



public shareholders will own 19%. I'm looking forward to remaining invested personally and my continued involvement as Chairman of the Board of the new SIRI.

This simplified structure better positions SIRI for the future for management and shareholders. We appreciate the work of management and the special committee in getting this deal done. I do look forward to a continued partnership with Jennifer, and I'm going to turn it over to her to let you have a few more details about how well-positioned SIRI is for the future and how well the business will do.

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**Jennifer Witz**

Thank you, Greg, and good morning, everyone. We're now on page nine. We are very pleased to have reached this agreement and are excited about how it positions SiriusXM for the future. I want to spend a moment just discussing how we got here and why we find this transaction compelling. After careful consideration, the special committee, working with its independent advisors, determined that this transaction with Liberty Media is in the best interest of SiriusXM and its stockholders and made a recommendation to the full SiriusXM Board of Directors which unanimously approved the transaction. In short, for SiriusXM, as Greg mentioned, this transaction provides greater strategic flexibility, a broader potential investor base, additional trading liquidity and float and an opportunity for more index inclusion, all of which we believe will help increase stockholder value.

This is an important time for SiriusXM, and one that will set the stage for the next phase in our value creation story. And I want to touch on some of the key elements of our strategy to transform the company for long-term growth. SiriusXM is the leader in audio entertainment in North America. We offer a differentiated service centered on our human curated live and exclusive content, which has enabled us to build this leading position in and out of the car.

Our unique content portfolio is underpinned by our exclusive channels, partnerships and personalities across music, news, talk, sports, entertainment and comedy. In music, we have exclusive artists and brand channels that super serve our passionate listeners including The Beatles Channel, Life with John Mayer and TikTok Radio, complemented by our homegrown music channels like Hits 1, Hip-Hop Nation and Octane, just to name a few. Beyond music, we continue to build out our portfolio of content on SiriusXM and through broader podcast distribution, with leading hosts like Howard Stern, Conan O'Brien, Kevin Hart, Megyn Kelly and our recently announced agreement with James Corden.

And lastly, we deliver consumers exceptional value as a one stop destination for sports fans. No other audio provider offers as much live sports content as SiriusXM. You would need six subscription streaming video services to get access to all the games SiriusXM offers. Beyond curating the best content in audio, SiriusXM benefits from a large subscriber base with 34 million paid subscribers in the U.S., and very low churn. We have 155 million enabled vehicles on the road. We've made meaningful progress in the continued rollout of our 360L platform. And we have an expanding EV footprint, including a new deal we announced with Rivian last week.

Building on our differentiated content, we are debuting our next generation streaming platform this week, with the launch of our new app. We are confident that this next generation platform will meet consumers' demands for a more personalized, easy to use listening experience both in and out of the car. We're building a set of solutions geared towards providing improved personalization and discovery in our products and in our marketing efforts. This new platform will serve as a foundation for further product enhancements and integrations going forward that will drive customer acquisition, engagement and ultimately retention, which all translate into future subscriber growth.

At SiriusXM, we are fortunate to have a loyal and engaged core audience who are Gen X and older. They represent about 25% of the market and are a large and very affluent consumer group. While we are well penetrated today in this segment, there is still room for growth here. We are incredibly focused on delivering a better user experience to appeal to our target growth audience as well, a younger, more diverse demographic comprising an additional 25% of the market, and we see a significant opportunity to improve penetration in this segment.

We've conducted a large amount of research around what this audience is looking for, and what has held them back from subscribing to SiriusXM in the past, and we know that a compelling price point is critical. We're launching a new \$9.99 streaming only package to help capture demand across more listeners in more demographics. We also know that they are looking for the type of differentiated content that SiriusXM has to offer. And our next generation platform and new streaming product were designed with this group's needs for personalization and discovery in mind.

In addition to our robust music and entertainment content, we are also a leader in the \$2 billion advertising business that reaches 130 million listeners across SiriusXM, Pandora and our broad multiplatform ad network. We have invested significantly in advertising capabilities, creating a unique value proposition for advertisers to reach our scaled and diverse listener base.

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Core to this strategy is our streaming network that aggregates listeners across our owned and operated properties, SiriusXM and Pandora, as well as a number of partner properties. We also have one of the largest podcast networks with more shows than any other network.

Thank you. If you'd like to ask a question at this time, please press star, one, from your telephone keypad and a confirmation tone will indicate your line is in the question queue. You may press star, two, if you'd like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys.

So that we may address questions for as many participants as possible, we ask you to please limit yourself to one question. If you have additional questions, you may requeue and, time permitting, those questions will be addressed. Thank you, and our first question today is from the line of Vijay Jayant with Evercore ISI. Please proceed with your question.

**Unknown Analyst**

Thank you. This is Ashton on the line for Vijay. I guess historically, SIRI has run its leverage at the lower end of the low to mid three target range. Should we expect you guys to get back to this range before you start buying back stock?

**Jennifer Witz** This is Ashton on the line for Vijay. I guess historically, SIRI has run its leverage at the lower end of the low to mid three target range. Should we expect you guys to get back to this range before you start buying back stock?

So I'd say--

**Greg Maffei**

Go ahead, Jennifer.

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**Jennifer Witz**

So Ashton, I'd say that we are very focused on the low to mid three times leverage ratio, and we're sticking to that. And the reason for the range of mid to late '25 is that we do want to be opportunistic on share repurchases. But other than that, we are very focused on the long-term leverage ratio that we've stated for the company.

**Greg Maffei**

Yeah, if I could just add a couple of things--



**Greg Maffei**

No, Jason, the terms are fixed. The really only variables will be what is the closing net debt for LSXM as the transaction closes with amount of debt—and that's a very small range.

**Unknown Operator**

Thank you. Our next question comes from the line of Cameron Mansson-Perrone with Morgan Stanley. Please proceed with your question.

**Cameron Mansson-Perrone**

Thank you, two, if I can. One quick one, just on the expected time to deal close, what's the confidence interval there or is there a range in there that's the best

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One of the things that's, you know Barton, when you own 83.5% of the company, which is what we did and what we do until the transaction closes, it has so little impact on the ratio, because if you get a premium, you lose 83.5% of it. If you accept a discount, you gain 83.5% of it. So everything naturally gravitated in this transaction toward one-to-one. It's just the math because everything--\$100 million premium ends up only being a \$17 million premium. All of it just comes back. So I think that's part of also what led to the one-to-one.

As part of the precedent, I think each of these transactions--there are a lot of precedents out there of II

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SiriusXM anticipates that the following individuals will be participants (the 'SiriusXM Participants')

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