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

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): June 8, 2020 (June 8, 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: **Not Applicable**

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
Common stock, \$0.001 par value	SIRI	NASDAQ Global Select Market

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.

Item 7.01 Regulation FD Disclosure

In connection with the offering of the Notes by our subsidiary, Sirius XM Radio Inc. (“SiriusXM”) described in Item 8.01 below, SiriusXM disclosed in a confidential offering memorandum dated June 8, 2020 (the “Preliminary Offering Memorandum”) certain business updates relating to the impact of the coronavirus (COVID-19) pandemic. This information is set forth in Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference into this Item 7.01.

Exhibit 99.1 contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. 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. You should not place undue reliance on any of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made, to reflect the occurrence of unanticipated events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

The information set forth under this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, 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 the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 8.01 Other Events

On June 8, 2020, we issued a press release announcing the commencement of a private offering of \$1.0 billion aggregate principal amount of Senior Notes due 2030 (the “Notes”) to be issued by SiriusXM.

SiriusXM intends to use the net proceeds from the offering of the Notes, together with cash on hand, to redeem all of SiriusXM’s outstanding 5.375% Senior Notes due 2025 at a redemption price of 102.688% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the redemption date.

A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The Notes have not been registered under the Securities Act. The Notes may not be offered or sold within the United States or to U.S. persons, except to persons reasonably believed to be “qualified institutional buyers” in reliance on the exemption from registration provided by Rule 144A and to non-U.S. persons in offshore transactions in reliance on Regulation S. This announcement does not constitute an offer to sell or the solicitation of an offer to buy Notes in any jurisdiction in which such an offer or sale would be unlawful.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The Exhibit Index attached hereto is incorporated herein.

EXHIBITS

<u>Exhibit</u>	<u>Description of Exhibit</u>
99.1	Excerpt from the Preliminary Offering Memorandum dated June 8, 2020
99.2	Press release dated June 8, 2020 relating to the offering of the Notes

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 thereunto duly authorized.

SIRIUS XM HOLDINGS INC.

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

Dated: June 8, 2020

Excerpts from the Preliminary Offering Memorandum dated June 8, 2020

Recent developments

Developments relating to the impact of the COVID-19 pandemic on our business

In general, the COVID-19 pandemic, coupled with government issued stay-at-home orders, is having a widespread and broad reaching effect on the economy. Beginning in late March, automakers idled plants, and certain auto dealers closed their retail operations. New and used vehicle sales have declined, sporting events have been cancelled, theaters are closed and concerts have been postponed indefinitely. The impact of the COVID-19 pandemic on the travel industry has been far-reaching, adversely affecting airlines, hotels, cruise ships and theme parks. Unemployment is at historic rates as non-essential businesses have been closed and workers have been furloughed. Media spending by businesses has dropped sharply. While regions of the United States have begun the early phases of reopening, which include the resumption of production for most automakers and the reopening of many auto dealer locations, it is unclear what an economic recovery will look like after this historic shutdown of the economy.

Against this background and these broad-based economic effects, the full extent to which the COVID-19 pandemic may negatively impact our business is still uncertain. The scope of the effects of the COVID-19 pandemic on our businesses depends on many factors beyond our control, and the effects are difficult to assess or predict with meaningful precision both generally and specifically as to our Sirius XM and Pandora businesses. The COVID-19 pandemic did not have a material effect on our revenues and expenses for the first quarter ended March 31, 2020, however, due to the nature of our business, the effect of the pandemic will not be fully reflected in our results of operations until future periods, and we believe such effects will be material.

Business Performance Update

We are focused on the well-being of our employees, customers and all those we serve while also taking responsive measures to adapt to the current environment. We have taken actions to help ensure the continuity of our audio entertainment service through the COVID-19 pandemic, including activating our business continuity plans and implementing measures to enable employees to work remotely. From a customer care and support perspective, we have adjusted our operations with call center vendors as a result of their inability to staff fully their operations. These adjustments have included shifting call center loads to “chat” platforms, activating interactive voice response (or “IVR”) systems and on line capabilities, and working with call center vendors to increase the capability for customer service agents to work remotely. We are focused on optimizing customer support performance in this new environment.

Included below is certain information regarding certain trends related to our Sirius XM and Pandora businesses.

Sirius XM Business. Based on available information at this time, we currently believe that we will report positive net new self-pay subscribers for the quarter ending June 30, 2020. However, our second quarter is not yet complete and our actual results may differ.

Sales of new cars in the United States were down approximately 47% in April and 29% in May from the same periods last year. The sale of used cars also declined during these months, but we believe not to the same extent as sales of new vehicles. A substantial portion of the subscription growth we anticipated in 2020 for our satellite radio service was expected to come from purchasers and lessees of new and used automobiles in the United States.

