
Item 2.02. Results of Operations and Financial Condition.

On May 7, 2021, Liberty Media Corporation (the "Company") issued a press release (the "Earnings Release") setting forth information, including financial information, which is intended to supplement the financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations contained in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, filed with the Securities and Exchange Commission (the "SEC") and the "Earnings Release" with the title "Liberty Media Corporation Announces Q1 2021 Earnings" on May 7, 2021.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the reg

“SiriusXM started the year off strong with growing trial starts and impressively low churn. They continued to repurchase stock and

Liberty’s ownership is now over 77%,” said Greg Maffei, Liberty President and CEO. “Formula e is now eeeeee
 2020

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The businesses and assets attributed to Liberty SiriusXM Group consist primarily of Liberty Media's interests in SiriusXM, which includes its subsidiary PandoraMedia. Ht

The following table provides the operating results of Formula 1 (“F1”).

F1 Operating Results

	1Q20	1Q21	% Change
	amounts in millions		
Primary Formula 1 revenue	\$ 17	\$ 159	835 %
Other Formula 1 revenue	22	21	(5)%
Total Formula 1 revenue	\$ 39	\$ 180	362 %
Operating expenses (excluding stock-based compensation included below):			
Team payments	—	(44)	NM
Other cost of Formula 1 revenue	(43)	(40)	7 %
Cost of Formula 1 revenue	\$ (43)	\$ (84)	(95)%
Selling, general and administrative expenses	(28)	(30)	(7)%
Adjusted OIBDA	\$ (32)	\$ 66	NM
Stock-based compensation	(4)	(3)	25 %
Depreciation and Amortization	(101)	(96)	5 %
Operating loss	\$ (137)	\$ (33)	76 %
Number of races in period	—	1	

Primary F1 revenue represents the majority of F1’s revenue and is derived from (i) race promotion revenue, (ii) media rights fees (formerly referred to as broadcasting fees) and (iii) sponsorship fees.

During the three months ended March 31, 2021, F1 began reclassifying certain components previously reported in Other F1 revenue into Primary F1 revenue to better align with the way it currently evaluates the business. In addition, broadcasting revenue was renamed media rights revenue. The more significant components that were reclassified into Primary F1 revenue include fees for F1 TV subscriptions, fees for licensing commercial rights for Formula 2 and Formula 3 races, fees for the origination and support of program footage, fees for broadcast rights for Formula 2 and Formula 3 races and fees for advertising rights on Formula 1’s digital platforms. Following the reclassification, Other F1 revenue is primarily comprised of freight and hospitality revenue. \$4 million of Other F1 revenue was reclassified as Primary F1 revenue for the three months ended March 31, 2020 to conform to the current period presentation. The impact of the revenue reclassification for the years ended December 31, 2019 and 2020 can be seen in the accompanying notes to the financial statements.

Primary F1 revenue increased in the first quarter with growth in race promotion, media rights and sponsorship fees. This was primarily due to the recognition of race specific and season-based income with one race held in the first quarter of 2021 compared to no races in the prior year period. In addition, race promotion revenue in the first quarter of 2021 included proceeds from a one-time settlement related to the cancellation of a race originally scheduled to commence in 2020. Media rights fees also benefited from growth in F1 TV subscription revenue.

Other F1 revenue decreased in the first quarter due to lower freight and logistics revenue, partially offset by higher licensing income. Freight and logistics services were provided in 2020 for the Australia Grand Prix, despite the ultimate cancellation of the race, and the associated revenue in 2020 was higher than the freight and logistics revenue associated with the Bahrain Grand Prix held in the first quarter of 2021.

Operating costs consist of the following: (i) Direct costs in the first quarter of 2021 increased primarily due to the recognition of team payments in the first quarter, as such payments are recognized pro rata with the race calendar and no races were held in the prior year period. Other direct costs are largely variable in nature and costs related to revenue opportunities. These costs decreased modestly in the first quarter driven by lower freight and digital media product development costs, partially offset by the proportionate recognition of a "wasted variable" cost. (ii) Indirect costs, primarily depreciation and amortization, increased primarily due to the recognition of a "wasted variable" cost. (iii) Other indirect costs, primarily depreciation and amortization, increased primarily due to the recognition of a "wasted variable" cost. (iv) Other indirect costs, primarily depreciation and amortization, increased primarily due to the recognition of a "wasted variable" cost.

Operating loss and adjusted OIBDA loss improved in the first quarter. The revenue decline was more than offset by lower operating expense from reduced capacity at spring training games, personnel costs, scouting related expenses and minor league expenses as well as operating relv

NOTES

The following financial information with respect to Liberty Media's equity affiliates and available for sale securities is intended to supplement Liberty Media's condensed consolidated balance sheet and statement of operations to be included in its Form 10-Q for the period ended March 31, 2021.

