REFINITIV

DELTA REPORT

10-Q

AMCX - AMC NETWORKS INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1709
CHANGES	220
DELETIONS	790
ADDITIONS	699

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

or

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number: 1-35106

AMC Networks Inc.

(Exact name of registrant as specified in its charter)

Delaware	**27-5403694**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
11 Penn Plaza, New York, NY	**10001**
(Address of principal executive offices)	**(Zip Code)**

(212) 324-8500
(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	AMCX	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes þ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company (as defined in Exchange Act Rule 12b-2).

Large accelerated filer	þ ¨	Accelerated filer	¨ þ
Non-accelerated filer	¨	Smaller reporting company	☐
		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. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No þ

The number of shares of common stock outstanding as of October 27, 2023 May 3, 2024:

Class A Common Stock par value $0.01 per share	32,073,020 32,558,862
Class B Common Stock par value $0.01 per share	11,484,408

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AMC NETWORKS INC. AND SUBSIDIARIES

FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(unaudited)

		September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	March 31, 2024				
ASSETS	**ASSETS**				
Current Assets:	Current Assets:				
Current Assets:					
Current Assets:					
Cash and cash equivalents	Cash and cash equivalents	$ 955,187	$ 930,002		
Accounts receivable, trade (less allowance for doubtful accounts of $9,581 and $8,725)		657,656	722,185		
Cash and cash equivalents					
Cash and cash equivalents					
Accounts receivable, trade (less allowance for doubtful accounts of $9,627 and $9,488)					

Current portion of program rights, net	Current portion of program rights, net	11,978	10,807
Prepaid expenses and other current assets	Prepaid expenses and other current assets	276,284	286,875
Total current assets	Total current assets	1,901,105	1,949,869
Property and equipment, net of accumulated depreciation of $390,887 and $344,906		172,897	202,034
Property and equipment, net of accumulated depreciation of $418,046 and $403,708			
Program rights, net	Program rights, net	1,807,549	1,762,939
Intangible assets, net	Intangible assets, net	300,763	354,676
Goodwill	Goodwill	640,143	643,419
Deferred tax assets, net	Deferred tax assets, net	15,542	13,618
Operating lease right-of-use assets	Operating lease right-of-use assets	81,783	108,229
Other assets	Other assets	471,003	599,052
Total assets	Total assets	$5,390,785	$5,633,836
LIABILITIES AND STOCKHOLDERS' EQUITY	**LIABILITIES AND STOCKHOLDERS' EQUITY**		
Current Liabilities:	Current Liabilities:		
Current Liabilities:			
Current Liabilities:			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	$ 103,575	$ 172,009
Accrued liabilities	Accrued liabilities	373,403	419,065
Current portion of program rights obligations	Current portion of program rights obligations	257,508	374,115
Deferred revenue	Deferred revenue	69,796	134,883
Current portion of long-term debt	Current portion of long-term debt	459,063	33,750
Current portion of lease obligations	Current portion of lease obligations	36,822	36,411
Total current liabilities	Total current liabilities	1,300,167	1,170,233
Program rights obligations	Program rights obligations	146,924	200,869
Long-term debt, net	Long-term debt, net	2,334,216	2,778,703
Lease obligations	Lease obligations	99,116	124,799
Deferred tax liabilities, net	Deferred tax liabilities, net	117,687	112,642
Other liabilities	Other liabilities	84,988	139,108
Total liabilities	Total liabilities	4,083,098	4,526,354

Commitments and contingencies	Commitments and contingencies			Commitments and contingencies
Redeemable noncontrolling interests	Redeemable noncontrolling interests	225,400	253,669	
Stockholders' equity:	Stockholders' equity:			
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,666 and 66,118 shares issued and 32,073 and 31,525 shares outstanding, respectively		666	661	
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,730 and 66,670 shares issued and 32,559 and 32,077 shares outstanding, respectively				
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,730 and 66,670 shares issued and 32,559 and 32,077 shares outstanding, respectively				
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,730 and 66,670 shares issued and 32,559 and 32,077 shares outstanding, respectively				
Class B Common Stock, $0.01 par value, 90,000 shares authorized, 11,484 shares issued and outstanding	Class B Common Stock, $0.01 par value, 90,000 shares authorized, 11,484 shares issued and outstanding	115	115	
Preferred stock, $0.01 par value, 45,000 shares authorized; none issued	Preferred stock, $0.01 par value, 45,000 shares authorized; none issued	—	—	
Paid-in capital	Paid-in capital	372,925	360,251	
Accumulated earnings	Accumulated earnings	2,342,914	2,105,641	
Treasury stock, at cost (34,593 and 34,593 shares Class A Common Stock, respectively)		(1,419,882)	(1,419,882)	
Treasury stock, at cost (34,172 and 34,593 shares Class A Common Stock, respectively)				
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(246,052)	(239,798)	
Total AMC Networks stockholders' equity	Total AMC Networks stockholders' equity	1,050,686	806,988	
Non-redeemable noncontrolling interests	Non-redeemable noncontrolling interests	31,601	46,825	
Total stockholders' equity	Total stockholders' equity	1,082,287	853,813	
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$5,390,785	$5,633,836	

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		2023	2022	2023	2022	2024	2023
Revenues, net	Revenues, net	$636,954	$681,843	$2,033,029	$2,132,025		
Operating expenses:	Operating expenses:						
Technical and operating (excluding depreciation and amortization)	Technical and operating (excluding depreciation and amortization)	284,900	293,459	933,590	903,468		
Technical and operating (excluding depreciation and amortization)							
Technical and operating (excluding depreciation and amortization)							
Selling, general and administrative	Selling, general and administrative	187,232	207,972	567,136	670,444		
Depreciation and amortization	Depreciation and amortization	28,009	29,735	79,629	79,556		
Impairment and other charges		5,400	—	30,282	—		
Restructuring and other related charges							
Restructuring and other related charges							
Restructuring and other related charges	Restructuring and other related charges	10,563	—	22,537	—		
Total operating expenses	Total operating expenses	516,104	531,166	1,633,174	1,653,468		
Operating income	Operating income	120,850	150,677	399,855	478,557		
Other income (expense):	Other income (expense):						
Interest expense	Interest expense	(38,757)	(34,308)	(115,304)	(97,085)		
Interest expense							
Interest expense							
Interest income	Interest income	11,686	3,625	26,944	8,552		
Miscellaneous, net							
Miscellaneous, net							
Miscellaneous, net	Miscellaneous, net	(2,211)	(1,546)	12,518	3,540		
Total other expense	Total other expense	(29,282)	(32,229)	(75,842)	(84,993)		