In April 2020, the penetration rate of satellite radios in new vehicle production was approximately 79.5%. This increase was due in part to shift in auto production to a favorable model-mix, including more consumer versus fleet vehicles. However, the decline in new car sales that began in mid-March 2020, will adversely affect our aggregate SiriusXM trial starts in the second quarter of 2020 and, together with the decline in used car sales, will result in fewer opportunities in subsequent months to convert consumers from trial to self-pay subscriptions.

To date during the second quarter, while we have experienced some decline in the rate at which purchasers and lessees of new cars convert from trial subscribers to self-pay subscribers of our satellite radio service, the decline has been less than we originally expected. Similarly, used car conversion rates are showing a small impact from the COVID-19 pandemic. After a temporary lull, consumer response to our marketing campaigns has rebounded. Based on early data, new car conversion rates are improving such that we currently anticipate that they could recover over the next several months to within 5% of first quarter 2020 levels, which were more indicative of our historical rates.

Our average self-pay monthly subscriber churn rates have continued at relatively unchanged levels from those during the first quarter ended March 31, 2020. While we have experienced an increase in voluntary churn (that is, churn resulting from consumers proactively canceling) and non-pay churn during the second quarter of 2020, that

increase has been almost completely offset by reductions in vehicle related churn (churn resulting from a vehicle transaction by a consumer), which correlates closely to auto sales.

For information about advertising revenue see "Pandora Business" below.

Pandora Business. Advertising revenue from our Pandora and Sirius XM businesses has declined markedly since mid-March 2020. Several categories of advertisers cancelled or paused orders during the second quarter, and while we have seen recent increases in advertising orders, we believe advertising revenue will likely continue to be negatively impacted during the balance of 2020.

Ad hours on our Pandora services decreased markedly following the implementation of stay-at-home orders in mid-March 2020, but have steadily improved over the last several weeks to modest declines on a year over year basis consistent with the declining trends the Pandora service has experienced for several years.

Liquidity

We believe that we have sufficient cash and cash equivalents, as well as debt capacity, to cover our estimated short-term and long-term funding needs, including amounts to construct, launch and insure replacement satellites and strategic opportunities. As of June 5, 2020, we had approximately \$224.6 million of cash on hand and \$1,749 million was available for future borrowing under our revolving credit facility (after giving effect to outstanding letters of credit).

Potential Impact on our Results of Operations

It is difficult to predict how the COVID-19 pandemic will affect our company in the long-term. Based on what we have observed to date, however, we have attempted below to provide our projection as to how the pandemic has and will affect our business, including our revenue and expenses, over the next several months. We presently believe that the COVID-19 pandemic and its related economic impact will:

- adversely affect our subscriber revenue due to the decline in sales of new and used vehicles, reduced drive time, increased churn and the inability of our vendors to staff call centers fully;
- cause a decline in advertising revenues in our Pandora and SiriusXM businesses as a result of third parties pulling back on advertising spending generally;
- have an adverse effect on our equipment revenue and the sale of satellite radios, components and accessories;
- negatively impact our other revenue as the pandemic is anticipated to have similar adverse effects on Sirius XM Canada and its service as well as adversely affect our connected services business;
- reduce our revenue share and royalties expenses, although in our Pandora ad-supported service royalty reductions may not be commensurate with the decline in ad revenues;
- not significantly affect our programming and content expenses as we expect to continue to honor our agreements to acquire, create, promote and produce content, including our obligations in some cases to sports leagues that have cancelled significant portions of their seasons;
- reduce our customer service and billing costs as we may experience lower costs as a result of the inability of our vendors to fully staff the operation and management of customer service centers, although such cost reductions are expected to be partially offset by increased bad debt expense;
- not significantly affect our transmission expenses and costs of equipment expenses;
- reduce subscriber acquisition costs as hardware subsidies paid to radio manufacturers, distributors and automakers and subsidies paid for chipsets and certain other components used in manufacturing radios are expected to decline as a result of a reduction in vehicle production and possible disruptions to the supply chain;
- decrease sales and marketing expenses as the reduction in auto sales is anticipated to reduce trial subscription starts, the volume of our marketing campaigns and the associated expenses related to direct mail, outbound telemarketing and email communications, and as we likely reduce our spending on marketing, advertising, media and production, and digital performance media;
- reduce our engineering, design and development expenses as we plan to slow the development of new products and services, including streaming and connected vehicle services, and research and development efforts in the ordinary course;
- reduce our general and administrative expenses as a result of reductions in compensation, travel and entertainment and other costs; and
- not affect our depreciation and amortization expenses.

Additional information regarding the potential impact on our results of operations and other impacts of the COVID-19 pandemic on our business is included under the heading "Management's Discussion and Analysis of

Financial Condition and Results of Operations - Special Note Regarding the Evolving Impact of the COVID-19 Pandemic on Our Business and Operations - Potential Impact on our Results of Operations” and - Other Potential Impacts” in the Holdings Quarterly Report.

