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

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**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): February 4, 2020 (February 4, 2020)

**SIRIUS XM HOLDINGS INC.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

*(State or other Jurisdiction  
of Incorporation)*

**001-34295**

*(Commission File Number)*

**38-3916511**

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

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

*(Address of Principal Executive Offices)*

**10020**

*(Zip Code)*

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

Former name or former address, if changed since last report: **1290 Avenue of the Americas, 11th Floor, New York, NY, 10104**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

| Title of each class                    | Trading symbol(s) | Name of exchange on which registered |
|--|-------------------|--------------------------------------|
| <b>Common stock, \$0.001 par value</b> | <b>SIRI</b>       | <b>NASDAQ Global Select Market</b>   |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

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**Item 2.02 Results of Operations and Financial Condition**

On February 4, 2020, we reported our financial and operating results for the three months and year ended December 31, 2019. These results are discussed in the press release attached hereto as Exhibit 99.1, which is incorporated by reference in its entirety.

**Item 7.01 Regulation FD Disclosure**

The year end 2019 financial information about our subsidiary, Sirius XM Radio Inc., will be posted to our website at investor.siriusxm.com. Sirius XM Radio Inc. is furnishing this information in order to comply with the reporting obligations in the indentures governing its outstanding notes.

\* \* \*

The information in this Current Report on Form 8-K, including Exhibit 99.1 hereto, is being furnished pursuant to Item 2.02 and Item 7.01 of Form 8-K, as applicable, and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by us under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

99.1 [Press release dated February 4, 2020.](#)

104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

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## SIGNATURES

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

SIRIUS XM HOLDINGS INC.

By: /s/ Patrick L. Donnelly  
Patrick L. Donnelly  
Executive Vice President, General  
Counsel and Secretary

Dated: February 4, 2020



## SiriusXM Reports Fourth Quarter and Full-Year 2019 Results

- **Self-Pay Net Subscriber Additions of One Million-Plus for 10th Consecutive Year**
- **2019 Revenue Increased to \$7.8 Billion; Pro Forma Revenue Increased 8% to \$7.9 Billion**
- **Full-Year Net Income of \$914 Million; Diluted EPS of \$0.20**
- **Adjusted EBITDA Hits Record \$2.4 Billion, up 14%**
- **Capital Returns in 2019 Totaled \$2.4 Billion**
- **SiriusXM Confirms 2020 Guidance**

**NEW YORK – February 4, 2020** – SiriusXM today announced fourth quarter and full-year 2019 operating and financial results, including revenue of \$2.1 billion and \$7.8 billion, respectively, increasing 38% and 35% compared to the prior year periods. Revenue was boosted by the acquisition of Pandora Media on February 1, 2019. The Company's net income declined 3% to \$243 million in the fourth quarter, while full-year net income totaled \$914 million, down from \$1.2 billion in 2018 due to higher acquisition, refinancing, and depreciation and amortization expenses in 2019. Net income per diluted common share was \$0.05 in the fourth quarter, compared to \$0.06 in the prior year period, while full-year 2019 net income per diluted share declined to \$0.20 from \$0.26 in 2018.

On a pro forma basis, fourth quarter revenue grew 6% from \$1.9 billion and full-year revenue climbed 8% from \$7.3 billion in the prior year periods. Adjusted EBITDA in the fourth quarter totaled \$587 million, down from \$593 million in the prior year period. For the full-year, adjusted EBITDA grew 14% to \$2.4 billion, resulting in an adjusted EBITDA margin of 30.6%, an improvement of approximately 160 basis points from 2018. The improvement in adjusted EBITDA margin was driven primarily by revenue growth across the business and cost efficiencies in subscriber acquisition costs and revenue share and royalties. Pro forma figures assume the Pandora acquisition closed on January 1, 2018.

"I am so proud of SiriusXM's milestone performance last year. Not only did we achieve our 10th consecutive year of one million-plus self-pay net additions, but we successfully completed the acquisition of Pandora Media and drove each business to record-high financial performance. Looking forward to 2020, we're excited about a new decade of opportunity before us and confident in reiterating our guidance for the year," said Jim Meyer, Chief Executive Officer, SiriusXM.

"In programming, our lifeblood, we continue to work with an increasing array of megastars and brands that have real value for SiriusXM subscribers and Pandora listeners. In the lead-up to the Super Bowl, The Chainsmokers and Lizzo played separate exclusive concerts on back-to-back nights in Miami Beach as part of our new Opening Drive Super Concert Series. Coldplay did a special stripped-down set at our new Hollywood studios for subscribers, and we announced the launch of a new SiriusXM channel and exclusive Pandora content from superstars U2, called U2X Radio, which will debut this year," added Meyer.

### FULL-YEAR 2019 HIGHLIGHTS

SiriusXM operates two complementary audio entertainment businesses — our SiriusXM business and our Pandora business. Further information regarding these two segments will be contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The pro forma financial and operating highlights of these two segments are presented separately below and exclude the impact of share-based payment expense.

## SIRIUSXM

- **Self-Pay Subscribers Near 30.0 Million.** SiriusXM added approximately 1.1 million net new self-pay subscribers for the full-year to end 2019 with nearly 30.0 million self-pay subscribers. Total net subscriber additions were 870,000, resulting in more than 34.9 million total SiriusXM subscribers at the end of the period. Paid promotional subscribers decreased due to declines in shipments from automakers offering paid promotional subscriptions. The total trial funnel stood at approximately 9.3 million at the end of 2019, up from approximately 9.1 million at the end of 2018. Self-pay monthly churn for 2019 was 1.7%, approximately flat from 2018.
- **SiriusXM Revenue of \$6.2 Billion.** Full-year 2019 revenue grew 7% to a record \$6.2 billion. This growth was driven by a 3% increase in total SiriusXM subscribers and 4% growth in SiriusXM's average revenue per user (ARPU) to \$13.82.
- **Gross Profit Grows 7%.** Total cost of services at SiriusXM increased 8% to \$2.4 billion for the full-year, driven primarily by higher revenue share and royalties and programming and content expenses. Gross profit at SiriusXM in 2019 totaled \$3.8 billion, increasing 7% over 2018, and produced a gross margin of 62%, flat compared to the prior year.
- **New Programming, New Technology.** SiriusXM recently announced the launch of our collaboration with UNINTERRUPTED, the athlete-empowered brand founded by LeBron James and Maverick Carter, for exclusive athlete playlists that debuted on Pandora. Andy Cohen signed multi-year extension for his news-making Radio Andy channel, and Phish performed an exclusive concert in Philadelphia on its full-time SiriusXM channel. At the 2020 Consumer Electronics Show, SiriusXM demonstrated an e-commerce suite for drivers with VISA, introduced a new aftermarket radio with 360L features, and earlier made SiriusXM available for the first time on Google home smart speakers and devices.

## PANDORA

- **Advertising Revenue Hits Record \$1.2 Billion.** Full-year ad revenue at Pandora reached a record \$1.2 billion, growing 10% over 2018. Ad revenue was driven by strong monetization of \$80 per thousand hours, growing 12% over the prior year. Strength in traditional audio advertising, boosted by video programmatic and engagement-based video, as well as the expansion of off-platform efforts and fees generated on the AdsWizz platform drove revenue growth. Total revenue for Pandora grew 10% to \$1.7 billion for the year, aided in part by a 10% increase in subscriber revenue to \$527 million.
- **Total Ad Supported Listener Hours of 13.4 Billion.** Monthly Active Users (MAUs) at Pandora were 63.5 million at the end of 2019, down from 69.4 million in the prior year. Total ad supported listener hours were 13.4 billion in 2019, down from 14.8 billion in 2018.
- **Self-Pay Net Adds of 251,000.** Pandora added 251,000 net new self-pay subscribers to its Pandora Plus and Pandora Premium service in 2019 to end the year with nearly 6.2 million self-pay subscribers. Paid promotional subscribers declined to 49 thousand, from 756 thousand in 2018, as a result of a reduction in paid promotional subscriptions due to the expiration of an agreement with T-Mobile in the third quarter of 2019. This brought total Pandora subscribers at year-end to 6.2 million.
- **Gross Profit Grows 28%.** Total cost of services at Pandora in 2019 of \$1.1 billion increased 2% compared with 2018. This resulted in gross profit at Pandora of \$624 million, up 28% over 2018, and produced a gross margin for the year of 36%, growing approximately 500 basis points from 31% in the prior year. This expansion was driven primarily by lower revenue share and royalties and customer service and billing expenses as a percentage of revenue.