Fair Value of Corporate Public Holdings

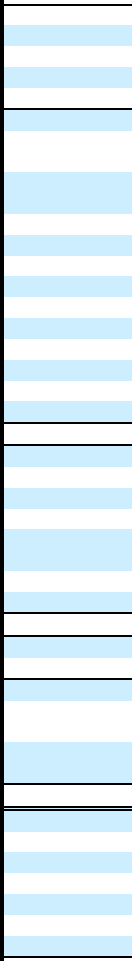
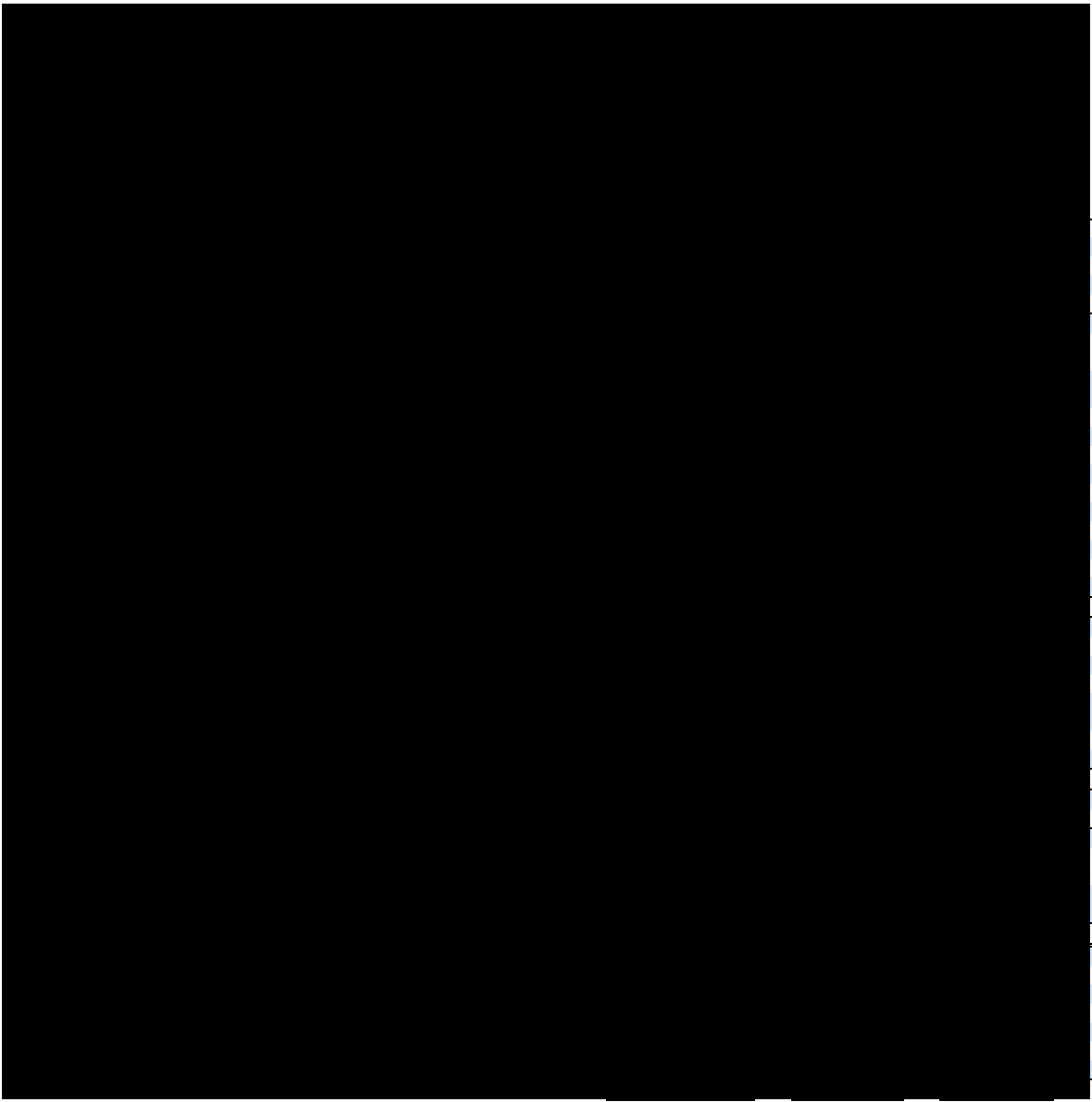
(amounts in millions)

