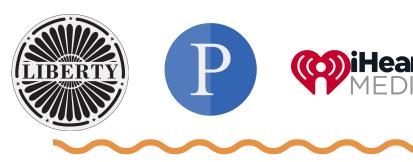
SE STUDY

LIBERTY MEDIA DOMINATES AUDIO



In 2017, Liberty Media was poised to dominate the audio business, adding on to their ownership of SiriusXM.

The broadcast industry, along with many others, missed what was actually a full court press in disguise by Liberty Media to control the price of audio advertising in the US. The power of ParAible caught a series of moves that proved it.

HOW PARAIBLE WORKED

- Researching large amounts of available data, we uncovered a value investor formula used by Liberty Media to acquire a 19% stake in Pandora that included the chairman of the board seat, to work in tandem with their ownership of Sirius/XM, and that the move was an acquisition in disguise to be completed at their choosing. This acquisition took place in 2018.
- We then showed how the same formula was used to bet on the iHeart bankruptcy, buying \$600M in iHeart Media debt for a seat at the table during bankruptcy proceedings and to take advantage of a provision that allowed a deal to be done without iHeart at the table.

THE RESULTS

After our findings were published, Citi, SunTrust, and Barron's followed suit, and on September 24th, 2018, Sirius XM acquired Pandora for \$3.5B.

Liberty Media continued to acquire iHeart Media debt, increasing its total holdings to 5%. On July 15th 2020, the DOJ approved a Liberty Media request increase its stake to 50%, giving the company control of the audio space.



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