"SiriusXM returned nearly \$2.4 billion of capital to stockholders in 2019. We repurchased more than 364 million shares last year and paid approximately \$226 million in dividends to stockholders. At year-end, our debt to adjusted EBITDA ratio was 3.2 times and we had the entire \$1.75 billion available on our revolving credit facility. This gives us ample liquidity to continue investing in our business while returning capital to stockholders," noted David Frear, Chief Financial Officer, SiriusXM.

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## 2020 GUIDANCE

The Company's full-year 2020 guidance for self-pay net subscriber additions, revenue, adjusted EBITDA and free cash flow, as issued on January 7, 2020, is reiterated as follows:

- SiriusXM self-pay net subscriber additions over 900,000,
- Total revenue of approximately \$8.1 billion,
- Adjusted EBITDA approximately \$2.5 billion, and
- Free cash flow of approaching \$1.7 billion.

## CAPITAL RETURN 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 of 1934, as amended, in privately negotiated transactions, including in accelerated stock repurchase transactions and transactions with Liberty Media and its affiliates, or otherwise. The Company expects to fund the repurchases through a combination of cash on hand, cash generated by operations and future borrowings. The size and timing of these purchases will be based on a number of factors, including price and business and market conditions.

The Company's dividend policy may change at any time without notice to stockholders. The declaration and payment of dividends is at the discretion of the Company's Board of Directors in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs, limitations imposed by its indebtedness, legal requirements and other factors that the Board of Directors deems relevant.

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**FOURTH QUARTER AND FULL-YEAR 2019 RESULTS**

 SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| <i>(in millions, except per share data)</i>         | For the Three Months Ended December 31, |                   | For the Twelve Months Ended December 31, |                   |
|---|---|-------------------|--|-------------------|
|   | 2019                                    | 2018              | 2019                                     | 2018              |
|   | (Unaudited)                             | (Unaudited)       |  |                   |
| <b>Revenue:</b>                                     |   |                   |  |                   |
| Subscriber revenue                                  | \$ 1,569                                | \$ 1,361          | \$ 6,120                                 | \$ 5,264          |
| Advertising revenue                                 | 403                                     | 53                | 1,336                                    | 188               |
| Equipment revenue                                   | 46                                      | 42                | 173                                      | 155               |
| Other revenue                                       | 44                                      | 40                | 165                                      | 164               |
| <b>Total revenue</b>                                | <b>2,062</b>                            | <b>1,496</b>      | <b>7,794</b>                             | <b>5,771</b>      |
| <b>Operating expenses:</b>                          |   |                   |  |                   |
| <b>Cost of services:</b>                            |   |                   |  |                   |
| Revenue share and royalties                         | 607                                     | 337               | 2,291                                    | 1,394             |
| Programming and content                             | 124                                     | 103               | 462                                      | 406               |
| Customer service and billing                        | 123                                     | 98                | 475                                      | 382               |
| Transmission  | 53                                      | 26                | 170                                      | 96                |
| Cost of equipment                                   | 9                                       | 9                 | 29                                       | 31                |
| Subscriber acquisition costs                        | 114                                     | 118               | 427                                      | 470               |
| Sales and marketing                                 | 289                                     | 140               | 937                                      | 484               |
| Engineering, design and development                 | 74                                      | 34                | 280                                      | 123               |
| General and administrative                          | 145                                     | 90                | 524                                      | 354               |
| Depreciation and amortization                       | 124                                     | 79                | 468                                      | 301               |
| Acquisition and other related costs                 | 1                                       | 3                 | 84                                       | 3                 |
| <b>Total operating expenses</b>                     | <b>1,663</b>                            | <b>1,037</b>      | <b>6,147</b>                             | <b>4,044</b>      |
| Income from operations                              | 399                                     | 459               | 1,647                                    | 1,727             |
| <b>Other (expense) income:</b>                      |   |                   |  |                   |
| Interest expense                                    | (99)                                    | (87)              | (390)                                    | (350)             |
| Loss on extinguishment of debt                      | —                                       | —                 | (57)                                     | —                 |
| Other (expense) income                              | (1)                                     | (38)              | (3)                                      | 44                |
| <b>Total other (expense) income</b>                 | <b>(100)</b>                            | <b>(125)</b>      | <b>(450)</b>                             | <b>(306)</b>      |
| Income before income taxes                          | 299                                     | 334               | 1,197                                    | 1,421             |
| Income tax expense                                  | (56)                                    | (83)              | (283)                                    | (245)             |
| <b>Net income</b>                                   | <b>\$ 243</b>                           | <b>\$ 251</b>     | <b>\$ 914</b>                            | <b>\$ 1,176</b>   |
| Foreign currency translation adjustment, net of tax | 5                                       | (19)              | 14                                       | (29)              |
| <b>Total comprehensive income</b>                   | <b>\$ 248</b>                           | <b>\$ 232</b>     | <b>\$ 928</b>                            | <b>\$ 1,147</b>   |
| <b>Net income per common share:</b>                 |   |                   |  |                   |
| Basic   | \$ 0.05                                 | \$ 0.06           | \$ 0.20                                  | \$ 0.26           |
| Diluted   | \$ 0.05                                 | \$ 0.06           | \$ 0.20                                  | \$ 0.26           |
| <b>Weighted average common shares outstanding:</b>  |   |                   |  |                   |
| Basic   | 4,419                                   | 4,401             | 4,501                                    | 4,462             |
| Diluted   | 4,541                                   | 4,478             | 4,616                                    | 4,561             |
| <b>Dividends declared per common share</b>          | <b>\$ 0.01331</b>                       | <b>\$ 0.01210</b> | <b>\$ 0.04961</b>                        | <b>\$ 0.04510</b> |

SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

| <i>(in millions, except per share data)</i>   | As of December 31, |          |
|---|--------------------|----------|
|   | 2019               | 2018     |
| <b>ASSETS</b>   |                    |          |
| <b>Current assets:</b>  |                    |          |
| Cash and cash equivalents   | \$ 106             | \$ 54    |
| Receivables, net  | 670                | 233      |
| Inventory, net  | 11                 | 22       |
| Related party current assets  | 22                 | 11       |
| Prepaid expenses and other current assets   | 194                | 158      |
| Total current assets  | 1,003              | 478      |
| Property and equipment, net   | 1,626              | 1,513    |
| Intangible assets, net  | 3,467              | 2,501    |
| Goodwill  | 3,843              | 2,290    |
| Related party long-term assets  | 452                | 960      |
| Deferred tax assets   | 153                | 293      |
| Operating lease right-of-use assets   | 466                | —        |
| Other long-term assets  | 139                | 138      |
| Total assets  | \$ 11,149          | \$ 8,173 |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>   |                    |          |
| <b>Current liabilities:</b>   |                    |          |
| Accounts payable and accrued expenses   | \$ 1,151           | \$ 736   |
| Accrued interest  | 160                | 128      |
| Current portion of deferred revenue   | 1,930              | 1,932    |
| Current maturities of debt  | 2                  | 3        |
| Operating lease current liabilities   | 46                 | —        |
| Related party current liabilities   | 4                  | 4        |
| Total current liabilities   | 3,293              | 2,803    |
| Long-term deferred revenue  | 130                | 149      |
| Long-term debt  | 7,842              | 6,885    |
| Related party long-term liabilities   | —                  | 4        |
| Deferred tax liabilities  | 70                 | 47       |
| Operating lease liabilities   | 456                | —        |
| Other long-term liabilities   | 94                 | 102      |
| Total liabilities   | 11,885             | 9,990    |
| <b>Stockholders' equity (deficit):</b>  |                    |          |
| Common stock, par value \$0.001 per share; 9,000 shares authorized; 4,412 and 4,346 shares issued; 4,412 and 4,346 outstanding at December 31, 2019 and December 31, 2018, respectively | 4                  | 4        |
| Accumulated other comprehensive income (loss), net of tax   | 8                  | (6)      |
| Additional paid-in capital  | 395                | 242      |
| Treasury stock, at cost; 0 and 0 shares of common stock at December 31, 2019 and December 31, 2018, respectively  | —                  | —        |
| Accumulated deficit   | (1,143)            | (2,057)  |
| Total stockholders' equity (deficit)  | (736)              | (1,817)  |
| Total liabilities and stockholders' equity (deficit)  | \$ 11,149          | \$ 8,173 |