Income from operations before income taxes	Income from operations before income taxes	91,568	118,448	324,013	393,564
Income tax expense	Income tax expense	(23,671)	(28,456)	(82,725)	(103,118)
Net income including noncontrolling interests	Net income including noncontrolling interests	67,897	89,992	241,288	290,446
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(4,473)	(5,326)	(4,015)	(18,163)
Net income attributable to AMC Networks' stockholders	Net income attributable to AMC Networks' stockholders	$ 63,424	$ 84,666	$ 237,273	$ 272,283

Net income per share attributable to AMC Networks' stockholders:

Net income per share attributable to AMC Networks' stockholders:

Net income per share attributable to AMC Networks' stockholders:

Basic	Basic	$ 1.44	$ 1.96	$ 5.42	$ 6.32
Diluted	Diluted	$ 1.44	$ 1.94	$ 5.40	$ 6.23
Weighted average common shares:	Weighted average common shares:				

Weighted average common shares:

Weighted average common shares:

Basic

Basic

Basic	Basic	43,951	43,238	43,786	43,070
Diluted	Diluted	44,041	43,732	43,905	43,707

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,			
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		2023	2022	2023	2022	2024	2023
Net income including noncontrolling interests	Net income including noncontrolling interests	$67,897	$89,992	$241,288	$290,446		
Other comprehensive income (loss):	Other comprehensive income (loss):						

Foreign currency translation adjustment

Foreign currency translation adjustment

Foreign currency translation adjustment	Foreign currency translation adjustment	(27,860)	(54,896)	(6,216)	(125,229)
Comprehensive income	Comprehensive income	40,037	35,096	235,072	165,217

Comprehensive income

Comprehensive income

Comprehensive income attributable to noncontrolling interests	Comprehensive income attributable to noncontrolling interests	(3,389)	(3,136)	(4,053)	(13,114)
Comprehensive income attributable to AMC Networks' stockholders	Comprehensive income attributable to AMC Networks' stockholders	$36,648	$31,960	$231,019	$152,103

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2023	$ 666	$ 115	$ 366,553	$ 2,279,490	$ (1,419,882)	$ (219,276)	$ 1,007,666	$ 32,585	$ 1,040,251
Net income attributable to AMC Networks' stockholders	—	—	—	63,424	—	—	63,424	—	63,424
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	417	417
Distribution to noncontrolling member	—	—	—	—	—	—	—	(317)	(317)
Other comprehensive income (loss)	—	—	—	—	—	(26,776)	(26,776)	(1,084)	(27,860)
Share-based compensation expenses	—	—	6,378	—	—	—	6,378	—	6,378
Net share issuances under employee stock plans	—	—	(6)	—	—	—	(6)	—	(6)
Balance, September 30, 2023	$ 666	$ 115	$ 372,925	$ 2,342,914	$ (1,419,882)	$ (246,052)	$ 1,050,686	$ 31,601	$ 1,082,287

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	Total AMC Networks Stockholders' Equity	Non-redeemable Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2023	$ 667	$ 115	$ 378,877	$ 2,321,105	$ (1,419,882)	$ (232,831)	$ 1,048,051	$ 25,895	$ 1,073,946
Net income attributable to AMC Networks' stockholders	—	—	—	45,803	—	—	45,803	—	45,803
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,060	1,060
Redeemable noncontrolling interest adjustment to redemption fair value	—	—	(2,721)	—	—	—	(2,721)	—	(2,721)
Other comprehensive loss	—	—	—	—	—	(12,972)	(12,972)	(325)	(13,297)
Share-based compensation expenses	—	—	6,075	—	—	—	6,075	—	6,075
Common stock issued under employee stock plans	—	—	(8,393)	(1,384)	9,777	—	—	—	—
Tax withholding associated with shares issued under employee stock plans	—	—	(3,961)	—	—	—	(3,961)	—	(3,961)

Balance, March 31, 2024	$ 667	$ 115	$ 369,877	$ 2,365,524	$ (1,410,105)	$ (245,803)	$ 1,080,275	$ 26,630	$ 1,106,905

		Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2022		$ 660	$ 115	$ 341,403	$ 2,285,664	$ (1,419,882)	$ (243,292)	$ 964,668	$ 48,778	$ 1,013,446
	Class A Common Stock									
Balance, December 31, 2022										
Net income attributable to AMC Networks' stockholders	Net income attributable to AMC Networks' stockholders	—	—	—	84,666	—	—	84,666	—	84,666
Net income attributable to non-redeemable noncontrolling interests	Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	883	883
Distributions to noncontrolling member	Distributions to noncontrolling member	—	—	—	—	—	—	—	(407)	(407)
Distributions to noncontrolling member										
Distributions to noncontrolling member										
Other comprehensive income (loss)		—	—	—	—	—	(52,706)	(52,706)	(2,190)	(54,896)
Other comprehensive income										
Other comprehensive income										
Other comprehensive income										
Share-based compensation expenses	Share-based compensation expenses	—	—	7,050	—	—	—	7,050	—	7,050
Share-based compensation expenses										
Share-based compensation expenses										
Net share issuances under employee stock plans		1	—	(1,249)	—	—	—	(1,248)	—	(1,248)
Balance, September 30, 2022		$ 661	$ 115	$ 347,204	$ 2,370,330	$ (1,419,882)	$ (295,998)	$ 1,002,430	$ 47,064	$ 1,049,494
Tax withholding associated with shares issued under employee stock plans										

Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accum Otl Compre Lo

Tax withholding associated with shares issued under employee stock plans
Tax withholding associated with shares issued under employee stock plans
Balance, March 31, 2023

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2022	$ 661	$ 115	$ 360,251	$ 2,105,641	$ (1,419,882)	$ (239,798)	$ 806,988	$ 46,825	$ 853,813
Net income attributable to AMC Networks' stockholders	—	—	—	237,273	—	—	237,273	—	237,273
Net income (loss) attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	(13,111)	(13,111)
Distributions to noncontrolling member	—	—	—	—	—	—	—	(2,151)	(2,151)
Other comprehensive income (loss)	—	—	—	—	—	(6,254)	(6,254)	38	(6,216)
Share-based compensation expenses	—	—	19,908	—	—	—	19,908	—	19,908
Net share issuances under employee stock plans	5	—	(7,234)	—	—	—	(7,229)	—	(7,229)
Balance, September 30, 2023	$ 666	$ 115	$ 372,925	$ 2,342,914	$ (1,419,882)	$ (246,052)	$ 1,050,686	$ 31,601	$ 1,082,287

