0.8375 of a share of SplitCo common stock, par value \$0.001 per share (the "Redemption"), with cash being paid to entitled record holders of Liberty SiriusXM common stock in lieu of any fractional shares of common stock of SplitCo.

Following the Split-Off, on September 9, 2024 at 6:00 p.m., New York City time (the "Merger Effective Time"), a wholly owned subsidiary of SplitCo merged with and unless otherwise stated or indicated by context, refer to into Sirius XM Holdings Inc. ("Old Sirius"), with Old Sirius surviving the merger as a wholly owned subsidiary of SplitCo (the "Merger" and together with the Split-Off, the "Transactions"). Upon consummation of the Merger, each share of common stock of Old Sirius, par value \$0.001 per share, issued and outstanding immediately prior to the Merger Effective Time (other than shares owned by SplitCo and its subsidiaries, subsidiaries) was converted into one-tenth (0.1) of a share of SplitCo common stock, with cash being paid to entitled record holders of Old Sirius common stock in lieu of any fractional shares of common stock of SplitCo. At the Merger Effective Time, Old Sirius was renamed "Sirius XM Inc." and SplitCo was renamed "Sirius XM Holdings Inc." In connection with the Transactions and by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), SplitCo became the successor issuer to Old Sirius and succeeded to the attributes of Old Sirius as the registrant, including Old Sirius's Commission File Number and CIK number.

The Transactions are intended to generally be tax-free to holders of Liberty SiriusXM common stock and Sirius XM Holdings common stock (except with respect to any cash received by such holders) and the completion of the Transactions was subject to various conditions, including the receipt of opinions of tax counsel.

**General**

The accompanying unaudited consolidated financial statements represent a combination of the historical financial information of Old Sirius and the assets and liabilities of SplitCo until the date of the Merger Effective Time. Although SplitCo was reported as a combined company until the Merger Effective Time, all periods reported herein are referred to as consolidated. All significant intercompany accounts and transactions have been eliminated in the unaudited consolidated financial statements. These consolidated financial statements refer to the combination of Old Sirius and the aforementioned assets and liabilities as "Sirius XM Holdings," "the Company," "us," "we" and "our" in the notes to the consolidated financial statements. "Sirius XM" refers to our Sirius XM Holdings' wholly owned subsidiary subsidiaries, Sirius XM Inc., Sirius XM Radio Inc. LLC and its subsidiaries, subsidiaries other than Pandora. "Pandora" refers to Sirius XM's wholly owned subsidiary Pandora Media, LLC and its subsidiaries. Holdings The Split-Off is being accounted for at historical cost due to the pro rata nature of the distribution to holders of SplitCo common stock.

The accompanying (a) consolidated balance sheet as of December 31, 2023, has no operations independent been derived from audited financial statements, and (b) the interim unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all normal recurring adjustments necessary for a fair presentation of the results for such periods have been included. Interim results are not necessarily indicative of results that may be expected for a full year. These consolidated financial statements should be read in conjunction with the combined financial statements and notes thereto for the year ended December 31, 2023 as presented in the prospectus filed with the SEC on July 23, 2024, which forms part of Liberty Sirius XM Holdings' Registration Statement on Form S-4 (File No. 333-276758) (the "Registration Statement").

**SIRIUS XM HOLDINGS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
(Dollars and shares in millions, except per share amounts or otherwise stated)

Public companies are required to disclose certain information about their reportable operating segments. Operating segments are defined as significant components of an enterprise for which separate financial information is available and is evaluated on a regular basis by the chief operating decision maker in deciding how to allocate resources to an individual segment and in assessing performance of the segment. We have determined that we have two reportable segments as our chief operating decision maker, who is the Chief Executive Officer of Sirius XM Holdings, assesses performance and Pandora. allocates resources based on the financial results of these segments. Refer to Note 16 for information related to our segments.

We have evaluated events subsequent to the balance sheet date and prior to the filing of this Quarterly Report on Form 10-Q and have determined that no events have occurred that would require adjustment to our unaudited consolidated financial statements. Disclosure of relevant subsequent events have been included throughout these

unaudited consolidated financial statements.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Estimates, by their nature, are based on judgment and available information. Actual results could differ materially from those estimates. Significant estimates inherent in the preparation of the accompanying unaudited consolidated financial statements include asset impairment, fair value measurement of non-financial instruments, depreciable lives of our satellites, share-based payment expense and income taxes.

#### **Business**

We operate Sirius XM Holdings operates two complementary audio entertainment businesses - one of which we refer it refers to as "SiriusXM" "Sirius XM" and the second of which we refer it refers to as "Pandora and Off-platform".

##### **SiriusXM Sirius XM**

Our SiriusXM The Sirius XM business features music, sports, entertainment, comedy, talk, news, traffic and weather news channels and other content, as well as podcasts and infotainment services, in the United States on a subscription fee basis. SiriusXM Sirius XM packages include live, curated and certain exclusive and on demand programming. The SiriusXM Sirius XM service is distributed through our Sirius XM's two proprietary satellite radio systems and streamed via applications for mobile devices, home devices and other consumer electronic equipment. Satellite radios are primarily distributed through automakers, retailers and our Sirius XM's website. Our The Sirius XM service is also available through our an in-car user interface, which we call "360L," called "360L", that combines our Sirius XM's satellite and streaming services into a single, cohesive in-vehicle entertainment experience.

The primary source of revenue from our SiriusXM the Sirius XM business is subscription fees, with most of our its customers subscribing to monthly or annual plans. We Sirius XM also derive derives revenue from advertising on select non-music channels, which is sold under the SiriusXM Media brand, direct sales of our satellite radios and accessories, and other ancillary services. As of June 30, 2024 September 30, 2024, our SiriusXM the Sirius XM business had approximately 33.3 million 33.2 million subscribers.

In addition to our the audio entertainment businesses, we provide Sirius XM Holdings provides connected vehicle services to several automakers. These services are designed to enhance the safety, security and driving experience of consumers. We Sirius XM Holdings also offer offers a suite of data services that includes graphical weather and fuel prices, a traffic information service, and real-time weather services in boats and airplanes.

SiriusXM also Sirius XM holds a 70% equity interest and 33% voting interest in Sirius XM Canada Holdings Inc. ("Sirius XM Canada"). Sirius XM Canada's subscribers are not included in our Sirius XM's subscriber count or subscriber-based operating metrics.

##### **Pandora and Off-platform**

Our The Pandora and Off-platform business operates a music, comedy and podcast streaming discovery platform, offering a personalized experience for each listener wherever and whenever they want to listen, whether through mobile devices, vehicle speakers or connected devices. Pandora enables listeners to create personalized stations and playlists, discover new content, hear artist- and expert-curated playlists, podcasts as well as search and play songs and albums on-demand. Pandora is available as (1) an ad-supported radio service, (2) a radio subscription service (Pandora Plus) and (3) an on-demand subscription service (Pandora Premium). As of June 30, 2024 September 30, 2024, Pandora had approximately 6.0 million 5.9 million subscribers.

The majority of revenue from Pandora is generated from advertising on our Pandora Pandora's ad-supported radio service which is sold under the SiriusXM Media brand. We Pandora also derive derives subscription revenue from our its Pandora Plus and Pandora Premium subscribers.

We

#### **SIRIUS XM HOLDINGS INC.**

#### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**

**(UNAUDITED)**

**(Dollars and shares in millions, except per share amounts or otherwise stated)**

Sirius XM also sell sells advertising on other audio platforms and in widely distributed podcasts, which we consider it considers to be off-platform services. We have Sirius XM has an arrangement with SoundCloud Holdings, LLC ("SoundCloud") to be its exclusive ad sales representative in the US and certain European countries and offer advertisers the ability to execute campaigns across the Pandora and SoundCloud platforms. We It also have has arrangements to serve as the ad sales representative for certain podcasts. In addition, through AdsWizz Inc., we provide Sirius XM provides a comprehensive digital audio and programmatic advertising technology platform,

#### **SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**

#### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**

**(UNAUDITED)**

**(Dollars and shares in millions, except per share amounts)**

which connects audio publishers and advertisers with a variety of ad insertion, campaign trafficking, yield optimization, programmatic buying, marketplace and podcast monetization solutions.

#### **Effects of the Transactions**

Prior to the closing of the Transactions, a portion of Liberty Media Media's general and administrative expenses, including certain legal, tax, accounting, treasury and investor relations support of \$3 and \$11 for the three months ended September 30, 2024 and 2023, respectively, and \$15 and \$31 for the nine months ended September 30, 2024 and 2023, respectively, were allocated to SplitCo and are included in General and administrative in the unaudited consolidated statements of operations. In addition, during the three and nine months ended September 30, 2024 we incurred costs related to the Transactions of \$32 and \$68, respectively, which were recorded to Impairment, restructuring and other costs in our unaudited consolidated statements of operations.

As Following the closing of June 30, 2024, the Transactions, Liberty Media Corporation (" and Sirius XM Holdings operate as separate, publicly traded companies, and neither has any continuing stock ownership, beneficial or otherwise, in the other. In connection with the Transactions, Liberty Media" beneficially owned, directly Media and indirectly, 83.3% of Sirius XM Holdings entered into the outstanding shares of our common stock. As Reorganization Agreement and certain other agreements, including a result, we are a "controlled

company" for tax sharing agreement, governing the purposes of relationship between the NASDAQ corporate governance requirements, two companies. Refer to Note 10.15 for more information regarding related parties, the tax sharing agreement.

#### Basis of Presentation

The accompanying unaudited consolidated financial statements of Holdings have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All significant intercompany transactions have been eliminated in consolidation. Certain numbers in our prior period unaudited consolidated financial statements and footnotes have been reclassified or consolidated to conform to our current period presentation.

In the opinion of our management, all normal recurring adjustments necessary for a fair presentation of our unaudited consolidated financial statements as of June 30, 2024 and for the three and six months ended June 30, 2024 and 2023 have been made.

Interim results are not necessarily indicative of the results that may be expected for a full year. This Quarterly Report on Form 10-Q should be read together with our Annual Report on Form 10-K for the year ended December 31, 2023, which was filed with the SEC on February 1, 2024.

Public companies are required to disclose certain information about their reportable operating segments. Operating segments are defined as significant components of an enterprise for which separate financial information is available and is evaluated on a regular basis by the chief operating decision maker in deciding how to allocate resources to an individual segment and in assessing performance of the segment. We have determined that we have two reportable segments as our chief operating decision maker, our Chief Executive Officer, assesses performance and allocates resources based on the financial results of these segments. Refer to Note 16 for information related to our segments.

We have evaluated events subsequent to the balance sheet date and prior to the filing of this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2024 and have determined that no events have occurred that would require adjustment to our unaudited consolidated financial statements. For a discussion of subsequent events that do not require adjustment to our unaudited consolidated financial statements refer to Note 17.

As previously disclosed, we identified an error in our previously issued unaudited consolidated financial statements related to the presentation of cash flows associated with borrowings and repayments related to our Senior Secured Credit Facility. We have corrected this error in the accompanying unaudited consolidated statements of cash flows for the six months ended June 30, 2023 to present on a gross basis the borrowings from the revolving credit facility of \$1,117 and repayments of the revolving credit facility of \$974. The corrections had no impact to the total net cash used in financing activities in the period. We evaluated the materiality of this error both qualitatively and quantitatively and have concluded that this error is immaterial to the impacted period.

#### Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and footnotes. Estimates, by their nature, are based on judgment and available information. Actual results could differ materially from those estimates. Significant estimates inherent in the preparation of the accompanying unaudited consolidated financial statements include asset impairment, depreciable lives of our satellites, share-based payment expense and income taxes.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
**(Dollars and shares in millions, except per share amounts)**

(2) 2, Summary of Significant Accounting Policies, in the December 31, 2023 audited combined financial statements included in the Registration Statement.

#### Recent Accounting Pronouncements Reclasses

Accounting Standard Update 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"). In December 2023, the Financial Accounting Standards Board ("FASB") issued ASU 2023-09, which requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosure requirements will be applied on a prospective basis. Certain prior period amounts have been reclassified for comparability with the option to apply them retrospectively. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are evaluating the disclosure requirements related to the new standard, current year presentation.

Accounting Standard Update 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"). In November 2023, the FASB issued ASU 2023-07, which is intended to improve reportable segment disclosure requirements, primarily through additional disclosures about significant segment expenses. The standard is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. We are evaluating the disclosure requirements related to the new standard.

#### Recently Adopted Accounting Policies

In March 2023, the FASB Financial Accounting Standards Board ("FASB") issued ASU Accounting Standards Update ("ASU") 2023-02, *Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*, which expands the population of investments for which an investor may elect to apply the proportional amortization method. Under this ASU, an investor in a tax equity investment may elect the proportional amortization method for qualifying investments on a tax credit program-by-program basis. This ASU became effective in the first quarter of 2024. We adopted ASU 2023-02 as of January 1, 2024 using the modified retrospective approach.

Adoption of the new standard resulted in the recording of additional Equity method investments, Related party current liabilities, Other Long-term liabilities, Deferred tax liabilities and a cumulative effect adjustment to opening accumulated deficit, retained earnings. The effects of the changes made to our unaudited consolidated balance sheet as of January 1, 2024 for the adoption of ASU 2023-02 are included in the table below.

Balance at December 31, 2023	Balance at December 31, 2023	Adjustments Due to ASU 2023-02	Balance at January 1, 2024	Balance at December 31, 2023	Adjustments Due to ASU 2023-02	Balance at January 1, 2024
<b>Balance Sheet</b>						
Equity method investments						
Equity method investments						
Equity method investments						
Related party current liabilities						
Related party current liabilities						
Related party current liabilities						
Other long-term liabilities						
Deferred tax liabilities						
Accumulated deficit						
Accumulated deficit						
Accumulated deficit						
Retained earnings						
Retained earnings						
Retained earnings						

**SIRIUS XM HOLDINGS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**

**(Dollars and shares in millions, except per share amounts or otherwise stated)**

**(2) Net (Loss) Income per Share**

Basic net (loss) income per common share is calculated by dividing the (loss) income available to common stockholders by the weighted average common shares outstanding during each reporting period. Diluted net (loss) income per common share adjusts the weighted average number of common shares outstanding for the potential dilution that could occur if common stock equivalents (stock options, restricted stock units and convertible debt) were exercised or converted into common stock, calculated using the treasury stock method. We had no participating securities during the three and nine months ended September 30, 2024 and 2023.

In calculating basic net (loss) income per common share, we used 337 and 339 common shares for the three and nine months ended September 30, 2023, respectively, which was the weighted average number of shares of Liberty Media's Series A, Series B, and Series C Liberty SiriusXM common stock and Old Sirius's common stock as converted by the Redemption and Merger exchange ratios, respectively, as no SplitCo shares were outstanding during that period. In calculating diluted net (loss) income per common share, we used 360 of diluted common shares for each of the three and nine months ended September 30, 2023, which was the weighted average number of shares of Liberty Media's Series A, Series B, and Series C Liberty SiriusXM common stock and Old Sirius's common stock adjusted for the impact of dilutive instruments as converted by the Redemption and Merger exchange ratios, respectively, as no SplitCo shares were outstanding during that period.

Common stock equivalents of 41 and 36 for the three months ended September 30, 2024 and 2023, respectively, and 40 and 36 for the nine months ended September 30, 2024 and 2023, respectively, were excluded from the calculation of diluted net income per common share as the effect would have been anti-dilutive.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net (loss) income available to common stockholders for basic net (loss) income per common share	\$ (2,456)	\$ 234	\$ (1,952)	\$ 614
Net (loss) income attributable to noncontrolling interest	(502)	57	(410)	146
Total net (loss) income	(2,958)	291	(2,362)	760
Effect of interest on assumed conversions of convertible notes, net of tax	—	6	—	2
Net (loss) income available to common stockholders for dilutive net (loss) income per common share	\$ (2,958)	\$ 297	\$ (2,362)	\$ 762
<b>Denominator:</b>				
Weighted average common shares outstanding for basic net (loss) income per common share	339	337	337	339
Weighted average impact of assumed convertible and exchangeable notes	—	21	—	19
Weighted average impact of dilutive equity instruments	—	2	—	2
Weighted average shares for diluted net (loss) income per common share	339	360	337	360
<b>Net (loss) income per common share:</b>				

Basic	\$ (8.74)	\$ 0.86	\$ (7.01)	\$ 2.24
Diluted	\$ (8.74)	\$ 0.82	\$ (7.01)	\$ 2.12

### (3) Fair Value Measurements

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are based on unadjusted quoted prices for the financial instrument in an active market for identical instruments. Level 2 inputs are inputs, other than quoted prices, for an orderly transaction between market participants included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability, participants. As of June 30, 2024, September 30, 2024 and December 31, 2023, the carrying amounts of cash and cash equivalents, receivables, and accounts payable approximated fair value due to the short-term nature of these instruments. Due to the variable rate nature of the Credit Facility (including the Incremental Term Loan) and Margin Loan, each as defined

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**

(Dollars and shares in millions, except per share amounts) amounts or otherwise stated)

in Note 11, we believe that the carrying amount approximated fair value at September 30, 2024 and December 31, 2023. Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, establishes a fair value hierarchy for input into valuation techniques as follows:

- i. Level 1 input: unadjusted quoted prices in active markets for identical instrument;
- ii. Level 2 input: observable market data for the same or similar instrument but not Level 1, including quoted prices for identical or similar assets or liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- iii. Level 3 input: unobservable inputs developed using management's assumptions about the inputs used for pricing the asset or liability.

Our assets and liabilities measured at fair value were as follows:

	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
<b>Liabilities:</b>								
Debt <sup>(a)</sup>	—	\$ 8,193	—	\$ 8,193	—	\$ 8,523	—	\$ 8,523

  

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
Cash equivalents	\$ 25	\$ —	\$ —	\$ 25	\$ 266	\$ —	\$ —	\$ 266
Financial instruments <sup>(a)</sup>	\$ 59	\$ —	\$ —	\$ 59	\$ 53	\$ —	\$ —	\$ 53
Debt <sup>(b)</sup>	\$ —	\$ 1,173	\$ —	\$ 1,173	\$ —	\$ 1,262	\$ —	\$ 1,262

- (a) Level 1 financial instrument assets are comprised of the Company's deferred compensation plan assets. Refer to Note 13 for additional discussion.
- (b) The fair value for non-publicly values of the Exchangeable Notes and Convertible Notes are based on quoted market prices but are not considered to be traded debt is based upon estimates from a market maker and brokerage firm, on "active markets," as defined by GAAP. Refer to Note 11 for information additional discussion related to our debt.

### Realized and Unrealized Gains (Losses) on Financial Instruments, net

Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following and are included in Other income, net on the unaudited consolidated statements of operations:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	\$	—	\$	(11)	\$	—	\$	(11)
Equity securities								
Debt measured at fair value <sup>(a)</sup>		22		(28)		117		34
Change in fair value of bond hedges		—		(15)		—		(114)
Other		—		(1)		5		5
<b>Total</b>	<b>\$</b>	<b>22</b>	<b>\$</b>	<b>(55)</b>	<b>\$</b>	<b>122</b>	<b>\$</b>	<b>(86)</b>

(a) We elected to account for the Exchangeable Notes and Convertible Notes using the fair value option. The Exchangeable Notes and the Convertible Notes are the obligations of Sirius XM Holdings. Sirius XM is not an obligor or guarantor of either the Exchangeable Notes or the Convertible Notes. Changes in the fair value of the Exchangeable Notes and Convertible Notes recognized in the unaudited consolidated statements of operations are primarily due to market factors primarily driven by changes in the fair value of the underlying shares into which the debt is

exchangeable or convertible. We isolate the portion of the unrealized gain (loss) attributable to changes in the instrument specific credit risk and recognizes such amount in other comprehensive earnings (loss). The change in the fair value of the Exchangeable Notes and Convertible Notes attributable to changes in the instrument specific credit risk was a loss of \$16 and a loss of \$15 for the three months ended September 30, 2024 and 2023, respectively, and a loss of \$30 and a loss of \$27 for the nine months ended September 30, 2024 and 2023, respectively. During the nine months ended September 30, 2023, we recognized \$42 of previously unrecognized gains related to the carrying retirement of a portion of Liberty Media's 1.375% Cash Convertible Senior Notes due 2023 and Liberty Media's 2.125% Exchangeable Senior Debentures due 2048, which was recognized through Other income, net in the unaudited consolidated statements of operations. There was no retirement of debt measured at fair value during the three and nine months ended September 30, 2024. The cumulative change since issuance was a loss of our debt \$99 as of June 30, 2024 September 30, 2024, net of the recognition of previously unrecognized gains and December 31, 2023, losses.

#### (3) (4) Impairment, Restructuring and Other Costs

During the three and **six** nine months ended **June 30, 2024** September 30, 2024, impairment, restructuring and other costs were **\$3** \$3,388 and **\$15** \$3,441, respectively. During the **six** three months ended **June 30, 2024** September 30, 2024, we realigned our business recorded charges of \$3,353 primarily related to focus on strategic priorities, reducing

**SIRIUS XM HOLDINGS INC.**  
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impairments of Goodwill and non-controlling investments, costs associated with the size Transactions of our workforce, \$32 and recorded a charge of \$15 \$3 associated with severance and other restructuring costs. During the nine months ended September 30, 2024, we recorded impairment charges of \$3,354 primarily related to impairment of Goodwill and non-controlling investments, costs associated with the Transactions of \$68, and a charge of \$19 associated with severance and other related restructuring costs. The restructuring Refer to Notes 6 and 10 for more information on the goodwill and non-controlling investment impairment charges, were recorded to Impairment, restructuring and acquisition costs in our unaudited consolidated statements of comprehensive income, respectively.

During the three and **six** nine months ended **June 30, 2023** September 30, 2023, restructuring costs were **\$5** \$4 and **\$35** \$39, respectively. During the **six** nine months ended **June 30, 2023** September 30, 2023, we initiated measures to pursue greater efficiency and to realign our business and focus on strategic priorities. As part of these measures, we reduced the size of our workforce by approximately 475 roles, or 8%. We, and recorded a charge of \$28 \$31 primarily related to severance and other related costs. In addition, we vacated one of our leased locations and recorded an impairment of \$5 to reduce the carrying value of the related right of use asset to its estimated fair value. Additionally, we accrued expenses of \$2 for which we will not recognize any future economic benefits. The restructuring and related impairment charges were recorded to Impairment, restructuring and acquisition other costs in our unaudited consolidated statements of comprehensive income.

#### (4) Earnings per Share

Basic net income per common share is calculated by dividing the income available to common stockholders by the weighted average common shares outstanding during each reporting period. Diluted net income per common share adjusts the weighted average number of common shares outstanding for the potential dilution that could occur if common stock equivalents (stock options, restricted stock units and convertible debt) were exercised or converted into common stock, calculated using the treasury stock method. We had no participating securities during the three and six months ended June 30, 2024 and 2023.

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Common stock equivalents of 207 and 175 for the three months ended June 30, 2024 and 2023, respectively, and 185 and 162 for the six months ended June 30, 2024 and 2023, respectively, were excluded from the calculation of diluted net income per common share as the effect would have been anti-dilutive.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Numerator:</b>				
Net Income available to common stockholders for basic net income per common share	\$ 316	\$ 310	\$ 582	\$ 543
Effect of interest on assumed conversions of convertible notes, net of tax	—	—	—	1
Net Income available to common stockholders for dilutive net income per common share	\$ 316	\$ 310	\$ 582	\$ 544
<b>Denominator:</b>				
Weighted average common shares outstanding for basic net income per common share	3,848	3,861	3,846	3,875
Weighted average impact of assumed convertible notes	—	3	—	3
Weighted average impact of dilutive equity instruments	7	9	12	14

Weighted average shares for diluted net income per common share	3,855	3,873	3,858	3,892
<b>Net income per common share:</b>				
Basic	\$ 0.08	\$ 0.08	\$ 0.15	\$ 0.14
Diluted	\$ 0.08	\$ 0.08	\$ 0.15	\$ 0.14

operations.

#### (5) Receivables, net

Receivables, net, includes customer accounts receivable, receivables from distributors and other receivables. We do not have any customer receivables that individually represent more than ten percent of our receivables.

Customer accounts receivable, net, includes receivables from our subscribers and advertising customers, including advertising agencies and other customers, and is stated at amounts due, net of an allowance for doubtful accounts. Our allowance for doubtful accounts is based upon our assessment of various factors. We consider historical experience, the age of the receivable balances, current economic conditions, industry experience and other factors that may affect the counterparty's ability to pay. Bad debt expense is included in Customer service and billing expense in our unaudited consolidated statements of comprehensive income. operations.

Receivables from distributors primarily include billed and unbilled amounts due from automakers for services included in the sale or lease price of vehicles, as well as billed amounts due from wholesale distributors of our satellite radios. Other receivables primarily include amounts due from manufacturers of our radios, modules and chipsets where we are entitled to subsidies and royalties based on the number of units produced. We have not established an allowance for doubtful accounts for our receivables from distributors or other receivables as we have historically not experienced any significant collection issues with automakers or other third parties and do not expect issues in the foreseeable future.

Receivables, net, consists of the following:

	September 30, 2024	December 31, 2023
Gross customer accounts receivable	\$ 601	\$ 631
Allowance for doubtful accounts	(8)	(15)
Customer accounts receivable, net	\$ 593	\$ 616
Receivables from distributors	55	56
Other receivables	20	37
<b>Total receivables, net</b>	<b>\$ 668</b>	<b>\$ 709</b>

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Receivables, net, consists of the following:

	June 30, 2024	December 31, 2023
Gross customer accounts receivable	\$ 562	\$ 631
Allowance for doubtful accounts	(9)	(15)
Customer accounts receivable, net	\$ 553	\$ 616
Receivables from distributors	57	56
Other receivables	34	37
<b>Total receivables, net</b>	<b>\$ 644</b>	<b>\$ 709</b>

#### (6) Goodwill

Goodwill represents the excess of the purchase price over the estimated fair value of the net tangible and identifiable intangible assets acquired in business combinations. Our annual impairment assessment of our two reporting units is performed as of the fourth quarter of each year, and an assessment is performed at other times if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. ASC 350, *Intangibles - Goodwill and Other*, states that an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount and recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value. Our

In connection with the close of the Transactions our market capitalization sustained a decrease during the third quarter of 2024 and we concluded that, in accordance with ASC 350, a triggering event occurred indicating that potential impairment exists, which required us to conduct an interim test of the fair value of the goodwill for the Sirius XM and Pandora and Off-platform reporting units. In accordance with ASC 350, we performed a quantitative goodwill impairment test and determined the fair value of our reporting units using a combination of an income approach, employing a discounted cash flow model, and a market approach, employing a guideline public company approach. The discounted cash flow model, which estimates fair value based on the present value of future cash flows, requires us to make various assumptions regarding the timing and amount of these

cash flows, including growth rates, operating margins and capital expenditures for a projection period, plus the terminal value of the business at the end of the projection period. The terminal value is estimated using a long-term growth rate, which is based on expected trends and projections. A discount rate is determined for the reporting unit based on the risks of achieving the future cash flows, including risks applicable to the industry and market as a whole, as well as the capital structure of comparable entities. The results of our goodwill impairment test indicated that the estimated fair value of the Pandora reporting unit exceeded its carrying amount, whereas the carrying amount of the Sirius XM reporting unit which has an allocated exceeded its estimated fair value. As a result, we recorded a goodwill balance impairment charge of \$2,290, had a negative carrying amount as of June 30, 2024.

As of June 30, 2024, there were no indicators of impairment, and no impairment losses were recorded for goodwill \$2,819 during the three and **six** nine months ended June 30, 2024 September 30, 2024 to write down the carrying amount of the Sirius XM goodwill in the Impairment, restructuring and **2023** other costs line item in our unaudited consolidated statements of operations. As of **June 30, 2024** September 30, 2024, the cumulative balance of goodwill impairments recorded was \$5,722, \$3,775, \$2,819 of which \$4,766 was recognized during the **year three months ended December 31, 2008** September 30, 2024 and is included in the carrying amount of the goodwill allocated to our Sirius XM reporting unit and \$956 of which was recognized during the year ended December 31, 2020 and is included in the carrying amount of the goodwill allocated to our Pandora and Off-platform reporting unit.