SIRIUS XM HOLDINGS INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS

| <i>(in millions)</i>  | For the Twelve Months Ended December 31, |          |
|---|--|----------|
|   | 2019                                     | 2018     |
| <b>Cash flows from operating activities:</b>                                      |  |          |
| Net income  | \$ 914                                   | \$ 1,176 |
| Adjustments to reconcile net income to net cash provided by operating activities: |  |          |
| Depreciation and amortization   | 468                                      | 301      |
| Non-cash interest expense, net of amortization of premium                         | 17                                       | 9        |
| Provision for doubtful accounts   | 53                                       | 51       |
| Amortization of deferred income related to equity method investment               | (3)                                      | (3)      |
| Loss on extinguishment of debt  | 57                                       | —        |
| Loss (gain) on unconsolidated entity investments, net                             | 21                                       | 10       |
| Gain on fair value instrument   | —  | (43)     |
| Dividend received from unconsolidated entity investment                           | 2  | 2        |
| Share-based payment expense   | 250                                      | 133      |
| Deferred income taxes   | 259                                      | 257      |
| Changes in operating assets and liabilities:                                      |  |          |
| Receivables   | (137)                                    | (42)     |
| Inventory   | 11                                       | (2)      |
| Related party, net  | (10)                                     | 1        |
| Prepaid expenses and other current assets   | (3)                                      | (20)     |
| Other long-term assets  | 4  | 10       |
| Operating lease right-of-use assets   | (14)                                     | —        |
| Accounts payable and accrued expenses   | 109                                      | (20)     |
| Accrued interest  | 32                                       | (9)      |
| Deferred revenue  | (58)                                     | 70       |
| Operating lease liabilities   | 36                                       | —        |
| Other long-term liabilities   | 9  | (1)      |
| Net cash provided by operating activities   | 2,017                                    | 1,880    |
| <b>Cash flows from investing activities:</b>                                      |  |          |
| Additions to property and equipment   | (363)                                    | (355)    |
| Purchases of other investments  | (7)                                      | (8)      |
| Acquisition of business, net of cash acquired                                     | 313                                      | (2)      |
| Sale of short-term investments  | 73                                       | —        |
| Investments in related parties and other equity investees                         | (19)                                     | (17)     |
| Repayment from (loan to) related party  | —  | 3        |
| Net cash used in investing activities   | (3)                                      | (379)    |
| <b>Cash flows from financing activities:</b>                                      |  |          |
| Proceeds from exercise of stock options   | 8  | —        |
| Taxes paid from net share settlements for stock-based compensation                | (150)                                    | (120)    |
| Revolving credit facility, net of deferred financing costs                        | (439)                                    | 136      |
| Proceeds from long-term borrowings, net of costs                                  | 2,715                                    | —        |
| Proceeds from sale of capped call security  | 3  | —        |
| Principal payments of long-term borrowings  | (1,666)                                  | (16)     |
| Payment of premiums on redemption of debt   | (45)                                     | —        |
| Common stock repurchased and retired  | (2,159)                                  | (1,314)  |
| Dividends paid  | (226)                                    | (201)    |
| Net cash used in financing activities   | (1,959)                                  | (1,515)  |
| Net increase (decrease) in cash, cash equivalents and restricted cash             | 55                                       | (14)     |
| Cash, cash equivalents and restricted cash at beginning of period                 | 65                                       | 79       |
| Cash, cash equivalents and restricted cash at end of period <sup>1)</sup>         | \$ 120                                   | \$ 65    |

- (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.

*(in millions)*

|   | December 31, 2019 | December 31, 2018 | December 31, 2017 |
|---|-------------------|-------------------|-------------------|
| Cash and cash equivalents   | \$ 106            | \$ 54             | \$ 69             |
| Restricted cash included in Other long-term assets                | 14                | 11                | 10                |
| Total cash, cash equivalents and restricted cash at end of period | <u>\$ 120</u>     | <u>\$ 65</u>      | <u>\$ 79</u>      |

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*Unaudited Pro Forma Results*

Set forth below are our pro forma results of operations for the three and twelve months ended December 31, 2019 compared with the three and twelve months ended December 31, 2018. These pro forma results are based on estimates and assumptions, which we believe are reasonable. They are not the results that would have been realized had the Pandora Acquisition actually occurred on January 1, 2018 and are not indicative of our consolidated results of operations in future periods. The pro forma results primarily include adjustments related to amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs, fair value gain or loss on the Pandora investment and associated tax impacts. Please refer to the Footnotes to Results of Operations.

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| <i>(in millions)</i>                | 2019 vs 2018 Change                        |             |   |             |              |       |               |        |  |
|-------------------------------------|--|-------------|---|-------------|--------------|-------|---------------|--------|--|
|                                     | For the Three Months Ended<br>December 31, |             | For the Twelve Months Ended<br>December 31, |             | Three Months |       | Twelve Months |        |  |
|                                     | 2019                                       | 2018        | 2019  | 2018        | Amount       | %     | Amount        | %      |  |
| <i>Revenue</i>                      | (Pro Forma)                                | (Pro Forma) | (Pro Forma)                                 | (Pro Forma) |              |       |               |        |  |
| <b>Sirius XM:</b>                   |  |             |   |             |              |       |               |        |  |
| Subscriber revenue                  | \$ 1,448                                   | \$ 1,361    | \$ 5,644                                    | \$ 5,264    | \$ 87        | 6 %   | \$ 380        | 7 %    |  |
| Advertising revenue                 | 56   | 53          | 205   | 188         | 3            | 6 %   | 17            | 9 %    |  |
| Equipment revenue                   | 46   | 42          | 173   | 155         | 4            | 10 %  | 18            | 12 %   |  |
| Other revenue                       | 46   | 42          | 172   | 171         | 4            | 10 %  | 1             | 1 %    |  |
| Total Sirius XM revenue             | 1,596                                      | 1,498       | 6,194                                       | 5,778       | 98           | 7 %   | 416           | 7 %    |  |
| <b>Pandora:</b>                     |  |             |   |             |              |       |               |        |  |
| Subscriber revenue                  | 126  | 133         | 527   | 478         | (7)          | (5)%  | 49            | 10 %   |  |
| Advertising revenue                 | 348  | 314         | 1,200                                       | 1,092       | 34           | 11 %  | 108           | 10 %   |  |
| Total Pandora revenue               | 474  | 447         | 1,727                                       | 1,570       | 27           | 6 %   | 157           | 10 %   |  |
| Total consolidated revenue          | 2,070                                      | 1,945       | 7,921                                       | 7,348       | 125          | 6 %   | 573           | 8 %    |  |
| <i>Cost of services</i>             |  |             |   |             |              |       |               |        |  |
| <b>Sirius XM:</b>                   |  |             |   |             |              |       |               |        |  |
| Revenue share and royalties         | 366  | 337         | 1,431                                       | 1,394       | 29           | 9 %   | 37            | 3 %    |  |
| Programming and content             | 116  | 103         | 444   | 406         | 13           | 13 %  | 38            | 9 %    |  |
| Customer service and billing        | 102  | 98          | 398   | 382         | 4            | 4 %   | 16            | 4 %    |  |
| Transmission                        | 33   | 26          | 112   | 96          | 7            | 27 %  | 16            | 17 %   |  |
| Cost of equipment                   | 9  | 9           | 29  | 31          | —            | — %   | (2)           | (6)%   |  |
| Total Sirius XM cost of services    | 626  | 573         | 2,414                                       | 2,309       | 53           | 9 %   | 105           | 5 %    |  |
| <b>Pandora:</b>                     |  |             |   |             |              |       |               |        |  |
| Revenue share and royalties         | 244  | 235         | 945   | 929         | 9            | 4 %   | 16            | 2 %    |  |
| Programming and content             | 8  | 4           | 18  | 11          | 4            | 100 % | 7             | 64 %   |  |
| Customer service and billing        | 21   | 26          | 85  | 95          | (5)          | (19)% | (10)          | (11)%  |  |
| Transmission                        | 20   | 12          | 63  | 50          | 8            | 67 %  | 13            | 26 %   |  |
| Total Pandora cost of services      | 293  | 277         | 1,111                                       | 1,085       | 16           | 6 %   | 26            | 2 %    |  |
| Total consolidated cost of services | 919  | 850         | 3,525                                       | 3,394       | 69           | 8 %   | 131           | 4 %    |  |
| Subscriber acquisition costs        | 114  | 118         | 427   | 470         | (4)          | (3)%  | (43)          | (9)%   |  |
| Sales and marketing                 | 289  | 245         | 973   | 883         | 44           | 18 %  | 90            | 10 %   |  |
| Engineering, design and development | 74   | 71          | 294   | 266         | 3            | 4 %   | 28            | 11 %   |  |
| General and administrative          | 145  | 129         | 540   | 517         | 16           | 12 %  | 23            | 4 %    |  |
| Depreciation and amortization       | 124  | 120         | 483   | 465         | 4            | 3 %   | 18            | 4 %    |  |
| Total operating expenses            | 1,665                                      | 1,533       | 6,242                                       | 5,995       | 132          | 9 %   | 247           | 4 %    |  |
| Income from operations              | 405  | 412         | 1,679                                       | 1,353       | (7)          | (2)%  | 326           | 24 %   |  |
| <b>Other (expense) income:</b>      |  |             |   |             |              |       |               |        |  |
| Interest expense                    | (99)                                       | (93)        | (392)                                       | (377)       | (6)          | (6)%  | (15)          | (4)%   |  |
| Loss on extinguishment of debt      | —  | —           | (57)  | (17)        | —            | nm    | (40)          | (235)% |  |
| Other (expense) income              | (1)  | (6)         | (2)   | 8           | 5            | (83)% | (10)          | (125)% |  |
| Total other (expense) income        | (100)                                      | (99)        | (451)                                       | (386)       | (1)          | (1)%  | (65)          | (17)%  |  |
| Income before income taxes          | 305  | 313         | 1,228                                       | 967         | (8)          | (3)%  | 261           | 27 %   |  |
| Income tax expense                  | (58)                                       | (77)        | (290)                                       | (123)       | 19           | 25 %  | (167)         | (136)% |  |
| Net income                          | \$ 247                                     | \$ 236      | \$ 938                                      | \$ 844      | \$ 11        | 5 %   | \$ 94         | 11 %   |  |
| Adjusted EBITDA                     | \$ 587                                     | \$ 593      | \$ 2,427                                    | \$ 2,131    | \$ (6)       | (1)%  | \$ 296        | 14 %   |  |