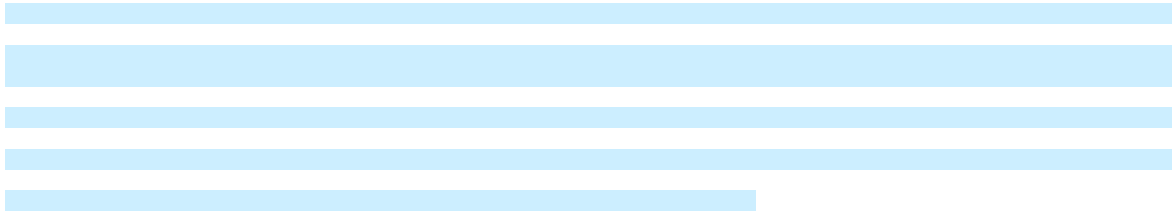


The Live Nation call spread was issued in connection with the reattribution between Liberty SiriusXM Group and Formula One Group in April 2020. Formula One Group bought from Liberty SiriusXM Group a European call option on 34.8 million Live Nation shares with a strike price of \$36.72 (the "Reattribution Price"). Simultaneously, Formula One Group sold to Liberty SiriusXM Group a European call option on 34.8 million Live Nation shares with a strike price of \$47.74, a 30% premium to the Reattribution Price. The call spread is included within Other Current Assets and Other Current Liabilities on Liberty Media's unaudited attributed condensed consolidated balance sheet as of March 31, 2021.

In April 2021, Liberty SiriusXM Group paid \$384 million to Formula One Group to settle its obligation under the call spread with respect to the shares of Live Nation.

	Attributed as of March 31, 2021					
	Liberty SiriusXM Group		Braves Group		Formula One Group	
	Notional Shares	Value	Notional Shares	Value	Notional Shares	Value
<i>(amounts in millions)</i>						
Braves Group intergroup interests	2.3	\$ 65	(9.1)	\$ (254)	6.8	\$ 189
Formula One Group intergroup interest	5.3	\$ 202			(5.3)	\$ (202)
Live Nation call spread	(34.8)	\$ (384)			34.8	\$ 384





NON-GAAP FINANCIAL MEASURES AND SUPPLEMENTAL DISCLOSURES

SCHEDULE 1

To provide investors with additional information regarding our financial results, this press release includes a presentation of Adjusted OIBDA, which is a non-GAAP financial measure, for the Liberty SiriusXM Group, the Braves Group and the Formula One Group, together with reconciliations to operating income, as determined under GAAP. Liberty Media defines Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, separately reported litigation settlements, restructuring, acquisition and other related costs and impairment charge impairment

(amounts in millions)

	1Q20	1Q21
Liberty SiriusXM Group		
Operating Income	\$ 442	\$ 229
Depreciation and amortization	148	149
Stock compensation expense	58	54
Impairment, restructuring and acquisition costs ^(a)	—	245
Legal Reserves	(16)	—
Adjusted OIBDA	<u>\$ 632</u>	<u>\$ 677</u>
Formula One Group		
Operating Income	\$ (152)	\$ (47)
Depreciation and amortization	104	100
Stock compensation expense	6	6
Adjusted OIBDA	<u>\$ (42)</u>	<u>\$ 59</u>
Braves Group		
Operating Income	\$ (44)	\$ (40)
Depreciation and amortization	15	15
Stock compensation expense	3	3
Adjusted OIBDA	<u>\$ (26)</u>	<u>\$ (22)</u>
Liberty Media Corporation (Consolidated)		
Operating Income	\$ 246	\$ 142
Depreciation and amortization	267	264
Stock compensation expense	67	63
Impairment, restructuring and acquisition costs ^(a)	—	—
	<u>\$ 580</u>	<u>\$ 469</u>

(\$ in millions)	Unaudited	
	For the Three Months Ended	
	March 31,	
	2020	2021
Net income:	\$ 293	\$ 219
Add back items excluded from Adjusted EBITDA:		
Legal settlements and reserves	(16)	—
Impairment, restructuring and acquisition costs ^(a)	—	245
Share-based payment expense	55	51
Depreciation and amortization	132	132
Interest expense	99	100
Other income	(4)	(3)
Income tax (benefit) expense	80	(62)
Purchase price accounting adjustments:		
Revenues	2	—
Operating expenses	(2)	—
Adjusted EBITDA	<u>\$ 639</u>	<u>\$ 682</u>

- (a) Includes a \$220 million impairment to the carrying value of SiriusXM's SXM-7 satellite after it experienced failures of certain payload units during in-orbit testing, and restructuring costs of \$25 million resulting from the termination of SiriusXM's leased office space during the three months ended March 31, 2021. These charges have been excluded from adjusted OIBDA.