As of **each** September 30, 2024, the carrying amount of **June 30, 2024** goodwill for our Sirius XM and Pandora and Off-platform reporting units was \$11,431 and \$959, respectively, and as of December 31, 2023, the carrying amount of goodwill for our Sirius XM and Pandora and Off-platform reporting units was \$2,290 \$14,250 and \$959, respectively.

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**(7) Intangible Assets**

Our intangible assets include the following:

		June 30, 2024			December 31, 2023			September 30, 2024			December 31, 2023		
		Weighted	Gross	Net	Gross	Net	Weighted	Gross	Net	Gross	Net	Gross	Net
		Average	Carrying	Accumulated	Carrying	Carrying	Average	Carrying	Accumulated	Carrying	Accumulated	Carrying	Carrying
Recorded to Sirius XM Reporting Unit:													
Indefinite life intangible assets:													
Indefinite life intangible assets:	Indefinite life intangible assets:												
Indefinite life intangible assets:	Indefinite life intangible assets:												
FCC licenses													
Trademarks													
Definite life intangible assets:	Definite life intangible assets:						Definite life intangible assets:						
Customer relationships													
OEM relationships													
Licensing agreements													
Software and technology													
Due to Acquisitions recorded to Pandora and Off- platform Reporting Unit:													
Indefinite life intangible assets:													

Indefinite life intangible assets:

Indefinite life intangible assets:

Trademarks

Trademarks

Trademarks

Definite life

intangible

assets:

Customer relationships

Customer relationships

Customer relationships

Software and technology

Total

intangible

assets

#### **Indefinite Life Intangible Assets**

We have identified our FCC Federal Communications Commission ("FCC") licenses and XM and Pandora trademarks as indefinite life intangible assets after considering the expected use of the assets, the regulatory and economic environment within which they are used and the effects of obsolescence on their use.

We hold FCC licenses to operate our satellite digital audio radio service and provide ancillary services. Each of the FCC licenses authorizes us to use radio spectrum, a reusable resource that does not deplete or exhaust over time.

Our annual impairment assessment of our identifiable indefinite lived intangible assets is performed as of the fourth quarter of each year. An assessment is performed at other times if an event occurs or circumstances change that would more likely than not reduce the fair value of the asset below its carrying value. If the carrying value of the intangible assets exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. As a result of June 30, 2024, there were no indicators the Sirius XM goodwill impairment discussed in Note 6, we evaluated our FCC licenses, Sirius XM trademark, and Pandora trademark for impairment using a quantitative assessment during the quarter ended September 30, 2024. The results of impairment, the assessment indicated that the estimated fair values for these indefinite-lived assets exceeded their carrying values and no impairment loss was recognized for intangible assets with indefinite lives during the three and six nine months ended June 30, 2024 September 30, 2024 and 2023.

#### **Definite Life Intangible Assets**

Amortization expense for all definite life intangible assets was \$18 \$32 and \$36 \$49 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$42 \$101 and \$73 \$150 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. There were no retirements or impairments of definite lived intangible assets during the three and six nine months ended June 30, 2024 September 30, 2024 and 2023.

#### **SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued (UNAUDITED)**

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The expected amortization expense for each of the fiscal years 2024 through 2028 and for periods thereafter is as follows:

Years ending December 31,	Years ending December 31,	Amount	Years ending December 31,	Amount
2024 (remaining)				
2025				
2026				
2027				
2028				
Thereafter				
Total definite life intangible assets, net				

#### **(8) Property and Equipment**

Property and equipment, net, consists of the following:

	June 30, 2024	December 31, 2023

Satellite system	\$ 1,598	\$ 1,598
Terrestrial repeater network	117	117
Leasehold improvements	112	106
Broadcast studio equipment	157	146
Capitalized software and hardware	2,175	2,178
Satellite telemetry, tracking and control facilities	86	84
Furniture, fixtures, equipment and other	109	110
Land	32	32
Building	75	74
Construction in progress	867	538
Total property and equipment	5,328	4,983
Accumulated depreciation	(3,454)	(3,229)
Property and equipment, net	\$ 1,874	\$ 1,754

	September 30, 2024	December 31, 2023
Satellite system	\$ 1,598	\$ 1,598
Capitalized software and hardware	2,180	2,178
Construction in progress	1,085	538
Other	695	627
Total property and equipment	5,558	4,941
Accumulated depreciation	(3,545)	(3,150)
Property and equipment, net	\$ 2,013	\$ 1,791

Construction in progress consists of the following:

	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Satellite system				
Terrestrial repeater network				
Capitalized software and hardware				
Other				
Construction in progress				

Depreciation and amortization expense on property and equipment was \$115 \$113 and \$103 \$96 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$231 \$354 and \$202 \$310 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. During the three and six nine months ended June 30, 2024 September 30, 2024, we retired property and equipment of less than \$1 \$3 and \$7, respectively, and during the six months ended June 30, 2024, we recorded related impairment charges of \$1, primarily related to terminated software projects. \$58, respectively. There were no fixed asset impairment charges recorded during the three nine months ended June 30, 2024 September 30, 2024. During the three and six nine months ended June 30, 2023 September 30, 2023, we retired property and equipment of \$16 and \$269, respectively, and recorded related fixed asset impairment charges of \$10 \$1 and \$13 \$14, respectively, primarily related to terminated software projects.

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We capitalize a portion of the interest on funds borrowed to finance the construction and launch of our satellites. Capitalized interest is recorded as part of the asset's cost and depreciated over the satellite's useful life. Capitalized interest costs were \$6 \$7 and \$4 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$12 \$19 and \$6 \$10 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively, which related to the construction of our SXM-9, SXM-10, SXM-11 and SXM-12 satellites. We also capitalize a portion of share-based compensation related to employee time for capitalized software projects. Capitalized share-based compensation costs were \$6 \$7 and \$3 \$6 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$11 \$19 and \$7 \$13 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

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## Satellites

As of **June 30, 2024** **September 30, 2024**, we operated a fleet of five satellites. Each satellite requires an FCC license, and prior to the expiration of each license, we are required to apply for a renewal of the FCC satellite license. The renewal and extension of our licenses is reasonably certain at minimal cost, which is expensed as incurred. The chart below provides certain information on our satellites as of **June 30, 2024** **September 30, 2024**:

Satellite Description	Year Delivered	Estimated End of Depreciable Life	FCC License Expiration Year
SIRIUS FM-5	2009	2024	2025
SIRIUS FM-6	2013	2028	2030
XM-3	2005	2020	2026
XM-5	2010	2025	2026
SXM-8	2021	2036	2029

Our XM-3 satellite remains available as an in-orbit spare.

## (9) Leases

We have operating and finance leases for offices, terrestrial repeaters, data centers and certain equipment. Our leases have remaining lease terms of less than 1 year to 19 years, some of which may include options to extend the leases for up to 5 years, and some of which may include options to terminate the leases within 1 year. We elected the practical expedient to account for the lease and non-lease components as a single component. Additionally, we elected the practical expedient to not recognize right-of-use assets or lease liabilities for short-term leases, which are those leases with a term of twelve months or less at the lease commencement date.

The components of lease expense were as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,		For the Nine Months Ended September 30,			
	For the Three Months Ended September 30,							
	2024	2023	2024	2023	2024	2023	2024	2023
Operating lease cost								
Finance lease cost								
Sublease income								
Total lease cost								

During the **six** **nine** months ended **June 30, 2023**, **September 30, 2024** and **2023**, we ceased using **one** **certain** of our leased locations and recorded an impairment charge of **\$8** and **\$5**, **respectively**, to write down the carrying value of the related right-of-use **asset** **assets** to **its** **their** **estimated** **fair** **value**, **values**. Refer to Note **34** for additional information.

## (10) Related Party Transactions

In the normal course of business, we enter into transactions with **related parties** such as **our** **equity** **method** **investments** (**tax** **equity** **investments**, **Sirius** **XM** **Canada** **SoundCloud** and **SoundCloud**) which are considered **related party** **transactions**.

### Tax Equity Investments

We have entered into certain tax-effective clean energy technology investments. We invested \$20 and \$3 during the three months ended September 30, 2024 and 2023, respectively, and \$229 and \$44 during the nine months ended September 30, 2024 and 2023, respectively, in these clean energy projects. As of January 1, 2024, we adopted ASU 2023-02 using the modified retrospective approach and have accounted for these investments using the proportional amortization method. The unamortized investment balance as of September 30, 2024 was \$905 and was recorded to Equity method investments in our unaudited consolidated balance sheets. Under the proportional amortization method, the investment balance will be amortized over the term of the investments based on the current period income tax **equity** **investments**. **benefits** as a proportion to the total expected income tax **benefits**. We also recorded liabilities of \$750 related to future contractual payments and contingent payments which we

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
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### Liberty Media

As determined to be probable, of **June 30, 2024**, Liberty Media beneficially owned, directly and indirectly, 83.3% of the outstanding shares of our common stock. Liberty Media has three of its executives and one of its directors on our board of directors. Gregory B. Maffei, the President and Chief Executive Officer of Liberty Media, which \$88 is the Chairman of our board of directors.

On February 1, 2021, Holdings entered into a tax sharing agreement with Liberty Media governing the allocation of consolidated U.S. income tax recorded in Related party current liabilities and setting forth agreements with respect to other tax matters. The tax sharing agreement was negotiated and approved by a special committee of Holdings' board of directors, all of whom are independent of Liberty Media. Refer to Note 15 for more information regarding the tax sharing agreement.

On December 11, 2023, Holdings entered into definitive agreements whereby, subject to the terms thereof, Liberty Sirius XM Holdings Inc., a Delaware corporation and a wholly owned subsidiary of Liberty Media ("New Sirius"), would split-off from Liberty Media. The transactions would be effectuated by means of a redemptive split-off of New Sirius (the "Split-Off"), which will own all of the assets and balance is recorded in Other long-term liabilities attributed to Liberty Media's Series A Liberty SiriusXM common stock ("LSXMA"), Series B Liberty SiriusXM common stock ("LSXMB") and Series C Liberty SiriusXM common stock ("LSXMK", together with the LSXMB and LSXMA stock, the "Liberty SiriusXM Group"). Following the Split-Off, New Sirius will combine with Holdings through the merger of Radio Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of New Sirius ("Merger Sub"), with Holdings, with Holdings becoming a wholly owned subsidiary of New Sirius (the "Merger" and, together with the Split-Off, the "Transactions"). As part of the Merger, New Sirius will be renamed "Sirius XM Holdings Inc."

To effect the Transactions, on December 11, 2023, Liberty Media entered into (i) a Reorganization Agreement (the "Reorganization Agreement") with Holdings and New Sirius, and (ii) an Agreement and Plan of Merger (the "Merger Agreement") with New Sirius, Holdings and Merger Sub.

In connection with the Merger Agreement and the Reorganization Agreement, on December 11, 2023, certain trusts related to Dr. John C. Malone (collectively, the "Malone Stockholders") entered into a voting agreement (the "Voting Agreement") with Liberty Media, Holdings and New Sirius, pursuant to which, among other things, the Malone Stockholders agreed, subject to the terms of the Voting Agreement, to vote their respective shares of Liberty Media's LSXMA and LSXMB in favor of the Split-Off.

The Transactions have been unanimously approved by Liberty Media's Board of Directors and a Special Committee of the Board of Directors of Holdings and by Holdings' Board of Directors. The Transactions are subject to approval by a majority of the aggregate voting power of the shares of Liberty SiriusXM common stock present, whether in-person or by proxy, at a stockholder meeting, the receipt by Liberty Media and New Sirius of tax opinions from their respective tax counsel, as well as the receipt of required regulatory approvals and the satisfaction of other customary closing conditions. A subsidiary of Liberty Media owning a majority of the outstanding shares of Holdings has delivered a written consent approving the Transactions on behalf of majority of Holdings' stockholders. Following the Transactions, Liberty Media and New Sirius will operate independently, and neither is expected to have any ownership interest in the other. All of the executive officers of Holdings immediately prior to consummation of the Transactions will be the initial executive officers of New Sirius, and New Sirius will continue to operate under the SiriusXM name and brand.

On June 16, 2024, Holdings entered into amendments (the "Amendments") to (i) the Reorganization Agreement and the Merger Agreement. The Amendments, among other things, ratably adjust the exchange ratios in each of the Reorganization Agreement and the Merger Agreement in connection with the Transactions to reduce the total number of outstanding shares of New Sirius common stock, par value \$0.001 per share ("New Sirius Common Stock"), following the consummation of the Transactions. The revised exchange ratio in the Reorganization Agreement reduces by 90% the number of shares of New Sirius Common Stock that otherwise would have been issued to holders of Liberty SiriusXM Common Stock (as defined below). As a result of the revised exchange ratio under the Merger Agreement, each existing holder of SiriusXM common stock, par value \$0.001 per share ("SiriusXM Common Stock"), will receive 1 share in New Sirius for every 10 shares of SiriusXM Common Stock it holds as of immediately prior to the consummation of the Transactions, with cash paid in lieu of fractional shares.

These changes to the exchange ratios affect SiriusXM stockholders and holders of shares of LSXMA, LSXMB and LSXMK uniformly and will not alter any such stockholder's percentage interest in the outstanding shares of New Sirius.

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Common Stock as of immediately following the consummation of the Transactions, except to the extent that it results in some stockholders receiving cash in lieu of owning a fractional share of New Sirius Common Stock as described above.

In addition, in order to facilitate the Transactions, Sirius XM Radio Inc., a Delaware corporation, intends to convert under Delaware state law to a Delaware limited liability company prior to the closing of the Transaction.

The Amendments were approved by Liberty's Board of Directors, the SiriusXM Special Committee and SiriusXM's Board of Directors. Liberty's Board of Directors has recommended that holders of shares of LSXMA and LSXMB vote in favor of the Split-Off, as it has been amended. Additionally, in connection with the execution of the Amendments, Liberty Radio, LLC, a wholly owned subsidiary of Liberty Media that holds a majority of the outstanding shares of SiriusXM common stock, in its capacity as stockholder of SiriusXM, delivered to SiriusXM a written consent pursuant to Section 228 of the General Corporation Law of the State of Delaware, approving and adopting the Amendments. As a result, no meeting of the stockholders of SiriusXM will be held in connection with the Amendments.

Assuming satisfaction of all conditions to closing, the Transactions are expected to be completed after the close of business on Monday, September 9, 2024.

During the three and six months ended June 30, 2024, we recognized costs associated with the Transactions of \$14 and \$29, respectively, which were recorded to Impairment, restructuring and acquisition costs in our unaudited consolidated statements of comprehensive income, balance sheets.

#### **Sirius XM Canada**

Sirius XM holds a 70% equity interest and 33% voting interest in Sirius XM Canada, a privately held corporation. We own 591 shares of preferred stock of Sirius XM Canada, which has a liquidation preference of one Canadian dollar per share.

Sirius XM Canada is accounted for as an equity method investment, and its results are not consolidated in our unaudited consolidated financial statements. Sirius XM Canada does not meet the requirements for consolidation as we do not have the ability to direct the most significant activities that impact Sirius XM Canada's economic performance.

On March 15, 2022, Sirius XM and Sirius XM Canada entered into an amended and restated services and distribution agreement. Pursuant to the amended and restated services and distribution agreement, the fee payable by Sirius XM Canada to Sirius XM was modified from a fixed percentage of revenue to a variable fee, based on a target

operating profit for Sirius XM Canada. Such variable fee is expected to be evaluated annually based on comparable companies. In accordance with the amended and restated services and distribution agreement, the fee is payable on a monthly basis, in arrears, beginning January 1, 2022.

During the three months ended September 30, 2024, we evaluated our investment in Sirius XM Canada for impairment and determined that the carrying value of our equity method investment exceeded its fair value. We performed a quantitative impairment test and determined the fair value of our investment using a combination of an income approach, employing a discounted cash flow model, and a market approach, employing a guideline public company approach. The discounted cash flow model relies on making assumptions, such as expected growth in profitability and discount rate, which we believe are appropriate. As a result, we recorded an impairment of our equity method investment in Sirius XM Canada of \$500. This loss from impairment was included in Impairment, restructuring and other costs within our unaudited consolidated statement of operations for the three and nine months ended September 30, 2024.

Our Equity method investments as of June 30, 2024 September 30, 2024 and December 31, 2023 included the carrying value of our investment balance in Sirius XM Canada of \$416 \$100 and \$423, \$604, respectively, and, as of each of June 30, 2024 September 30, 2024 and December 31, 2023, also included \$8, for the long-term value of the outstanding loan to Sirius XM Canada.

Sirius XM Canada paid gross dividends to us of less than \$1 during each of the three and six months ended June 30, 2024 and 2023. Dividends are first recorded as a reduction to our investment balance in Sirius XM Canada to the extent a balance exists and then as Other (expense) income for any remaining portion.

We recorded revenue from Sirius XM Canada as Other revenue in our unaudited consolidated statements of comprehensive income operations of \$23 and \$26 \$27 during the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$47 \$71 and \$51 \$78 during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

#### SoundCloud

We have an In February 2020, we completed a \$75 investment in Series G Membership Units of SoundCloud. The Series G Units are convertible at the option of the holders at any time into shares of ordinary membership units of SoundCloud which at a ratio of one ordinary membership unit for each Series G Unit. The investment in SoundCloud is accounted for as an equity method investment and as we do not have the ability to direct the most significant activities that impact SoundCloud's economic performance.

Our investment in SoundCloud is recorded in Equity method investments in our unaudited consolidated balance sheets. Sirius XM has appointed two individuals to serve on SoundCloud's ten-member board of managers. Sirius XM's share of SoundCloud's loss net gain (loss) was \$2 \$1 and less than \$1 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$2 \$(1) and \$(2) for each of the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively, which was recorded in Other (expense) income, net in our unaudited consolidated statements of comprehensive income.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
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operations.

In addition to our investment in SoundCloud, Pandora has an agreement with SoundCloud to be its exclusive ad sales representative in the US and certain European countries. Through this arrangement, Pandora offers advertisers the ability to execute campaigns across the Pandora and SoundCloud platforms. We recorded revenue share expense related to this agreement of \$15 and \$14 for each of the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$30 \$44 and \$25 \$39 for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively. We also had related party liabilities of \$21 \$19 and \$20 as of June 30, 2024 September 30, 2024 and December 31, 2023, respectively, related to this agreement.

#### Tax equity investments

Sirius XM has entered into certain tax-effective clean energy technology investments. We invested \$23 and \$2 during the three months ended June 30, 2024 and 2023, respectively, and \$210 and \$31 during the six months ended June 30, 2024 and 2023, respectively, in these clean energy projects. As of January 1, 2024, we adopted ASU 2023-02 using the modified retrospective approach and have accounted for these investments using the proportional amortization method. The unamortized investment balance as of June 30, 2024 was \$937 and was recorded to Equity method investments in our unaudited consolidated balance sheets. Under the proportional amortization method, the investment balance will be amortized over the term of the investments based on the current period income tax benefits as a proportion to the total expected income tax benefits. We also recorded liabilities of \$767 related to future contractual payments and contingent payments which we determined to be probable, of which \$87 is recorded in Related party current liabilities and the balance is recorded in Other long-term liabilities in our unaudited consolidated balance sheets.

#### (11) Debt

Our debt as of June 30, 2024 and December 31, 2023 consisted of the following:

Issuer / Borrower	Issued	Debt	Maturity Date	Interest Payable	Principal Amount at		Carrying value(s) at December 31, 2023
					June 30, 2024	June 30, 2024	
Sirius XM (b) (d)	April 2022	Incremental Term Loan	April 11, 2024	variable fee paid monthly	—	—	500
Sirius XM (b)	August 2021	3.125% Senior Notes	September 1, 2026	semi-annually on March 1 and September 1	1,000	995	994
Sirius XM (b)	July 2017	5.00% Senior Notes	August 1, 2027	semi-annually on February 1 and August 1	1,500	1,495	1,494

Sirius XM (b)	June 2021	4.00% Senior Notes	July 15, 2028	semi-annually on January 15 and July 15	2,000	1,986	1,985
Sirius XM (b)	June 2019	5.500% Senior Notes	July 1, 2029	semi-annually on January 1 and July 1	1,250	1,242	1,241
Sirius XM (b)	June 2020	4.125% Senior Notes	July 1, 2030	semi-annually on January 1 and July 1	1,500	1,489	1,488
Sirius XM (b)	August 2021	3.875% Senior Notes	September 1, 2031	semi-annually on March 1 and September 1	1,500	1,487	1,487
Sirius XM (c) (e)	December 2012	Senior Secured Revolving Credit Facility (the "Credit Facility")	August 31, 2026	variable fee paid quarterly	350	350	—
Sirius XM	Various	Finance leases	Various	n/a	n/a	13	15
<b>Total Debt</b>						9,057	9,204
Less: total current maturities						5	505
Less: total deferred financing costs						8	9
<b>Total long-term debt</b>					\$ 9,044	\$ 8,690	

(a) The carrying value of the obligations is net of any remaining unamortized original issue discount.

(b) All material domestic subsidiaries, including Pandora and its subsidiaries, that guarantee the Credit Facility have guaranteed the Incremental Term Loan and these notes.

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**(11) Debt**

Our debt as of September 30, 2024 and December 31, 2023 consisted of the following:

Issuer / Borrower	Issued	Debt	Maturity Date	Interest Payable	Principal Amount at		Carrying value <sup>(a)</sup> at	
					September 30, 2024	September 30, 2024	December 31, 2023	December 31, 2023
<b>SiriusXM Holdings level notes and loans:</b>								
Sirius XM Holdings <sup>(b)</sup>	March 2023	3.75% Convertible Senior Notes	March 15, 2028	Semi-annually in arrears on March 15 and September 15	\$ 575	\$ 590	\$ 688	
Sirius XM Holdings <sup>(b)</sup>	November 2019	2.75% Exchangeable Senior Debentures	December 1, 2049	quarterly in arrears on March 1, June 1, September 1, and December 1	585	583	574	
Sirius XM Holdings	Various	Margin Loan	Various	n/a	—	—	—	695
<b>Sirius XM notes and loans:</b>								
Sirius XM <sup>(c)</sup>	April 2022	Incremental Term Loan	April 11, 2024	variable fee paid monthly	—	—	—	500
Sirius XM <sup>(c)</sup>	September 2024	Incremental Term Loan	September 9, 2027	variable fee paid quarterly	610	610	—	
Sirius XM	December 2012	Senior Secured Revolving Credit Facility (the "Credit Facility")	August 31, 2026	variable fee paid quarterly	250	250	—	
Sirius XM <sup>(c)</sup>	August 2021	3.125% Senior Notes	September 1, 2026	semi-annually on March 1 and September 1	1,000	995	994	
Sirius XM <sup>(c)</sup>	July 2017	5.00% Senior Notes	August 1, 2027	semi-annually on February 1 and August 1	1,500	1,495	1,494	
Sirius XM <sup>(c)</sup>	June 2021	4.00% Senior Notes	July 15, 2028	semi-annually on January 15 and July 15	2,000	1,987	1,985	
Sirius XM <sup>(c)</sup>	June 2019	5.500% Senior Notes	July 1, 2029	semi-annually on January 1 and July 1	1,250	1,242	1,241	
Sirius XM <sup>(c)</sup>	June 2020	4.125% Senior Notes	July 1, 2030	semi-annually on January 1 and July 1	1,500	1,490	1,488	
Sirius XM <sup>(c)</sup>	August 2021	3.875% Senior Notes	September 1, 2031	semi-annually on March 1 and September 1	1,500	1,488	1,487	
Sirius XM	Various	Finance leases	Various	n/a	n/a	12	15	

Total debt	10,742	11,161
Less: total current maturities (d)	589	1,079
Less: total deferred financing costs, net	16	9
Total long-term debt	\$ 10,137	\$ 10,073

(a) The carrying value of the obligations is net of any remaining unamortized original issue discount except for the debt measured at fair value noted in (b) below.

(b) Measured at fair value.

(c) All material domestic subsidiaries, including Pandora and its subsidiaries as well as Sirius XM Inc., that guarantee the Credit Facility have guaranteed the Incremental Term Loan and these notes.

(d) Current maturities of long-term debt includes the 2.75% Exchangeable Senior Debentures due 2049 due to the put and call features discussed below.

**SIRIUS XM HOLDINGS INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
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**Sirius XM Holdings level notes and loans:**

**3.75% Convertible Senior Notes due 2028**

On March 10, 2023, Liberty Media issued \$575 aggregate principal amount of its 3.75% convertible notes due 2028 (the "Convertible Notes"). In connection with the Split-Off, we assumed all of the obligations of Liberty Media under the indenture governing the Convertible Notes and the Convertible Notes. The Convertible Notes accrue interest at a rate of 3.75% per annum and mature on March 15, 2028.

Pursuant to the terms of the indenture governing the Convertible Notes, holders of the Convertible Notes may convert their Convertible Notes, in integral multiples of \$1,000 principal amount, at their option, under the following circumstances: (i) during any calendar quarter (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days in the period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is equal to or more than 130% of the conversion price of the Convertible Notes on the last day of such preceding calendar quarter; (ii) during the five business-day period after any five consecutive trading-day period (the "Measurement Period"), in which the trading price per \$1,000 principal amount of Convertible Notes for each trading day of that Measurement Period was less than 98% of the product of the last reported sale price of our common stock and the applicable conversion rate for the Convertible Notes on each such trading day; (iii) if the Company calls the Convertible Notes for redemption, at any time prior to the close of business on the second scheduled trading day immediately preceding the redemption date, but only with respect to the Convertible Notes called (or deemed called) for redemption; or (iv) upon the occurrence of specified corporate events described in the Convertible Notes Indenture. In addition, holders may convert their Convertible Notes at their option at any time on or after December 15, 2027 and ending on the close of business on the second scheduled trading day immediately preceding the stated maturity date for the Convertible Notes, without regard to the foregoing circumstances. Upon a conversion of the Convertible Notes, we may elect to pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of our common stock. As of September 30, 2024, the conversion rate for the Convertible Notes was 29.6947 shares (not in millions) of our common stock per \$1,000 principal amount (not in millions) of Convertible Notes, equivalent to a conversion price of approximately \$33.68 per share of our common stock (not in millions). We elected to account for the notes using the fair value option. See Note 3 for information related to unrealized gains (losses) on debt measured at fair value.

**2.75% Exchangeable Senior Debentures due 2049**

On November 26, 2019, Liberty Media issued approximately \$604 aggregate principal amount of its 2.75% exchangeable senior debentures due 2049 (the "Exchangeable Notes"). In connection with the Transactions, Liberty Media transferred and assigned its rights and liabilities as obligor and maker of the Exchangeable Notes and its obligations under the indenture governing the Exchangeable Notes to us. The reference shares per \$1,000 principal amount (not in millions) of Exchangeable Notes consists of approximately 11.6023 shares (not in millions) of our common stock. Upon an exchange of the Exchangeable Notes, we will satisfy our exchange obligation solely in cash.

Pursuant to the terms of the indenture governing the Exchangeable Notes, as a result of the Transactions, holders of the Exchangeable Notes have the right to require us to repurchase the Exchangeable Notes for a purchase price equal to 100% of the adjusted principal amount of the Exchangeable Notes plus accrued and unpaid interest to the repurchase date plus any final period distribution. Notice of such repurchase right was distributed to holders of Exchangeable Notes on August 30, 2024 and the offer expired at 5:00 p.m., New York City time, on October 24, 2024.

Holders of the Exchangeable Notes also have the right to require us to purchase such Exchangeable Notes on December 1, 2024 for a purchase price equal to 100% of the adjusted principal amount of the Exchangeable Notes plus accrued and unpaid interest to the repurchase date, plus any final period distribution. Notice of such repurchase right was distributed to holders of Exchangeable Notes on October 4, 2024 and the offer will expire at 5:00 p.m., New York City time, on November 27, 2024 unless extended. We may elect to redeem the Exchangeable Notes on or after December 1, 2024 for a redemption price equal to 100% of the adjusted principal amount of the Exchangeable Notes debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution. We elected to account for the Exchangeable Notes using the fair value option. See Note 3 for information related to unrealized gains (losses) on debt measured at fair value.