*Footnotes to Pro Forma Results of Operations*

The following tables reconcile our results of operations as reported to our *pro forma* results of operations for the three and twelve months ended December 31, 2019 and 2018 which includes the Pandora pre-acquisition financial information for the applicable periods and the effects of purchase price accounting. These pro forma results are based on estimates and assumptions, which we believe are reasonable. They are not the results that would have been realized had the Pandora Acquisition actually occurred on January 1, 2018 and are not indicative of our consolidated results of operations in future periods. The pro forma results primarily include adjustments related to amortization of acquired intangible assets, depreciation of property and equipment, acquisition costs, fair value gain or loss on the Pandora investment and associated tax impacts.

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**Unaudited for the Three Months Ended December 31, 2019**

| <i>(in millions)</i>                | <b>As Reported</b> | <b>Predecessor Financial Information</b> | <b>Purchase Price Accounting Adjustments</b> | <b>Ref</b> | <b>Pro Forma</b> |
|-------------------------------------|--------------------|--|--|------------|------------------|
| <b>Revenue</b>                      |                    |  |  |            |                  |
| <b>Sirius XM:</b>                   |                    |  |  |            |                  |
| Subscriber revenue                  | \$ 1,448           | \$ —                                     | \$ —   |            | \$ 1,448         |
| Advertising revenue                 | 56                 | —  | —  |            | 56               |
| Equipment revenue                   | 46                 | —  | —  |            | 46               |
| Other revenue                       | 44                 | —  | 2  | (a)        | 46               |
| Total Sirius XM revenue             | 1,594              | —  | 2  |            | 1,596            |
| <b>Pandora:</b>                     |                    |  |  |            |                  |
| Subscriber revenue                  | 121                | —  | 5  | (b)        | 126              |
| Advertising revenue                 | 347                | —  | 1  | (b)        | 348              |
| Total Pandora revenue               | 468                | —  | 6  |            | 474              |
| Total consolidated revenue          | 2,062              | —  | 8  |            | 2,070            |
| <b>Cost of services</b>             |                    |  |  |            |                  |
| <b>Sirius XM:</b>                   |                    |  |  |            |                  |
| Revenue share and royalties         | 366                | —  | —  |            | 366              |
| Programming and content             | 116                | —  | —  |            | 116              |
| Customer service and billing        | 102                | —  | —  |            | 102              |
| Transmission                        | 33                 | —  | —  |            | 33               |
| Cost of equipment                   | 9                  | —  | —  |            | 9                |
| Total Sirius XM cost of services    | 626                | —  | —  |            | 626              |
| <b>Pandora:</b>                     |                    |  |  |            |                  |
| Revenue share and royalties         | 241                | —  | 3  | (c)        | 244              |
| Programming and content             | 8                  | —  | —  |            | 8                |
| Customer service and billing        | 21                 | —  | —  |            | 21               |
| Transmission                        | 20                 | —  | —  |            | 20               |
| Total Pandora cost of services      | 290                | —  | 3  |            | 293              |
| Total consolidated cost of services | 916                | —  | 3  |            | 919              |
| Subscriber acquisition costs        | 114                | —  | —  |            | 114              |
| Sales and marketing                 | 289                | —  | —  |            | 289              |
| Engineering, design and development | 74                 | —  | —  |            | 74               |
| General and administrative          | 145                | —  | —  |            | 145              |
| Depreciation and amortization       | 124                | —  | —  |            | 124              |
| Acquisition and other related costs | 1                  | —  | (1)  |            | —                |
| Total operating expenses            | 1,663              | —  | 2  |            | 1,665            |
| Income (loss) from operations       | 399                | —  | 6  |            | 405              |
| <b>Other (expense) income:</b>      |                    |  |  |            |                  |
| Interest expense                    | (99)               | —  | —  |            | (99)             |
| Loss on extinguishment of debt      | —                  | —  | —  |            | —                |
| Other (expense) income              | (1)                | —  | —  |            | (1)              |
| Total other (expense) income        | (100)              | —  | —  |            | (100)            |
| Income (loss) before income taxes   | 299                | —  | 6  |            | 305              |
| Income tax expense                  | (56)               | —  | (2)  | (d)        | (58)             |
| Net income                          | \$ 243             | \$ —                                     | \$ 4   |            | \$ 247           |

(a) This adjustment eliminates the impact of additional revenue associated with certain programming agreements recorded as part of the XM Merger.

(b) This adjustment relates to the amortization of deferred subscription and advertising revenue that was fair valued in purchase accounting.

(c) This adjustment includes the impact of additional expense associated with minimum guarantee royalty contracts recorded as part of the Pandora Acquisition.

(d) This adjustment to income taxes was calculated by applying Sirius XM's statutory tax rate at December 31, 2019 to the pro forma adjustments of \$6.

Unaudited for the Three Months Ended December 31, 2018

| <i>(in millions)</i>                | As Reported | Predecessor Financial<br>Information (e) | Purchase Price<br>Accounting and Pro<br>Forma Adjustments | Ref | Pro Forma |
|-------------------------------------|-------------|--|---|-----|-----------|
| <b>Revenue</b>                      |             |  |   |     |           |
| <b>Sirius XM:</b>                   |             |  |   |     |           |
| Subscriber revenue                  | \$ 1,361    | \$ —                                     | \$ —  |     | \$ 1,361  |
| Advertising revenue                 | 53          | —  | —   |     | 53        |
| Equipment revenue                   | 42          | —  | —   |     | 42        |
| Other revenue                       | 40          | —  | 2   | (f) | 42        |
| Total Sirius XM revenue             | 1,496       | —  | 2   |     | 1,498     |
| <b>Pandora:</b>                     |             |  |   |     |           |
| Subscriber revenue                  | —           | 133                                      | —   |     | 133       |
| Advertising revenue                 | —           | 314                                      | —   |     | 314       |
| Total Pandora revenue               | —           | 447                                      | —   |     | 447       |
| Total consolidated revenue          | 1,496       | 447                                      | 2   |     | 1,945     |
| <b>Cost of services</b>             |             |  |   |     |           |
| <b>Sirius XM:</b>                   |             |  |   |     |           |
| Revenue share and royalties         | 337         | —  | —   |     | 337       |
| Programming and content             | 103         | —  | —   |     | 103       |
| Customer service and billing        | 98          | —  | —   |     | 98        |
| Transmission                        | 26          | —  | —   |     | 26        |
| Cost of equipment                   | 9           | —  | —   |     | 9         |
| Total Sirius XM cost of services    | 573         | —  | —   |     | 573       |
| <b>Pandora:</b>                     |             |  |   |     |           |
| Revenue share and royalties         | —           | 235                                      | —   |     | 235       |
| Programming and content             | —           | 4  | —   |     | 4         |
| Customer service and billing        | —           | 26                                       | —   |     | 26        |
| Transmission                        | —           | 12                                       | —   |     | 12        |
| Total Pandora cost of services      | —           | 277                                      | —   |     | 277       |
| Total consolidated cost of services | 573         | 277                                      | —   |     | 850       |
| Subscriber acquisition costs        | 118         | —  | —   |     | 118       |
| Sales and marketing                 | 140         | 105                                      | —   |     | 245       |
| Engineering, design and development | 34          | 37                                       | —   |     | 71        |
| General and administrative          | 90          | 48                                       | (9)   | (g) | 129       |
| Depreciation and amortization       | 79          | 16                                       | 25  | (h) | 120       |
| Acquisition and other related costs | 3           | —  | (3)   |     | —         |
| Total operating expenses            | 1,037       | 483                                      | 13  |     | 1,533     |
| Income from operations              | 459         | (36)                                     | (11)  |     | 412       |
| <b>Other (expense) income:</b>      |             |  |   |     |           |
| Interest expense                    | (87)        | (6)                                      | —   |     | (93)      |
| Loss on extinguishment of debt      | —           | —  | —   |     | —         |
| Other (expense) income              | (38)        | 1  | 31  | (i) | (6)       |
| Total other (expense) income        | (125)       | (5)                                      | 31  |     | (99)      |
| Income before income taxes          | 334         | (41)                                     | 20  |     | 313       |
| Income tax expense                  | (83)        | 1  | 5   | (j) | (77)      |
| Net income                          | \$ 251      | \$ (40)                                  | \$ 25   |     | \$ 236    |