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2021	$ 655	$ 115	$ 347,971	$ 2,098,047	$ (1,419,882)	$ (175,818)	$ 851,088	$ 51,584	$ 902,672
Net income attributable to AMC Networks' stockholders	—	—	—	272,283	—	—	272,283	—	272,283
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	5,192	5,192
Distributions to noncontrolling member	—	—	—	—	—	—	—	(3,366)	(3,366)
Purchase of noncontrolling interest, net of tax	—	—	(3,066)	—	—	—	(3,066)	(1,297)	(4,363)
Other comprehensive income (loss)	—	—	—	—	—	(120,180)	(120,180)	(5,049)	(125,229)
Share-based compensation expenses	—	—	23,862	—	—	—	23,862	—	23,862
Net share issuances under employee stock plans	6	—	(21,563)	—	—	—	(21,557)	—	(21,557)
Balance, September 30, 2022	$ 661	$ 115	$ 347,204	$ 2,370,330	$ (1,419,882)	$ (295,998)	$ 1,002,430	$ 47,064	$ 1,049,494

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) /
(unaudited)

	Three Months Ended March 31,	Three Months Ended March 31,	
	2024	**2024**	**2023**
Cash flows from operating activities:			

Net income including noncontrolling interests
Net income including noncontrolling interests
Net income including noncontrolling interests
Adjustments to reconcile net income to net cash from operating activities:
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Share-based compensation expenses related to equity classified awards
Share-based compensation expenses related to equity classified awards
Share-based compensation expenses related to equity classified awards
Amortization and write-off of program rights
Amortization and write-off of program rights
Amortization and write-off of program rights
Amortization of deferred carriage fees
Unrealized foreign currency transaction loss
Amortization of deferred financing costs and discounts on indebtedness
Deferred income taxes
Deferred income taxes
Deferred income taxes
Other, net
Other, net
Other, net
Changes in assets and liabilities:
Accounts receivable, trade (including amounts due from related parties, net)
Accounts receivable, trade (including amounts due from related parties, net)
Accounts receivable, trade (including amounts due from related parties, net)

Prepaid expenses and other assets
Program rights and obligations, net
Deferred revenue
Deferred revenue
Deferred revenue
Accounts payable, accrued liabilities and other liabilities
Accounts payable, accrued liabilities and other liabilities
Accounts payable, accrued liabilities and other liabilities
Net cash provided by (used in) operating activities
Cash flows from investing activities:
Capital expenditures
Capital expenditures
Capital expenditures

	Nine Months Ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net income including noncontrolling interests	$241,288	$ 290,446
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	79,629	79,556
Impairment and other charges	24,882	—
Share-based compensation expenses related to equity classified awards	19,671	23,862
Non-cash restructuring and other related charges	11,916	—
Amortization of program rights	626,685	610,099
Amortization of deferred carriage fees	15,662	24,747
Unrealized foreign currency transaction loss (gain)	7,778	(1,098)
Amortization of deferred financing costs and discounts on indebtedness	5,876	5,778
Bad debt expense	2,106	2,035
Deferred income taxes	2,973	46,292
Gain on investments	—	(4,084)
Other, net	(4,881)	(7,854)
Changes in assets and liabilities:		
Accounts receivable, trade	48,570	99,711
Prepaid expenses and other assets	146,321	(18,174)

Program rights and obligations, net	(844,332)	(1,065,937)
Income taxes payable	16,198	13,181
Deferred revenue	(65,548)	66,822
Deferred carriage fees, net	(4,725)	(22,285)
Accounts payable, accrued liabilities and other liabilities	(198,930)	(106,506)
Net cash provided by operating activities	131,139	36,591
Cash flows from investing activities:		
Capital expenditures	(28,392)	(33,510)
Return of capital from investees	696	1,771
Proceeds from sale of investments		
Acquisition of investments	(283)	(5,002)
Loans to investees	—	(2,456)
Principal payment received on loan to investee	180	720
Proceeds from sale of investments | Proceeds from sale of investments	8,565	9,854
Proceeds from sale of investments		
Other investing activities, net		
Net cash used in investing activities		
Net cash used in investing activities		
Net cash used in investing activities | Net cash used in investing activities	(19,234)	(28,623)
Cash flows from financing activities: | Cash flows from financing activities:		
Payments for financing costs	(342)	—
Principal payments on long-term debt		
Principal payments on long-term debt		
Principal payments on long-term debt | Principal payments on long-term debt	(25,313)	(25,313)
Deemed repurchases of restricted stock units | Deemed repurchases of restricted stock units	(7,229)	(21,557)
Principal payments on finance lease obligations | Principal payments on finance lease obligations	(3,134)	(2,606)
Principal payments on finance lease obligations		
Principal payments on finance lease obligations		
Distributions to noncontrolling interests		
Distributions to noncontrolling interests		
Distributions to noncontrolling interests | Distributions to noncontrolling interests	(47,546)	(28,232)

Purchase of noncontrolling interests	Purchase of noncontrolling interests	(1,343)	(2,500)
Net cash used in financing activities	Net cash used in financing activities	(84,907)	(80,208)
Net increase (decrease) in cash and cash equivalents from operations	Net increase (decrease) in cash and cash equivalents from operations	26,998	(72,240)
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	(1,813)	(29,051)
Cash and cash equivalents at beginning of period	Cash and cash equivalents at beginning of period	930,002	892,221
Cash and cash equivalents at end of period	Cash and cash equivalents at end of period	$955,187	$ 790,930

See accompanying notes to condensed consolidated financial statements.

AMC NETWORKS INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1. Description of Business and Basis of Presentation

Description of Business

AMC Networks Inc. ("AMC Networks") and its subsidiaries (collectively referred to as the "Company," "we," "us," or "our") own and operate entertainment businesses and assets. The Company is comprised of two operating segments:

- *Domestic Operations:* Includes our programming services, which consist of our five national programming networks, our global streaming services, our AMC Studios operation and IFC Films. our film distribution business. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our global streaming services consist of AMC+ and our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE) and AMC+. Our AMC Studios operation produces original programming for our programming networks services and third parties and also licenses programming worldwide, and worldwide. Our film distribution business includes IFC Films, is our film distribution business. RLJ Entertainment Films and Shudder. The operating segment also includes AMC Networks Broadcasting & Technology, our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels distributed around the world, world.