**Margin Loan**

In February 2021, Liberty Siri MarginCo, LLC ("Siri MarginCo"), a wholly-owned subsidiary of SplitCo which merged with and into SplitCo following the Transactions, borrowed \$125 pursuant to an amendment to its margin loan agreement.

**SIRIUS XM HOLDINGS INC.**

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secured by shares of our common stock (the "Margin Loan") that was comprised of an \$875 term loan and an \$875 revolving line of credit. The term loan and any drawn portion of the revolver carried an interest rate of the London Inter-Bank Offer Rate plus 2.00% with the undrawn portion carrying a fee of 0.50%. In March 2023, Siri MarginCo amended the Margin Loan, increasing the revolving line of credit to \$1,075, extending the maturity to March 2026 and changing the interest rate to the Secured Overnight Financing Rate ("SOFR") plus 2.25%. During the nine months ended September 30, 2024, Siri MarginCo repaid \$695 borrowings outstanding under the term loan.

#### **Sirius XM notes and loans:**

##### **The Credit Facility**

In August 2021, Sirius XM entered into an amendment to extend the maturity of the \$1,750 Credit Facility to August 31, 2026. Sirius XM's obligations under the Credit Facility are guaranteed by certain of its material domestic subsidiaries, including Pandora and its subsidiaries, and by Sirius XM Inc. and are secured by a lien on substantially all of Sirius XM's assets and the assets of its material domestic subsidiaries. From and after July 1, 2023, Sirius XM's borrowings are based on the Secured Overnight Financing Rate ("SOFR") plus an applicable rate based on its debt to operating cash flow ratio. Sirius XM is also required to pay a variable fee on the average daily unused portion of the Credit Facility which is payable on a quarterly basis. The variable rate for the unused portion of the Credit Facility was 0.25% per annum as of June 30, 2024 September 30, 2024. All of Sirius XM's outstanding borrowings under the Credit Facility are classified as Long-term debt within our unaudited consolidated balance sheets due to the long-term maturity of this debt.

(d) In April 2022, Sirius XM entered into an amendment to the Credit Facility to incorporate an Incremental Term Loan borrowing of \$500. Interest on the Incremental Term Loan borrowing was based on the SOFR plus an applicable rate. On April 11, 2024, the Incremental Term Loan matured and was retired with cash for 100% of the principal amount plus accrued and unpaid interest to the date of maturity.

(e) On January 26, 2024, Sirius XM entered into an amendment to the Credit Facility to, among other things, incorporate a \$1,100 delayed draw incremental term loan. Subject to the conditions described in the amendment, the delayed draw incremental term loan shall be available to be drawn by Sirius XM in up to three separate drawings until December 31, 2024. If drawn, interest on the delayed draw incremental term loan is will be based on SOFR plus an applicable rate. As of September 30, 2024, the outstanding balance under the Credit Facility was \$250 and the outstanding amount under the incremental term loan was \$610.

#### **Covenants and Restrictions**

Under the Credit Facility, Sirius XM, our wholly owned subsidiary, must comply with a debt maintenance covenant that it cannot exceed a total leverage ratio, calculated as consolidated total debt to consolidated operating cash flow, of 5.0 to 1.0. The Credit Facility generally requires compliance with certain covenants that restrict Sirius XM's ability to, among other things, (i) incur additional indebtedness, (ii) incur liens, (iii) pay dividends or make certain other restricted payments, investments or acquisitions, (iv) enter into certain transactions with affiliates, (v) merge or consolidate with another person, (vi) sell, assign, lease or otherwise dispose of all or substantially all of Sirius XM's assets, and (vii) make voluntary prepayments of certain debt, in each case subject to exceptions.

The indentures governing Sirius XM's notes restrict Sirius XM's non-guarantor subsidiaries' ability to create, assume, incur or guarantee additional indebtedness without such non-guarantor subsidiary guaranteeing each such series of notes on a pari passu basis. The indentures governing the notes also contain covenants that, among other things, limit Sirius XM's ability and the ability of its subsidiaries to create certain liens; enter into sale/leaseback transactions; and merge or consolidate.

Under Sirius XM's debt agreements, the following generally constitute an event of default: (i) a default in the payment of interest; (ii) a default in the payment of principal; (iii) failure to comply with covenants; (iv) failure to pay other indebtedness after final maturity or acceleration of other indebtedness exceeding a specified amount; (v) certain events of bankruptcy; (vi) a judgment for payment of money exceeding a specified aggregate amount; and (vii) voidance of subsidiary guarantees, subject to grace periods where applicable. If an event of default occurs and is continuing, our debt could become immediately due and payable.

At June 30, 2024

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#### **Fair Value of Debt**

The fair values, based on quoted market prices of the same instruments but not considered to be active markets (Level 2), we were in compliance with our of Sirius XM's debt covenants, securities, not reported at fair value, whose carrying value does not approximate fair value, are as follows:

	September 30, 2024	December 31, 2023
Sirius XM 3.125% Senior Notes due 2026	\$ 964	\$ 932
Sirius XM 5.0% Senior Notes due 2027	\$ 1,470	\$ 1,444
Sirius XM 4.0% Senior Notes due 2028	\$ 1,883	\$ 1,827
Sirius XM 5.50% Senior Notes due 2029	\$ 1,219	\$ 1,202
Sirius XM 4.125% Senior Notes due 2030	\$ 1,356	\$ 1,326
Sirius XM 3.875% Senior Notes due 2031	\$ 1,303	\$ 1,277

#### **(12) Stockholders' Equity**

**Common Stock, par value \$0.001 per share**

We are authorized to issue up to 9,000,900 shares of common stock. There were 3,851,339 and 3,843,000 shares of common stock issued and outstanding on June 30, 2024, September 30, 2024 and December 31, 2023, respectively.

As of June 30, 2024, September 30, 2024, there were 228,300 shares of common stock reserved for issuance in connection with outstanding stock-based awards to members of our board of directors, employees and third parties.

#### Transactions with Former Parent, net

As of December 31, 2022, approximately 1.8 notional shares represented a 2.9% intergroup interest in the Liberty Braves Group previously held by SplitCo and approximately 4.2 notional shares represented a 1.7% intergroup interest in the Liberty Formula One Group ("Formula One Group") previously held by the SplitCo.

During March 2023, the Formula One Group paid approximately \$202 to SplitCo to settle a portion of the intergroup interest in the Formula One Group held by SplitCo, as a result of the repurchase of a portion of Liberty Media's 1.375% Cash Convertible Senior Notes due 2023. On July 12, 2023, the Formula One Group paid approximately \$71 to SplitCo to settle and extinguish the remaining intergroup interest in the Formula One Group held by SplitCo.

On July 18, 2023, Liberty Media completed the split-off of Atlanta Braves Holdings, Inc. through a redemption of each outstanding share of Liberty Braves common stock in exchange for one share of the corresponding series of Atlanta Braves Holdings, Inc. common stock. The intergroup interest in the Liberty Braves Group attributed to SplitCo was settled and extinguished through the attribution of Atlanta Braves Holdings, Inc. Series C common stock on a one-for-one basis equal to the number of notional shares representing the intergroup interest.

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#### Sirius XM Holdings equity activity

All share and per share amounts have been adjusted to reflect the conversion of Old Sirius shares into SplitCo common stock on a one-for-ten basis.

##### Quarterly Dividends

During the six nine months ended June 30, 2024, September 30, 2024 and 2023, our board of directors declared and paid the following dividends:

Declaration Date	Declaration Date	Dividend Per Share	Record Date	Total Amount	Payment Date	Declaration Date	Dividend Per Share	Record Date	Total Amount (1)	F
<b>2024 dividends</b>										
January 24, 2024										
January 24, 2024	January 24, 2024	\$0.0266	February 9, 2024	\$102	February 23, 2024	February 23, 2024	\$ 0.266	February 9, 2024	February 9, 2024	F
April 24, 2024	April 24, 2024	\$0.0266	May 10, 2024	\$103	May 29, 2024	April 24, 2024	\$0.266	May 10, 2024	May 10, 2024	2
July 24, 2024 \$ 0.266										
August 9, 2024 \$103										
August 26, 2024										
<b>2023 dividends</b>										
January 25, 2023										
January 25, 2023	January 25, 2023	\$ 0.242	February 9, 2023	\$ 94	February 24, 2023	May 5, 2023	\$ 0.266	May 10, 2023	May 10, 2023	
April 19, 2023	April 19, 2023	\$ 0.242	May 24, 2023	\$ 94	August 26, 2023	August 26, 2023	\$ 93	August 30, 2023	August 30, 2023	
July 26, 2023	July 26, 2023	\$ 0.242	August 26, 2023	\$ 93	August 30, 2023	August 30, 2023	\$ 93	August 30, 2023	August 30, 2023	

(1) During the three months ended September 30, 2024 and 2023, we paid dividends of \$17 and \$15, respectively, to noncontrolling interests. During the nine months ended September 30, 2024 and 2023, we paid dividends of \$51 and \$48, respectively, to noncontrolling interests.

#### Stock Repurchase Program

As of June 30, 2024, September 30, 2024, our board of directors had approved for repurchase an aggregate of \$18,000 \$1,166 of our common stock. Our The board of directors did not establish an end date for this stock repurchase program. Shares of common stock may be purchased from time to time on the open market, pursuant to pre-set

trading plans meeting the requirements of Rule 10b5-1 under the Exchange Act, in privately negotiated transactions, including in accelerated stock repurchase transactions, with Liberty Media and its affiliates, or otherwise. We intend to fund any stock repurchases through a combination of cash on hand, cash generated by operations and future borrowings. The size and timing of any purchases will be based on a number of factors, including price and business and market conditions.

We did not repurchase any shares of common stock during the three and nine months ended September 30, 2024.

Prior to the closing of the Transactions, the board of directors of Old Sirius had approved the repurchase of an aggregate of \$18,000 of its common stock. As of June 30, 2024, our the closing of the Transactions, Old Sirius' cumulative repurchases since December 2012 under our that stock repurchase program totaled 3,731,373 shares for \$16,834, and \$1,166 remained available for future share repurchases under our that stock repurchase program. During the stock repurchase program of Old Sirius was terminated on the six months ended June 30, 2024, we did not repurchase any shares closing date of our common stock. the Transactions.

The following table summarizes our total share repurchase activity for the six nine months ended:

Share Repurchase Type	June 30, 2024		June 30, 2023	
	Shares	Amount	Shares	Amount
Open Market Repurchases	—	\$ —	53	\$ 202

#### **Preferred Stock, par value \$0.001 per share**

We are authorized to issue up to 50 shares of undesignated preferred stock with a liquidation preference of \$0.001 per share. There were no shares of preferred stock issued or outstanding as of June 30, 2024 and December 31, 2023.

Share Repurchase Type	September 30, 2024		September 30, 2023	
	Shares	Amount	Shares	Amount
Open Market Repurchases	—	\$ —	7	\$ 274

### **(13) Benefit Plans**

We recognized share-based payment expense of \$46 and \$42 for the three months ended June 30, 2024 and 2023, respectively, and \$91 and \$87 for the six months ended June 30, 2024 and 2023, respectively.

#### **2015 Long-Term Stock Incentive Plan**

In May 2015, our stockholders approved the Sirius XM Holdings Inc. 2015 Long-Term Stock Incentive Plan (the "2015 Plan"). Employees, consultants and members of our board of directors are eligible to receive awards under the 2015 Plan. The 2015 Plan provides for the grant of stock options, restricted stock awards, restricted stock units and other stock-based awards that the Compensation Committee of our Board of Directors deems appropriate. Stock-based awards granted under the 2015 Plan are generally subject to a graded vesting requirement, which is generally three to four years from the grant date. Stock options generally expire ten years from the date of grant. Restricted stock units include performance-based restricted stock units ("PRSUs"), the vesting of which are subject to the achievement of performance goals and the employee's continued employment and generally cliff vest on the third anniversary of the grant date. Each restricted stock unit entitles the holder to receive one share of common stock upon vesting. As of June 30, 2024, 79 shares of common stock were available for future grants under the 2015 Plan.

The Compensation Committee intends to award equity-based compensation to our senior management in the form of: stock options, restricted stock units, PRSUs, which will cliff vest after a performance period target established by the Compensation Committee is achieved, and PRSUs, which will cliff vest after a performance period based on the performance of our common stock relative to the companies included in the S&P 500 Index, which we refer to as a relative "TSR" or "total stockholder return" metric. TSRs based on the relative total stockholder return metric will only vest if our performance achieves at least the 25th percentile, with a target payout requiring performance at the 50th percentile. The settlement of

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#### **PRSUs earned (13) Benefit Plans**

Included in the accompanying unaudited consolidated statements of operations are the following amounts of share-based compensation expense:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of services:				
Programming and content	\$ 9	\$ 10	\$ 26	\$ 25
Customer service and billing	1	1	4	4
Transmission	1	2	4	4
Sales and marketing	11	13	34	33

Engineering, design, and development	11	11	34	33
General and administrative	25	20	52	52
	<u>\$ 58</u>	<u>\$ 57</u>	<u>\$ 154</u>	<u>\$ 151</u>

#### SplitCo Awards

Liberty Media granted, to certain of its directors and employees, restricted stock awards ("RSAs"), restricted stock units ("RSUs") and stock options to purchase shares of SplitCo common stock (collectively, "SplitCo Awards"). SplitCo measured the cost of employee services received in exchange for an equity classified SplitCo Award based on the grant-date fair value ("GDFV") of the SplitCo Award and recognized that cost over the period during which the employee is required to provide service (usually the vesting period of the SplitCo Award). SplitCo measured the cost of employee services received in exchange for a liability classified SplitCo Award based on the current fair value of the SplitCo Award and remeasures the fair value of the SplitCo Award at each reporting date.

At the time of the Split-Off, outstanding stock options to purchase shares of SplitCo common stock were accelerated and became fully vested and exchanged into stock options to purchase shares of our common stock adjusted based on the exchange ratio identified in the Liberty Sirius XM Holdings Inc. Transitional Stock Adjustment Plan (the "SplitCo Award Exchange Ratio"). The RSAs and RSUs with respect to shares of SplitCo common stock accelerated, became fully vested, and are treated as outstanding shares of our common stock and as such were exchanged into shares of our common stock based on the SplitCo Award Exchange Ratio. Following the Split-Off, a portion of the outstanding stock options to purchase shares of our common stock are to be settled in cash as the underlying shares were not registered, and therefore these awards were classified as liability awards and will be remeasured at each reporting date. As of September 30, 2024, we recognized a liability of \$2 related to these awards.

The following table presents the number and weighted average exercise price ("WAEP") of options to purchase shares of our common stock granted to certain officers, employees and directors of Liberty Media, as well as the weighted average remaining life and aggregate intrinsic value of the options. The shares and WAEP have been adjusted for the exchange ratio of 0.8375 shares of Sirius XM Holdings per share of SplitCo. Refer to Note 1 for more information.

	Options (000's)	WAEP	Weighted average remaining life (years)	Aggregate intrinsic value
Outstanding at January 1, 2024	5	\$ 34.78		
Exercised	(1)	\$ 30.98		
Forfeited/Cancelled	—	\$ —	—	
Transfer to Sirius XM Holdings <sup>(1)</sup>	(4)	\$ 35.56		
Outstanding at September 30, 2024	—			

(1) As discussed in the paragraph above, outstanding stock options to purchase shares of SplitCo common stock were accelerated and became fully vested and exchanged into stock options to purchase shares of our common stock, adjusted based on the SplitCo Award Exchange Ratio.

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Liberty Media calculated the GDFV for its equity classified options using the Black-Scholes Model. Liberty Media estimated the expected term of the options based on historical exercise and forfeiture data. The volatility used in the calculation for options was based on the historical volatility of SplitCo common stock and, when available, the implied volatility of publicly traded SplitCo options. SplitCo uses a zero-dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

As of September 30, 2024, we reserved 4.1 shares of our common stock for issuance under exercise privileges of outstanding stock options previously granted by Liberty Media.

#### Sirius XM Holdings Awards

##### **2024 Long-Term Stock Incentive Plan**

In connection with the Transactions, Liberty Media, as the sole stockholder of SplitCo, approved the Sirius XM Holdings Inc. 2024 Long-Term Stock Incentive Plan (the "2024 Plan"). Employees, consultants and non-employee members of Sirius XM Holdings' board of directors are eligible to receive awards under the 2024 Plan. The 2024 Plan provides for the grant of stock options, stock appreciation rights ("SARs"), RSAs, RSUs and other stock-based awards that the compensation committee (the "Compensation Committee") of our board of directors deems appropriate. Stock-based awards granted under the 2024 Plan are generally subject to a graded vesting requirement. Stock options generally expire ten years from the date of grant. RSUs include performance-based RSUs ("PRSUs"), the vesting of which are subject to the achievement of performance goals and the employee's continued employment. Each RSU entitles the holder to receive one share of common stock upon vesting. As of September 30, 2024, 35 shares of our common stock were available for future grants under the 2024 Plan.

##### **Transitional Stock Adjustment Plan**

In connection with the Transactions, Liberty Media, as the sole stockholder of SplitCo, approved the Sirius XM Holdings Inc. Transitional Stock Adjustment Plan (the "Transitional Plan"). Current and former employees and consultants of Liberty Media or a former direct or indirect subsidiary of Liberty Media, any successor of any such former subsidiary, and the parent company (directly or indirectly) of any such former subsidiary or successor (collectively, a "Qualifying Subsidiary") or a member of the board of directors of Liberty Media or a Qualifying Subsidiary and in each case, who, as of September 9, 2024, (a) held an outstanding option of any series of Liberty Media's Liberty SiriusXM common stock (a "Liberty Media SiriusXM Option Award") pursuant to (i) the Liberty Media Corporation 2013 Incentive Plan (Amended and Restated as of March 31, 2015), as amended, (ii)

the Liberty Media Corporation 2013 Nonemployee Director Plan (Amended and Restated as of December 17, 2015), as amended, (iii) the Liberty Media Corporation 2017 Omnibus Incentive Plan, as amended, (iv) the Liberty Media Corporation 2022 Omnibus Incentive Plan, as amended, and/or (v) any other stock option or incentive plan adopted or assumed by Liberty Media (each, a "Liberty Media Incentive Plan") and (b) received an option under the Transitional Plan in accordance with the terms of the Reorganization Agreement were eligible to receive awards under the Transitional Plan. The Transitional Plan provided for the grant of stock options. Stock options were subject to all the terms and conditions of the applicable performance period will be generally subject to Liberty Media Incentive Plan and associated instrument under which the executive's continued employment corresponding Liberty Media SiriusXM Option Award was made. As of September 30, 2024, 3 shares of our common stock were reserved for issuance in connection with us through outstanding stock based awards in connection with the date the total stockholder return performance is certified by the Compensation Committee. Transitional Plan.

#### Other Plans

We maintain **six** four share-based benefit plans in addition to the **2015** **2024** Plan and the Transitional Plan — the Sirius XM Radio Holdings Inc. **2009** **2015** Long-Term Stock Incentive Plan, the Amended and Restated Sirius Satellite Radio 2003 Long-Term Stock Incentive Plan, the 2014 Stock Incentive Plan of AdsWizz Inc., and the Pandora Media, Inc. 2011 Equity Incentive Plan, the Pandora Media, Inc. 2004 Stock Plan and the TheSavageBeast.com, Inc. 2000 Stock Incentive Plan. Excluding dividend equivalent units granted as a result of a declared dividend, no further awards may be made under these plans.

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The following table summarizes the weighted-average assumptions used to compute the fair value of options granted to employees, members of our board of directors and non-employees: non-employees under the Sirius XM Awards:

	For the Three Months Ended June 30,	For the Six Months Ended June 30,	For the Three Months Ended September 30,	For the Nine Months Ended September 30,
Risk-free interest rate				
Risk-free interest rate				
Risk-free interest rate				
Expected life of options — years				
Expected life of options — years				
Expected life of options — years				
Expected stock price volatility				
Expected stock price volatility				
Expected stock price volatility				
Expected dividend yield				
Expected dividend yield				
Expected dividend yield				

There were no options granted during the three months ended September 30, 2024.

The following table summarizes stock option activity under our share-based plans for the **six** **nine** months ended **June 30, 2024** **September 30, 2024**:

	Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value	Options	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of December 31, 2023							
Outstanding as of January 1, 2024							
Outstanding as of December 31, 2023							
Outstanding as of January 1, 2024							
Outstanding as of December 31, 2023							
Outstanding as of January 1, 2024							
Granted							
Granted							
Granted							
Exercised							
Exercised							
Exercised							
Forfeited, cancelled or expired							
Forfeited, cancelled or expired							

Forfeited, cancelled or expired

Outstanding as of June 30, 2024

Outstanding as of June 30, 2024

Outstanding as of June 30, 2024

Exercisable as of June 30, 2024

Transfer in from SplitCo <sup>(1)</sup>

Transfer in from SplitCo <sup>(1)</sup>

Transfer in from SplitCo <sup>(1)</sup>

Outstanding as of September 30, 2024

Outstanding as of September 30, 2024

Outstanding as of September 30, 2024

Exercisable as of September 30, 2024

(1) As discussed above, outstanding stock options to purchase shares of SplitCo common stock were accelerated and became fully vested and exchanged into stock options to purchase shares of our common stock adjusted based on the SplitCo Award Exchange Ratio under the Transitional Plan.

The weighted average grant date fair value GDFV per stock option granted during the six nine months ended June 30, 2024 September 30, 2024 was \$1.23, \$12.31. The total intrinsic value of stock options exercised during each of the six nine months ended June 30, 2024 September 30, 2024 and 2023 was \$1, \$1 and \$9, respectively. During the six nine months ended June 30, 2024 September 30, 2024, the number of net settled shares issued as a result of stock option exercises was less than 1.

We recognized share-based payment expense associated with stock options of \$8 and \$7 for the three months ended June 30, 2024 and 2023, respectively, and \$16 and \$15 for the six months ended June 30, 2024 and 2023, respectively.

The following table summarizes the restricted stock unit, RSUs, including PRSUs, activity under our share-based plans for the six nine months ended June 30, 2024 September 30, 2024:

	Shares	Grant Date Fair Value Per Share	Shares	GDFV Per Share
Nonvested as of December 31, 2023				
Nonvested as of January 1, 2024				
Nonvested as of December 31, 2023				
Nonvested as of January 1, 2024				
Nonvested as of December 31, 2023				
Nonvested as of January 1, 2024				
Granted				
Vested				
Forfeited				
Nonvested as of June 30, 2024				
Nonvested as of September 30, 2024				

The total intrinsic value of restricted stock units, RSUs, including PRSUs, vesting during the six nine months ended June 30, 2024 September 30, 2024 and 2023 was \$51, \$97 and \$44, \$123, respectively. During the six nine months ended June 30, 2024 September 30, 2024, the number of net settled shares issued as

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a result of restricted stock units RSUs vesting totaled 8.2. During the six nine months ended June 30, 2024 September 30, 2024, we granted 9.1 PRSUs to certain employees. We believe it is probable that the performance target applicable to these PRSUs will be achieved.

In connection with the cash dividends paid during the six nine months ended June 30, 2024 September 30, 2024, we granted less than 1 restricted stock units, RSUs, including PRSUs, in accordance with the terms of existing award agreements. These grants did not result in any additional incremental share-based payment expense being recognized during the six nine months ended June 30, 2024 September 30, 2024.

We recognized share-based payment expense associated with restricted stock units, including PRSUs, of \$38

**SIRIUS XM HOLDINGS INC.**  
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**(Dollars and \$35 for the three months ended June 30, 2024 and 2023, respectively, and \$75 and \$72 for the six months ended June 30, 2024 and 2023,**  
**respectively. shares in millions, except per share amounts or otherwise stated)**

Total unrecognized compensation costs related to unvested share-based payment awards for our stock options and restricted stock units, RSUs, including PRSUs, granted to employees, members of our board of directors and third parties at June 30, 2024 September 30, 2024 and December 31, 2023 was \$385, \$465 and \$423, respectively. The total

unrecognized compensation costs at **June 30, 2024** **September 30, 2024** are expected to be recognized over a weighted-average period of **2.4** **2.7** years.

#### **401(k) Savings Plans**

Sirius XM sponsors **We sponsor** the Sirius XM Radio Inc. 401(k) Savings Plan (the "Sirius XM Plan") for eligible employees. The Sirius XM Plan allows eligible employees to voluntarily contribute from 1% to 50% of their pre-tax eligible earnings, subject to certain defined limits. We match 50% of an employee's voluntary contributions per pay period on the first 6% of an employee's pre-tax salary up to a maximum of 3% of eligible compensation. We may also make additional discretionary matching, true-up matching and non-elective contributions to the Sirius XM Plan. Employer matching contributions under the Sirius XM Plan vest at a rate of 33.33% for each year of employment and are fully vested after three years of employment for all current and future contributions. Our cash employer matching contributions are not used to purchase shares of our common stock on the open market, unless the employee elects our common stock as their investment option for this contribution.

We recognized expenses of \$5 for each of the three months ended **June 30, 2024** **September 30, 2024** and 2023, and **\$11** **\$16** for each of the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 in connection with the Sirius XM Plan.

#### **Sirius XM Holdings Inc. Deferred Compensation Plan**

The Sirius XM Holdings Inc. Deferred Compensation Plan (the "DCP") allows members of our board of directors and certain eligible employees to defer all or a portion of their base salary, cash incentive compensation and/or board of directors' cash compensation, as applicable. Pursuant to the terms of the DCP, we may elect to make additional contributions beyond amounts deferred by participants, but we are under no obligation to do so. We have established a grantor (or "rabbi") trust to facilitate the payment of our obligations under the DCP.

Contributions to the DCP, net of withdrawals, **were \$(1) and less than \$(1)** for the three months ended **June 30, 2024** **September 30, 2024** and 2023, **were \$(2) and less than \$(1)**, **respectively, and \$(1)** and \$1 for **each of the six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023**, **respectively**. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the fair value of the investments held in the trust were **\$58** **\$59** and \$53, respectively, which is included in Other long-term assets in our unaudited consolidated balance sheets and classified as trading securities. Trading gains and losses associated with these investments are recorded in Other (expense) income within our unaudited consolidated statements of comprehensive income. The associated liability is recorded within Other long-term liabilities in our unaudited consolidated balance sheets, and any increase or decrease in the liability is recorded in General and administrative expense within our unaudited consolidated statements of comprehensive income. **operations**. We recorded gains (losses) on investments held in the trust of **\$1** **\$2** and **\$3** **\$(1)** for the three months ended **June 30, 2024** **September 30, 2024** and 2023, respectively, and **\$5** **\$7** and **\$4** for **each of the six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023**, **respectively**.

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#### **(14) Commitments and Contingencies**

The following table summarizes our expected contractual cash commitments as of **June 30, 2024** **September 30, 2024**:

	2024	2025	2026	2027	2028	Thereafter	Total	2024	2025	2026	2027	2028	Thereafter	Total
Debt obligations														
Cash interest payments														
Satellite and transmission														
Programming and content														
Sales and marketing														
Satellite incentive payments														
Operating lease obligations														
Royalties, minimum guarantees and other														
<b>Total (1)</b>														

(1) The table does not include our reserve for uncertain tax positions, which at **June 30, 2024** **September 30, 2024** totaled **\$71** **\$73**.

**Debt obligations.** Debt obligations include principal payments on outstanding debt and finance lease obligations.

**Cash interest payments.** Cash interest payments include interest due on outstanding debt and **capital** **finance** lease payments through maturity.

**Satellite and transmission.** We have entered into agreements for the design, construction and launch of four additional satellites, SXM-9, SXM-10, SXM-11 and SXM-12. We also have entered into agreements with third parties to operate and maintain satellite telemetry, tracking and control facilities and certain components of our terrestrial repeater networks.

**Programming and content.** We have entered into various programming and content agreements. Under the terms of these agreements, our obligations include fixed payments, advertising commitments and revenue sharing arrangements. In certain of these agreements, the future revenue sharing costs are dependent upon many factors and are difficult to estimate; therefore, they are not included in our minimum contractual cash commitments.