(e) Represents Pandora's results for the period October 1, 2018 through December 31, 2018.

(f) This adjustment eliminates the impact of additional revenue associated with certain programming agreements recorded as part of the XM Merger.

(g) This adjustment eliminates the impact of transaction related costs, recorded by Pandora, to advisers for the planned acquisition by Sirius XM.

(h) This adjustment includes the impact of the additional amortization associated with the acquired intangible assets recorded as part of the Pandora Acquisition that are subject to amortization, partially offset by normal depreciation associated with assets revalued in purchase accounting.

- (i) This adjustment eliminates the unrealized loss for the fair value adjustment of our preferred stock investment in Pandora.
- (j) This adjustment to income taxes was calculated by applying Sirius XM's statutory tax rate at December 31, 2018 to the pro forma adjustments of \$20 and Pandora's loss before income tax of \$(41).

| Unaudited for the Twelve Months Ended December 31, 2019 |              |                                       |   |     |              |
|---|--------------|---------------------------------------|---|-----|--------------|
| <i>(in millions)</i>                                    | As Reported  | Predecessor Financial Information (k) | Purchase Price Accounting and Pro Forma Adjustments | Ref | Pro Forma    |
| <b>Revenue</b>  |              |                                       |   |     |              |
| <b>Sirius XM:</b>                                       |              |                                       |   |     |              |
| Subscriber revenue                                      | 5,644        | —                                     | —   |     | 5,644        |
| Advertising revenue                                     | 205          | —                                     | —   |     | 205          |
| Equipment revenue                                       | 173          | —                                     | —   |     | 173          |
| Other revenue   | 165          | —                                     | 7   | (l) | 172          |
| Total Sirius XM revenue                                 | 6,187        | —                                     | 7   |     | 6,194        |
| <b>Pandora:</b>   |              |                                       |   |     |              |
| Subscriber revenue                                      | 476          | 46                                    | 5   |     | 527          |
| Advertising revenue                                     | 1,131        | 68                                    | 1   |     | 1,200        |
| Total Pandora revenue                                   | 1,607        | 114                                   | 6   |     | 1,727        |
| <b>Total consolidated revenue</b>                       | <b>7,794</b> | <b>114</b>                            | <b>13</b>   |     | <b>7,921</b> |
| <b>Cost of services</b>                                 |              |                                       |   |     |              |
| <b>Sirius XM:</b>                                       |              |                                       |   |     |              |
| Revenue share and royalties                             | 1,431        | —                                     | —   |     | 1,431        |
| Programming and content                                 | 444          | —                                     | —   |     | 444          |
| Customer service and billing                            | 398          | —                                     | —   |     | 398          |
| Transmission  | 112          | —                                     | —   |     | 112          |
| Cost of equipment                                       | 29           | —                                     | —   |     | 29           |
| Total Sirius XM cost of services                        | 2,414        | —                                     | —   |     | 2,414        |
| <b>Pandora:</b>   |              |                                       |   |     |              |
| Revenue share and royalties                             | 860          | 71                                    | 14  | (m) | 945          |
| Programming and content                                 | 18           | —                                     | —   |     | 18           |
| Customer service and billing                            | 77           | 8                                     | —   |     | 85           |
| Transmission  | 58           | 5                                     | —   |     | 63           |
| Total Pandora cost of services                          | 1,013        | 84                                    | 14  |     | 1,111        |
| <b>Total consolidated cost of services</b>              | <b>3,427</b> | <b>84</b>                             | <b>14</b>   |     | <b>3,525</b> |
| Subscriber acquisition costs                            | 427          | —                                     | —   |     | 427          |
| Sales and marketing                                     | 937          | 36                                    | —   |     | 973          |
| Engineering, design and development                     | 280          | 14                                    | —   |     | 294          |
| General and administrative                              | 524          | 16                                    | —   |     | 540          |
| Depreciation and amortization                           | 468          | 6                                     | 9   | (n) | 483          |
| Acquisition and other related costs                     | 84           | 1                                     | (85)  | (o) | —            |
| <b>Total operating expenses</b>                         | <b>6,147</b> | <b>157</b>                            | <b>(62)</b>   |     | <b>6,242</b> |
| Income (loss) from operations                           | 1,647        | (43)                                  | 75  |     | 1,679        |
| <b>Other (expense) income:</b>                          |              |                                       |   |     |              |
| Interest expense  | (390)        | (2)                                   | —   |     | (392)        |
| Loss on extinguishment of debt                          | (57)         | —                                     | —   |     | (57)         |
| Other (expense) income                                  | (3)          | 1                                     | —   |     | (2)          |
| <b>Total other (expense) income</b>                     | <b>(450)</b> | <b>(1)</b>                            | <b>—</b>  |     | <b>(451)</b> |
| Income (loss) before income taxes                       | 1,197        | (44)                                  | 75  |     | 1,228        |
| Income tax expense                                      | (283)        | —                                     | (7)   | (p) | (290)        |
| <b>Net income</b>                                       | <b>914</b>   | <b>(44)</b>                           | <b>68</b>   |     | <b>938</b>   |

(k) Represents Pandora's results for the period January 1, 2019 through January 31, 2019.

(l) This adjustment eliminates the impact of additional revenue associated with certain programming agreements recorded as part of the XM Merger.

(m) This adjustment includes the impact of additional expense associated with minimum guarantee royalty contracts recorded as part of the Pandora Acquisition.



- (n) This adjustment includes the impact of the additional amortization associated with the acquired intangible assets recorded as part of the Pandora Acquisition that are subject to amortization, partially offset by normal depreciation associated with assets revalued in purchase accounting.
- (o) This adjustment eliminates the impact of acquisition and other related costs.
- (p) This adjustment to income taxes was calculated by applying Sirius XM's statutory tax rate at December 31, 2019 to the pro forma adjustments of \$75 and Pandora's pre-acquisition loss before income tax of \$(44).