  In 2024, the Company updated the name of its previously titled "International and Other" operating segment to "International" due to the divestiture of the 25/7 Media our production services business.

Basis business on December 29, 2023, which was the sole component of Presentation the operating segment that comprised “Other.” This update does not constitute a change in segment reporting, but rather an update in name only. Prior period segment information contained in this report includes the results of the 25/7 Media business through the date of divestiture.

Principles of Consolidation

The consolidated financial statements include the accounts of AMC Networks and its subsidiaries in which a controlling financial interest is maintained or variable interest entities ("VIEs") in which the Company has determined it is the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

Investments in business entities in which the Company lacks control but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method of accounting.

Unaudited Interim Financial Statements

These condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2022 December 31, 2023 contained in the Company's Annual Report on Form 10-K (our "2022 "2023 Form 10-K") filed with the SEC. The condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2023 December 31, 2024.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates and judgments inherent in the preparation of the consolidated financial statements include the useful lives and methodologies used to amortize and assess recoverability of program rights, the estimated useful lives of intangible assets and the valuation and recoverability of goodwill and intangible assets.

Reclassifications

Certain reclassifications were made to the prior period amounts to conform to the current period presentation.

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Recently Issued Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 is intended to enhance the transparency and decision usefulness of income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The Company will incorporate the required disclosure updates for the 2025 annual financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which expands disclosures about a public entity’s reportable segments and requires more enhanced information about a reportable segment’s expenses, interim segment profit or loss, and how a public entity’s chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The Company will incorporate the required disclosure updates for the 2024 annual financial statements.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of September 30, 2023March 31, 2024, other than contracts for which the Company has applied the practical expedients, the aggregate amount of transaction price allocated to future performance obligations was not material to our consolidated revenues.

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Contract Balances from Contracts with Customers

The following table provides information about receivables, contract assets, and contract liabilities from contracts with customers.

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Balances from contracts with customers:	**Balances from contracts with customers:**					
Accounts receivable (including long-term receivables within Other assets)	Accounts receivable (including long-term receivables within Other assets)	$ 765,333	$ 1,003,505			
Accounts receivable (including long-term receivables within Other assets)						
Accounts receivable (including long-term receivables within Other assets)						

Contract assets, short-term (included in Prepaid expenses and other current assets)	Contract assets, short-term (included in Prepaid expenses and other current assets)	2,364	48,594
Contract liabilities, short-term (Deferred revenue)	Contract liabilities, short-term (Deferred revenue)	69,796	134,883
Contract liabilities, long-term (Deferred revenue included in Other liabilities)		181	683
Contract liabilities, short-term (Deferred revenue)			
Contract liabilities, short-term (Deferred revenue)			

Revenue recognized for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 relating to the contract liabilities at December 31, 2022 December 31, 2023 and 2021 2022 was $102.6 million $24.7 million and $63.1 $82.6 million, respectively.

In October 2023, the Company entered into an agreement enabling it to sell certain customer receivables to a financial institution on a recurring basis for cash. The transferred receivables will be fully guaranteed by a bankruptcy-remote entity and the financial institution that purchases the receivables will have no recourse to the Company's other assets in the event of non-payment by the customers. The Company can sell an indefinite amount of customer receivables under the agreement on a revolving basis, but the outstanding balance of unpaid customer receivables to the financial institution cannot exceed the initial program limit of $125.0 million at any given time. As of the date of this report, March 31, 2024, the Company has had not yet sold any customer receivables under this agreement.

Note 3. Net Income per Share

The following is a reconciliation between basic and diluted weighted average common shares outstanding:

(In thousands)								
		Three Months Ended September 30,		Nine Months Ended September 30,			Three Months Ended March 31,	
(In thousands)	(In thousands)	2023	2022	2023	2022	(In thousands)	2024	2023
Basic weighted average common shares outstanding	Basic weighted average common shares outstanding	43,951	43,238	43,786	43,070			
Effect of dilution:	Effect of dilution:							
Restricted stock units	Restricted stock units	90	494	119	637			
Restricted stock units								
Restricted stock units								
Diluted weighted average common shares outstanding	Diluted weighted average common shares outstanding	44,041	43,732	43,905	43,707			

As of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, 1.9 0.2 million and 0.9 0.8 million, respectively, of restricted stock units have been excluded from diluted weighted average common shares outstanding, as their impact would have been anti-dilutive.

Stock Repurchase Program

The Company's Board of Directors previously authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the three and nine months ended September 30, 2023March 31, 2024 and 2022, 2023, the Company did not repurchase any shares of its Class A Common Stock. As of September 30, 2023March 31, 2024, the Company had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Note 4. Restructuring and Other Related Charges

On November 28, 2022There were no restructuring and other related charges for the three months ended March 31, 2024.

Restructuring and other related charges were $5.9 million for the three months ended March 31, 2023, the Company commencedconsisting primarily of severance and other personnel costs related to a restructuring plan (the "Plan""Plan") that commenced on November 28, 2022. The Plan was designed to achieve significant cost reductions in light of "cord cutting" and the related impacts being felt across the media industry as well as the broader economic outlook. The Plan encompassesencompassed initiatives that include, included, among other things, strategic programming assessments and organizational restructuring costs. The Plan iswas intended to improve the organizational design of the Company through the elimination of certain roles and centralization of certain functional areas of the Company. The programming assessments pertainpertained to a broad mix of owned and licensed content, including legacy television series and films that will no longer be in active rotation on the Company's linear or streaming platforms.

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During the third quarter of 2023, the Company substantially completed the Plan and exited a portion of its office space in its corporate headquarters in New York and office space in Silver Spring, Maryland and Woodland Hills, California. In connection with exiting a portion of the New York office, the Company recorded impairment charges of $11.6 million, consisting of $9.1 million for operating lease right-of use assets and $2.5 million for leasehold improvements. Fair values used to determine the impairment charge were determined using an income approach, specifically a discounted cash flow ("DCF") model. The DCF model includes significant assumptions about sublease income and enterprise specific discount rates. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

As a result of the Plan, the Company recorded restructuring and other related charges of $10.6 million and $22.5 million for the three and nine months ended September 30, 2023, consisting primarily of charges relating to exiting a portion of office space in New York and severance and other personnel costs.