**Sales and marketing.** We have entered into various marketing, sponsorship and distribution agreements to promote our brands and are obligated to make payments to sponsors, retailers, automakers, radio manufacturers and other third parties under these agreements. Certain programming and content agreements also require us to purchase

advertising on properties owned or controlled by the licensors.

*Satellite incentive payments.* Maxar Technologies (formerly Space Systems/Loral), the manufacturer of certain of our in-orbit satellites, may be entitled to future in-orbit performance payments upon XM-5, SIRIUS FM-5, SIRIUS FM-6, and SXM-8 meeting their fifteen-year design life, which we expect to occur.

*Operating lease obligations.* We have entered into both cancelable and non-cancelable operating leases for office space, terrestrial repeaters, data centers and equipment. These leases provide for minimum lease payments, additional operating expense charges, leasehold improvements and rent escalations that have initial terms ranging from one to fifteen years, and certain leases have options to renew.

*Royalties, Minimum Guarantees and Other.* We have entered into music royalty arrangements that include fixed payments. In addition, certain of our podcast agreements also contain minimum guarantees. As of **June 30, 2024** **September 30, 2024**, we had future fixed commitments related to music royalty and podcast agreements of **\$912, \$950**, of which **\$141** **\$103** will be paid in 2024 and the remainder will be paid thereafter. On a quarterly basis, we record the greater of the cumulative actual content costs incurred or the cumulative minimum guarantee based on forecasts for the minimum guarantee period. The minimum guarantee period is the period of time that the minimum guarantee relates to, as specified in each agreement, which may be annual or a longer period. The cumulative minimum guarantee, based on forecasts, considers factors such as listening hours, downloads, revenue, subscribers and other terms of each agreement that impact our expected attainment or recoupment of the minimum guarantees based on the relative attribution method.

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We have entered into certain tax equity investments in which we expect to make future contributions. These future contributions are expected to be made over the remaining respective terms of the investments and totaled **\$767** **\$750** as of **June 30, 2024** **September 30, 2024**, of which **\$33** **\$16** is expected to be paid in 2024 and the remainder thereafter.

Several of our content agreements also include provisions related to the royalty payments and structures of those agreements relative to other content licensing arrangements, which, if triggered, cause our payments under those agreements to escalate. In addition, record labels, publishers and performing rights organizations with whom we have entered into direct license agreements have the right to audit our content payments, and such audits often result in disputes over whether we have paid the proper content costs.

We have also entered into various agreements with third parties for general operating purposes.

In addition to the minimum contractual cash commitments described above, we have entered into other variable cost arrangements. These future costs are dependent upon many factors and are difficult to anticipate; however, these costs may be substantial. We may enter into additional programming, distribution, marketing and other agreements that contain similar variable cost provisions. We do not have any other significant off-balance sheet financing arrangements that are reasonably likely to have a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

#### **Legal Proceedings**

In the ordinary course of business, we are a defendant or party to various claims and lawsuits, including those discussed below.

We record a liability when we believe that it is both probable that a liability will be incurred, and the amount of loss can be reasonably estimated. We evaluate developments in legal matters that could affect the amount of liability that has been previously accrued and make adjustments as appropriate. Significant judgment is required to determine both probability and the estimated amount of a loss or potential loss. We may be unable to reasonably estimate the possible loss or range of loss for a particular legal contingency for various reasons, including, among others, because: (i) the damages sought are indeterminate; (ii) the proceedings are in the relative early stages; (iii) there is uncertainty as to the outcome of pending proceedings (including motions and appeals); (iv) there is uncertainty as to the likelihood of settlement and the outcome of any negotiations with respect thereto; (v) there remain significant factual issues to be determined or resolved; (vi) the relevant law is unsettled; or (vii) the proceedings involve novel or untested legal theories. In such instances, there may be considerable uncertainty regarding the ultimate resolution of such matters, including the likelihood or magnitude of a possible eventual loss, if any.

*New York State v. Sirius XM Radio Inc.* On December 20, 2023, the People of the State of New York, by Letitia James, Attorney General of the State of New York (the "NY AG"), filed a Petition in the Supreme Court of the State of New York, New York County, against Sirius XM. The Petition alleges various violations of New York law and the federal Restore Online Shoppers' Confidence Act ("ROSCA") arising out of **our Sirius XM's** subscription cancellation practices. In general, the Petition alleges that Sirius XM requires consumers to devote an excessive amount of time to cancel subscriptions and have not implemented cancellation processes that are simple and efficient.

The Petition claims to be brought under certain provisions of New York law that authorize the NY AG to initiate special proceedings seeking injunctive and other equitable relief in cases of persistent business fraud or illegality. The Petition seeks: a permanent injunction against violating provisions of New York law and ROSCA arising out of the alleged deceptive practices associated with **our Sirius XM's** subscription cancellation procedures; an accounting of each consumer who cancelled, or sought to cancel, a satellite radio subscription, including the duration of the cancel interaction and the funds collected from such consumers after that interaction; monetary restitution and damages to aggrieved consumers; disgorgement of all profits resulting from the alleged improper acts; civil penalties; and the NY AG's costs.

In March 2024, Sirius XM filed its Answer to the Petition which was supported by various factual declarations and asserts affirmative defenses to the allegations contained in the Petition. In connection with the Answer, Sirius XM cross moved for summary judgment with respect to various claims asserted in the Petition. In April 2024, the NY AG filed its responsive pleadings in support of the Petition and in opposition to Sirius XM's cross motion for summary judgment. In May 2024, Sirius XM filed a further opposition to the Petition, and a reply in support of its cross-motion. The Petition and Sirius XM's cross-

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**X** filed further opposition to the Petition, and a reply in support of its cross-motion. The Court held oral argument on Sirius XM's motion are now fully submitted. The parties have jointly requested that for summary judgment on October 23, 2024. A decision from the Court set oral argument; the Court has yet to act upon on that request. motion remains pending.

Sirius XM believes it has substantial defenses to the action and intends to defend this action vigorously.

**U.S. Music Royalty Fee Actions and Mass Arbitrations.** A number of class actions and mass arbitrations have been commenced against Sirius XM relating to our its pricing, billing and subscription marketing practices. Although each class action and mass arbitration contains unique allegations; in general, the actions and arbitrations allege that Sirius XM falsely advertised its music subscription plans at lower prices than it actually charges, that it allegedly did not disclose its "U.S. Music Royalty Fee", and that Sirius XM has taken other actions to prevent customers from discovering the existence, amount and nature of the U.S. Music Royalty Fee in violation of various state consumer protection laws.

The plaintiffs and claimants seek disgorgement, restitution and/or damages in the aggregate amount of U.S. Music Royalty Fees paid by customers, as well as statutory and punitive damages where available. The plaintiffs and claimants also seek to enjoin Sirius XM from advertising its music subscription plans without more specifically disclosing the existence and amount of the U.S. Music Royalty Fee. The plaintiffs and claimants also seek disgorgement, restitution and/or damages in the aggregate amount of U.S. Music Royalty Fees paid by customers, as well as statutory and punitive damages where available.

To date, the actions and arbitrations filed against Sirius XM include:

- On April 14, 2023, Ayana Stevenson and David Ambrose, individually, as private attorneys general, and on behalf of all other California persons similarly situated, filed a class action complaint against Sirius XM in the Superior Court of the State of California, County of Contra Costa. The case was removed to the United States District Court for the Northern District of California, which issued an Order on November 9, 2023 granting Sirius XM's Motion to Compel Arbitration and dismissed the complaint. Plaintiffs appealed the Court's granting of the Motion, and Sirius XM cross-appealed the Court's dismissal in lieu of the issuance of a stay pending arbitration. The appeal and cross-appeal have been dismissed leaving the District Court's order compelling arbitration in place.
- On May 17, 2023, Robyn Posternock, Muriel Salters and Philip Munning, individually, as private attorneys general, and on behalf of all other New Jersey persons similarly situated, filed a class action complaint against Sirius XM in the United States District Court for the District of New Jersey. Sirius XM filed a Motion to Compel Arbitration on August 18, 2023. Sirius XM renewed that motion on June 14, 2024 and the renewed motion remains pending.
- On June 5, 2023, Christopher Carovillano and Steven Brandt, individually, as private attorneys general, and on behalf of all other U.S. persons similarly situated (excluding persons in the states of California, New Jersey and Washington), filed a class action complaint against Sirius XM in the United States District Court for the Southern District of New York. On February 6, 2024, the Court issued an Order denying Sirius XM's Motion to Dismiss and Sirius XM filed an Answer to the complaint on February 20, 2024. On May 24, 2024, Sirius XM filed a Motion for Partial Summary Judgment and to Strike Class Allegations. On July 18, 2024, the Court issued an Opinion and Order granting Sirius XM's motion for partial summary judgement and striking the plaintiffs' class allegations. This case is now expected to proceed solely as to plaintiffs' individual claims.
- On June 1, 2024, Elenamarie Burns, Jacqueline Gardner, and Lynne Silver filed a petition on behalf of 7,628 individuals in the Commercial Division of the Supreme Court of New York, County of New York, seeking to compel Sirius XM to arbitrate and advance the payment of American Arbitration Association (the "AAA") arbitration fees in connection with individual arbitrations. On July 3, 2024, those petitioners filed an amended petition seeking the same relief on behalf of a revised list of 7,628 petitioners. The Court has not taken any action in connection with the amended petition.
- On June 14, 2024, Kara Kirkpatrick, Gillian Maxfield, Anna Demarco and Cody Michael, individually and on behalf of all other Oregon persons similarly situated, filed a class action complaint against Sirius XM in the United States District Court for the District of Oregon.
- On June 21, 2024, Cindy Balmores, Justin Braswell, Deborah Garvin, and Thea Anderson, individually, as private attorneys general, and on behalf of all other Washington persons similarly situated, filed a class action complaint against Sirius XM in the United States District Court for the Western District of Washington.

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- On June 25, 2024, Denise Woods and Sherry Tapia, individually, as private attorneys general, and on behalf of all other California persons similarly situated, filed a class action complaint against Sirius XM in the United States

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District Court for the Northern District of California. On July 3, 2024, plaintiffs filed an administrative motion to relate this case to the earlier filed Stevenson case.

- On June 26, 2024, Bonnie Wilson, individually and on behalf of all other U.S. persons similarly situated, filed a class action complaint against Sirius XM in the United States District Court for the Southern District of New York.
- Commencing in June 2023, various law firms began filing mass arbitration claims against Sirius XM before the AAA. Collectively, the law firms purport to act on behalf of approximately 70,000 claimants. Several of the law firms have asserted additional causes of action under the Electronic Funds Transfer Act.

Sirius XM believes it has substantial defenses to the claims asserted in these actions and arbitrations, and it intends to defend these actions vigorously.

**Other Matters.** In the ordinary course of business, we Sirius XM Holdings, Sirius XM and its subsidiaries, such as Pandora, are a defendant defendants in various other lawsuits and arbitration proceedings, including derivative actions; actions filed by subscribers, both on behalf of themselves and on a class action basis; former employees; parties to contracts or leases; and owners of purported patents, trademarks, copyrights or other intellectual property. None of these other matters, in our opinion, is likely to have a material adverse effect on our business, financial condition or results of operations.

**(15) Income Taxes**

We have historically filed a Certain entities and activities attributed to us were included in the federal consolidated federal income tax return for all returns of Liberty Media during the periods presented. Tax sharing payments were remitted between Liberty Media and us in accordance with Liberty Media's tax sharing policies based on income tax benefits or liabilities attributed to us. As of September 30, 2024 and December 31, 2023, we had an income tax payable of approximately \$45 and \$131, respectively, included in other current liabilities in our wholly owned subsidiaries, including Sirius XM and Pandora. On February 1, 2021, unaudited consolidated balance sheet.

In connection with the Transactions, we entered into a new Tax Sharing Agreement with Liberty Media. The Tax Sharing Agreement generally allocates taxes, tax benefits, tax items, and tax-related losses between Liberty Media and us in a manner consistent with the tax sharing agreement with policies of Liberty Media governing in effect prior to the Split-Off, with taxes, tax benefits and tax items attributable to the assets, liabilities and activities attributed to the Liberty Formula One Group and the Liberty Live Group being allocated to Liberty Media, and taxes, tax benefits and tax items attributable to the assets, liabilities and activities attributed to the Liberty SiriusXM Group being allocated to us. In addition, the Tax Sharing Agreement includes additional provisions related to the manner in which any taxes or tax-related losses arising from the Split-Off will be allocated between the parties and provides restrictive covenants intended to preserve the generally tax-free treatment of the Transactions. The failure by a party to comply with its restrictive covenants may change the general allocation of consolidated U.S. income taxes, tax liabilities benefits and setting forth agreements with respect tax items between the parties related to the Transactions. The parties must indemnify each other for taxes and losses allocated to them under the Tax Sharing Agreement and for taxes and losses arising from a breach by them of their respective covenants and obligations under the Tax Sharing Agreement. The Tax Sharing Agreement also includes provisions addressing the filing of tax returns, control of tax audits, cooperation on tax matters, retention of tax records, indemnification, and other tax matters. The tax sharing agreement contains provisions that we believe are customary for tax sharing agreements between members of a consolidated group. On November 3, 2021, Liberty Media informed us that it beneficially owned over 80% of the outstanding shares of our common stock; as a result of this, we were included in the consolidated tax return of Liberty Media beginning November 4, 2021. The tax sharing agreement and our inclusion in Liberty Media's consolidated tax group has not had any material adverse effect on us.

We have calculated the provision for income taxes by using a separate return method. Any difference between the tax expense (or benefit) allocated to us under the separate return method and payments to be made for (or received from) Liberty Media for tax expense are treated as either dividends or capital contributions. Income tax expense benefit (expense) was \$89 \$39 and \$62 \$79 for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$168 \$(103) and \$138 \$(199) for the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

Our effective tax rate for the three months ended June 30, 2024 September 30, 2024 and 2023 was 22.0% 1.3% and 16.7% (21.4%), respectively. Our effective tax rate for the six nine months ended June 30, 2024 September 30, 2024 and 2023 was 22.4% (4.6%) and 20.3% (20.8%), respectively. The effective tax rate for the three and six nine months ended June 30, 2024 September 30, 2024 was negatively primarily impacted by the nondeductible Sirius XM goodwill impairment charge, partially offset by tax losses related to share-based compensation, compensation and an increase in valuation allowance and net operating loss expirations related to state net operating losses that are projected to expire unutilized. The effective tax rate for the three and six nine months ended June 30, 2023 September 30, 2023 was primarily impacted by the release of valuation reserves against state net operating losses we now expect to realize, realize and benefits related to certain tax credits. We estimate our effective tax rate for the year ending December 31, 2024 will be approximately 22%21%.

During the three and six nine months ended June 30, 2024 September 30, 2024, we recognized net tax benefits of \$12 \$9 and \$16, \$25, respectively, related to our tax equity investments. These recognized net tax benefits were recorded to Income tax expense in our unaudited

**SIRIUS XM HOLDINGS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
**(Dollars and shares in millions, except per share amounts or otherwise stated)**

consolidated statement of comprehensive income. During the three and six nine months ended June 30, 2024 September 30, 2024, the net tax benefits included tax credits and other income tax benefits of \$54 \$44 and \$79, \$123, respectively, which were partially offset by amortization expense of \$42 \$35 and \$63, \$98, respectively. Refer to Note 10 for more information on our tax equity investments.

As of each of June 30, 2024 September 30, 2024 and December 31, 2023, we had a valuation allowance related to deferred tax assets of \$93 and \$88, respectively, that were not likely to be realized due to the timing of certain federal and state net operating loss limitations.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
**(Dollars and shares in millions, except per share amounts)**

**(16) Segments and Geographic Information**

In accordance with FASB ASC Topic 280, *Segment Reporting*, we disaggregate our operations into two reportable segments: Sirius XM and Pandora and Off-platform. The financial results of these segments are utilized by the chief operating decision maker, who is our Chief Executive Officer, for evaluating segment performance and allocating resources. We report our segment information based on the "management" approach. The management approach designates the internal reporting used by management for making decisions and assessing performance as the source of our reportable segments. For additional information on our segments refer to Note 1.

Segment results include the revenues and cost of services which are directly attributable to each segment. There are no indirect revenues or costs incurred that are allocated to the segments. There are planned We eliminate intersegment advertising campaigns which will be eliminated. campaign revenue. We had intersegment advertising revenue of \$1 and less than \$1 during for each of the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, and \$3 and \$2 and \$1 during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

Segment revenue and gross profit were as follows during the period presented:

	For the Three Months Ended June 30, 2024			For the Three Months Ended September 30, 2024			
	Sirius XM	Sirius XM	Pandora and Off-platform	Total	Sirius XM	Pandora and Off-platform	Total
Revenue							
Subscriber revenue							
Subscriber revenue							
Subscriber revenue							
Advertising revenue							
Equipment revenue							
Other revenue							
Total revenue							
Cost of services (a)							
Segment gross profit							

**SIRIUS XM HOLDINGS INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
**(Dollars and shares in millions, except per share amounts or otherwise stated)**

The reconciliation between reportable segment gross profit to consolidated income loss before income tax is as follows:

For the Three Months Ended **June 30,**

**2024** September 30, 2024

Segment Gross Profit	\$	1,166 1,156
Subscriber acquisition costs		(92) (90)
Sales and marketing <sup>(a)</sup>		(217) (206)
Engineering, design and development <sup>(a)</sup>		(60) (57)
General and administrative <sup>(a)</sup>		(95) (113)
Depreciation and amortization		(133) (145)
Share-based payment expense		(46) (58)
Impairment, restructuring and <del>acquisition</del> <sup>other</sup> costs		(18) (3,388)
Total other expense		(100) (96)
<b>Consolidated income loss before income taxes</b>	<b>\$</b>	<b>405 (2,997)</b>

(a) Share-based payment expense is presented as a separate line item for the purpose of this note and consists of \$11 related to cost of services, \$11 related to sales and marketing, \$11 related to engineering, design and development and \$13 \$25 related to general and administrative has administrative. These amounts have been excluded, excluded from these line items in this table for the three months ended September 30, 2024.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**

**(UNAUDITED)**

**(Dollars and shares in millions, except per share amounts)**

	For the Three Months Ended June 30, 2023			For the Three Months Ended September 30, 2023			
	Sirius XM	Sirius XM	Pandora and Off-platform	Total	Sirius XM	Pandora and Off-platform	Total
Revenue							
Subscriber revenue							
Subscriber revenue							
Subscriber revenue							
Advertising revenue							
Equipment revenue							
Other revenue							
Total revenue							
Cost of services <sup>(b)</sup>							
Segment gross profit							

The reconciliation between reportable segment gross profit to consolidated income before income tax is as follows:

	For the Three Months Ended June 30, 2023 September 30, 2023
<b>Segment Gross Profit</b>	<b>\$ 1,199 1,227</b>
Subscriber acquisition costs	(93) (87)
Sales and marketing (b)	(209) (224)
Engineering, design and development (b)	(72) (61)
General and administrative (b)	(147) (119)
Depreciation and amortization	(139) (145)
Share-based payment expense	(42) (57)
Impairment, restructuring and acquisition other costs	(18) (6)
Total other expense	(107) (158)
<b>Consolidated income before income taxes</b>	<b>\$ 372 370</b>

(b) Share-based payment expense is presented as a separate line item for the purpose of \$10 this note and consists of \$13 related to cost of services, \$11 \$13 related to sales and marketing, \$11 related to engineering, design and development and \$10 \$20 related to general and administrative has administrative. These amounts have been excluded.

	For the Six Months Ended June 30, 2024		
	Sirius XM	Pandora and Off-platform	Total
Revenue			
Subscriber revenue	\$ 3,067	\$ 271	\$ 3,338
Advertising revenue	83	762	845
Equipment revenue	97	—	97
Other revenue	60	—	60
Total revenue	3,307	1,033	4,340
Cost of services (c)	(1,329)	(709)	(2,038)
Segment gross profit	<u>\$ 1,978</u>	<u>\$ 324</u>	<u>\$ 2,302</u>

excluded from these line items in this table for the three months ended September 30, 2023.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**  
(Dollars and shares in millions, except per share amounts) amounts or otherwise stated)

	For the Nine Months Ended September 30, 2024		
	Sirius XM	Pandora and Off-platform	Total
Revenue			
Subscriber revenue	\$ 4,576	\$ 407	\$ 4,983
Advertising revenue	124	1,171	1,295
Equipment revenue	140	—	140
Other revenue	93	—	93
Total revenue	4,933	1,578	6,511
Cost of services (c)	(1,987)	(1,067)	(3,054)
Segment gross profit	<u>\$ 2,946</u>	<u>\$ 511</u>	<u>\$ 3,457</u>

The reconciliation between reportable segment gross profit to consolidated loss before income tax is as follows:

For the Nine Months Ended September 30,

2024

Segment Gross Profit	\$	3,457
Subscriber acquisition costs		(272)
Sales and marketing (c)		(641)
Engineering, design and development (c)		(190)
General and administrative (c)		(326)
Depreciation and amortization		(455)
Share-based payment expense		(154)
Impairment, restructuring and other costs		(3,441)
Total other expense		(237)
<b>Consolidated loss before income taxes</b>	<b>\$</b>	<b>(2,259)</b>

(c) Share-based payment expense is presented as a separate line item for the purpose of this note and consists of \$34 related to cost of services, \$34 related to sales and marketing, \$34 related to engineering, design and development and \$52 related to general and administrative. These amounts have been excluded from these line items in this table for the nine months ended September 30, 2024.

	For the Nine Months Ended September 30, 2023		
	Sirius XM		Total
	Sirius XM	Pandora and Off-platform	Total
Revenue			
Subscriber revenue	\$ 4,757	\$ 389	\$ 5,146
Advertising revenue	126	1,152	1,278
Equipment revenue	142	—	142
Other revenue	99	—	99
Total revenue	5,124	1,541	6,665
Cost of services (d)	(2,014)	(1,097)	(3,111)
<b>Segment gross profit</b>	<b>\$ 3,110</b>	<b>\$ 444</b>	<b>\$ 3,554</b>

**SIRIUS XM HOLDINGS INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**

(UNAUDITED)

(Dollars and shares in millions, except per share amounts or otherwise stated)

The reconciliation between reportable segment gross profit to consolidated income before income tax is as follows:

Segment Gross Profit	\$	2,302	3,554
Subscriber acquisition costs		(182)	
Sales and marketing (c)		(434)	
Engineering, design and development (c)		(134)	
General and administrative (c)		(200)	
Depreciation and amortization		(273)	
Share-based payment expense		(91)	
Impairment, restructuring and acquisition costs		(46)	
Total other expense		(192)	
<b>Consolidated income before income taxes</b>	<b>\$</b>	<b>750</b>	

(c) Share-based payment expense of \$22 related to cost of services, \$23 related to sales and marketing, \$23 related to engineering, design and development and \$23 related to general and administrative has been excluded.

	For the Six Months Ended June 30, 2023		
	Sirius XM		Total
	Sirius XM	Pandora and Off-platform	Total
Revenue			

Subscriber revenue	\$ 3,160	\$ 257	\$ 3,417
Advertising revenue	85	734	819
Equipment revenue	93	—	93
Other revenue	65	—	65
Total revenue	3,403	991	4,394
Cost of services (d)	(1,340)	(727)	(2,067)
Segment gross profit	\$ 2,063	\$ 264	\$ 2,327

The reconciliation between reportable segment gross profit to consolidated income before income tax is as follows:

	For the Six Months Ended June 30, 2023
<b>Segment Gross Profit</b>	<b>\$ 2,327</b>
Subscriber acquisition costs	(183) (270)
Sales and marketing (d)	(423) (647)
Engineering, design and development (d)	(140) (201)
General and administrative (d)	(278) (416)
Depreciation and amortization	(275) (460)
Share-based payment expense	(87) (151)
Impairment, restructuring and acquisition other costs	(50) (56)
Total other expense	(210) (394)
<b>Consolidated income before income taxes</b>	<b>\$ 681 959</b>

(d) Share-based payment expense is presented as a separate line item for the purpose of \$20 this note and consists of \$33 related to cost of services, \$20 \$33 related to sales and marketing, \$22 \$33 related to engineering, design and development and \$25 \$52 related to general and administrative has administrative. These amounts have been excluded.

**SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued**  
**(UNAUDITED)**

(Dollars and shares excluded from these line items in millions, except per share amounts)

this table for the nine months ended September 30, 2023.

A measure of segment assets is not currently provided to our Chief Executive Officer and has therefore not been provided.

As of June 30, 2024 September 30, 2024, long-lived assets were predominantly located in the United States. No individual foreign country represented a material portion of our consolidated revenue during the three and six nine months ended June 30, 2024 September 30, 2024 and 2023.

#### (17) Subsequent Events

##### Capital Return Program

On July 24, 2024 October 22, 2024, our board of directors declared a quarterly dividend on our common stock in the amount of \$0.0266 \$0.27 per share of common stock payable on August 26, 2024 November 21, 2024 to stockholders of record as of the close of business on August 9, 2024 November 5, 2024.

##### Debt Transactions

Pursuant to the terms of the indenture governing the Exchangeable Notes and as a result of the Split-Off, certain holders of the Exchangeable Notes exercised their right to require us to repurchase their Exchangeable Notes. On October 28, 2024, we repurchased \$600 original principal amount (\$581 adjusted principal amount) of Exchangeable Notes with cash for an aggregate purchase price of \$585.

On October 30, 2024, we elected to redeem on December 1, 2024 all of the outstanding Exchangeable Notes not previously repurchased by us at a redemption price, in cash, equal to the adjusted principal amount of the Exchangeable Notes, plus accrued and unpaid interest on such Exchangeable Notes to, but excluding, the redemption date, and any final period distribution.

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#### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the notes thereto. All amounts referenced in this Item 2 section are in millions, except subscriber amounts are in thousands and per subscriber and per installation amounts are in ones, unless otherwise stated.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2023.

This Quarterly Report on Form 10-Q presents information for Sirius XM Holdings Inc. ("Holdings"). The terms "Holdings," "we," "us," "our," and "our company" as used herein, and unless otherwise stated or indicated by context, refer to Sirius XM Holdings Inc. and its subsidiaries. "Sirius XM" refers to our wholly owned subsidiary Sirius XM Radio Inc. and its subsidiaries. "Pandora" refers to Sirius XM's wholly owned subsidiary Pandora Media, LLC and its subsidiaries. Holdings has no operations independent of Sirius XM and Pandora.

#### **Special Note Regarding Forward-Looking Statements**

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in forward-looking statements made in this Quarterly Report on Form 10-Q and in other reports and documents published by us from time to time. Any statements about our beliefs, plans, objectives, expectations, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "intend," "plan," "projection" and "outlook." Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Quarterly Report on Form 10-Q and in other reports and documents published by us from time to time, including the risk factors described under Item 1A "Risk Factors" in Part I, Item 1A, II of our Annual this Quarterly Report on Form 10-K for the year ended December 31, 2023, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein and in Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2023.

Among the significant factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are: 10-Q.

#### **Risks Relating to our Business and Operations:**

- we face substantial competition and that competition is likely to increase over time;
- if our efforts to attract and retain subscribers and listeners, or convert listeners into subscribers, are not successful, our business will be adversely affected;
- we engage in extensive marketing efforts and the continued effectiveness of those efforts is an important part of our business;
- we rely on third parties for the operation of our business, and the failure of third parties to perform could adversely affect our business;
- we are migrating our billing system and payment processing function to a new service provider;
- failure to successfully monetize and generate revenues from podcasts and other non-music content could adversely affect our business, operating results, and financial condition;
- we may not realize the benefits of acquisitions or other strategic investments and initiatives;
- the impact of economic conditions may adversely affect our business, operating results, and financial condition; and
- we may be adversely affected by the war in Ukraine.

#### **Risks Relating to our Sirius XM Business:**

- a substantial number of our Sirius XM service subscribers periodically cancel their subscriptions and we cannot predict how successful we will be at retaining customers;
- our ability to profitably attract and retain subscribers to our Sirius XM service is uncertain;
- our business depends in part upon the auto industry;
- failure of our satellites would significantly damage our business; and
- our Sirius XM service may experience harmful interference from wireless operations.