| <i>(in millions)</i>                | Unaudited for the Twelve Months Ended December 31, 2018 |                                       |   |     |           |
|-------------------------------------|---|---------------------------------------|---|-----|-----------|
|                                     | As Reported   | Predecessor Financial Information (q) | Purchase Price Accounting and Pro Forma Adjustments | Ref | Pro Forma |
| <b>Revenue</b>                      |   |                                       |   |     |           |
| Sirius XM:                          |   |                                       |   |     |           |
| Subscriber revenue                  | 5,264   | —                                     | —   |     | 5,264     |
| Advertising revenue                 | 188   | —                                     | —   |     | 188       |
| Equipment revenue                   | 155   | —                                     | —   |     | 155       |
| Other revenue                       | 164   | —                                     | 7   | (r) | 171       |
| Total Sirius XM revenue             | 5,771   | —                                     | 7   |     | 5,778     |
| Pandora:                            |   |                                       |   |     |           |
| Subscriber revenue                  | —   | 478                                   | —   |     | 478       |
| Advertising revenue                 | —   | 1,092                                 | —   |     | 1,092     |
| Total Pandora revenue               | —   | 1,570                                 | —   |     | 1,570     |
| Total consolidated revenue          | 5,771   | 1,570                                 | 7   |     | 7,348     |
| <b>Cost of services</b>             |   |                                       |   |     |           |
| Sirius XM:                          |   |                                       |   |     |           |
| Revenue share and royalties         | 1,394   | —                                     | —   |     | 1,394     |
| Programming and content             | 406   | —                                     | —   |     | 406       |
| Customer service and billing        | 382   | —                                     | —   |     | 382       |
| Transmission                        | 96  | —                                     | —   |     | 96        |
| Cost of equipment                   | 31  | —                                     | —   |     | 31        |
| Total Sirius XM cost of services    | 2,309   | —                                     | —   |     | 2,309     |
| Pandora:                            |   |                                       |   |     |           |
| Revenue share and royalties         | —   | 929                                   | —   |     | 929       |
| Programming and content             | —   | 11                                    | —   |     | 11        |
| Customer service and billing        | —   | 95                                    | —   |     | 95        |
| Transmission                        | —   | 50                                    | —   |     | 50        |
| Total Pandora cost of services      | —   | 1,085                                 | —   |     | 1,085     |
| Total consolidated cost of services | 2,309   | 1,085                                 | —   |     | 3,394     |
| Subscriber acquisition costs        | 470   | —                                     | —   |     | 470       |
| Sales and marketing                 | 484   | 399                                   | —   |     | 883       |
| Engineering, design and development | 123   | 143                                   | —   |     | 266       |
| General and administrative          | 354   | 169                                   | (6)   | (s) | 517       |
| Depreciation and amortization       | 301   | 61                                    | 103   | (t) | 465       |
| Acquisition and other related costs | 3   | 12                                    | (15)  | (u) | —         |
| Total operating expenses            | 4,044   | 1,869                                 | 82  |     | 5,995     |
| Income (loss) from operations       | 1,727   | (299)                                 | (75)  |     | 1,353     |
| Other (expense) income:             |   |                                       |   |     |           |
| Interest expense                    | (350)   | (27)                                  | —   |     | (377)     |
| Loss on extinguishment of debt      | —   | (17)                                  | —   |     | (17)      |
| Other (expense) income              | 44  | 7                                     | (43)  | (v) | 8         |
| Total other (expense) income        | (306)   | (37)                                  | (43)  |     | (386)     |
| Income (loss) before income taxes   | 1,421   | (336)                                 | (118)   |     | 967       |
| Income tax expense                  | (245)   | 8                                     | 114   | (w) | (123)     |
| Net income                          | 1,176   | (328)                                 | (4)   |     | 844       |

(q) Represents Pandora's results for the period January 1, 2018 through December 31, 2018.

- (r) This adjustment eliminates the impact of additional revenue associated with certain programming agreements recorded as part of the XM Merger.
- (s) This adjustment eliminates the impact of contract termination fees.
- (t) This adjustment includes the impact of the additional amortization associated with the acquired intangible assets recorded as part of the Pandora Acquisition that are subject to amortization, partially offset by normal depreciation associated with assets revalued in purchase accounting.
- (u) This adjustment eliminates the impact of transaction related costs, recorded Pandora, to advisers for the planned acquisition by Sirius XM.
- (v) This adjustment eliminates the unrealized gain for the fair value adjustment of our preferred stock investment in Pandora.
- (w) This adjustment to income taxes was calculated by applying Sirius XM's statutory tax rate at December 31, 2018 to the pro forma adjustments of \$(118) and Pandora's loss before income tax of \$(336).

| <i>(in millions)</i>                        | For the Three Months Ended |                    | For the Twelve Months Ended |                    | 2019 vs 2018 Change |      |               |      |
|---|----------------------------|--------------------|-----------------------------|--------------------|---------------------|------|---------------|------|
|   | December 31,               |                    | December 31,                |                    | Three Months        |      | Twelve Months |      |
|   | 2019                       | 2018               | 2019                        | 2018               | Amount              | %    | Amount        | %    |
| Sirius XM:                                  |                            |                    |                             |                    |                     |      |               |      |
| <i>Revenue</i>                              | <i>(Pro Forma)</i>         | <i>(Pro Forma)</i> | <i>(Pro Forma)</i>          | <i>(Pro Forma)</i> |                     |      |               |      |
| Subscriber revenue                          | \$ 1,448                   | \$ 1,361           | \$ 5,644                    | \$ 5,264           | \$ 87               | 6 %  | \$ 380        | 7 %  |
| Advertising revenue                         | 56                         | 53                 | 205                         | 188                | 3                   | 6 %  | 17            | 9 %  |
| Equipment revenue                           | 46                         | 42                 | 173                         | 155                | 4                   | 10 % | 18            | 12 % |
| Other revenue                               | 46                         | 42                 | 172                         | 171                | 4                   | 10 % | 1             | 1 %  |
| Total Sirius XM revenue                     | 1,596                      | 1,498              | 6,194                       | 5,778              | 98                  | 7 %  | 416           | 7 %  |
| <i>Cost of services</i>                     |                            |                    |                             |                    |                     |      |               |      |
| Revenue share and royalties <sup>(a)</sup>  | 366                        | 337                | 1,431                       | 1,325              | 29                  | 9 %  | 106           | 8 %  |
| Programming and content <sup>(b)</sup>      | 109                        | 96                 | 415                         | 378                | 13                  | 14 % | 37            | 10 % |
| Customer service and billing <sup>(b)</sup> | 101                        | 97                 | 394                         | 378                | 4                   | 4 %  | 16            | 4 %  |
| Transmission <sup>(b)</sup>                 | 33                         | 24                 | 108                         | 91                 | 9                   | 38 % | 17            | 19 % |
| Cost of equipment                           | 9                          | 9                  | 29                          | 31                 | —                   | — %  | (2)           | (6)% |
| Total Sirius XM cost of services            | 618                        | 563                | 2,377                       | 2,203              | 55                  | 10 % | 174           | 8 %  |
| Gross Profit                                | \$ 978                     | \$ 935             | \$ 3,817                    | \$ 3,575           | \$ 43               | 5 %  | \$ 242        | 7 %  |
| Gross Margin %                              | 61%                        | 62%                | 62%                         | 62%                | (1)%                | (2)% | —%            | —%   |

(a) For the year ended December 31, 2018 revenue share and royalties excludes \$69 related to the legal settlement that resolved all outstanding claims, including ongoing audits, under Sirius XM's statutory license for sound recordings for the period January 1, 2007 through December 31, 2017.

(b) For the three months ended December 31, 2019, we have excluded share-based compensation expense of \$7 related to programming and content and \$1 related to customer service and billing. For the three months ended December 31, 2018, we have excluded share-based compensation expense of \$7 related to programming and content, \$1 related to customer service and billing and \$2 related to transmission. For the year ended December 31, 2019, we have excluded share-based compensation expense of \$29 related to programming and content, \$4 related to customer service and billing and \$4 related to transmission. For the year ended December 31, 2018, we have excluded share-based compensation expense of \$28 related to programming and content, \$4 related to customer service and billing and \$5 related to transmission.

| (in millions)                               | 2019 vs 2018 Change                     |             |  |             |              |       |               |       |  |
|---|---|-------------|--|-------------|--------------|-------|---------------|-------|--|
|   | For the Three Months Ended December 31, |             | For the Twelve Months Ended December 31, |             | Three Months |       | Twelve Months |       |  |
|   | 2019                                    | 2018        | 2019                                     | 2018        | Amount       | %     | Amount        | %     |  |
| Pandora:                                    |   |             |  |             |              |       |               |       |  |
| <i>Revenue</i>                              | (Pro Forma)                             | (Pro Forma) | (Pro Forma)                              | (Pro Forma) |              |       |               |       |  |
| Subscriber revenue                          | \$ 126                                  | \$ 133      | \$ 527                                   | \$ 478      | \$ (7)       | (5)%  | \$ 49         | 10 %  |  |
| Advertising revenue                         | 348                                     | 314         | 1,200                                    | 1,092       | 34           | 11 %  | 108           | 10 %  |  |
| Total Pandora revenue                       | 474                                     | 447         | 1,727                                    | 1,570       | 27           | 6 %   | 157           | 10 %  |  |
| <i>Cost of services</i>                     |   |             |  |             |              |       |               |       |  |
| Revenue share and royalties                 | 244                                     | 235         | 945                                      | 929         | 9            | 4 %   | 16            | 2 %   |  |
| Programming and content <sup>(c)</sup>      | 6                                       | 4           | 16                                       | 11          | 2            | 50 %  | 5             | 45 %  |  |
| Customer service and billing <sup>(c)</sup> | 21                                      | 25          | 85                                       | 94          | (4)          | (16)% | (9)           | (10)% |  |
| Transmission <sup>(c)</sup>                 | 16                                      | 11          | 57                                       | 47          | 5            | 45 %  | 10            | 21 %  |  |
| Total Pandora cost of services              | 287                                     | 275         | 1,103                                    | 1,081       | 12           | 4 %   | 22            | 2 %   |  |
| Gross Profit                                | \$ 187                                  | \$ 172      | \$ 624                                   | \$ 489      | \$ 15        | 9 %   | \$ 135        | 28 %  |  |
| Gross Margin %                              | 39%                                     | 38%         | 36%                                      | 31%         | 1%           | 3 %   | 5%            | 16 %  |  |