There were no restructuring and other related charges for the three and nine months ended September 30, 2022.

The following table summarizes the restructuring and other related charges (credits) recognized by operating segment:

	Three Months Ended September 30,	Nine Months Ended September 30,
(In thousands)	**2023**	**2023**
Domestic Operations	$ (783)	$ 3,940
International and Other	(4)	1,642
Corporate / Inter-segment eliminations	11,350	16,955
Total restructuring and other related charges	$ 10,563	$ 22,537

	Three Months Ended March 31,
(In thousands)	**2023**
Domestic Operations	$ 818
International	1,385
Corporate / Inter-segment eliminations	3,730
Total restructuring and other related charges	$ 5,933

The following table summarizes the accrued restructuring and other related costs:

(In thousands)	**Severance and Employee-Related Costs**	**Content Impairments and Other Exit Costs**	**Total**
Balance at December 31, 2022	$ 37,150	$ 74,724	$ 111,874
Charges (credits), net	13,444	9,093	22,537
Cash payments	(40,285)	(61,305)	(101,590)
Non-cash adjustments	—	(11,916)	(11,916)
Other	(56)	1,481	1,425
Balance at September 30, 2023	$ 10,253	$ 12,077	$ 22,330

(In thousands)	Severance and Employee-Related Costs	Content Impairments and Other Exit Costs	Total
Balance at December 31, 2023	$ 8,726	$ 5,008	$ 13,734
Cash payments	(3,488)	(1,333)	(4,821)
Other	(882)	(128)	(1,010)
Balance at March 31, 2024	$ 4,356	$ 3,547	$ 7,903

Accrued restructuring and other related costs of $20.1 $7.9 million are included in Accrued liabilities in the condensed consolidated balance sheet at March 31, 2024. Accrued restructuring and other related costs of $12.1 million and $2.2 $1.6 million are included in Accrued liabilities and Other liabilities, respectively, in the condensed consolidated balance sheet at September 30, 2023. Accrued restructuring and other related costs of $108.0 million and $3.9 million are included in Accrued liabilities and Other liabilities, respectively, in the consolidated balance sheet at December 31, 2022 December 31, 2023.

Note 5. Program Rights

Total capitalized produced and licensed content by predominant monetization strategy is as follows:

		September 30, 2023						
		March 31, 2024						March 31, 2024
(In thousands)	(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:	Owned original program rights, net:							
Completed								
Completed								
Completed	Completed	$ 198,647	$ 537,260	$ 735,907				
In-production and in-development	In-production and in-development	—	284,783	284,783				
Total owned original program rights, net	Total owned original program rights, net	$ 198,647	$ 822,043	$1,020,690				
Licensed program rights, net:	Licensed program rights, net:							
Licensed program rights, net:								
Licensed program rights, net:								
Licensed film and acquired series								
Licensed film and acquired series								
Licensed film and acquired series	Licensed film and acquired series	$ 1,276	$ 570,027	$ 571,303				

Licensed originals	Licensed originals	2,084	134,300	136,384
Advances and content versioning costs		—	91,150	91,150
Advances and other production costs				
Total licensed program rights, net	Total licensed program rights, net	3,360	795,477	798,837
Program rights, net	Program rights, net	$ 202,007	$ 1,617,520	$1,819,527
Current portion of program rights, net	Current portion of program rights, net			$ 11,978
Current portion of program rights, net				
Current portion of program rights, net				
Program rights, net (long-term)	Program rights, net (long-term)			1,807,549
			$	
				$1,819,527

		December 31, 2022						
		December 31, 2023						December 31, 2023
(In thousands)	**(In thousands)**	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	**(In thousands)**	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:	Owned original program rights, net:							
Completed								
Completed								
Completed	Completed	$ 215,496	$ 322,248	$ 537,744				
In-production and in-development	In-production and in-development	45,098	294,086	339,184				
Total owned original program rights, net	Total owned original program rights, net	$ 260,594	$ 616,334	$ 876,928				
Licensed program rights, net:	Licensed program rights, net:							
Licensed program rights, net:								
Licensed program rights, net:								

Licensed film and acquired series				
Licensed film and acquired series				
Licensed film and acquired series	Licensed film and acquired series	$ 3,092	$ 642,768	$ 645,860
Licensed originals	Licensed originals	5,373	171,418	176,791
Advances and content versioning costs		—	74,167	74,167
Advances and other production costs				
Total licensed program rights, net	Total licensed program rights, net	8,465	888,353	896,818
Program rights, net	Program rights, net	$ 269,059	$ 1,504,687	$1,773,746
Current portion of program rights, net	Current portion of program rights, net			$ 10,807
Current portion of program rights, net				
Current portion of program rights, net				
Program rights, net (long-term)	Program rights, net (long-term)			1,762,939
			$	
				$1,773,746

Amortization, including write-offs, of owned and licensed program rights, included in Technical and operating expenses in the condensed consolidated statements of income, is as follows:

		Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023						
		Three Months Ended March 31, 2024									
		Three Months Ended March 31, 2024									
		Three Months Ended March 31, 2024									
(In thousands)	**(In thousands)**	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	**(In thousands)**	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	Owned original program rights	$ 21,116	$ 63,800	$ 84,916	$ 101,947	$ 165,547	$267,494				
Owned original program rights											

Owned original program rights							
Licensed program rights	Licensed program rights	485	110,898	111,383	2,620	356,571	359,191
Program rights amortization	Program rights amortization	$ 21,601	$ 174,698	$ 196,299	$ 104,567	$ 522,118	$ 626,685

		Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
		Three Months Ended March 31, 2023					
		Three Months Ended March 31, 2023					
		Three Months Ended March 31, 2023					
(In thousands)	**(In thousands)**	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	Owned original program rights	$ 33,728	$ 35,534	$ 69,262	$ 128,072	$ 82,850	$ 210,922
Owned original program rights							
Owned original program rights							
Licensed program rights	Licensed program rights	12,597	131,350	143,947	29,838	369,339	399,177
Program rights amortization	Program rights amortization	$ 46,325	$ 166,884	$ 213,209	$ 157,910	$ 452,189	$ 610,099

(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total

For programming rights predominantly monetized individually or as a group, the Company periodically reviews the programming usefulness of licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and streaming services and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If events or changes in circumstances indicate that the fair value of a film predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the condensed consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost. There were no significant program rights write-offs included in technical and operating expenses for the three and nine months ended September 30, 2023 March 31, 2024 or 2022. 2023.