#### **Risks Relating to our Pandora and Off-platform Business:**

- our Pandora ad-supported business has suffered a substantial and consistent loss of monthly active users, which may adversely affect our Pandora and Off-platform business;
- our Pandora and Off-platform business generates a significant portion of its revenues from advertising, and reduced spending by advertisers could harm our business;

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- our failure to convince advertisers of the benefits of our Pandora ad-supported service could harm our business;
- if we are unable to maintain revenue growth from our advertising products our results of operations will be adversely affected;
- changes to mobile operating systems and browsers may hinder our ability to sell advertising and market our services; and
- if we fail to accurately predict and play music, comedy or other content that our Pandora listeners enjoy, we may fail to retain existing and attract new listeners.

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#### **Risks Relating to Laws and Governmental Regulations:**

- privacy and data security laws and regulations may hinder our ability to market our services, sell advertising and impose legal liabilities;
- consumer protection laws and our failure to comply with them could damage our business;
- failure to comply with FCC requirements could damage our business;
- environmental, social and governance expectations and related reporting obligations may expose us to potential liabilities, increased costs, reputational harm, and other adverse effects; and
- we may face lawsuits, incur liability or suffer reputational harm as a result of content published or made available through our services.

#### Risks Associated with Data and Cybersecurity and the Protection of Consumer Information:

- if we fail to protect the security of personal information about our customers, we could be subject to costly government enforcement actions and private litigation and our reputation could suffer;
- we use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability and adversely affect our results of operations; and
- interruption or failure of our information technology and communications systems could impair the delivery of our service and harm our business.

#### Risks Associated with Certain Intellectual Property Rights:

- the market for music rights is changing and is subject to significant uncertainties;
- our Pandora services depend upon maintaining complex licenses with copyright owners, and these licenses contain onerous terms;
- failure to protect our intellectual property or actions by third parties to enforce their intellectual property rights could substantially harm our business and operating results;
- some of our services and technologies may use "open source" software, which may restrict how we use or distribute our services or require that we release the source code subject to those licenses; and
- rapid technological and industry changes and new entrants could adversely impact our services.

#### Risks Related to our Capital and Ownership Structure:

- we have a significant amount of indebtedness, and our debt contains certain covenants that restrict our operations;
- we are a "controlled company" within the meaning of the NASDAQ listing rules and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements;
- our principal stockholder has significant influence, including over actions requiring stockholder approval, and its interests may differ from the interests of other holders of our common stock;
- the Transactions may adversely affect our business and financial condition; and
- while we currently pay a quarterly cash dividend to holders of our common stock, we may change our dividend policy at any time.

#### Other Operational Risks:

- if we are unable to attract and retain qualified personnel, our business could be harmed;
- our facilities could be damaged by natural catastrophes or terrorist activities;
- the unfavorable outcome of pending or future litigation could have an adverse impact on our operations and financial condition;
- we may be exposed to liabilities that other entertainment service providers would not customarily be subject to;
- while we currently pay a quarterly cash dividend to holders of our common stock, we may change our dividend policy at any time; and
- our business and prospects depend on the strength of our brands.

#### Risks Related to the Transactions:

- we may have a significant indemnity obligation to Liberty Media, which is not limited in amount or subject to any cap, if the transactions associated with the Split-Off are treated as a taxable transaction;
- we may determine to forgo certain transactions that might otherwise be advantageous in order to avoid the risk of incurring significant tax-related liabilities;
- we may not realize the potential benefits from the Transactions in the near term or at all;
- we have assumed and are responsible for all of the liabilities attributed to the Liberty SiriusXM Group as a result of the completion of the Transactions, and acquired the assets of SplitCo on an "as is, where is" basis;
- we may be a target of securities class action and derivative lawsuits in connection with the Transactions;
- it may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders;
- we have overlapping directors with Liberty Media, which may lead to conflicting interests;
- our directors and officers are protected from liability for a broad range of actions;
- our holding company structure could restrict access to funds of its subsidiaries that may be needed to pay third party obligations;
- on a standalone basis and on a consolidated basis, we have significant indebtedness, and our subsidiaries' debt contains certain covenants that restrict its operations; and

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- our ability to incur additional indebtedness to fund our operations could be limited, which could negatively impact its operations.

Because the risk factors referred to above in Item 1A "Risk Factors" in Part II of this Quarterly Report on Form 10-Q could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made, to reflect the occurrence of unanticipated events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying unaudited consolidated financial statements and the notes thereto and our audited combined financial statements for the year ended December 31, 2023 in the Registration Statement.

## Executive Summary

### Liberty Media Transactions

Sirius XM Holdings Inc., the reporting company under this Quarterly Report on Form 10-Q, is the product of a series of transactions that closed after market close Monday, September 9, 2024.

On September 9, 2024 at 4:05 p.m., New York City time, Liberty Media Corporation ("Liberty Media" or "Former Parent") completed its previously announced split-off (the "Split-Off") of its former wholly owned subsidiary, Liberty Sirius XM Holdings Inc. ("SplitCo"). The Split-Off was accomplished by Liberty Media redeeming each outstanding share of Liberty Media's Series A, Series B and Series C Liberty SiriusXM common stock, par value \$0.01 per share, in exchange for 0.8375 of a share of SplitCo common stock, par value \$0.001 per share (the "Redemption"), with cash being paid to entitled record holders of Liberty SiriusXM common stock in lieu of any fractional shares of common stock of SplitCo.

Following the Split-Off, on September 9, 2024 at 6:00 p.m., New York City time (the "Merger Effective Time"), a wholly owned subsidiary of SplitCo merged with and into Sirius XM Holdings Inc. ("Old Sirius"), with Old Sirius surviving the merger as a wholly owned subsidiary of New Sirius (the "Merger" and together with the Split-Off, the "Transactions"). Upon consummation of the Merger, each share of common stock of Old Sirius, par value \$0.001 per share, issued and outstanding immediately prior to the Merger Effective Time (other than shares owned by New Sirius and its subsidiaries) was converted into one-tenth (0.1) of a share of SplitCo common stock, with cash being paid to entitled record holders of Old Sirius common stock in lieu of any fractional shares of common stock of SplitCo.

At the Merger Effective Time, Old Sirius was renamed "Sirius XM Inc." and SplitCo was renamed "Sirius XM Holdings Inc." In connection with the Transactions and by operation of Rule 12g-3(a) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), SplitCo became the successor issuer to Old Sirius and succeeded to the attributes of Old Sirius as the registrant, including Old Sirius's Commission File Number and CIK number.

The Transactions are intended to generally be tax-free to holders of Liberty SiriusXM common stock and Sirius XM Holdings common stock (except with respect to any cash received by such holders) and the completion of the Transactions was subject to various conditions, including the receipt of opinions of tax counsel.

Any references to the "Company," "we," "us," or "ours" refers to Sirius XM Holdings Inc. and its consolidated subsidiaries following the Transactions.

We operate two complementary audio entertainment businesses - one of which **we refer it** refers to as "Sirius XM" and the second of which **we refer it** refers to as "Pandora and Off-platform".

### Sirius XM

**Our** The Sirius XM business features music, sports, entertainment, comedy, talk **news**, **traffic** and **weather** **news** channels and other content, as well as podcasts and infotainment services, in the United States on a subscription fee basis. Sirius XM's packages include live, curated and certain exclusive and on demand programming. The Sirius XM service is distributed through **our** Sirius XM's two proprietary satellite radio systems and streamed via applications for mobile devices, home devices and other consumer electronic equipment. Satellite radios are primarily distributed through automakers, retailers and **our** Sirius XM's website. **Our** The

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Sirius XM service is also available through **our** an in-car user interface, **which we call** **called** "360L," that combines **our** Sirius XM's satellite and streaming services into a single, cohesive in-vehicle entertainment experience.

The primary source of revenue from **our** the Sirius XM business is subscription fees, with most of **our** its customers subscribing to monthly or annual plans. **We** Sirius XM also **derive** **derives** revenue from advertising on select non-music channels, which is sold under the SiriusXM Media brand, direct sales of our satellite radios and accessories, and other ancillary services. As of **June 30, 2024** **September 30, 2024**, **our** the Sirius XM business had approximately **33.3 million** **33.2 million** subscribers.

In addition to **our** the audio entertainment businesses, **we provide** **Sirius XM provides** connected vehicle services to several automakers. These services are designed to enhance the safety, security and driving experience of consumers. **We** Sirius XM also **offer** **offers** a suite of data services that includes graphical weather and fuel prices, a traffic information service, and real-time weather services in boats and airplanes.

Sirius XM **also** holds a 70% equity interest and 33% voting interest in Sirius XM **Canada**, **Canada Holdings Inc.** ("Sirius XM Canada"). Sirius XM Canada's subscribers are not included in our subscriber count or subscriber-based operating metrics.

### Pandora and Off-platform

**Our** The Pandora and Off-platform business operates a music, comedy and podcast streaming discovery platform, offering a personalized experience for each listener wherever and whenever they want to listen, whether through mobile devices, vehicle speakers or connected devices. Pandora enables listeners to create personalized stations and playlists, discover new content, hear artist- and expert-curated playlists, podcasts as well as search and play songs and albums on-demand. Pandora is available as (1) an ad-supported radio service, (2) a radio subscription service (Pandora Plus) and (3) an on-demand subscription service (Pandora Premium). As of **June 30, 2024** **September 30, 2024**, Pandora had approximately **45.1 million** **43.7 million** monthly active users and **6.0 million** **5.9 million** subscribers.

The majority of revenue from Pandora is generated from advertising on **our** **Pandora** **Pandora's** ad-supported radio service which is sold under the SiriusXM Media brand. **We** **Pandora** also **derive** **derives** subscription revenue from **our** its **Pandora Plus** and **Pandora Premium** subscribers.

WeSirius XM also sells advertising on other audio platforms and in widely distributed podcasts, which we consider it considers to be off-platform services. We have Sirius XM has an arrangement with SoundCloud Holdings, LLC ("SoundCloud" ("SoundCloud")) to be its exclusive ad sales representative in the US and certain European countries and offer advertisers the ability to execute campaigns across the Pandora and SoundCloud platforms. We It also have has arrangements to serve as the ad sales representative for certain podcasts. In addition, through AdsWizz Inc., we provide Sirius XM provides a comprehensive digital audio and programmatic advertising technology platform,

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which connects audio publishers and advertisers with a variety of ad insertion, campaign trafficking, yield optimization, programmatic buying, marketplace and podcast monetization solutions.

### **Liberty Media**

As of June 30, 2024, Liberty Media beneficially owned, directly and indirectly, 83.3% of the outstanding shares of our common stock. As a result, we are a "controlled company" for the purposes of the NASDAQ corporate governance requirements.

On December 11, 2023, Holdings entered into definitive agreements whereby, subject to the terms thereof, Liberty Sirius XM Holdings Inc., a Delaware corporation and a wholly owned subsidiary of Liberty Media ("New Sirius"), would split-off from Liberty Media. The transactions would be effectuated by means of a redemptive split-off of New Sirius (the "Split-Off"), which will own all of the assets and liabilities attributed to Liberty Media's Series A Liberty SiriusXM common stock ("LSXMA"), Series B Liberty SiriusXM common stock ("LSXMB") and Series C Liberty SiriusXM common stock ("LSXMK", together with the LSXMB and LSXMA stock, the "Liberty SiriusXM Group"). Following the Split-Off, New Sirius will combine with Holdings through the merger of Radio Merger Sub, LLC, a Delaware limited liability company and a wholly owned subsidiary of New Sirius ("Merger Sub"), with Holdings, with Holdings becoming a wholly owned subsidiary of New Sirius (the "Merger" and, together with the Split-Off, the "Transactions"). As part of the Merger, New Sirius will be renamed "Sirius XM Holdings Inc."

To effect the Transactions, on December 11, 2023, Liberty Media entered into (i) a Reorganization Agreement (the "Reorganization Agreement") with Holdings and New Sirius, and (ii) an Agreement and Plan of Merger (the "Merger Agreement") with New Sirius, Holdings and Merger Sub.

In connection with the Merger Agreement and the Reorganization Agreement, on December 11, 2023, certain trusts related to Dr. John C. Malone (collectively, the "Malone Stockholders") entered into a voting agreement (the "Voting Agreement") with Liberty Media, Holdings and New Sirius, pursuant to which, among other things, the Malone Stockholders agreed, subject to the terms of the Voting Agreement, to vote their respective shares of Liberty Media's LSXMA and LSXMB in favor of the Split-Off.

The Transactions have been unanimously approved by Liberty Media's Board of Directors and a Special Committee of the Board of Directors of Holdings and by Holdings' Board of Directors. The Transactions are subject to approval by a majority of the aggregate voting power of the shares of Liberty SiriusXM common stock present, whether in-person or by proxy, at a stockholder meeting, the receipt by Liberty Media and New Sirius of tax opinions from their respective tax counsel, as well as the receipt of required regulatory approvals and the satisfaction of other customary closing conditions. A subsidiary of Liberty Media owning a majority of the outstanding shares of Holdings has delivered a written consent approving the Transactions on behalf of a majority of Holdings' stockholders. Following the Transactions, Liberty Media and New Sirius will operate independently, and neither is expected to have any ownership interest in the other. All of the executive officers of Holdings immediately prior to consummation of the Transactions will be the initial executive officers of New Sirius, and New Sirius will continue to operate under the SiriusXM name and brand.

On June 16, 2024, Holdings entered into amendments (the "Amendments") to (i) the Reorganization Agreement and the Merger Agreement. The Amendments, among other things, ratably adjust the exchange ratios in each of the Reorganization Agreement and the Merger Agreement in connection with the Transactions to reduce the total number of outstanding shares of New Sirius common stock, par value \$0.001 per share ("New Sirius Common Stock"), following the consummation of the Transactions. The revised exchange ratio in the Reorganization Agreement reduces by 90% the number of shares of New Sirius Common Stock that otherwise would have been issued to holders of Liberty SiriusXM Common Stock (as defined below). As a result of the revised exchange ratio under the Merger Agreement, each existing holder of SiriusXM common stock, par value \$0.001 per share ("SiriusXM Common Stock"), will receive 1 share in New Sirius for every 10 shares of SiriusXM Common Stock it holds as of immediately prior to the consummation of the Transactions, with cash paid in lieu of fractional shares.

These changes to the exchange ratios affect SiriusXM stockholders and holders of shares of LSXMA, LSXMB and LSXMK uniformly and will not alter any such stockholder's percentage interest in the outstanding shares of New Sirius Common Stock as of immediately following the consummation of the Transactions, except to the extent that it results in some stockholders receiving cash in lieu of owning a fractional share of New Sirius Common Stock as described above.

In addition, in order to facilitate the Transactions, Sirius XM Radio Inc., a Delaware corporation, intends to convert under Delaware state law to a Delaware limited liability company prior to the closing of the Transaction.

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The Amendments were approved by Liberty's Board of Directors, the SiriusXM Special Committee and SiriusXM's Board of Directors. Liberty's Board of Directors has recommended that holders of shares of LSXMA and LSXMB vote in favor of the Split-Off, as it has been amended. Additionally, in connection with the execution of the Amendments, Liberty Radio, LLC, a wholly owned subsidiary of Liberty Media that holds a majority of the outstanding shares of SiriusXM common stock, in its capacity as stockholder of SiriusXM, delivered to SiriusXM a written consent pursuant to Section 228 of the General Corporation Law of the State of Delaware, approving and adopting the Amendments. As a result, no meeting of the stockholders of SiriusXM will be held in connection with the Amendments.

Assuming satisfaction of all conditions to closing, the Transactions are expected to be completed after the close of business on Monday, September 9, 2024.

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### **Results of Operations - September 30, 2024 and 2023**

Set forth below are our results of operations for the three and **six** months ended **June 30, 2024** **September 30, 2024** compared with the three and **six** months ended **June 30, 2023** **September 30, 2023**. The results of operations are presented for each of our reporting segments for revenue and cost of services and on a consolidated basis for all other items.

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2024	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2023	Three Months	Three Months			
<i>(in millions)</i>											
<i>(in millions)</i>											
<i>(in millions)</i>											
<i>Revenue</i>											
<i>Revenue</i>											
<i>Revenue</i>											
Sirius XM:											
Sirius XM:											
Sirius XM:											
Subscriber revenue											
Subscriber revenue											
Subscriber revenue											
Advertising revenue											
Advertising revenue											
Advertising revenue											
Equipment revenue											
Equipment revenue											
Equipment revenue											
Other revenue											
Other revenue											
Other revenue											
Total Sirius XM revenue											
Total Sirius XM revenue											
Total Sirius XM revenue											
Pandora and Off-platform:											
Pandora and Off-platform:											
Pandora and Off-platform:											
Subscriber revenue											
Subscriber revenue											
Subscriber revenue											
Advertising revenue											
Advertising revenue											
Advertising revenue											
Total Pandora and Off-platform revenue											
Total Pandora and Off-platform revenue											
Total Pandora and Off-platform revenue											
Total consolidated revenue											

Total consolidated revenue
Total consolidated revenue
Total revenue
Total revenue
Total revenue
<i>Cost of services</i>
<i>Cost of services</i>
<i>Cost of services</i>
Sirius XM:
Sirius XM:
Sirius XM:
Revenue share and royalties
Revenue share and royalties
Revenue share and royalties
Programming and content
Programming and content
Programming and content
Customer service and billing
Customer service and billing
Customer service and billing
Transmission
Transmission
Transmission
Cost of equipment
Cost of equipment
Cost of equipment
Total Sirius XM cost of services
Total Sirius XM cost of services
Total Sirius XM cost of services
Pandora and Off-platform:
Pandora and Off-platform:
Pandora and Off-platform:
Revenue share and royalties
Revenue share and royalties
Revenue share and royalties
Programming and content
Programming and content
Programming and content
Customer service and billing
Customer service and billing
Customer service and billing
Transmission
Transmission
Transmission
Total Pandora and Off-platform cost of services
Total Pandora and Off-platform cost of services
Total Pandora and Off-platform cost of services
Total consolidated cost of services
Total consolidated cost of services
Total consolidated cost of services
Total cost of services
Total cost of services

<b>Total cost of services</b>
Subscriber acquisition costs
Subscriber acquisition costs
Subscriber acquisition costs
<b>Sales and marketing</b>
Sales and marketing
Sales and marketing
Engineering, design and development
Engineering, design and development
Engineering, design and development
<b>General and administrative</b>
General and administrative
General and administrative
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
<b>Impairment, restructuring and acquisition costs</b>
Impairment, restructuring and acquisition costs
Impairment, restructuring and acquisition costs
<b>Impairment, restructuring and other costs</b>
Impairment, restructuring and other costs
Impairment, restructuring and other costs
<b>Total operating expenses</b>
Total operating expenses
Total operating expenses
<b>Income from operations</b>
Income from operations
Income from operations
<b>Other (expense) income:</b>
Other (expense) income:
Other (expense) income:
<b>Other income (expense), net</b>
Other income (expense), net
Other income (expense), net
Interest expense
Interest expense
Interest expense
<b>Other income</b>
Other income
Other income
<b>Gain on extinguishment of debt</b>
Gain on extinguishment of debt
Gain on extinguishment of debt
Other income (expense), net
Other income (expense), net
Other income (expense), net
<b>Total other expense</b>
Total other expense
Total other expense
<b>Income before income taxes</b>
Income before income taxes
Income before income taxes

Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Net income
(Loss) income before income taxes
(Loss) income before income taxes
(Loss) income before income taxes
Income tax benefit (expense)
Income tax benefit (expense)
Income tax benefit (expense)
Net (loss) income
Net (loss) income
Net (loss) income
nm - not meaningful

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### **Sirius XM Revenue**

*Sirius XM Subscriber Revenue* includes fees charged for self-pay and paid promotional subscriptions, U.S. Music Royalty Fees and other ancillary fees.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, subscriber revenue was **\$1,520** **\$1,510** and **\$1,597**, respectively, a decrease of 5%, or **\$77** **\$87**. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, subscriber revenue was **\$3,067** **\$4,576** and **\$3,160**, **\$4,757**, respectively, a decrease of **3%** **4%**, or **\$93**, **\$181**. The decreases were primarily driven by a reduction in self-pay revenue resulting from a decline in average subscribers as well as a lower **self-pay** ARPU driven by an increase in subscribers on **self-pay** promotional and streaming-only self-pay subscription plans and a reduction in paid promotional revenue.

We expect subscriber revenues to decrease due to a **decrease** **decline** in average subscribers as well as a **decline** in the average price of our subscriptions.

*Sirius XM Advertising Revenue* includes the sale of advertising on Sirius XM's non-music channels.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, advertising revenue was **\$43** **\$41** and **\$45**, **\$42**, respectively, a decrease of **4%** **2%**, or **\$2**, **\$1**. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, advertising revenue was **\$83** **\$124** and **\$85**, **\$126**, respectively, a decrease of 2%, or **\$2**. Lower revenue from entertainment channels was partially offset by higher revenue earned on **sports** and **comedy** **news** channels.

We expect our Sirius XM advertising revenue to increase as we continue to promote our brand and as a result of co-selling initiatives among our brands and platforms.

*Sirius XM Equipment Revenue* includes revenue and royalties from the sale of satellite radios, components and accessories.

For **each** of the three months ended **June 30, 2024** **September 30, 2024** and 2023, equipment revenue was **\$47**, **\$43** and **\$49**, respectively, a decrease of 12%, or **\$6**. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, equipment revenue was **\$97**, **\$140** and **\$93**, **\$142**, respectively, an **increase** a **decrease** of **4%** **1%**, or **\$4**, **\$2**. The **increase** for **decreases** were driven by a transition to higher cost next generation chipsets. For the **six nine** month period, the **decrease** was **driven** **partially** **offset** by increased chipset production.

We expect equipment revenue to **decrease** **remain flat** as **we** **higher** **costs** **associated** **with** the **transition** to our **next** **generation** **chipset** **at** **higher** **costs** **partially** **are** **anticipated** **to** **offset** **by** **increased** **production**.

*Sirius XM Other Revenue* includes service and advisory revenue from Sirius XM Canada, revenue from our connected vehicle services, and ancillary revenues.

For **each** of the three months ended **June 30, 2024** **September 30, 2024** and 2023, other revenue was **\$30** and **\$33**, respectively, a decrease of 9%, or **\$3**, **\$33**. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, other revenue was **\$60**, **\$93** and **\$65**, **\$99**, respectively, a decrease of **8%** **6%**, or **\$5**, **\$6**. The **decreases** were **primarily** **decrease** for the **nine** **month** **period** **was** **driven** by lower royalty revenue from Sirius XM Canada.

We expect other revenue to continue to decrease primarily due to lower revenue from **Sirius XM Canada** and our connected vehicle services.

### **Pandora and Off-platform Revenue**

*Pandora and Off-platform Subscriber Revenue* includes fees charged for Pandora Plus and Pandora Premium.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, Pandora and Off-platform subscriber revenue was **\$138** **\$135** and **\$128**, **\$132**, respectively, an increase of **8%** **2%**, or **\$10**, **\$3**. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, Pandora and Off-platform subscriber revenue was **\$271** **\$407** and

\$257, \$389, respectively, an increase of 5%, or \$14. \$18. The positive results were driven by rate increases on Pandora subscription plans, partially offset by a decline in the subscriber base.

We expect Pandora and Off-platform subscriber revenues to remain relatively flat as higher ARPU is anticipated to be offset by a lower subscriber base.

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*Pandora and Off-platform Advertising Revenue* is generated primarily from audio, display and video advertising from on-platform and off-platform advertising.

For each of the three months ended June 30, 2024 September 30, 2024 and 2023, Pandora and Off-platform advertising revenue was \$400. \$409 and \$418, respectively, a decrease of 2%, or \$9. For the six nine months ended June 30, 2024 September 30, 2024 and 2023, Pandora and Off-platform advertising revenue was \$762 \$1,171 and \$734, \$1,152, respectively, an increase of 4% 2%, or \$28. \$19. The decrease for the three month period was driven by a number of factors, including lower streaming demand due to new supply entering the market. The increase for the six nine month period was primarily driven by higher podcasting revenue and tech technology fees as well as higher sell-through on the Pandora ad-supported service, service, partially offset by the market factors described above.

We expect Pandora and Off-platform advertising revenue to increase due to growth in podcast and programmatic revenue.

## **Total Consolidated Revenue**

Total Consolidated Revenue for the three months ended June 30, 2024 September 30, 2024 and 2023 was \$2,178 \$2,171 and \$2,250, \$2,271, respectively, a decrease of 3% 4%, or \$72. \$100. Total Consolidated Revenue for the six nine months ended June 30, 2024 September 30, 2024 and 2023 was \$4,340 \$6,511 and \$4,394, \$6,665, respectively, a decrease of 1% 2%, or \$54. \$154.

## **Sirius XM Cost of Services**

Sirius XM Cost of Services includes revenue share and royalties, programming and content, customer service and billing, and transmission expenses.

Sirius XM Revenue Share and Royalties include royalties for transmitting content, including streaming royalties, as well as automaker, content provider and advertising revenue share.

For the three months ended June 30, 2024 September 30, 2024 and 2023, revenue share and royalties were \$391 \$390 and \$405, \$406, respectively, a decrease of 3% 4%, or \$14, \$16, but increased as a percentage of total Sirius XM revenue. For the six nine months ended June 30, 2024 September 30, 2024 and 2023, revenue share and royalties were \$786 \$1,176 and \$796, \$1,201, respectively, a decrease of 1% 2%, or \$10, \$25, but increased as a percentage of total Sirius XM revenue. The decreases were driven by lower subscription revenue, partially offset by higher web streaming royalty rates.

We expect our Sirius XM revenue share and royalty costs to remain flat as a percentage of revenue but to decrease overall due to lower eligible subscription revenue, partially offset by higher royalty rates under the statutory webcasting license resulting from increases in the Consumer Price Index.

Sirius XM Programming and Content includes costs to acquire, create, promote and produce content. We have entered into various agreements with third parties for music and non-music programming that require us to pay license fees and other amounts.

For each of the three months ended June 30, 2024 September 30, 2024 and 2023, programming and content expenses were \$135 \$137 and \$136, respectively, an increase of 1%, or \$1, and increased as a percentage of total Sirius XM revenue. For the six nine months ended June 30, 2024 September 30, 2024 and 2023, programming and content expenses were \$275 \$412 and \$271, \$407, respectively, an increase of 1%, or \$4, \$5, and increased as a percentage of total Sirius XM revenue. The increase for the six month period was primarily driven by higher personnel-related costs.

We expect our Sirius XM programming and content expenses to slightly increase due to higher license fees.

Sirius XM Customer Service and Billing includes costs associated with the operation and management of internal and third-party customer service centers, and our subscriber management systems as well as billing and collection costs, bad debt expense, and transaction fees.

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For the three months ended June 30, 2024 September 30, 2024 and 2023, customer service and billing expenses were \$87 \$91 and \$100, \$96, respectively, a decrease of 13% 5%, or \$13, and decreased \$5, but increased as a percentage of total Sirius XM revenue. For the six nine months ended June 30, 2024 September 30, 2024 and 2023, customer service and billing expenses were \$184 \$276 and \$203, \$300, respectively, a decrease of 9% 8%, or \$19, \$24, and decreased as a percentage of total Sirius XM revenue. The decreases were primarily driven by lower call center costs, transaction and payment process processing fees, bad debt expense, and personnel-related costs.

We expect our Sirius XM customer service and billing expenses to decline due to increase as a result of higher subscriber management system transitional costs, partially offset by lower call center and personnel-related costs.

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*Sirius XM Transmission* consists of costs associated with the operation and maintenance of our terrestrial repeater networks; satellites; satellite telemetry, tracking and control systems; satellite uplink facilities; studios; and delivery of our Internet and 360L streaming and connected vehicle services.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, transmission expenses were **\$49** **\$48** and **\$41**, **\$44**, respectively, an increase of **20%** **9%**, or **\$8**, **\$4**, and increased as a percentage of total Sirius XM revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, transmission expenses were **\$99** **\$147** and **\$82**, **\$126**, respectively, an increase of **21%** **17%**, or **\$17**, **\$21**, and increased as a percentage of total Sirius XM revenue. The increases were primarily driven by higher hosting costs associated with our streaming platform, platform as well as higher consulting costs.