(c) For the three months ended December 31, 2019, we have excluded share-based compensation expense of \$2 related to programming and content and \$4 related to transmission. For the three months ended December 31, 2018, we have excluded share-based compensation expense of \$1 related to customer service and billing and \$1 related to transmission. For the year ended December 31, 2019, we have excluded share-based compensation expense of \$2 related to programming and content and \$6 related to transmission. For the year ended December 31, 2018, we have excluded share-based compensation expense of \$1 related to customer service and billing and \$3 related to transmission.

*Key Financial and Operating Performance Metrics*

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.

Set forth below are our subscriber balances as of December 31, 2019 compared to December 31, 2018:

| <i>(subscribers in thousands)</i>   | As of December 31, |                     | 2019 vs 2018 Change |       |
|-------------------------------------|--------------------|---------------------|---------------------|-------|
|                                     | 2019               | 2018 <sup>(1)</sup> | Amount              | %     |
| <b>Sirius XM</b>                    |                    |                     |                     |       |
| Self-pay subscribers                | 29,978             | 28,915              | 1,063               | 4 %   |
| Paid promotional subscribers        | 4,931              | 5,124               | (193)               | (4)%  |
| Ending subscribers                  | 34,909             | 34,039              | 870                 | 3 %   |
| Traffic users                       | 9,334              | 8,606               | 728                 | 8 %   |
| Sirius XM Canada subscribers        | 2,707              | 2,644               | 63                  | 2 %   |
| <b>Pandora</b>                      |                    |                     |                     |       |
| Monthly active users - all services | 63,508             | 69,399              | (5,891)             | (8)%  |
| Self-pay subscribers                | 6,165              | 5,914               | 251                 | 4 %   |
| Paid promotional subscribers        | 49                 | 756                 | (707)               | (94)% |
| Ending subscribers                  | 6,214              | 6,670               | (456)               | (7)%  |

(1) Includes Pandora's results as of December 31, 2018.

The following table contains our Non-GAAP pro forma financial and operating performance measures which are based on our adjusted results of operations for the three and twelve months ended December 31, 2019 and 2018:

| (subscribers in thousands)                            | For the Three Months Ended<br>December 31, |          | For the Twelve Months Ended<br>December 31, |          | For the 2019 vs 2018 Change |        |               |        |
|---|--|----------|---|----------|-----------------------------|--------|---------------|--------|
|   | 2019                                       | 2018     | 2019  | 2018     | Three Months                |        | Twelve Months |        |
|   |  |          |   |          | Amount                      | %      | Amount        | %      |
| <b>Sirius XM</b>                                      |  |          |   |          |                             |        |               |        |
| Self-pay subscribers                                  | 341  | 414      | 1,063                                       | 1,402    | (73)                        | (18)%  | (339)         | (24)%  |
| Paid promotional subscribers                          | 14   | (68)     | (193)                                       | (99)     | 82                          | (121)% | (94)          | 95 %   |
| Net additions   | 355  | 346      | 870   | 1,303    | 9                           | 3 %    | (433)         | (33)%  |
| Weighted average number of subscribers                | 34,708                                     | 33,799   | 34,314                                      | 33,345   | 909                         | 3 %    | 969           | 3 %    |
| Average self-pay monthly churn                        | 1.7%                                       | 1.8%     | 1.7%  | 1.7%     | (0.1)%                      | (6)%   | —%            | — %    |
| ARPU <sup>(1)</sup>                                   | \$ 14.03                                   | \$ 13.64 | \$ 13.82                                    | \$ 13.34 | \$ 0.39                     | 3 %    | \$ 0.48       | 4 %    |
| SAC, per installation                                 | \$ 23.74                                   | \$ 23.37 | \$ 22.91                                    | \$ 25.66 | \$ 0.37                     | 2 %    | \$ (2.75)     | (11)%  |
| <b>Pandora</b>  |  |          |   |          |                             |        |               |        |
| Self-pay subscribers                                  | (92)                                       | (82)     | 251   | 436      | (10)                        | 12 %   | (185)         | (42)%  |
| Paid promotional subscribers                          | 4  | (3)      | (707)                                       | 756      | 7                           | (233)% | (1,463)       | (194)% |
| Net additions   | (88)                                       | (85)     | (456)                                       | 1,192    | (3)                         | 4 %    | (1,648)       | (138)% |
| Weighted average number of subscribers                | 6,280                                      | 6,725    | 6,654                                       | 6,080    | (445)                       | (7)%   | 574           | 9 %    |
| ARPU  | \$ 6.76                                    | \$ 6.61  | \$ 6.61                                     | \$ 6.53  | \$ 0.15                     | 2 %    | \$ 0.08       | 1 %    |
| Ad supported listener hours (in billions)             | 3.21                                       | 3.49     | 13.44                                       | 14.79    | (0.28)                      | (8)%   | (1.35)        | (9)%   |
| Advertising revenue per thousand listener hours (RPM) | \$ 94.55                                   | \$ 86.06 | \$ 80.41                                    | \$ 71.60 | \$ 8.49                     | 10 %   | \$ 8.81       | 12 %   |
| Licensing costs per thousand listener hours (LPM)     | \$ 42.20                                   | \$ 40.40 | \$ 38.94                                    | \$ 37.80 | \$ 1.80                     | 4 %    | \$ 1.14       | 3 %    |
| Licensing costs per paid subscriber (LPU)             | \$ 4.04                                    | \$ 4.03  | \$ 4.06                                     | \$ 4.47  | \$ 0.01                     | — %    | \$ (0.41)     | (9)%   |
| <b>Total Company</b>                                  |  |          |   |          |                             |        |               |        |
| Adjusted EBITDA                                       | \$ 587                                     | \$ 593   | \$ 2,427                                    | \$ 2,131 | \$ (6)                      | (1)%   | \$ 296        | 14 %   |
| Free cash flow <sup>(2)</sup>                         | \$ 408                                     | \$ 416   | \$ 1,647                                    | \$ 1,517 | \$ (8)                      | (2)%   | \$ 130        | 9 %    |

nm - not meaningful

(1) ARPU for Sirius XM excludes subscriber revenue from our connected vehicle services of \$43 and \$30 for the three months and \$159 and \$111 for the twelve months ended December 31, 2019 and 2018, respectively.

(2) Free cash flow has not been adjusted for Pandora's pre-acquisition results.

## Glossary

**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 person must sign-up using an email address or phone number, 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** - 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 income before interest expense, income tax expense and depreciation and amortization. We adjust EBITDA to exclude the impact of other expense (income) as well as certain other charges discussed below. Adjusted EBITDA is a Non-GAAP financial measure that excludes or adjusts for (if applicable): (i) certain adjustments as a result of the purchase price accounting for the XM Merger and

the Pandora Acquisition, (ii) predecessor net income adjusted for certain expenses, including depreciation and amortization, other income (loss), and share-based payment expense for January 2019 and the twelve months ended December 31, 2018, (iii) share-based payment expense and (iv) other significant operating expense (income) that do not relate to the on-going performance of our business. 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, acquisition related costs, and loss on extinguishment of debt, 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.