In the normal course of business, the Company may qualify for tax incentives through eligible investments in productions. Receivables related to tax incentives earned on production spend were $191.7 million and $143.1 million as of September 30, 2023 and December 31, 2022, respectively, March 31, 2024 consisted of $235.9 million recorded in Prepaid expenses and other current assets and $84.6 $45.9 million and $104.5 million recorded in Other assets. Receivables related to tax incentives earned on production spend as of September 30, 2023 December 31, 2023 consisted of $230.3 million recorded in Prepaid expenses and December 31, 2022, respectively, other current assets and $49.9 million recorded in Other assets.

Note 6. Investments

The Company holds several investments in and loans to non-consolidated entities which are included in Other assets in the condensed consolidated balance sheet.

Equity Method Investments

Equity method investments were $82.7 83.6 million and $79.6 million $83.1 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

Marketable Equity Securities

There were no investments in marketable equity securities at September 30, 2023 or December 31, 2022.

There were no realized or unrealized gains or losses on marketable equity securities for the three and nine months ended September 30, 2023. No gains or losses were recorded on marketable equity securities for the three months ended September 30, 2022, and $4.1 million of gains were recorded for the nine months ended September 30, 2022, included in miscellaneous, net in the condensed consolidated statements of income. In April 2022, the Company sold its interest in a marketable equity security for $9.9 million.

Non-marketable Equity Securities

Investments in non-marketable equity securities were $41.3 42.6 million and $42.7 $41.6 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. No gains or losses were recorded on non-marketable equity securities for the three months ended September 30, 2023, or the three and nine months ended

September 30, 2022 March 31, 2024. During the nine three months ended March 31, 2023, the Company recognized an impairment charge of $1.2 million on an investment, which is included in Miscellaneous, net in the condensed consolidated statements of income.

September 30, 2023, the Company recognized impairment charges of $1.7 million on certain investments, which were included in miscellaneous, net in the consolidated statements of income.

Note 7. Goodwill and Other Intangible Assets

The carrying amount of goodwill, by operating segment is as follows:

(In thousands)	Domestic Operations	International and Other	Total
December 31, 2022	$ 349,292	$ 294,127	$ 643,419
Impairment charge	—	(1,877)	(1,877)
Amortization of "second component" goodwill	(560)	—	(560)
Foreign currency translation	—	(839)	(839)
September 30, 2023	$ 348,732	$ 291,411	$ 640,143

(In thousands)	Domestic Operations	International	Total
December 31, 2023	$ 348,732	$ 277,764	$ 626,496
Foreign currency translation	—	(4,306)	(4,306)
March 31, 2024	$ 348,732	$ 273,458	$ 622,190

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, accumulated impairment charges in the International and Other segment totaled $165.7 million and $163.8 million, respectively.$185.5 million.

The $1.9 million impairment charge for International and Other relates to the 25/7 Media reporting unit. See "Impairment Test of Long-Lived Assets and Goodwill" below for more details.

The reduction of $0.6 million in the carrying amount of goodwill for Domestic Operations is due to the realization of a tax benefit for the amortization of "second component" goodwill at SundanceTV. Second component goodwill is the amount of tax deductible goodwill in excess of goodwill for financial reporting purposes. In accordance with the authoritative guidance at the time of the SundanceTV acquisition, the tax benefits associated with this excess are applied to first reduce the amount of goodwill, and then other intangible assets for financial reporting purposes, if and when such tax benefits are realized in the Company's tax returns. All remaining tax benefits were realized during the second quarter of 2023.

The following tables summarize information relating to the Company's identifiable intangible assets:

	September 30, 2023			
(In thousands)	Gross	Accumulated Amortization	Net	Estimated Useful Lives
Amortizable intangible assets:				
Affiliate and customer relationships	$ 633,525	$ (410,571)	$ 222,954	6 to 25 years
Advertiser relationships	46,282	(37,598)	8,684	11 years
Trade names and other amortizable intangible assets	105,441	(56,216)	49,225	3 to 20 years
Total amortizable intangible assets	785,248	(504,385)	280,863	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$ 805,148	$ (504,385)	$ 300,763	

	December 31, 2022		
(In thousands)	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliate and customer relationships	$ 634,000	$ (373,240)	$ 260,760

Advertiser relationships	46,282	(34,443)	11,839
Trade names and other amortizable intangible assets	105,338	(43,161)	62,177
Total amortizable intangible assets	785,620	(450,844)	334,776
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$ 805,520	$ (450,844)	$ 354,676

	March 31, 2024			
(In thousands)	**Gross**	**Accumulated Amortization**	**Net**	**Estimated Useful Lives**
Amortizable intangible assets:				
Affiliate and customer relationships	$ 615,455	$ (426,361)	$ 189,094	6 to 25 years
Advertiser relationships	46,282	(43,280)	3,002	11 years
Trade names and other amortizable intangible assets	90,474	(43,557)	46,917	3 to 20 years
Total amortizable intangible assets	752,211	(513,198)	239,013	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$ 772,111	$ (513,198)	$ 258,913	

	December 31, 2023		
(In thousands)	**Gross**	**Accumulated Amortization**	**Net**
Amortizable intangible assets:			
Affiliate and customer relationships	$ 618,778	$ (421,968)	$ 196,810
Advertiser relationships	46,282	(42,806)	3,476
Trade names and other amortizable intangible assets	91,134	(42,762)	48,372
Total amortizable intangible assets	756,194	(507,536)	248,658
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$ 776,094	$ (507,536)	$ 268,558

Aggregate amortization expense for amortizable intangible assets for the three months ended September 30, 2023 March 31, 2024 and 2022 2023 was $9.8 million $8.6 million and $10.2 million $10.4 million, respectively, and for the nine months ended September 30, 2023 and 2022 was $30.7 million and $31.2 million, respectively. Estimated aggregate amortization expense for intangible assets subject to amortization for each of the following five years is:

(In thousands)	
Years Ending December 31,	
2023	$ 40,454
2024	39,128
2025	37,420
2026	33,076
2027	28,272