We expect our Sirius XM transmission expenses to **increase** **fluctuate** as **rising** costs associated with consumers using our new platforms **rise** and **are offset by** investments in internet **streaming** grow, **streaming**.

*Sirius XM Cost of Equipment* includes costs from the sale of satellite radios, components and accessories and provisions for inventory allowance attributable to products purchased for resale in our direct to consumer distribution channels.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, cost of equipment was \$2 and \$3, respectively, a decrease of 33%, or \$1, and decreased as a percentage of total Sirius XM revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, cost of equipment was **\$5** **\$7** and **\$7**, **\$10**, respectively, a decrease of **29%** **30%**, or **\$2**, **\$3**, and decreased as a percentage of total Sirius XM revenue. The decreases were driven by fewer sales of satellite radios as well as related components and lower shipping costs.

We expect our Sirius XM cost of equipment to decrease as sales of our satellite radios decline.

#### **Pandora and Off-platform Cost of Services**

*Pandora and Off-platform Cost of Services* includes revenue share and royalties, programming and content, customer service and billing, and transmission expenses.

*Pandora and Off-platform Revenue Share and Royalties* includes licensing fees paid for streaming music or other content costs related to podcasts as well as revenue share paid to third party ad servers. We make payments to third party ad servers for the period the advertising impressions are delivered or click-through actions occur, and accordingly, we record this as a cost of service in the related period.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, revenue share and royalties were \$317 and **\$327**, **\$325**, respectively, a decrease of **3%** **2%**, or **\$10**, **\$8**, and decreased as a percentage of total Pandora and Off-platform revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, revenue share and royalties were **\$625** **\$942** and **\$636**, **\$961**, respectively, a decrease of 2%, or **\$11**, **\$19**, and decreased as a percentage of total Pandora and Off-platform revenue. The **decreases** **were** **decrease** for the three month period was primarily due to lower sound recording royalties. The decrease for the nine month period was primarily due to lower revenue share related to podcasts.

We expect our Pandora and Off-platform revenue share and royalties to increase with the growth in our podcast revenue and higher royalty rates, including as a result of increases in the Consumer Price Index.

*Pandora and Off-platform Programming and Content* includes costs to produce owned and operated podcasts, live listener events and promote content.

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For the three months ended **June 30, 2024** **September 30, 2024** and 2023, programming and content expenses were \$13 and **\$18**, **\$17**, respectively, a decrease of **28%** **24%**, or \$4, and decreased as a percentage of total Pandora and Off-platform revenue. For the nine months ended **September 30, 2024** and 2023, programming and content expenses were \$44 and \$49, respectively, a decrease of 10%, or \$5, and decreased as a percentage of total Pandora and Off-platform revenue. For the six months ended **June 30, 2024** and 2023, programming and content expenses The decreases were **\$30** and **\$32**, respectively, a decrease of 6%, or \$2, and decreased as a percentage of total Pandora and Off-platform revenue. The decrease for the three month period was primarily attributable to lower live personnel-related costs, license fees, and event personnel-related and license fee costs. The decrease for the six month period was primarily attributable to lower license fee and personnel-related costs.

We expect our Pandora and Off-platform programming and content costs to remain relatively flat as higher costs associated with producing podcasts and listener events are offset by lower personnel-related costs.

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*Pandora and Off-platform Customer Service and Billing* includes transaction fees on subscription purchases through mobile app stores and bad debt expense.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, customer service and billing expenses were **\$21** **\$19** and **\$23**, **\$20**, respectively, a decrease of **9%** **5%**, or **\$2**, **\$1**, and decreased as a percentage of total Pandora and Off-platform revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, customer service and billing expenses were **\$40** **\$59** and **\$43**, **\$63**, respectively, a decrease of **7%** **6%**, or **\$3**, **\$4**, and decreased as a percentage of total Pandora and Off-platform revenue. The decreases were driven by lower bad debt expense primarily during the quarter ended June 30, 2024, expense.

We expect our Pandora and Off-platform customer service and billing costs to remain relatively flat.

*Pandora and Off-platform Transmission* includes costs associated with content streaming, maintaining our streaming radio and on-demand subscription services and creating and serving advertisements through third-party ad servers.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, transmission expenses were **\$8** **\$9** and **\$9**, **\$10**, respectively, a decrease of **11%** **10%**, or **\$1**, and decreased as a percentage of total Pandora and Off-platform revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, transmission expenses were **\$16** **\$25** and **\$17**, **\$27**, respectively, a decrease of **6%** **7%**, or **\$1**, **\$2**, and decreased as a percentage of total Pandora and Off-platform revenue. The decreases were driven by lower bandwidth costs.

We expect our Pandora and Off-platform transmission costs to increase due to higher hosting costs, partially offset by lower personnel-related costs.

#### **Operating Costs**

*Subscriber Acquisition Costs* are costs associated with our satellite radio service and include hardware subsidies paid to radio manufacturers, distributors and automakers; subsidies paid for chipsets and certain other components used in manufacturing radios; device royalties for certain radios and chipsets; product warranty obligations; and freight. The majority of subscriber acquisition costs are incurred and expensed in advance of acquiring a subscriber. Subscriber acquisition costs do not include advertising costs, marketing, loyalty payments to distributors and dealers of satellite radios or revenue share payments to automakers and retailers of satellite radios.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, subscriber acquisition costs were **\$92** **\$90** and **\$93**, **\$87**, respectively, a decrease an increase of **1%** **3%**, or **\$1**, **\$3**, and increased as a percentage of total revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, subscriber acquisition costs were **\$182** **\$272** and **\$183**, **\$270**, respectively, a decrease an increase of **1%**, or **\$1**, **\$2**, and increased as a percentage of total revenue. The decreases increases were driven by contractual changes with certain automakers, partially offset by lower hardware subsidies driven by installations as well as lower commission and hardware subsidy rates.

We expect subscriber acquisition costs to increase driven by growth in penetration with certain automakers as well as higher subsidies and other incentives offered to induce automakers to include our latest technology in their vehicles.

*Sales and Marketing* includes costs for marketing, advertising, media and production, including promotional events and sponsorships; cooperative and artist marketing; and personnel related costs including salaries, commissions, and sales support. Marketing costs include expenses related to direct mail, outbound telemarketing, email communications, social media, television and streaming performance media, and third party promotional offers.

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For the three months ended **June 30, 2024** **September 30, 2024** and 2023, sales and marketing expenses were **\$228** **\$217** and **\$220**, **\$237**, respectively, an increase a decrease of **4%** **8%**, or **\$8**, **\$20**, and increased decreased as a percentage of total revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, sales and marketing expenses were **\$457** **\$675** and **\$443**, **\$680**, respectively, an increase a decrease of **8%** **1%**, or **\$14**, **\$5**, but increased as a percentage of total revenue. The increases decreases were primarily due to an increase in lower streaming, in-car, and programming marketing as well as personnel-related costs. The decrease for the nine month period was partially offset by higher brand and content marketing.

We expect sales and marketing expenses to remain relatively flat.

*Engineering, Design and Development* consists primarily of compensation and related costs to develop chipsets and new products and services, including streaming and connected vehicle services, research and development for broadcast information systems and the design and development costs to incorporate Sirius XM radios into new vehicles manufactured by automakers.

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For the three months ended **June 30, 2024** **September 30, 2024** and 2023, engineering, design and development expenses were **\$71** **\$68** and **\$83**, **\$72**, respectively, a decrease of **14%** **6%**, or **\$12**, **\$4**, and decreased as a percentage of total revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, engineering, design and development expenses were **\$157** **\$224** and **\$162**, **\$234**, respectively, a decrease of **8%** **4%**, or **\$5**, **\$10**, and decreased as a percentage of total revenue. The decreases were primarily driven by higher capitalized personnel-related costs, partially offset by higher personnel-related and cloud hosting costs.

We anticipate engineering, design and development expenses to remain relatively flat.

*General and Administrative* primarily consists of compensation and related costs for personnel and facilities, and includes costs related to our finance, legal, human resources and information technologies departments.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, general and administrative expenses were **\$108** **\$138** and **\$157**, **\$139**, respectively, a decrease of **31%** **1%**, or **\$49**, and decreased **\$1**, but increased as a percentage of total revenue. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, general and administrative expenses were **\$223** **\$378** and **\$303**, **\$468**, respectively, a decrease of **26%** **19%**, or **\$80**, **\$90**, and decreased as a percentage of total revenue. The decreases were primarily driven by lower personnel-related costs as well as lower legal costs resulting from litigation insurance recoveries and reduced legal reserves, including amounts associated with settlement of certain litigation matters of **\$24** during the three months ended June 30, 2023, as well as lower Former Parent operating costs.

We expect our general and administrative expenses, excluding litigation insurance recoveries, to remain relatively flat as higher technology and consulting costs will be offset by lower personnel-related costs, costs and the exclusion of Former Parent operating costs going forward.

**Depreciation and Amortization** represents the recognition in earnings of the cost of assets used in operations, including our satellite constellations, property, equipment and intangible assets, over their estimated service lives.

For each of the three months ended **June 30, 2024** September 30, 2024 and 2023, depreciation and amortization expense was \$133 and \$139, respectively. For the **six** nine months ended **June 30, 2024** September 30, 2024 and 2023, depreciation and amortization expense was \$273 \$455 and \$275, \$460, respectively. The decreases were associated with decrease was primarily due to the retirement of a satellite during the nine months ended September 30, 2023 and certain acquired intangible assets that reached the end of their useful lives, partially offset by higher the write-down of certain property and equipment recorded in the Transactions and an increase in capitalized software and hardware.

**Impairment, Restructuring and Acquisition Other Costs** represents impairment charges, associated with the carrying amount of an asset exceeding the asset's fair value, restructuring expenses associated with the abandonment of certain leased office spaces as well as employee severance charges associated with organizational changes, and acquisition costs associated with the Transaction.

For the three months ended September 30, 2024 and 2023, impairment, restructuring and other costs were \$3,388 and \$6, respectively. For the nine months ended September 30, 2024 and 2023, impairment, restructuring and other costs were \$3,441 and \$56, respectively. During the three months ended September 30, 2024, we recorded impairment charges of \$3,353 related to impairment of Goodwill and non-controlling investments, costs associated with the Transactions of \$32 and a charge of \$3 associated with severance and other restructuring costs. During the nine months ended September 30, 2024, we recorded impairment charges of \$3,354 primarily related to impairment of Goodwill and non-controlling investments, costs associated with the Transactions of \$68, and a charge of \$19 associated with severance and other restructuring costs. During the three months ended September 30, 2023, we recorded restructuring costs of \$5 and transaction costs of \$1. During the nine months ended September 30, 2023, we recorded a charge of \$31 primarily related to severance and other related costs, impairments primarily related to terminated software projects of \$15, vacated office space impairments of \$5, accrued expenses of \$2 for

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For each of the three months ended June 30, 2024 and 2023, impairment, restructuring and acquisition costs were \$18. For the six months ended June 30, 2024 and 2023, impairment, restructuring and acquisition costs were \$46 and \$50, respectively. During the three months ended June 30, 2024, which we recorded costs associated with the Transactions of \$14, a charge of \$3 associated with severance and other employee costs, and impairments, primarily related to vacated office space, of \$1. During the six months ended June 30, 2024, we recorded costs associated with the Transactions of \$29, a charge of \$15 associated with severance and other employee costs, and impairments, primarily related to terminated software projects and vacated office space of \$2. During the three months ended June 30, 2023, we recorded impairments primarily related to terminated software projects of \$10, restructuring costs of \$5, and will not recognize any future benefits, a cost-method investment impairment of \$2. During the six months ended June 30, 2023, we recorded a charge of \$23 associated with severance \$2, and other employee costs impairments, primarily related to terminated software projects, the Transactions of \$13, vacated office space impairments of \$7, restructuring costs of \$5, and a cost-method investment impairment of \$2, \$1.

## **Other (Expense) Income**

**Interest Expense** includes interest on outstanding debt.

For the three months ended **June 30, 2024** September 30, 2024 and 2023, interest expense was \$102 \$124 and \$107, \$134, respectively. For the **six** nine months ended **June 30, 2024** September 30, 2024 and 2023, interest expense was \$206 \$379 and \$213, \$404, respectively. The decreases were driven by a lower average outstanding debt balance and higher capitalized interest.

**Other Income (Expense), Net** primarily includes realized and unrealized gains and losses from our debt measured at fair value, bond hedges, Deferred Compensation Plan and other investments, intergroup interests, interest and dividend income, our share of the income or loss from equity investments, in Sirius XM Canada and SoundCloud, and transaction costs related to non-operating investments.

For the three months ended **June 30, 2024** September 30, 2024 and 2023, other income (expense), net was \$2 \$28 and \$0, \$(51), respectively. For the **six** nine months ended **June 30, 2024** September 30, 2024 and 2023, other income (expense) was \$14 \$142 and \$3, \$(17), respectively. For each of the three and **six** nine months ended **June 30, 2024** September 30, 2024, we recorded our share of Sirius XM Canada's net income as well as unrealized gains on debt measured at fair value, earnings on unconsolidated entity investments, and trading gains associated with the investments held for our Deferred Compensation Plan, Plan. For the three months ended September 30, 2023, we recorded unrealized losses on debt measured at fair value and losses associated with bond hedges, partially offset by earnings on unconsolidated entity investments, and trading gains associated with the investments held for our share Deferred Compensation Plan. For the nine months ended September 30, 2023, we recorded losses associated with bond hedges, partially offset by unrealized gains on debt measured at fair value, gains associated with the fair value of SoundCloud's net losses, intergroup interests, earnings on unconsolidated entity investments, and trading gains associated with the investments held for our Deferred Compensation Plan.

## **Income Taxes**

**Income Tax Expense** includes the change in our deferred tax assets, current federal and state tax expenses, and foreign withholding taxes.

For the three months ended **June 30, 2024** September 30, 2024 and 2023, income tax benefit (expense) was \$39 and \$(79), respectively. For the nine months ended September 30, 2024 and 2023, income tax expense was \$89 \$103 and \$62, respectively. For the six months ended June 30, 2024 and 2023, income tax expense was \$168 and \$138, \$(199), respectively.

Our effective tax rate for the three months ended **June 30, 2024** September 30, 2024 and 2023 was 22.0% 1.3% and 16.7% (21.4)%, respectively. Our effective tax rate for the **six** nine months ended **June 30, 2024** September 30, 2024 and 2023 was 22.4% (4.6)% and 20.3% (20.8)%, respectively. The effective tax rate for the three and **nine** months ended **June 30, 2024** and **June 30, 2023** September 30, 2024 was negatively primarily impacted by the nondeductible Sirius XM goodwill impairment charge, partially offset by tax losses related to share-based compensation, compensation and an increase in valuation allowance and net operating loss expirations related to state net operating losses that are

projected to expire unutilized. The effective tax rate for the three and **six nine** months ended **June 30, 2023** **September 30, 2023** was primarily impacted by the release of valuation reserves against state net operating losses we now expect to **realize**. **realize** and benefits related to certain tax credits. We estimate our effective tax rate for the year ending December 31, 2024 will be approximately **22%** **21%**.

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### **Key Financial and Operating Performance Metrics**

In this section, we present certain financial performance measures, some of which are presented as Non-GAAP items, which include free cash flow and adjusted EBITDA. We also present certain operating performance measures. Our adjusted EBITDA excludes the impact of share-based payment expense. Additionally, when applicable, our adjusted EBITDA metric excludes the effect of significant items that do not relate to the on-going performance of our business. We use these Non-GAAP financial and operating performance measures to manage our business, to set operational goals and as a basis for determining performance-based compensation for our employees. See the accompanying Glossary for more details and for the reconciliation to the most directly comparable GAAP measure (where applicable).

We believe these Non-GAAP financial and operating performance measures provide useful information to investors regarding our financial condition and results of operations. We believe these Non-GAAP financial and operating performance measures may be useful to investors in evaluating our core trends because they provide a more direct view of our underlying costs. We believe investors may use our adjusted EBITDA to estimate our current enterprise value and to make investment decisions. We believe free cash flow provides useful supplemental information to investors regarding our cash available for future subscriber acquisitions and capital expenditures, to repurchase or retire debt, to acquire other companies and our ability to return capital to stockholders. By providing these Non-GAAP financial and operating performance measures, together with the reconciliations to the most directly comparable GAAP measure (where applicable), we believe we are enhancing investors' understanding of our business and our results of operations.

Our Non-GAAP financial measures should be viewed in addition to, and not as an alternative for or superior to, our reported results prepared in accordance with GAAP. In addition, our Non-GAAP financial measures may not be comparable to similarly-titled measures by other companies. Please refer to the Glossary for a further discussion of such Non-GAAP financial and operating performance measures and reconciliations to the most directly comparable GAAP measure (where applicable). Subscribers and subscription related revenues and expenses associated with our connected vehicle services and Sirius XM Canada are not included in Sirius XM's subscriber count or subscriber-based operating metrics. Subscribers to the Cloud Cover music programming service are now included in Pandora's subscriber count.

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Set forth below are our subscriber balances as of **June 30, 2024** **September 30, 2024** compared to **June 30, 2023** **September 30, 2023**.

	<b>As of June 30,</b>	<b>As of June 30,</b>	<b>As of June 30,</b>
	<b>As of September 30,</b>	<b>As of September 30,</b>	<b>As of September 30,</b>
(subscribers in thousands)			
(subscribers in thousands)			
(subscribers in thousands)			
<b>Sirius XM</b>			
<b>Sirius XM</b>			
<b>Sirius XM</b>			
Self-pay subscribers			
Self-pay subscribers			
Self-pay subscribers			
Paid promotional subscribers			
Paid promotional subscribers			
Paid promotional subscribers			
Ending subscribers			
Ending subscribers			
Ending subscribers			
<b>Sirius XM Canada subscribers</b>			
Sirius XM Canada subscribers			
Sirius XM Canada subscribers			
<b>Pandora and Off-platform</b>			
<b>Pandora and Off-platform</b>			

## Pandora and Off-platform

Monthly active users - all services

Monthly active users - all services

Monthly active users - all services

Self-pay subscribers <sup>(1)</sup>

Self-pay subscribers <sup>(1)</sup>

Self-pay subscribers <sup>(1)</sup>

(1) Pandora and Off-platform self-pay subscribers includes include Cloud Cover subscribers of 51.55 and 41.43 as of June 30, 2024 September 30, 2024 and 2023, respectively.

The following table contains our Non-GAAP financial and operating performance measures which are based on our adjusted results of operations for the three and ~~six~~ nine months ended June 30, 2024 September 30, 2024 and 2023.

	For the Three Months Ended June 30,	For the Three Months Ended June 30,
	For the Three Months Ended June 30,	For the Three Months Ended September 30,
	For the Three Months Ended September 30,	For the Three Months Ended September 30,
	For the Three Months Ended September 30,	For the Three Months Ended September 30,
	Three Months	Three Months
(subscribers in thousands)		
(subscribers in thousands)		
(subscribers in thousands)		
Sirius XM		
Sirius XM		
Sirius XM		
Self-pay subscribers		
Self-pay subscribers		
Self-pay subscribers		
Paid promotional subscribers		
Paid promotional subscribers		
Paid promotional subscribers		
Net additions		
Net additions		
Net additions		
Weighted average number of subscribers		
Weighted average number of subscribers		
Weighted average number of subscribers		
Average self-pay monthly churn		
Average self-pay monthly churn		
Average self-pay monthly churn		
ARPU <sup>(1)</sup>		
ARPU <sup>(1)</sup>		
ARPU <sup>(1)</sup>		
SAC, per installation		
SAC, per installation		
SAC, per installation		
<b>Pandora and Off-platform</b>		
<b>Pandora and Off-platform</b>		
<b>Pandora and Off-platform</b>		
Self-pay subscribers <sup>(2)</sup>		
Self-pay subscribers <sup>(2)</sup>		
Self-pay subscribers <sup>(2)</sup>		
Net additions		
Net additions		

Net additions
Weighted average number of subscribers
Weighted average number of subscribers
Weighted average number of subscribers
Ad supported listener hours (in billions)
Ad supported listener hours (in billions)
Ad supported listener hours (in billions)
Advertising revenue per thousand listener hours (RPM)
Advertising revenue per thousand listener hours (RPM)
Advertising revenue per thousand listener hours (RPM)
<b>Total Company</b>
<b>Total Company</b>
<b>Total Company</b>
Adjusted EBITDA
Adjusted EBITDA
Adjusted EBITDA
Free cash flow
Free cash flow
Free cash flow

nm - not meaningful

(1) ARPU for Sirius XM excludes subscriber revenue from our connected vehicle services of \$41 and \$43 \$39 for the three months ended **June 30, 2024** September 30, 2024 and 2023, respectively, and \$82 \$122 and \$121 for each of the **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023.

2023, respectively.

(2) Pandora and Off-platform self-pay subscriber net additions includes Cloud Cover net additions of 3 and 12 for the three months ended **June 30, 2024** September 30, 2024 and 2023, respectively, and 6 10 and 4 6 for the **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023, respectively.

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### **Sirius XM**

**Subscribers.** At **June 30, 2024** September 30, 2024, Sirius XM had approximately 33,257 33,156 subscribers, a decrease of 806,813, from the approximately 34,063 33,969 subscribers as of **June 30, 2023** September 30, 2023. Our self-pay subscriber base declined as a result of lower vehicle conversion rates, partially offset by lower non-pay and higher vehicle related churn, and we churn. We also saw a decrease in paid promotional subscribers as certain automakers transitioned from paid promotional subscriptions to unpaid, unpaid or to shorter term promotional plans.

For the three months ended **June 30, 2024** September 30, 2024 and 2023, net subscriber additions were (173) (100) and 39, (94), respectively, a decrease of 212, 6. For the **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023, net subscriber additions were (618) (719) and (242) (336), respectively, a decrease of 376, 383. Paid promotional net additions decreased compared to the prior year periods as certain automakers transitioned from paid promotional subscriptions to unpaid. Self-pay net additions declined less improved for the three and nine month periods compared to the prior year periods primarily due to lower voluntary churn as well as higher automaker volumes, partially offset by higher vehicle related churn as well as lower vehicle conversion rates and streaming net additions. churn.

**Sirius XM Canada Subscribers.** At **June 30, 2024** September 30, 2024, Sirius XM Canada had approximately 2,586 2,559 subscribers, a decrease of 42, 102, or 2% 4%, from the approximately 2,628 2,661 Sirius XM Canada subscribers as of **June 30, 2023** September 30, 2023.

**Average Self-pay Monthly Churn** is derived by dividing the monthly average of self-pay deactivations for the period by the average number of self-pay subscribers for the period. (See accompanying Glossary for more details.)

For each of the three months ended **June 30, 2024** September 30, 2024 and 2023, our average self-pay monthly churn rate was 1.5% 1.6%. For each of the **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023, our average self-pay monthly churn rate was 1.6%.

**ARPU** is derived from total earned Sirius XM subscriber revenue (excluding revenue derived from our connected vehicle services) and net advertising revenue, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period. (See the accompanying Glossary for more details.)

For the three months ended **June 30, 2024** September 30, 2024 and 2023, ARPU was \$15.24 \$15.16 and \$15.66, \$15.69, respectively. For the **six** **nine** months ended **June 30, 2024** September 30, 2024 and 2023, ARPU was \$15.30 \$15.25 and \$15.47, \$15.54, respectively. The decreases were driven by an increase in self-pay subscribers on promotional and streaming-only self-pay subscription plans.

**SAC, Per Installation**, is derived from subscriber acquisition costs and margins from the sale of radios, components and accessories (excluding connected vehicle services), divided by the number of satellite radio installations in new vehicles and shipments of aftermarket radios for the period. (See the accompanying Glossary for more details.)

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, SAC, per installation, was **\$13.85** **\$14.67** and **\$13.73**, **\$12.46**, respectively. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, SAC, per installation, was **\$13.20** **\$13.65** and **\$14.05**, **\$13.53**, respectively. The **increase** for the **three** month period was **increases** were driven by a transition to higher cost chipsets. The **decrease** for the **six** month period was driven chipsets, partially offset by a change in the mix of automakers including satellite radios in their **vehicles**, partially offset by a transition to higher cost chipsets. **vehicles**.

#### **Pandora and Off-platform**

**Monthly Active Users.** At **June 30, 2024** **September 30, 2024**, Pandora had approximately **45,129** **43,721** monthly active users, a decrease of **2,290** **2,779** monthly active users, or **5%** **6%**, from the **47,419** **46,500** monthly active users as of **June 30, 2023** **September 30, 2023**. The decrease in monthly active users was driven by churn and a decline in the number of new users.

**Subscribers.** At **June 30, 2024** **September 30, 2024**, Pandora had approximately **5,951** **5,875** subscribers, a decrease of **319** **285**, or 5%, from the approximately **6,270** **6,160** subscribers as of **June 30, 2023** **September 30, 2023**.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, net subscriber additions were **(41)** **(76)** and **8**, **(110)**, respectively. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, net subscriber additions were **(102)** **(178)** and **18**, **(92)**, respectively. The decrease in ending subscribers was driven by decreases in trial starts and lower retention due to certain price increases.

**Ad supported listener hours** are a key indicator of our Pandora business and the engagement of our Pandora listeners. We include ad supported listener hours related to Pandora's non-music content offerings in the definition of listener hours.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, ad supported listener hours were **2,599** **2,466** and **2,729**, **2,638**, respectively, a decrease of 7%, or **172**. For the **nine** months ended **September 30, 2024** and 2023, ad supported listener hours were **7,550** and **7,952**, respectively, a decrease of 5%, or **130**. For the **six** months ended **June 30, 2024** and 2023, ad supported listener hours were **5,085** and **5,315**, respectively, a decrease of 4%, or **230**. **402**. The decreases in ad supported listener hours were primarily driven by the decline in monthly active users.

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**RPM** is a key indicator of our ability to monetize advertising inventory created by **our** listener hours on the Pandora services. Ad RPM is calculated by dividing advertising revenue by the number of thousands of listener hours of our Pandora advertising-based service.

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, RPM was **\$98.99** **\$104.50** and **\$97.13**, **\$104.33**, respectively. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, RPM was **\$95.03** **\$98.12** and **\$91.28**, **\$95.61**, respectively. The increases were driven by growth in the demand for programmatic advertising.

#### **Total Company**

**Adjusted EBITDA.** Adjusted EBITDA is defined as net **(loss)** income before interest expense, income tax expense and depreciation and amortization. Adjusted EBITDA excludes the impact of other expense (income), loss on extinguishment of debt, impairment, restructuring and **acquisition** other costs, Former Parent operating costs, other non-cash charges such as share-based payment expense, and legal settlements and reserves (if applicable). (See the accompanying Glossary for a reconciliation to GAAP and for more details.)

For **each** of the three months ended **June 30, 2024** **September 30, 2024** and 2023, adjusted EBITDA was **\$702**, **\$693** and **\$747**, respectively, a decrease of 7%, or **\$54**. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, adjusted EBITDA was **\$1,352**, **\$2,043** and **\$1,327**, **\$2,075**, respectively, an increase a decrease of 2%, or **\$25**. For the three month period adjusted EBITDA was flat as lower **\$32**. The decreases were driven by declines in subscriber revenue, and higher sales and marketing costs were partially offset by lower costs of services, personnel-related costs, and general and administrative expenses. The increase for the six month period was primarily driven by lower general and administrative expenses, costs of services, personnel-related costs and higher advertising revenue, partially offset by lower subscriber revenue.

**Free Cash Flow** includes cash provided by operations, net of additions to property and equipment, and restricted and other investment activity. (See the accompanying Glossary for a reconciliation to GAAP and for more details.)

For the three months ended **June 30, 2024** **September 30, 2024** and 2023, free cash flow was **\$343** **\$93** and **\$323**, **\$258**, respectively, an increase a decrease of **6%** **64%**, or **\$20**, **\$165**. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, free cash flow was **\$475** **\$499** and **\$467**, **\$780**, respectively, an increase a decrease of **2%** **36%**, or **\$8**, **\$281**. The **increases** decreases for the three and nine month periods were primarily driven by costs related to the Transactions, lower cash receipts, higher programming payments, and higher capital expenditures; partially offset by lower cash taxes paid, partially offset by higher capital expenditures and lower cash receipts paid.