See also “Risk factors-Risks related to our business-The current coronavirus (COVID-19) pandemic is adversely impacting our business”. To the extent the COVID-19 pandemic or any other global health crisis does adversely impact our business or financial condition, it may also have the effect of heightening many of the “Risk factors” included or incorporated by reference herein and included in any subsequent Quarterly Report on Form 10-Q.



P R E S S R E L E A S E

Sirius XM Radio Inc. Intends To Offer \$1 Billion Of Senior Notes due 2030

NEW YORK – June 8, 2020 – SiriusXM announced today that its subsidiary, Sirius XM Radio Inc., intends to offer, subject to market conditions, \$1 billion of Senior Notes due 2030 to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, and non-U.S. persons outside the United States in compliance with Regulation S of the Securities Act.

The company intends to use the net proceeds from this offering, together with cash on hand, to redeem all of its outstanding 5.375% Senior Notes due 2025 at a redemption price of 102.688% of the principal amount thereof plus accrued and unpaid interest thereon to, but excluding, the redemption date.

The securities have not been and will not be registered under the Securities Act, or any state securities laws, and may not be offered or sold in the United States absent registration, except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful. This announcement does not constitute a notice of redemption of the 5.375% Senior Notes due 2025.

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.

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 the intended use of proceeds of the anticipated notes offering. 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: the current coronavirus (COVID-19) pandemic is adversely impacting our business; our substantial

competition that is likely to increase over time; our efforts to attract and retain subscribers and listeners, or convert listeners into subscribers, which may not be successful, and may adversely affect our business; our Pandora ad-supported business has suffered a loss of monthly active users, which may adversely affect our Pandora business; privacy and data security laws and regulations may hinder our ability to market our services, sell advertising and impose legal liabilities; we engage in extensive marketing efforts and the continued effectiveness of those efforts are an important part of our business; consumer protection laws and our failure to comply with them could damage our business; a substantial number of our Sirius XM subscribers periodically cancel their subscriptions and we cannot predict how successful we will be at retaining customers; our ability to profitably attract and retain subscribers to our Sirius XM service as our marketing efforts reach more price-sensitive consumers is uncertain; our failure to convince advertisers of the benefits of our Pandora ad-supported service could harm our business; if we are unable to maintain revenue growth from our advertising products, particularly in mobile advertising, our results of operations will be adversely affected; if we fail to accurately predict and play music, comedy or other content that our Pandora listeners enjoy, we may fail to retain existing and attract new listeners; if we fail to protect the security of personal information about our customers, we could be subject to costly government enforcement actions and private litigation and our reputation could suffer; interruption or failure of our information technology and communications systems could impair the delivery of our service and harm our business; we rely on third parties for the operation of our business, and the failure of third parties to perform could adversely affect our business; our business depends in part upon the auto industry; our Pandora business depends in part upon consumer electronics manufacturers; the market for music rights is changing and is subject to significant uncertainties; our ability to offer interactive features in our Pandora services depends upon maintaining licenses with copyright owners; the rates we must pay for "mechanical rights" to use musical works on our Pandora service have increased substantially and these new rates may adversely affect our business; failure of our satellites would significantly damage our business; our Sirius XM service may experience harmful interference from wireless operations; failure to comply with FCC requirements could damage our business; economic conditions, including advertising budgets and discretionary spending, may adversely affect our business and operating results; if we are unable to attract and retain qualified personnel, our business could be harmed; we may not realize the benefits of acquisitions or other strategic investments and initiatives, including the acquisition of Pandora; our use of pre-1972 sound recordings on our Pandora service could result in additional costs; we may from time to time modify our business plan, and these changes could adversely affect us and our financial condition; we have a significant amount of indebtedness, and our debt contains certain covenants that restrict our operations; our facilities could be damaged by natural catastrophes or terrorist activities; the unfavorable outcome of pending or future litigation could have an adverse impact on our operations and financial condition; failure to protect our intellectual property or actions by third parties to enforce their intellectual property rights could substantially harm our business and operating results; some of our services and technologies may use "open source" software, which may restrict how we use or distribute our services or require that we release the source code subject to those licenses; rapid technological and industry changes and new entrants could adversely impact our services; existing or future laws and regulations could harm our business; we may be exposed to liabilities that other entertainment service providers would not customarily be subject to; our business and prospects depend on the strength of our brands; we are a "controlled company" within the meaning of the NASDAQ listing rules and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements; while we currently pay a quarterly cash dividend to holders of our common stock, we may change our dividend policy at any time; and our principal stockholder has significant influence, including over actions requiring stockholder approval, and its interests may differ from the interests of other holders of our common stock. 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, 2019 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, which are 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

Media contacts for SiriusXM:

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