Impairment Test of Long-Lived Assets and Goodwill

25/7 Media is our production services business and is part of our International and Other operating segment. See "Item 1. Business - International and Other" in our 2022 Form 10-K for further details. During the second quarter of 2023, given the impact of market challenges at 25/7 Media, specifically as it relates to reduced demand for new content and series cancellations from third parties, the Company revised its outlook for the 25/7 Media business, resulting in lower expected future cash flows.As a result, the Company determined that sufficient indicators of potential impairment of long-lived assets existed at 25/7 Media. The Company performed a recoverability test and determined that the carrying amount of the 25/7 Media asset group was not recoverable. The carrying value of the asset group exceeded its fair value, therefore an impairment charge of $23.0 million was recorded for identifiable intangible assets, which is included in impairment and other charges in the consolidated statement of income within the International and Other operating segment. Fair values used to determine the impairment charge were determined using an income approach, specifically a DCF model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

During the second quarter of 2023, the Company also determined that a triggering event had occurred with respect to the 25/7 Media reporting unit, which required an interim goodwill impairment test to be performed. Accordingly, the Company performed a quantitative assessment using an income approach, specifically a DCF model, and a market comparables approach. Based on the valuations performed, a $1.9 million goodwill impairment charge was recorded, which is included in impairment and other charges in the consolidated statement of income, within the International and Other operating segment.

(In thousands)		
Years Ending December 31,		
2024	$	36,332
2025		35,061
2026		32,539
2027		27,835
2028		25,695

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Note 8. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Employee related costs	Employee related costs	$ 81,235	$ 97,362			
Participations and residuals	Participations and residuals	152,030	138,384			
Interest	Interest	22,006	37,105			
Restructuring and other related charges	Restructuring and other related charges	20,055	107,998			
Other accrued expenses	Other accrued expenses	98,077	38,216			
Total accrued liabilities	Total accrued liabilities	$373,403	$419,065			

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Note 9. Long-term Debt

The following table summarizes the Company's long-term debt consists of included in the following: condensed consolidated balance sheet as follows:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Senior Secured Credit Facility: (a)	Senior Secured Credit Facility: (a)					
Term Loan A Facility	Term Loan A Facility	$ 615,938	$ 641,250			
Term Loan A Facility						
Term Loan A Facility						
Senior Notes:	Senior Notes:					

5.00% Notes due April 2024		400,000	400,000
4.75% Notes due August 2025			
4.75% Notes due August 2025			
4.75% Notes due August 2025	4.75% Notes due August 2025	800,000	800,000
4.25% Notes due February 2029	4.25% Notes due February 2029	1,000,000	1,000,000
Total long-term debt			
Total long-term debt			
Total long-term debt	Total long-term debt	2,815,938	2,841,250
Unamortized discount	Unamortized discount	(15,246)	(18,718)
Unamortized deferred financing costs	Unamortized deferred financing costs	(7,413)	(10,079)
Long-term debt, net	Long-term debt, net	2,793,279	2,812,453
Current portion of long-term debt	Current portion of long-term debt	459,063	33,750
Noncurrent portion of long-term debt	Noncurrent portion of long-term debt	$2,334,216	$2,778,703

(a) The Company's revolving credit facility remains remained undrawn at September 30, 2023 March 31, 2024. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

During the nine three months ended September 30, 2023 March 31, 2024, the Company repaid a total of $25.3 $16.9 million of the principal amount of the Term Loan A Facility in accordance with the terms of the agreement.

In April 2023, the Company Amendment to Credit Agreement

On April 9, 2024, AMC Networks entered into Amendment No. 2 3 ("Amendment No. 2" 3") to the Second Amended and Restated Credit Agreement, (the "Credit Agreement"). dated as of July 28, 2017 (as amended to date and by Amendment No. 2 (i) reduced 3, the aggregate principal amount "Credit Agreement"), among AMC Networks and its subsidiary, AMC Network Entertainment LLC ("AMC Network Entertainment"), as the initial borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, Bank of America, N.A., as an L/C Issuer, the revolving loan commitments under the Credit Agreement from $500 million to $400 million, (ii) replaced the interest rate based on London Interbank Offered Rate lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and an L/C Issuer.

In connection with an interest rate based on the Secured Overnight Financing Rate, (iii) increased the Company's ability to incur additional debt in the future to provide additional flexibility for future financings, including increasing the amount of the incremental debt basket to the greater of $1.2 billion and the amount that would not cause the senior secured leverage ratio to exceed 3.00 to 1.00 on Amendment No. 3, AMC Networks made a pro forma basis and (iv) made certain other modifications to the Credit Agreement. The maturity date partial prepayment of the Term Loan A facility under the Credit Agreement (the "Term Loan A Facility"), bringing the total principal amount outstanding under the Term Loan A Facility to $425 million, and reduced the revolving credit facility under the Credit Agreement is February 8, 2026. (the "Revolving Credit Facility") to $175 million. In connection with addition, pursuant to Amendment No. 3, the modification maturity date of the revolving loan commitments, the Company recorded $0.6 $325 million to write-off a portion of the unamortized deferred financing costs, which is included in interest expense within the consolidated statements of income for the nine months ended September 30, 2023.

On November 3, 2023, the Company gave notice of its intention to redeem the remaining $400 million outstanding principal amount of its 5.00% senior notes due 2024 (the "2024 Notes") on December 12, 2023 (the "Redemption Date") loans under the Term Loan A Facility as well as all of the commitments under the Revolving Credit Facility has been extended to April 9, 2028. The 2024 maturity date of the remaining $100 million principal amount of loans under the Term Loan A Facility continues to be February 8, 2026. Amendment No. 3 also includes certain other modifications to covenants and other provisions of the Credit Agreement.

Senior Secured Notes will be Offering

On April 9, 2024, AMC Networks issued $875 million aggregate principal amount of 10.25% Senior Secured Notes due January 15, 2029 (the “Secured Notes”). AMC Networks received net proceeds of $863 million, after deducting underwriting discounts. The Secured Notes are guaranteed by AMC Network Entertainment and AMC Networks' subsidiaries that guarantee the Credit Agreement (the "Guarantors").

The Secured Notes were issued pursuant to an Indenture, dated as of April 9, 2024 (the “Indenture”), among AMC Networks, the Guarantors and U.S. Bank Trust Company, National Association, as Trustee.