#### **Liquidity and Capital Resources**

The following table presents a summary of our cash flow activity for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** compared with the **six** **nine** months ended **June 30, 2023** **September 30, 2023**.

	For the Six Months Ended June 30,
2024	For the Six Months Ended June 30,
2024	For the Six Months Ended June 30,
2024	For the Six Months Ended June 30,

	For the Nine Months Ended September 30,	For the Nine Months Ended September 30,	For the Nine Months Ended September 30,
(in millions)			
(in millions)			
(in millions)			
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash provided by operating activities			
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in investing activities			
Net cash used in financing activities			
Net cash used in financing activities			
Net cash used in financing activities			
Net decrease in cash, cash equivalents and restricted cash			
Net decrease in cash, cash equivalents and restricted cash			
Net decrease in cash, cash equivalents and restricted cash			
Cash, cash equivalents and restricted cash at beginning of period			
Cash, cash equivalents and restricted cash at beginning of period			
Cash, cash equivalents and restricted cash at beginning of period			
Cash, cash equivalents and restricted cash at end of period			
Cash, cash equivalents and restricted cash at end of period			
Cash, cash equivalents and restricted cash at end of period			

#### Cash Flows Provided by Operating Activities

Cash flows provided by operating activities increased decreased by \$21 \$239 to \$822 \$1,062 for the six nine months ended June 30, 2024 September 30, 2024 from \$801 \$1,301 for the six nine months ended June 30, 2023 September 30, 2023.

Our largest source of cash provided by operating activities is cash generated by subscription and subscription-related revenues. We also generate cash from the sale of advertising through our the Pandora and Off-platform business, advertising on certain non-music channels on Sirius XM and the sale of satellite radios, components and accessories. Our primary uses of cash from operating activities include revenue share and royalty payments to distributors, programming and content providers, and payments to radio manufacturers, distributors and automakers. In addition, uses of cash from operating activities include payments to vendors to service, maintain and acquire listeners and subscribers, general corporate expenditures, and compensation and related costs.

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#### Cash Flows Used in Investing Activities

Cash flows used in investing activities in the six nine months ended June 30, 2024 September 30, 2024 were primarily due to spending for capitalized software and hardware, the construction of satellites and acquisitions of tax-effective investments for total cash consideration of \$229. Cash flows used in investing activities in the nine months ended September 30, 2023 were primarily due to spending for capitalized software and hardware, the construction of satellites and acquisitions of tax-effective equity investments for total cash consideration of \$210. Cash flows used in investing activities in the six months ended June 30, 2023 were primarily due to spending for capitalized software and hardware, the construction of satellites and acquisitions of tax-effective equity investments for total cash consideration of \$31. \$44. We spent \$200 \$305 and \$130 \$212 on capitalized software and hardware as well as \$132 \$229 and \$174 \$261 to construct satellites during the six nine months ended June 30, 2024 September 30, 2024 and 2023, respectively.

#### Cash Flows Used in Financing Activities

Cash flows used in financing activities consists of the issuance and repayment of long-term debt, the purchase purchases of our common stock, under our share repurchase program, the payment of cash dividends and taxes paid in lieu of shares issued for stock-based compensation. Proceeds from long-term debt have been used to fund our operations, construct and launch new satellites, fund acquisitions, invest in other infrastructure improvements and purchase shares of our common stock.

Cash flows used in financing activities in the six nine months ended June 30, 2024 September 30, 2024 were primarily due to repayments under our Credit Facility of \$1,002, the repayment of Sirius XM's Incremental Term Loan \$2,797 of \$500, the payment of cash dividends of \$205, and payment of \$20 for taxes in lieu of shares issued for share-based compensation, debt, partially offset by proceeds from debt borrowings under our of \$2,451. The remaining cash flows used in financing activities related to taxes paid from net share settlements for stock-based compensation and dividends paid. Long-term debt proceeds and repayments are reported gross within the statement of cash flows and primarily relate to the Margin Loan and the Credit Facility of \$1,352. Facility.

Cash flows used in financing activities in the six nine months ended June 30, 2023 September 30, 2023 were primarily due to repayments under our Credit Facility the repayment of \$974, the payment \$3,306 of cash dividends of \$188, the repurchase of \$173 in principal amount of Pandora's 1.75% Convertible Senior Notes due 2023, debt and the purchase and retirement of shares of our Sirius XM Holdings common stock under our its repurchase program for \$199, and payment of \$18 for taxes in lieu of shares issued for share-based compensation, \$274, partially offset by proceeds from debt borrowings under our of \$2,601, and settlement of intergroup interests of \$273. Long-term debt proceeds

and repayments are reported gross within the statement of cash flows and primarily relate to Liberty Media's 1.375% Cash Convertible Senior Notes due 2023, the Convertible Notes, the Exchangeable Notes, the Margin Loan, and the Credit Facility of \$1,117. Facility.

#### **Future Liquidity and Capital Resource Requirements**

Based upon our current business plans, we expect to fund operating expenses, capital expenditures, including the construction of replacement satellites, working capital requirements, interest payments, taxes and scheduled maturities of our debt with existing cash, cash flow from operations and borrowings under our Credit Facility, Facility, including the Incremental Term Loan. As of June 30, 2024 September 30, 2024, \$350 of borrowings were outstanding under our Credit Facility and \$1,400 \$1,500 was available for future borrowing under our Credit Facility. Facility and \$490 was available under the Incremental Term Loan. We believe that we have sufficient cash and cash equivalents, as well as debt capacity, to cover our estimated short- short and long-term funding needs, including amounts to construct, launch and insure replacement satellites, as well as fund future stock repurchases future and dividend payments and to pursue strategic opportunities.

Our ability to meet our debt and other obligations depends on our future operating performance and on economic, financial, competitive and other factors.

We regularly evaluate our business plans and strategy. These evaluations often result in changes to our business plans and strategy, some of which may be material and significantly change our cash requirements. These changes in our business plans or strategy may include: the acquisition of unique or compelling programming; the development and introduction of new features or services; significant new or enhanced distribution arrangements; investments in infrastructure, such as satellites, equipment or radio spectrum; and acquisitions and investments, including acquisitions and investments that are not directly related to our existing business.

We may from time to time purchase our outstanding debt through open market purchases, privately negotiated transactions or otherwise. Purchases or retirement of debt, if any, will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

In connection with the Transactions, holders of the Exchangeable Notes have the right to require us to repurchase the Exchangeable Notes at a purchase price equal to the adjusted principal amount plus accrued and unpaid interest and any final period distribution. We expect to use the proceeds of the Incremental Term Loan to refinance the Exchangeable Notes.

We have made, and expect to continue to make, certain tax-efficient equity investments in clean energy technologies, including industrial carbon capture and storage. These investments will produce tax credits and related tax losses. The payments on these equity investments will be classified as investing activities from a cash flow perspective, while the tax credits and losses will benefit our federal cash taxes in operating activities.

#### **Capital Return Program**

As of June 30, 2024, our board of directors had authorized for repurchase an aggregate of \$18,000 of our common stock. As of June 30, 2024, our cumulative repurchases since December 2012 under our stock repurchase program totaled

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#### **3,731 shares Stock Repurchase Program**

As of September 30, 2024, our board of directors had approved for \$16,834, and repurchase an aggregate of \$1,166 remained available for additional repurchases under our existing stock repurchase program authorization. During the six months ended June 30, 2024, we did not repurchase any shares of our common stock.

The board of directors did not establish an end date for this stock repurchase program. Shares of common stock may be purchased from time to time on the open market, and pursuant to pre-set trading plans meeting the requirements of Rule 10b5-1 under the Exchange Act, in privately negotiated transactions, including in accelerated stock repurchase transactions, and transactions with Liberty Media and its affiliates. or otherwise. We intend to fund the additional any stock repurchases through a combination of cash on hand, cash generated by operations and future borrowings. The size and timing of any purchases will be based on a number of factors, including price and business and market conditions.

We did not repurchase any shares of common stock during the three and nine months ended September 30, 2024.

Prior to the closing of the Transactions, the board of directors of Old Sirius had approved the repurchase of an aggregate of \$18,000 of its common stock. As of the closing of the Transactions, Old Sirius' cumulative repurchases since December 2012 under that stock repurchase program totaled 373 shares for \$16,834, and \$1,166 remained available under that stock repurchase program. The stock repurchase program of Old Sirius was terminated on the closing date of the Transactions.

#### **Dividend**

On July 24, 2024 October 22, 2024, our board of directors declared a quarterly dividend on our common stock in the amount of \$0.0266 \$0.27 per share of common stock payable on August 26, 2024 November 21, 2024 to stockholders of record as of the close of business on August 9, 2024 November 5, 2024.

#### **Debt Covenants**

The indentures governing Sirius XM's senior notes and the agreement agreements governing the Sirius XM Credit Facility include restrictive covenants. The indentures governing the senior notes also contain covenants that, among other things, limit Sirius XM's ability and the ability of its subsidiaries to create certain liens; enter into sale/leaseback transactions; and merge or consolidate. As of June 30, 2024 September 30, 2024, we were in compliance with such covenants. For a discussion of our "Debt Covenants," refer to Note 11 to our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

#### **Off-Balance Sheet Arrangements**

We do not have any significant off-balance sheet arrangements other than those disclosed in Note 14 to our unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q that are reasonably likely to have a material effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

## **Contractual Cash Commitments**

For a discussion of our "Contractual Cash Commitments," refer to Note 14 to our unaudited consolidated financial statements **included** in this Quarterly Report on Form 10-Q.

## **Related Party Transactions**

For a discussion of "Related Party Transactions," refer to Note 10 to our unaudited consolidated financial statements **included** in this Quarterly Report on Form 10-Q.

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## **Critical Accounting Policies and Estimates**

For a discussion of our "Critical Accounting Policies and Estimates," refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" Operations of New Sirius" in our Annual **the prospectus** filed with the Securities and Exchange Commission on July 23, 2024, which forms part of Liberty Sirius XM Holdings' Registration Statement on Form S-4 (File No. 333-276758), which Critical Accounting Policies and Estimates are incorporated by reference into this Quarterly Report on Form 10-K for the year ended December 31, 2023. There have been no material changes to our critical accounting policies and estimates since December 31, 2023, **10-Q**.

## **Glossary**

**Self-pay subscriber** - A self-pay subscriber is a user that, as of the date of determination, was party to a customer agreement with SiriusXM or Pandora, and (i) has paid or agreed to pay a subscription fee, including at a promotional price, or (ii) the subscription fee has been paid by an automaker for a period of three years or greater. Lifetime subscribers to the SiriusXM service are counted as **Self-Pay Subscribers** self-pay subscribers because they are party to a customer agreement with SiriusXM and have paid a subscription fee, although in almost all cases the revenue from such subscriptions have been fully recognized in prior periods. Certain users that are party to a customer agreement with Sirius XM or Pandora and have paid or agreed to pay a small promotional price for a trial subscription are not counted as **Self-Pay Subscribers** self-pay subscribers because the promotional price is considered to be *de minimis* and, in **management's** management's view, the payment is not indicative of the user's user's intent to subscribe to the service in the near-term.

**Paid promotional subscriber** - A paid promotional subscriber is a user that, as of the date of determination, has their subscription fee paid for by a third party, for a fixed trial subscription period, which typically range from one to twelve months but is less than three years. We count prepaid shipped but not activated vehicles as paid promotional subscribers.

**Monthly active users** - the number of distinct registered users on the Pandora services, including subscribers, which have consumed content within the trailing 30 days to the end of the final calendar month of the period. The number of monthly active users on the Pandora services may overstate the number of unique individuals who actively use our Pandora service, as one individual may use multiple accounts. To become a registered user on the Pandora services, a

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person must sign-up using an email address or access our service using a device with a unique identifier, which we use to create an account for our service.

**Average self-pay monthly churn** - for satellite-enabled subscriptions, the Sirius XM monthly average of self-pay deactivations for the period divided by the average number of self-pay subscribers for the period.

**Adjusted EBITDA** - EBITDA is defined as net **(loss)** income before interest expense, income tax expense and depreciation and amortization. Adjusted EBITDA is a Non-GAAP financial measure that excludes or adjusts for the impact of other expense (income), **loss** gain on extinguishment of debt, impairment, restructuring and **acquisition** other costs, **Former Parent operating costs, associated with the Transactions**, other non-cash charges such as share-based payment expense, and legal settlements and reserves (if applicable). We believe adjusted EBITDA is a useful measure of the underlying trend of our operating performance, which provides useful information about our business apart from the costs associated with our capital structure and purchase price accounting. We believe investors find this Non-GAAP financial measure useful when analyzing our past operating performance with our current performance and comparing our operating performance to the performance of other communications, entertainment and media companies. We believe investors use adjusted EBITDA to estimate our current enterprise value and to make investment decisions. As a result of large capital investments in our satellite radio system, our results of operations reflect significant charges for depreciation expense. We believe the exclusion of share-based payment expense is useful as it is not directly related to the operational conditions of our business. We also believe the exclusion of the legal settlements and reserves, impairment, restructuring and **acquisition related** other costs, to the extent they occur during the period, is useful as they are significant expenses not incurred as part of our normal operations for the period.

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Adjusted EBITDA has certain limitations in that it does not take into account the impact to our consolidated statements of comprehensive income of certain expenses, including share-based payment expense. We endeavor to compensate for the limitations of the Non-GAAP measure presented by also providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the Non-GAAP measure. Investors that wish to compare and evaluate our operating results after giving effect for these costs should refer to net income as disclosed in our **unaudited** consolidated statements of

comprehensive income. Since adjusted EBITDA is a Non-GAAP financial performance measure, our calculation of adjusted EBITDA may be susceptible to varying calculations; may not be comparable to other similarly titled measures of other companies; and should not be considered in isolation, as a substitute for, or superior to measures of financial performance prepared in accordance with GAAP. The reconciliation of net (loss) income to the adjusted EBITDA is calculated as follows:

	For the Three Months Ended June 30,	For the Three Months Ended June 30,	For the Three Months Ended June 30,	For the Six Months Ended June 30,
	For the Three Months Ended September 30,	For the Three Months Ended September 30,	For the Three Months Ended September 30,	For the Nine Months Ended September 30,
2024				
Net income:				
Net income:				
Net income:				
Net (loss) income:				
Net (loss) income:				
Net (loss) income:				
Add back items excluded from Adjusted EBITDA:				
Add back items excluded from Adjusted EBITDA:				
Add back items excluded from Adjusted EBITDA:				
Legal settlements and reserves				
Legal settlements and reserves				
Legal settlements and reserves				
Impairment, restructuring and acquisition costs				
Impairment, restructuring and acquisition costs				
Impairment, restructuring and acquisition costs				
Former Parent operating costs				
Former Parent operating costs				
Former Parent operating costs				
Impairment, restructuring and other costs				
Impairment, restructuring and other costs				
Impairment, restructuring and other costs				
Share-based payment expense (1)				
Share-based payment expense (1)				
Share-based payment expense (1)				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Interest expense				
Interest expense				
Interest expense				
Other income				
Other income				
Other income				
Income tax expense				
Income tax expense				
Income tax expense				
Gain on extinguishment of debt				
Gain on extinguishment of debt				
Gain on extinguishment of debt				
Other (income) expense, net				
Other (income) expense, net				
Other (income) expense, net				
Income tax (benefit) expense				
Income tax (benefit) expense				

Income tax (benefit) expense			
Adjusted EBITDA			
Adjusted EBITDA			
(1) Allocation of share-based payment expense:			
	For the Three Months Ended June 30,		
	For the Three Months Ended June 30,		
	For the Three Months Ended June 30,	For the Six Months Ended June 30,	
	For the Three Months Ended September 30,		
	For the Three Months Ended September 30,		
	For the Three Months Ended September 30,	For the Nine Months Ended September 30,	
			2024
Programming and content			
Programming and content			
Programming and content			
Customer service and billing			
Customer service and billing			
Customer service and billing			
Transmission			
Transmission			
Transmission			
Sales and marketing			
Sales and marketing			
Sales and marketing			
Engineering, design and development			
Engineering, design and development			
Engineering, design and development			
General and administrative			
General and administrative			
General and administrative			
Total share-based payment expense			
Total share-based payment expense			
Total share-based payment expense			

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**Free cash flow** - is derived from cash flow provided by operating activities, net of additions to property and equipment and purchases of other investments. Free cash flow is a metric that our management and board of directors use to evaluate the cash generated by our operations, net of capital expenditures and other investment activity. In a capital intensive business, with significant investments in satellites, we look at our operating cash flow, net of these investing cash outflows, to determine cash available for future subscriber acquisition and capital expenditures, to repurchase or retire debt, to acquire other companies and to evaluate our ability to return capital to stockholders. We exclude from free cash flow certain items that do not relate to the on-going performance of our business, such as cash flows related to acquisitions, strategic and short-term investments, including tax efficient investments in clean energy as well as net loan activity with related parties and other equity investees. We believe free cash flow is an indicator of the long-term financial stability of our business. Free cash flow, which is reconciled to "Net cash provided by operating activities," is a Non-GAAP financial measure. This measure can be calculated by deducting amounts under the captions "Additions to property and equipment" and deducting or adding Restricted and other investment activity from "Net cash provided by operating activities" from the **unaudited** consolidated statements of cash flows. Free cash flow should be used in conjunction with other GAAP financial performance measures and may not be comparable to free cash flow measures presented by other companies. Free cash flow should be viewed as a supplemental measure rather than an alternative measure of cash flows from operating activities, as determined in accordance with GAAP. Free cash flow is limited and does not represent remaining cash flows available for discretionary expenditures due to the fact that the measure does not deduct the payments required for debt maturities. We believe free cash flow provides useful supplemental information to investors regarding our current cash flow, along with other GAAP measures (such as cash flows from operating and investing activities), to determine our financial condition, and to compare our operating performance to other communications, entertainment and media companies. Free cash flow is calculated as follows:

For the Three Months Ended June 30,
For the Three Months Ended June 30,

	For the Three Months Ended June 30,	For the Six Months Ended June 30,
	For the Three Months Ended September 30,	For the Nine Months Ended September 30,
	For the Three Months Ended September 30,	
	For the Three Months Ended September 30,	
<b>2024</b>		
<b>Cash Flow information</b>		
<b>Cash Flow information</b>		
<b>Cash Flow information</b>		
Net cash provided by operating activities		
Net cash provided by operating activities		
Net cash provided by operating activities		
Net cash used in investing activities		
Net cash used in investing activities		
Net cash used in investing activities		
Net cash used in financing activities		
Net cash used in financing activities		
Net cash used in financing activities		
<b>Free Cash Flow</b>		
<b>Free Cash Flow</b>		
<b>Free Cash Flow</b>		
Net cash provided by operating activities		
Net cash provided by operating activities		
Net cash provided by operating activities		
Additions to property and equipment		
Additions to property and equipment		
Additions to property and equipment		
Sales (purchases) of other investments		
Sales (purchases) of other investments		
Sales (purchases) of other investments		
Free cash flow (1)		
Free cash flow (1)		
Free cash flow (1)		

(1) Sirius XM Holdings' free cash flow compared to Old Sirius' free cash flow is impacted by the additional interest payments related to Liberty Media's debt attributed to SplitCo as well as corporate costs.

**ARPU** - Sirius XM ARPU is derived from total earned subscriber revenue (excluding revenue associated with our connected vehicle services) and advertising revenue, divided by the number of months in the period, divided by the daily weighted average number of subscribers for the period.

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**Subscriber acquisition cost, per installation** - or SAC, per installation, is derived from subscriber acquisition costs less margins from the sale of radios and accessories (excluding connected vehicle services), divided by the number of satellite radio installations in new vehicles and shipments of aftermarket radios for the period. SAC, per installation, is calculated as follows:

	For the Three Months Ended June 30,	
	For the Three Months Ended June 30,	
	For the Three Months Ended June 30,	
	For the Three Months Ended September 30,	
	For the Three Months Ended September 30,	
	For the Three Months Ended September 30,	
<b>2024</b>		
<b>2024</b>		
<b>2024</b>		

Subscriber acquisition costs, excluding connected vehicle services	
Subscriber acquisition costs, excluding connected vehicle services	
Subscriber acquisition costs, excluding connected vehicle services	
Less: margin from sales of radios and accessories, excluding connected vehicle services	
Less: margin from sales of radios and accessories, excluding connected vehicle services	
Less: margin from sales of radios and accessories, excluding connected vehicle services	

\$  
\$  
\$

Installations (in thousands)

Installations (in thousands)

Installations (in thousands)

SAC, per installation (a)

SAC, per installation (a)

SAC, per installation (a)

(a) Amounts may not recalculate due to rounding.

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**Ad supported listener hours** - is based on the total bytes served over our Pandora advertising supported platforms for each track that is requested and served from our Pandora servers, as measured by our internal analytics systems, whether or not a listener listens to the entire track. For non-music content such as podcasts, episodes are divided into approximately track-length parts, which are treated as tracks. To the extent that third-party measurements of advertising hours are not calculated using a similar server-based approach, the third-party measurements may differ from our measurements.

**RPM** - is calculated by dividing advertising revenue, excluding AdsWizz and other off-platform revenue, by the number of thousands of listener hours on our Pandora advertising-based service.

#### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISKS RISK**

As We are exposed to market risk in the normal course of June 30, 2024, we did not hold or issue any free-standing derivatives. We hold investments in money market funds business due to our ongoing investing and certificates of deposit. These securities are consistent with the objectives contained within our investment policy. The basic objectives of our investment policy are the preservation of capital, maintaining sufficient liquidity to meet operating requirements and maximizing yield.

Our debt includes fixed rate instruments financial activities and the conduct of operations. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market value risks and the use of financial instruments to manage our debt is sensitive exposure to such risks.

We are exposed to changes in interest rates. Sirius XM's rates primarily as a result of our borrowing and investment activities, which include investments in fixed and floating rate debt instruments and borrowings under the Credit Facility carry used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable interest rate. Sirius XM's borrowings are based on the Secured Overnight Financing Rate plus an applicable rate based on its debt to operating cash flow ratio, debt. We may, in the future, hedge against believe this best protects us from interest rate fluctuations risk. We have achieved this mix by using hedging instruments such as swaps, caps, options, forwards, futures or other similar products. These instruments may be used to selectively manage risks, but there can be no assurance (i) issuing fixed rate debt that we will be fully protected against material believe has a low stated interest rate fluctuations and significant term to maturity and (ii) issuing variable rate debt with appropriate maturities and interest rates. As of September 30, 2024, we had \$860 million principal amount of variable rate debt with a weighted average interest rate of 6.4% and \$9,910 million principal amount of fixed rate debt with a weighted average interest rate of 4.2%.

#### **ITEM 4. CONTROLS AND PROCEDURES**

##### **Controls and Procedures**

We maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act, of 1934, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures. The design of any disclosure controls and procedures is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives.

As of June 30, 2024 September 30, 2024, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer chief executive officer and Chief Financial Officer, principal accounting and financial officer (the "Executives"), of the effectiveness of the design and operation of our disclosure controls and procedures (as that term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 Act). Based on that evaluation, our management, including our Chief Executive Officer and our Chief Financial Officer, the Executives, concluded that our disclosure controls and procedures were effective as of June 30, 2024 September 30, 2024.

[Table of Contents](#)**Changes in Internal Control Over Financial Reporting**

There has been no change in our internal control over financial reporting (as that term is defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934) during the quarter ended **June 30, 2024** **September 30, 2024** that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**PART II — OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

For a discussion of our "Legal Proceedings," refer to Note 14 to our unaudited consolidated financial statements in this Quarterly Report on Form 10-Q.

[Table of Contents](#)**ITEM 1A. RISK FACTORS****There have been no material changes**

Various risk factors applicable to us and our business are described under the heading "Risk Factors – Factors Relating to Sirius XM Holdings" in the prospectus filed with the SEC on July 23, 2024, which forms part of Liberty Sirius XM Holdings Inc.'s [Registration Statement](#) on Form S-4 (File No. 333-276758), which risk factors, other than the risk factors previously disclosed in response to Part I, "Item 1A. Risk Factors," factor titled "Sirius XM Holdings has a significant amount of **our Annual indebtedness**" are incorporated by reference into this Quarterly Report on Form **10-K** **10-Q**. In addition, the following risk factors should be considered carefully in evaluating us and our business.

***We may have a significant indemnity obligation to Liberty Media, which is not limited in amount or subject to any cap, if the transactions associated with the Split-Off are treated as a taxable transaction.***

Pursuant to the Tax Sharing Agreement that we entered into with Liberty Media in connection with the Split-Off, we are required to indemnify Liberty Media, its subsidiaries and certain related persons for taxes and losses (other than any taxes or tax-related losses that result from Section 355(e) of the Code applying to the Split-Off as a result of the Split-Off being part of a plan (or series of related transactions) pursuant to which one or more persons acquire a 50-percent or greater interest (measured by vote or value) in the stock of Liberty Media) resulting from the failure of the transactions associated with the Split-Off to qualify as a generally tax-free transaction under Section 355, Section 368(a)(1)(D) and related provisions of the Code to the extent that such taxes and losses (a) result primarily from, individually or in the aggregate, the breach of certain covenants made by us (applicable to actions or failures to act by us and our subsidiaries following the completion of the Split-Off), (b) result primarily from, individually or in the aggregate, the failure of certain representations made by us in support of the opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding the generally tax-free status of the transactions associated with the Split-Off to be true and correct, or (c) result from the application of Section 355(e) of the Code to the Split-Off as a result of the treatment of the Split-Off as part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50% or greater interest (measured by vote or value) in our stock (or any successor corporation), except, in the case of clauses (a) and (b), if such taxes and losses result from an action required to be taken pursuant to the agreements governing the Transactions.

Our indemnification obligations to Liberty Media, its subsidiaries and certain related persons are not limited in amount or subject to any cap. If we are required to indemnify Liberty Media, its subsidiaries or such related persons under the circumstances set forth in the Tax Sharing Agreement, we may be subject to substantial liabilities, which could materially adversely affect our financial position.

***We may determine to forgo certain transactions that might otherwise be advantageous in order to avoid the risk of incurring significant tax-related liabilities.***

Under the Tax Sharing Agreement, we agreed not to take certain actions, or fail to take any action, following the Split-Off, which action or failure to act would be inconsistent with the transactions associated with the Split-Off qualifying under Section 355, Section 368(a)(1)(D) and related provisions of the Code. In particular, for the **year ended December 31, 2023** which was filed two-year period following the distribution, we are subject to specific restrictions that are intended to preserve the generally tax-free status of the Split-Off, including restrictions on our ability to discontinue the conduct of certain businesses, to merge, consolidate, liquidate, or dissolve Sirius XM Holdings or Sirius XM Inc., to redeem or repurchase our common stock, or to enter into certain other corporate transactions that may cause us to undergo either a 45% or greater change in the ownership of our voting stock or a 45% or greater change in the ownership (measured by value) of all classes of our stock, taking into account the Merger. Further, the Tax Sharing Agreement requires us to indemnify Liberty Media for any taxes or losses (subject to certain exceptions) incurred by Liberty Media (or its subsidiaries) to the extent that such taxes and losses (a) result primarily from, individually or in the aggregate, the breach of certain covenants made by us (applicable to actions or failures to act by us and our subsidiaries following the completion of the Split-Off), (b) result primarily from, individually or in the aggregate, the failure of certain representations made by us in support of the opinion of Skadden Arps regarding the generally tax-free status of the transactions associated with the Split-Off to be true and correct, or (c) result from the application of Section 355(e) of the Code to the Split-Off as a result of the treatment of the Split-Off as part of a plan (or series of related transactions) pursuant to which one or more persons acquire, directly or indirectly, a 50% or greater interest (measured by vote or value) in our stock (or any successor corporation).