Adjusted EBITDA has certain limitations in that it does not take into account the impact to our statements of comprehensive income of certain expenses, including share-based payment expense and certain purchase price accounting for the XM Merger and the Pandora Acquisition. 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 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 income to the adjusted EBITDA is calculated as follows:

| <i>(in millions)</i>                               | For the Three Months Ended December 31, |        | For the Twelve Months Ended December 31, |          |
|--|---|--------|--|----------|
|  | 2019                                    | 2018   | 2019                                     | 2018     |
| Net income:  | \$ 243                                  | \$ 251 | \$ 914                                   | \$ 1,176 |
| Add back items excluded from Adjusted EBITDA:      |   |        |  |          |
| Legal settlements and reserves                     | —                                       | —      | 25                                       | 69       |
| Acquisition and other related costs <sup>(1)</sup> | 1                                       | 3      | 84                                       | 3        |
| Share-based payment expense <sup>(3)</sup>         | 58                                      | 33     | 229                                      | 133      |
| Depreciation and amortization                      | 124                                     | 79     | 468                                      | 301      |
| Interest expense                                   | 99                                      | 87     | 390                                      | 350      |
| Loss on extinguishment of debt                     | —                                       | —      | 57                                       | —        |
| Other expense (income)                             | 1                                       | 38     | 3  | (44)     |
| Income tax expense                                 | 56                                      | 83     | 283                                      | 245      |
| Purchase price accounting adjustments:             |   |        |  |          |
| Revenues   | 8                                       | 2      | 13                                       | 7        |
| Operating expenses                                 | (3)                                     | —      | (14)                                     | —        |
| Pro forma adjustments <sup>(2)</sup>               | —                                       | 17     | (25)                                     | (109)    |
| Adjusted EBITDA                                    | \$ 587                                  | \$ 593 | \$ 2,427                                 | \$ 2,131 |

(1) Acquisition and other related costs include \$21 of share-based compensation expense.

(2) Pro forma adjustment for three months ended December 31, 2018 includes Pandora's Net income for the three months ended December 31, 2018 of \$(40) plus Depreciation and amortization of \$16, Share-based payment expense of \$28, and Interest expense of \$6, contract termination fees \$6, transaction related costs recorded by Pandora related to the acquisition by Sirius XM \$3, offset by Other expense (income) of \$1 and Income tax benefit of \$1. Pro forma adjustment for the year ended December 31, 2019 includes Pandora's January 2019 Net income of \$(44) plus Depreciation and amortization of \$6, Share-based payment expense of \$11, Acquisition and other related costs of \$1, and Interest expense of \$2 offset by Other expense (income) of \$1. Pro forma adjustment for year ended December 31, 2018 includes Pandora's Net income for the year ended December 31, 2018 of \$(328) plus Depreciation

and amortization of \$61, Share-based payment expense of \$111, Loss on extinguishment of debt of \$17, and Interest expense of \$27, transaction related costs recorded by Pandora related to the acquisition by Sirius XM \$12, contract termination fees \$6, offset by Other expense (income) of \$7 and Income tax benefit of \$8.

(3) Allocation of share-based payment expense:

| (in millions)                       | For the Three Months Ended December 31, |       | For the Twelve Months Ended December 31, |        |
|-------------------------------------|---|-------|--|--------|
|                                     | 2019                                    | 2018  | 2019                                     | 2018   |
| Programming and content             | \$ 8                                    | \$ 7  | \$ 30                                    | \$ 28  |
| Customer service and billing        | 1                                       | 1     | 4  | 4      |
| Transmission                        | 5                                       | 1     | 10                                       | 5      |
| Sales and marketing                 | 21                                      | 7     | 78                                       | 25     |
| Engineering, design and development | 12                                      | 4     | 49                                       | 17     |
| General and administrative          | 11                                      | 13    | 58                                       | 54     |
| Total share-based payment expense   | \$ 58                                   | \$ 33 | \$ 229                                   | \$ 133 |

**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, and 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 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:

| (in millions)                             | For the Three Months Ended December 31, |          | For the Twelve Months Ended December 31, |            |
|---|---|----------|--|------------|
|   | 2019                                    | 2018     | 2019                                     | 2018       |
| <b>Cash Flow information</b>              |   |          |  |            |
| Net cash provided by operating activities | \$ 532                                  | \$ 534   | \$ 2,017                                 | \$ 1,880   |
| Net cash used in investing activities     | \$ (129)                                | \$ (128) | \$ (3)                                   | \$ (379)   |
| Net cash used in financing activities     | \$ (373)                                | \$ (398) | \$ (1,959)                               | \$ (1,515) |
| <b>Free Cash Flow</b>                     |   |          |  |            |
| Net cash provided by operating activities | \$ 532                                  | \$ 534   | \$ 2,017                                 | \$ 1,880   |
| Additions to property and equipment       | (124)                                   | (117)    | (363)                                    | (355)      |
| Purchases of other investments            | —                                       | (1)      | (7)                                      | (8)        |
| Free cash flow                            | \$ 408                                  | \$ 416   | \$ 1,647                                 | \$ 1,517   |

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

**Subscriber acquisition cost, per installation** - or SAC, per installation, is derived from subscriber acquisition costs and 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 December 31, |          | For the Twelve Months Ended December 31, |          |
|---|---|----------|--|----------|
|   | 2019                                    | 2018     | 2019                                     | 2018     |
| <i>(costs in millions and installs in thousands)</i>                                    |   |          |  |          |
| Subscriber acquisition costs, excluding connected vehicle services                      | \$ 114                                  | \$ 118   | \$ 427                                   | \$ 470   |
| Less: margin from sales of radios and accessories, excluding connected vehicle services | (38)                                    | (33)     | (144)                                    | (122)    |
|   | \$ 76                                   | \$ 85    | \$ 283                                   | \$ 348   |
| Installations   | 3,202                                   | 3,643    | 12,355                                   | 13,563   |
| SAC, per installation <sup>(a)</sup>  | \$ 23.74                                | \$ 23.37 | \$ 22.91                                 | \$ 25.66 |

(a) Amounts may not recalculate as a result of rounding.

**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.

**LPM** - is calculated by dividing advertising licensing costs by the number of thousands of listener hours on our Pandora advertising-based service.

**LPU** - is calculated by dividing subscriber licensing costs by the number of paid subscribers on our Pandora subscription services.

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## **About SiriusXM**

Sirius XM Holdings Inc. (NASDAQ: SIRI) is the leading audio entertainment company in the U.S., and the premier programmer and platform for subscription and digital advertising-supported audio products. Pandora, a subsidiary of SiriusXM, is the largest ad-supported audio entertainment streaming service in the U.S. SiriusXM and Pandora together reach more than 100 million people each month with their audio products. SiriusXM, through Sirius XM Canada Holdings, Inc., also offers satellite radio and audio entertainment in Canada. In addition to its audio entertainment businesses, SiriusXM offers connected vehicle services to automakers and directly to consumers through aftermarket devices. For more about SiriusXM, please go to: [www.siriusxm.com](http://www.siriusxm.com).

## **FORWARD-LOOKING STATEMENTS**

*This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning. Such forward-looking statements are based upon the current beliefs and expectations of our management and are inherently subject to significant*



*business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond our control. Actual results and the timing of events may differ materially from the results anticipated in these forward-looking statements.*

*The following factors, among others, could cause actual results and the timing of events to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: our substantial competition, which is likely to increase over time; our ability to attract or increase the number of subscribers, which is uncertain; our ability to profitably attract and retain more price-sensitive consumers; failure to protect the security of personal information about our customers; interference to our service from wireless operations; a decline in the effectiveness of our extensive marketing efforts; consumer protection laws and their enforcement; our failure to realize benefits of acquisitions or other strategic initiatives, including the acquisition of Pandora Media, Inc.; unfavorable outcomes of pending or future litigation; the market for music rights, which is changing and subject to uncertainties; our dependence upon the auto industry; general economic conditions; existing or future government laws and regulations could harm our business; failure of our satellites would significantly damage our business; the interruption or failure of our information technology and communications systems; rapid technological and industry changes; failure of third parties to perform; our failure to comply with FCC requirements; modifications to our business plan; our indebtedness; damage to our studios, networks or other three facilities as a result of terrorism or natural catastrophes; our principal stockholder has significant influence over our affairs and over actions requiring stockholder approval and its interests may differ from interests of other holders of our common stock; impairment of our business by third-party intellectual property rights; and changes to our dividend policies which could occur at any time. Additional factors that could cause our results to differ materially from those described in the forward-looking statements can be found in our Annual Report on Form 10-K for the year ended December 31, 2018 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, in each case, as filed with the Securities and Exchange Commission (the "SEC") and available at the SEC's Internet site (<http://www.sec.gov>). The information set forth herein speaks only as of the date hereof, and we disclaim any intention or obligation to update any forward-looking statements as a result of developments occurring after the date of this communication.*

**Source: SiriusXM**

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