Under Section 355(e) of the Code, an acquisition of our stock would generally be presumed to be part of a plan (or series of related transactions) with the Split-Off if such acquisition occurs within two years before or after the Split-Off (or if such stock is received in the Split-Off in exchange for Liberty SiriusXM common stock that was acquired within the two years before the Split-Off). This presumption, however, may be rebutted based upon an analysis of the facts and circumstances related to the Split-Off and the particular acquisition in question, including a weighing of certain plan and non-plan factors set forth in U.S. Treasury Regulations promulgated under Section 355(e) of the Code. Further, these U.S. Treasury Regulations

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provide certain safe harbors under which an acquisition will be deemed not to be part of a plan (or series of related transactions) with the Split-Off for purposes of Section 355(e) of the Code.

In light of the Tax Sharing Agreement and the requirements under Section 355 of the Code, including the factors and safe harbors described above, we may determine to forgo certain transactions that might otherwise be advantageous. In particular, we may determine to continue to operate certain of our business operations for the foreseeable future even if a sale of such business operations might otherwise be advantageous. Moreover, we might determine to forgo certain transactions, including share repurchases, stock issuances, certain asset dispositions and other strategic transactions, for some period of time following the Split-Off. In addition, our indemnity obligations under the Tax Sharing Agreement might discourage, delay or prevent us entering into a change of control transaction for some period of time following the Split-Off.

***We may not realize the potential benefits from the Transactions in the near term or at all.***

We anticipate the realization of strategic and financial benefits to our stockholders as a result of our separation from Liberty Media. In determining to approve the Transactions, the Special Committee believed that the Transactions would benefit us and our businesses and result in the creation of stockholder value because, among other things, we would have a single class of "one share, one vote" common stock following the Transactions, we would no longer have a controlling stockholder, and the Transactions would result in more trading liquidity for our common stock and the potential for future eligibility for inclusion in stock market indexes. However, no assurance can be given as to whether or the extent to which these benefits will be actually realized.

***We have assumed and are responsible for all of the liabilities attributed to the Liberty SiriusXM Group as a result of the completion of the Transactions, and acquired the assets of SplitCo on an "as is, where is" basis.***

Pursuant to the Reorganization Agreement, we acquired all of SplitCo's assets and assumed, performed, discharged and fulfilled all of the liabilities of SplitCo, as applicable, regardless of when or where such liabilities arose or arise. The Reorganization Agreement provided that the assets of SplitCo were conveyed to us on an "as is, where is" basis, and while Liberty Media is subject to certain indemnification obligations in favor of us under the Reorganization Agreement, these are generally limited to indemnification for certain indemnifiable losses to the extent arising out of, relating to or in connection with the businesses, assets and liabilities retained by Liberty Media (or any third party claims related thereto) or any breach or failure to perform or comply with any covenant, undertaking or obligation of Liberty Media or its subsidiaries (other than us or our subsidiaries) under the Reorganization Agreement or any agreements and instruments to which Liberty Media or SplitCo was a party required to complete the restructuring transactions contemplated by the Reorganization Agreement.

Furthermore, there are no remedies available to the parties with respect to any breach of representations of the parties to the Merger Agreement, except for certain rights the party may have under applicable law to bring a claim for fraud or willful breach of the Merger Agreement.

As a result, we bear full responsibility for any and all assets and liabilities of SplitCo. To the extent any of the liabilities of SplitCo are larger than anticipated, or an issue with any asset of SplitCo prohibits our businesses from performing as planned, they could have a material adverse impact on our business, financial condition and results of operations.

***We may be a target of securities class action and derivative lawsuits in connection with the Transactions.***

Securities class action lawsuits and Exchange Commission derivative lawsuits are often brought against public companies that have entered into agreements for significant transactions such as the Transactions in an effort to seek monetary relief. We may be a defendant in one or more lawsuits relating to the Transactions, including the Merger, and, even if any such future lawsuits are without merit or resolved in our favor, defending against these claims can result in substantial costs and divert management time and resources from other potentially beneficial business opportunities. We cannot predict whether such lawsuits will be brought against us or the outcome of such lawsuits or others, nor can we predict the amount of time and expense that will be required to resolve any such litigation.

***It may be difficult for a third party to acquire us, even if doing so may be beneficial to our stockholders.***

Certain provisions of our amended and restated charter and amended and restated bylaws may discourage, delay or prevent a change in control that a stockholder may consider favorable.

These provisions include the following:

- establishing a classified board of directors, with staggered terms until the third annual meeting after the effective time of the Merger, which may lengthen the time required to gain control of our board of directors;

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- allowing the authorized number of directors on February 1, 2024 the board of directors to be changed only by resolution of the board of directors;
- permitting only the board of directors to fill vacancies on the board;
- limiting who may call special meetings of stockholders;
- prohibiting stockholder action by written consent (subject to certain exceptions), thereby requiring stockholder action to be taken at a meeting of the stockholders;
- requiring stockholder approval by holders of at least 66 2/3% in voting power of all then-outstanding shares entitled to vote thereon, voting together as a single class, with respect to an amendment to our amended and restated bylaws and with respect to an amendment to particular articles of our amended and restated charter;
- establishing advance notice requirements for nominations of candidates for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect candidates to serve as a director on the board;
- an exclusive forum provision providing that (a) the Court of Chancery of the State of Delaware will be the exclusive forum for certain actions and proceedings and (b) the federal district courts will be the exclusive forum for causes of action arising under federal securities law, in each case unless we consent in writing to the selection

of an alternative forum; and

- the existence of authorized and unissued stock, including "blank check" preferred stock, which could be issued by our board of directors to persons friendly to our then current management, thereby protecting the continuity of our management, or which could be used to dilute the stock ownership of persons seeking to obtain control of us.

Moreover, because we are incorporated in Delaware and are governed by Section 203 of the Delaware General Corporation Law (the "DGCL"), pursuant to our amended and restated charter, an "interested stockholder" (as such term is defined in the DGCL) is prohibited from merging or combining with us, or engaging in other "business combinations," for a period of three years after the date of the transaction in which the person acquired in excess of 15% of the outstanding voting stock, except in certain circumstances. These provisions in our amended and restated charter and amended and restated bylaws may discourage, delay or prevent a change in control that a stockholder may consider favorable.

#### ***We have overlapping directors with Liberty Media, which may lead to conflicting interests.***

Mr. Maffei, President and Chief Executive Officer and a director of Liberty Media, also serves as the Chairman of our board of directors. Dr. Evan Malone, a director of Liberty Media, also serves as a member of our board of directors. The members of our board of directors have fiduciary duties to our stockholders. Likewise, any such persons who serve in similar capacities at Liberty Media have fiduciary duties to its stockholders. Therefore, such persons may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting their respective companies. For example, there may be the potential for a conflict of interest if any conflict arises under the Tax Sharing Agreement or when we or Liberty Media looks at acquisitions and other corporate opportunities that may be suitable for each of them. Moreover, our Chairman of the board of directors and certain other directors continue to own Liberty Media common stock, restricted stock units and options to purchase Liberty Media common stock. These ownership interests could create, or appear to create, potential conflicts of interest when these individuals are faced with decisions that could have different implications for us or Liberty Media. Any potential conflict that could qualify as a "related party transaction" (as defined in Item 404 of Regulation S-K) will be subject to review by an independent committee of the applicable company's board of directors in accordance with its corporate governance guidelines. Any other potential conflicts that arise will be addressed on a case-by-case basis, keeping in mind the applicable fiduciary duties owed by the executive officers and directors of each company. From time to time, Liberty Media or its respective affiliates may enter into transactions with us and/or our subsidiaries or other affiliates. Although the terms of any such transactions or agreements will be established based upon negotiations between employees of the companies involved, there can be no assurance that the terms of any such transactions will be as favorable to us, or our subsidiaries or affiliates as would be the case where the parties are completely at arms' length.

#### ***Our directors and officers are protected from liability for a broad range of actions.***

Delaware law permits limiting or eliminating the monetary liability of a director and, subject to certain limitations set forth in the DGCL, certain officers, to a corporation or its stockholders, except with regard to breaches of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or knowing violation of law, in the case of

#### **Table of Contents**

directors, unlawful payment of dividends or unlawful stock purchase or redemption, any transaction from which a director or officer derived an improper personal benefit, or, in the case of officers, any action by or in the right of the corporation. Our amended and restated charter eliminates the liability of its directors and officers to the fullest extent permitted by Delaware law.

#### ***Our holding company structure could restrict access to funds of our subsidiaries that may be needed to pay third party obligations.***

Sirius XM Holdings is a holding company, and its assets consist primarily of its investments in its subsidiaries, including Sirius XM Inc. and Sirius XM Radio. As a holding company, our ability to meet our financial obligations (including assumed liabilities in connection with the Transactions, such as, currently, the 3.75% Convertible Senior Notes due 2028) to third parties is dependent upon our available cash balances, distributions from subsidiaries (including Sirius XM Inc. and Sirius XM Radio) and other investments and proceeds from any asset sales. Further, our ability to receive dividends or payments or advances from our subsidiaries' businesses (including Sirius XM Inc. and Sirius XM Radio) depends on their individual operating results, any statutory, regulatory or contractual restrictions to which they are or may become subject and the terms of their indebtedness (including the restrictive covenants contained in Sirius XM Radio's credit agreement and indentures) and any additional debt they may incur in the future. Accordingly, our ability to make payments to third parties and to otherwise meet our financial obligations at the holding company level may be constricted.

#### ***On a standalone basis and on a consolidated basis, we have significant indebtedness, and our subsidiaries' debt contains certain covenants that restrict its operations.***

On a standalone basis and on a consolidated basis, we have significant indebtedness. As of September 30, 2024, we had an aggregate principal amount of approximately \$10.8 billion of indebtedness outstanding.

Our indebtedness and the indebtedness of our subsidiaries:

- increases our vulnerability to general adverse economic and industry conditions;
- requires us and our subsidiaries to dedicate a portion of our and/or their cash flow from operations to payments on indebtedness, reducing the availability of cash flow to fund capital expenditures, marketing and other general corporate activities;
- limits our and our subsidiaries' abilities to borrow additional funds; and
- may limit our and our subsidiaries' flexibility in planning for, or reacting to, changes in our business and the audio entertainment industry.

In addition, Sirius XM Radio's borrowings under its Senior Secured Revolving Credit Facility carry a variable interest rate based on the Secured Overnight Financing Rate ("SOFR"). Sirius XM Radio may, in the future, hedge against interest rate fluctuations by using hedging instruments such as swaps, caps, options, forwards, futures or other similar products. These instruments may be used to selectively manage risks, but there can be no assurance that we will be fully protected against material interest rate fluctuations.

**Our ability to incur additional indebtedness to fund our operations could be limited, which could negatively impact its operations.**

If additional debt financing is not available to us in the future or we are unable to access funds of our subsidiaries, we may obtain liquidity through the issuance and sale of its equity securities. If additional funds are raised through the issuance of equity securities, our stockholders may experience significant dilution. If we are unable to obtain sufficient liquidity in the future, we may be unable to continue to develop our business, complete acquisitions or otherwise take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations.

#### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

As of June 30, 2024, our board of directors had approved for repurchase an aggregate of \$18.0 billion of our common stock. Our board of directors did not establish an end date for this stock repurchase program. Shares of common stock may be purchased from time to time on the open market, pursuant to pre-set trading plans meeting the requirements of Rule 10b5-1 under the Exchange Act, in privately negotiated transactions, including transactions with Liberty Media and its affiliates, or otherwise. As of June 30, 2024, our cumulative repurchases since December 2012 under our stock repurchase program totaled 3.7 billion shares for \$16.8 billion, and \$1.2 billion remained available under our existing \$18.0 billion stock repurchase program. The size and timing of these purchases will be based on a number of factors, including price and business and market conditions.

There were no purchases of equity securities registered pursuant to Section 12 of the Exchange Act during the quarter ended June 30, 2024. **None.**

#### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

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#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

#### **ITEM 5. OTHER INFORMATION**

##### **Rule 10b5-1 Plan Elections**

On May 1, 2024, Carl Vogel, a member of our Board of Directors, entered into a 10b5-1 sales plan (the "Vogel 10b5-1 Sales Plan") intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act. The Vogel 10b5-1 Sales Plan will be in effect until the earlier of (1) October 31, 2024 and (2) the date on which an aggregate of 408,296 shares of our common stock have been sold under the Vogel 10b5-1 Sales Plan. **None.**

#### **ITEM 6. EXHIBITS**

See Exhibit Index attached hereto, which is incorporated herein by reference.

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#### **EXHIBIT INDEX**

Exhibit	Description
2.1†	<a href="#">Reorganization Agreement, dated as of December 11, 2023, by and among Sirius XM Holdings Inc., Liberty Media Corporation and Liberty Sirius XM Holdings Inc. (incorporated by reference to Exhibit 10.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on December 13, 2023).</a>
2.2†	<a href="#">First Amendment, dated as of June 16, 2024, to the Reorganization Agreement, dated as of December 11, 2023, by and among Sirius XM Holdings Inc., Liberty Media Corporation and Liberty Sirius XM Holdings Inc. (incorporated by reference to Exhibit 10.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on June 17, 2024).</a>
2.3†	<a href="#">Agreement and Plan of Merger, dated as of December 11, 2023, by and among Sirius XM Holdings Inc., Liberty Media Corporation, Liberty Sirius XM Holdings Inc. and Radio Merger Sub, LLC (incorporated by reference to Exhibit 2.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on December 13, 2023).</a>
2.4†	<a href="#">First Amendment, dated as of June 16, 2024, to the Agreement and Plan of Merger, dated as of December 11, 2023, by and among Sirius XM Holdings Inc., Liberty Media Corporation, Liberty Sirius XM Holdings Inc. and Radio Merger Sub, LLC (incorporated by reference to Exhibit 2.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on June 17, 2024 (File No. 001-34295)).</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Liberty Sirius XM Holdings Inc. (incorporated by reference to Exhibit 3.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
10.1†3.2	<a href="#">First Amendment, Amended and Restated Bylaws of Liberty Sirius XM Holdings Inc. (incorporated by reference to Exhibit 3.2 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
4.1	<a href="#">Indenture, dated as of June 16, 2024 March 10, 2023, to the Reorganization Agreement, dated as of December 11, 2023, by and among Sirius XM Holdings Inc., between Liberty Media Corporation and U.S. Bank Trust Company, National Association, as trustee, relating to Liberty Media Corporation's 3.75% Convertible Senior Notes due 2028 (incorporated by reference to Exhibit 4.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
4.2	<a href="#">First Supplemental Indenture, dated as of September 9, 2024, among Liberty Media Corporation, Liberty Sirius XM Holdings Inc. and U.S. Bank Trust Company, National Association, as trustee, relating to Liberty Media Corporation's 3.75% Convertible Senior Notes due 2028 (incorporated by reference to Exhibit 4.2 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
4.3	<a href="#">Indenture, dated as of November 26, 2019, between Liberty Media Corporation and U.S. Bank, National Association, as trustee, relating to Liberty Media Corporation's 2.75% Exchangeable Senior Debentures due 2049 (incorporated by reference to Exhibit 4.3 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
4.4	<a href="#">First Supplemental Indenture, dated as of August 30, 2024, between Liberty Media Corporation and U.S. Bank Trust Company, National Association, as trustee, relating to Liberty Media Corporation's 2.75% Exchangeable Senior Debentures due 2049 (incorporated by reference to Exhibit 4.4 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
4.5	<a href="#">Second Supplemental Indenture, dated as of September 9, 2024, among Liberty Media Corporation, Liberty Sirius XM Holdings Inc. and U.S. Bank Trust Company, National Association, as trustee, relating to Liberty Media Corporation's 2.75% Exchangeable Senior Debentures due 2049 (incorporated by reference to Exhibit 4.5 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on September 10, 2024).</a>
10.1	<a href="#">Form of Indemnification Agreement (incorporated by reference to Exhibit 10.1 to Sirius XM Holdings Inc.'s Current Report on Form 8-K filed on June 17, 2024 (File No. 001-34295)) September 10, 2024).</a>
10.2†10.2	<a href="#">Employment Tax Sharing Agreement, dated as of April 17, 2024 September 9, 2024, between Liberty Media Corporation and Liberty Sirius XM Radio Holdings Inc. and Scott A. Greenstein (incorporated by reference to Exhibit 10.1 10.2 to Sirius XM Holdings Inc.'s Current Report on Form 8-K 8-K12B filed on April 18, 2024 September 10, 2024).</a>

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10.3	<a href="#">Form of Sirius XM Holdings Inc. 2024 Long-Term Stock Incentive Plan (incorporated by reference to Exhibit 10.1 to the Form S-4 (File No. 001-34295), 333-276758) filed on July 19, 2024).</a>
10.3†10.4	<a href="#">Transition Letter to Employment Agreement, dated as Form of June 28, 2024, between Liberty Sirius XM Radio Holdings Inc. and Joseph A. Verbrugge (Transitional Stock Adjustment Plan (incorporated by reference to Exhibit 10.2 to the Form S-4 (File No. 333-276758) filed herewith) on July 19, 2024).</a>
31.1	<a href="#">Certificate of Jennifer C. Witz, Chief Executive Officer and Director, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith), Rule 13a-14(a)/15d-14(a) Certification*</a>
31.2	<a href="#">Certificate of Thomas D. Barry, Executive Vice President and Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith), Rule 13a-14(a)/15d-14(a) Certification*</a>
32.132	<a href="#">Certificate of Jennifer C. Witz, Chief Executive Officer and Director, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith), Certification**</a>

32.2 101.INS

Certificate of  
Thomas D. Barry,  
Executive Vice

President and  
Chief Financial  
Officer, pursuant  
to 18 U.S.C.  
Section 1350, as  
adopted pursuant  
to Section 906  
of Inline XBRL  
Instance  
Document\* - The  
instance  
document does  
not appear in the  
Sarbanes-Oxley  
Act of 2002  
(furnished  
herewith).  
interactive data  
file because its  
XBRL tags are  
embedded  
within the inline  
XBRL  
document.

101.1 101.SCH

The following  
financial  
information from  
our Quarterly  
Report on Form  
10-Q for the  
quarter ended  
June 30, 2024  
formatted in Inline  
eXtensible  
Business  
Reporting  
Language (Inline  
XBRL):  
(i) Consolidated  
Statements of  
Comprehensive  
Income  
(Unaudited) for  
the three and six  
months ended  
June 30, 2024  
and 2023; (ii)  
Consolidated  
Balance Sheets  
as of June 30,  
2024 (Unaudited)  
and December 31,  
2023;  
(iii) Consolidated  
Statements of  
Stockholders'  
Equity (Deficit) for  
the three and six  
months ended  
June 30, 2024  
and 2023  
(Unaudited);  
(iv) Consolidated  
Statements of  
Cash Flows

(Unaudited) for  
the six months  
ended June 30,  
2024 and 2023;  
and (v) Notes to  
Consolidated  
Financial  
Statements  
(Unaudited). XBRL  
Taxonomy  
Extension  
Schema  
Document\*

101.CAL Inline XBRL Taxonomy Calculation Linkbase Document\*

101.LAB Inline XBRL Taxonomy Label Linkbase Document\*

101.PRE Inline XBRL Taxonomy Presentation Linkbase Document\*

101.DEF Inline XBRL Taxonomy Definition Document\*

104 The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, formatted Cover Page Interactive Data File (formatted as Inline XBRL and contained in [Inline XBRL](#), [Exhibit 101](#))

\* This document has been identified as a management contract or compensatory plan or arrangement. Filed herewith

\*\* Furnished herewith

† Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Sirius XM Holdings Inc. hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the Securities and Exchange Commission ("SEC"); provided, however, that Sirius XM Holdings Inc. may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedules so furnished.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them other than for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document as of the date they were made and may not describe the actual state of affairs for any other purpose or at any other time.

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### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant [Registrant](#) has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on this 1st day of August 2024, [authorized](#).

SIRIUS XM HOLDINGS INC. INC

Dated: [October 31, 2024](#)

By: [/s/ Thomas D. Barry](#)

Thomas D. Barry

*Executive Vice President and Chief Financial Officer  
(Principal Financial Officer and Authorized Officer)*

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**Exhibit 10.3**

### TRANSITION LETTER TO EMPLOYMENT AGREEMENT

This Transition Letter (this "Letter") amends and supplements certain provisions set forth in the Employment Agreement by and between SIRIUS XM RADIO INC., a Delaware corporation (the "Company"), and JOSEPH A. VERBRUGGE (the "Executive"), dated as of June 28, 2022 (the "Employment Agreement"). Terms used but not otherwise defined herein shall have the respective meanings set forth in the Employment Agreement.

In consideration for the promises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Company and Executive hereby agree as follows:

1. **Term.** The Executive shall be employed on, and expected to perform his duties and responsibilities on, a full-time basis from June 28, 2024 (the "Effective Date") through July 31, 2024 (the "Full-Time End Date"); provided that the Company may determine in its sole discretion to end the Full-Time End Date earlier than July 31, 2024 (the period of time from the Effective Date through the Full-Time End Date shall be the "Full-Time Term"). The Executive shall be employed on, and expected to perform his duties and responsibilities on, a part-time basis following the Full-Time End Date through December 31, 2024 (the "Part-Time Term", together with the Full-Time Term, through the Termination Date, the "Term"). Notwithstanding Section 3 of the Employment Agreement, the Term shall end on the date on which the Executive's employment with the Company terminates, which last day of employment shall be the Termination Date for purposes of the Employment Agreement and this Letter.

2. **Title.** During the Term, the Executive shall retain his title as the Chief Commercial Officer of the Company until the Company hires a new officer to assume his duties and responsibilities. Once the Company has hired such new officer, the Executive's title for the remainder of the Term shall be Advisor to the Chief Executive Officer.

3. **Duties and Reporting Relationship.** During the Full-Time Term, but until the Company has hired a new officer to assume his duties and responsibilities, Section 2 of the Employment Agreement will continue in full force and effect. Once the Company has hired a new officer to assume his duties and responsibilities, and during the Part-Time Term, the Executive shall assist the Company with any transition of the Executive's duties and responsibilities and assist the Chief Executive Officer with any special projects, as requested by the Company. During the Part-Time Term, the Executive shall work the equivalent of three full-time days per week.

4. **Compensation.** Notwithstanding Section 4 of the Employment Agreement, starting on the Effective Date and continuing for the remainder of the Full-Time Term, the Executive's Base Salary will continue to be \$1,100,000. During the Part-Time Term, the Executive's Base Salary shall be \$660,000.

5. **Bonus.** During the Full-Time Term, the Executive will remain eligible to earn a Bonus in accordance with Section 5(c) of the Employment Agreement. Notwithstanding Section 5(c) of the Employment Agreement, any Bonus earned by the Executive in respect of the 2024 fiscal year (the "2024 Bonus") shall be prorated by multiplying any 2024 Bonus by a fraction, the numerator of which is the number of days the Executive remained employed as a full-time employee of the Company during the 2024 fiscal year and the denominator of which is 366 (such amount, the "Pro-Rated 2024 Bonus"), subject to the Executive remaining employed with the Company through the last day of the Full-Time Term. Any Pro-Rated 2024 Bonus shall become payable in 2025, when the Company's bonuses are

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normally paid, but in no event later than March 15, 2025. The 2024 Bonus shall be subject to the Executive's individual performance and satisfaction of objectives established by the CEO or the Board or the Compensation Committee, and further is subject to the exercise of discretion by the CEO and review and approval by the Compensation Committee.

6. **Benefits.** During the Full-Time Term, the Executive shall be entitled to participate fully in any other benefit plans, programs, policies and fringe benefits which may be made available to the executive officers of the Company and/or Holdings generally, including, without limitation, disability, medical, dental and life insurance and benefits under the Company's and/or Holdings' 401(k) savings plan and deferred compensation plan. During the Part-Time Term, the Executive shall be entitled to participate in such plans to the extent eligible pursuant to the terms of such plan(s) and the Company's existing policies, and in accordance with applicable law. To the extent the Executive is not eligible for medical, dental or vision insurance during the Part-Time Term, the Company shall pay the Executive for the employer-portion of obtaining those benefits under COBRA while the Executive remains employed during the Part-Time Term.

7. **Termination.**

(a) Notwithstanding Section 6 of the Employment Agreement, if during the Term, the employment of the Executive is terminated by the Company without Cause, the Executive shall only be entitled to receive (i) the Accrued Payments and Benefits; (ii) the Pro-Rated 2024 Bonus; and (iii) if such termination occurs prior

to July 31, 2024, the amount of the Executive's Base Salary that would have been paid to the Executive had the Executive remained employed until July 31, 2024. The Executive shall not be entitled to receive any severance or other benefits under the Employment Agreement upon his termination of employment with the Company for any reason (including as a result of a termination by the Company without Cause), and including on the last day of the Term.

(b) The Executive understands and acknowledges that the implementation of the modifications described herein shall not constitute "Good Reason" under the Employment Agreement or any other agreement. Notwithstanding Section 6 of the Employment Agreement, the Executive understands and acknowledges that by signing this Letter, the Executive is waiving any right he may have to resign for "Good Reason" during the Term (including under Section 6(f)(ii) of the Employment Agreement).

(c) Nothing in this Letter shall limit the Company's ability to terminate the Executive for Cause during the Term in accordance with the terms of the Employment Agreement.

8. Restrictive Covenants; Survival.

(a) Upon the termination of the Term or termination of the Executive's employment with the Company, the respective rights and obligations of the parties under the Employment Agreement shall survive to the extent necessary to carry out the intentions of the parties under the Employment Agreement.

(b) Without limiting the generality of the foregoing, Sections 7 and 8 of the Employment Agreement will continue in full force and effect.

(c) For purposes of Section 8 of the Employment Agreement, the Restricted Period shall mean a period of one (1) year beginning on the Termination Date.

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9. Governing Law. This Letter shall in all respects be governed by and construed in accordance with the laws of the State of New York as to all matters, including but not limited to matters of validity, construction, effect and performance.

10. Severability. If any provision of this Letter shall be declared to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Letter effective as of June 25, 2024.

SIRIUS XM RADIO INC.

By: /s/ Faye Tylee  
Faye Tylee  
Chief People + Culture Officer

/s/ Joseph A. Verbrugge  
JOSEPH A. VERBRUGGE

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Exhibit 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Jennifer C. Witz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended **June 30, 2024** **September 30, 2024** of Sirius XM Holdings Inc.; Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
  - (a) **Designed**. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) **Designed**. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) **Evaluated**. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - (d) **Disclosed**. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions) function:
  - (a) a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: Date:

October 31, 2024

/s/ JENNIFER C. WITZ

Jennifer  
C. Witz

Chief Executive Officer and Director  
(Principal Executive Officer)

August 1, 2024

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Thomas D. Barry, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended **June 30, 2024** **September 30, 2024** of Sirius XM Holdings Inc.; Inc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) **Designed**. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) **Designed**. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) **Evaluated**. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) **Disclosed**. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying **officer** **officers** and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent **functions** **function**):

(a) a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: Date: October 31, 2024

/s/ THOMAS D. BARRY

Thomas  
D.  
Barry

Executive Vice President and Chief  
Financial Officer  
(Principal Financial Officer)

August 1, 2024

Exhibit 32.132

**CERTIFICATION PURSUANT TO Certification**  
**18 U.S.C. SECTION 1350,**  
**AS ADOPTED PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY**  
**ACT OF 2002**

In connection with the Quarterly Report of Sirius XM Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jennifer C. Witz, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

**(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Sirius XM Holdings Inc, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

(1) The Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, 1934 and

(2) The information contained in the Report Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: Dated: October 31, 2024

/s/ JENNIFER C. WITZ

Jennifer C. Witz

Chief Executive Officer and Director  
(Principal Executive Officer)

August 1, 2024

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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Exhibit 32.2

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY  
ACT OF 2002**

In connection with the Quarterly Report of Sirius XM Holdings Inc. (the "Company") on Form 10-Q for the quarterly period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas D. Barry, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: Dated: October 31, 2024

/s/ THOMAS D. BARRY

Thomas D. Barry

Executive Vice President and Chief  
Financial Officer  
(Principal Financial Officer)

August 1, 2024

A signed original The foregoing certification is being furnished solely pursuant to section 906 of this written statement required by Section 906, the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request as a separate disclosure document.

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