The Secured Notes accrue interest at a rate of 10.25% per annum and mature on January 15, 2029. Interest is payable semiannually on January 15 and July 15 of each year, commencing on July 15, 2024. The Secured Notes are AMC Networks’ general senior secured obligations, secured on a first-priority basis by substantially all of AMC Networks’ and the Guarantors’ assets and property, subject to certain liens permitted under the Indenture, and rank equally with all of AMC Networks’ existing and future senior indebtedness, senior in right of payment to AMC Networks’ future subordinated indebtedness and effectively senior to any of AMC Networks’ existing and future unsecured indebtedness or indebtedness that is secured by a lien ranking junior to the lien securing the Notes, in each case, to the extent of the value of the collateral.

On or after January 15, 2026, AMC Networks may redeem the Secured Notes, at its option, in whole or in part, at any time and from time to time, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest thereon, to the applicable redemption date, if redeemed during the twelve month period beginning on January 15 of the years indicated below:

Year	Percentage
2026	105.125%
2027	102.563%
2028 and thereafter	100.000%

In addition to the optional redemption of the Secured Notes described above, at any time prior to January 15, 2026, AMC Networks may redeem up to 40% of the aggregate principal amount of the Secured Notes at a redemption price of 100.000% equal to 110.250% of the principal amount thereof, plus accrued and unpaid interest and additional interest, if any, using the net proceeds of certain equity offerings. At any time prior to January 15, 2026, AMC Networks may also redeem up to 10% of the 2024 aggregate principal amount of the Secured Notes during any twelve month period at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Finally, at any time prior to January 15, 2026, AMC Networks may redeem the Secured Notes, at its option in whole or in part, at any time, at a redemption price equal to 100% of the principal amount thereof to be redeemed plus the “Applicable Premium” calculated as described in the Indenture at the Treasury rate + 50 basis points, and accrued and unpaid interest thereon, if any, to, but excluding, the redemption date.

Tender Offer and Redemption of Senior Notes due August 2025

On April 22, 2024, AMC Networks completed a cash tender offer (the "Offer") to purchase any and all outstanding 4.75% Senior Notes due 2025 and redeemed all 4.75% Senior Notes due 2025 that remained outstanding after completion of the Offer at a price of 100.000% of their principal amount, plus accrued and unpaid interest to, but excluding, not including, the Redemption Date. redemption date.

Other Debt

During the second quarter of 2023, a majority owned subsidiary of the Company extended its credit facility totaling $4.5 million to July 21, 2024. The facility bears interest at the greater of 3.5% or the prime rate plus 1%. There were no outstanding borrowings under the credit facility as of September 30, 2023.

Note 10. Leases

The following table summarizes the leases included in the condensed consolidated balance sheets as follows:

(In thousands)	Balance Sheet Location	September 30, 2023	December 31, 2022
Assets			
Operating	Operating lease right-of-use assets	$ 81,783	$ 108,229
Finance	Property and equipment, net	10,159	10,982
Total lease assets		$ 91,942	$ 119,211
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 32,313	$ 32,207
Finance	Current portion of lease obligations	4,509	4,204
		$ 36,822	$ 36,411
Noncurrent:			

Operating	Lease obligations	$ 83,551	$ 105,768
Finance	Lease obligations	15,565	19,031
		$ 99,116	$ 124,799
Total lease liabilities		$ 135,938	$ 161,210

In connection with exiting a portion of its office space in New York in the third quarter of 2023, the Company recorded an impairment charge of $9.1 million for operating lease right-of use assets. Refer to Note 4, Restructuring and Other Related Charges for additional details.

(In thousands)	Balance Sheet Location	March 31, 2024	December 31, 2023
Assets			
Operating	Operating lease right-of-use assets	$ 68,786	$ 71,163
Finance	Property and equipment, net	9,609	9,884
Total lease assets		$ 78,395	$ 81,047
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 28,004	$ 28,971
Finance	Current portion of lease obligations	4,769	4,688
		$ 32,773	$ 33,659
Noncurrent:			
Operating	Lease obligations	$ 69,105	$ 72,797
Finance	Lease obligations	13,164	14,443
		$ 82,269	$ 87,240
Total lease liabilities		$ 115,042	$ 120,899

Note 11. Fair Value Measurement

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

The following table presents for each of these hierarchy levels, the Company's financial assets and liabilities that are measured at fair value on a recurring basis at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(In thousands)	(In thousands)	Level I	Level II	Level III	Total	(In thousands)	Level I	Level II	Level III	Total
At September 30, 2023:										
At March 31, 2024:										
Assets	**Assets**									
Assets										
Assets										
Cash equivalents										
Cash equivalents										
Cash equivalents	Cash equivalents	$89,539	$ —	$ —	$89,539					

Foreign currency derivatives	Foreign currency derivatives	—	6,070	—	6,070
Foreign currency derivatives					
Foreign currency derivatives					
Liabilities					
Liabilities					
Liabilities	**Liabilities**				
Foreign currency derivatives	Foreign currency derivatives	—	3,613	—	3,613
Foreign currency derivatives					
At December 31, 2022:					
Foreign currency derivatives					
At December 31, 2023:					
At December 31, 2023:					
At December 31, 2023:					
Assets	**Assets**				
Cash equivalents		$80,000	$ —	$ —	$80,000
Assets					
Assets					
Foreign currency derivatives					
Foreign currency derivatives					
Foreign currency derivatives	Foreign currency derivatives	—	536	—	536
Liabilities	**Liabilities**				
Liabilities					
Liabilities					
Foreign currency derivatives	Foreign currency derivatives	—	8,965	—	8,965
Foreign currency derivatives					
Foreign currency derivatives					

The Company's cash equivalents (comprised of money market mutual funds) are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The Company's foreign currency derivatives are classified within Level II of the fair value hierarchy as their fair values are determined based on a market approach valuation technique that uses readily observable market parameters and the consideration of counterparty risk.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company did not have any material assets or liabilities measured at fair value on a recurring basis that would be considered Level III.

Fair value measurements are also used in nonrecurring valuations performed in connection with acquisition accounting and impairment testing. These nonrecurring valuations primarily include the valuation of program rights, goodwill, intangible assets and property and equipment. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level III of the fair value hierarchy.

Credit Facility Debt and Senior Notes

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities.

The carrying values and estimated fair values of the Company's financial instruments, excluding those that are carried at fair value in the condensed consolidated balance sheets, are summarized as follows:

		September 30, 2023			March 31, 2024	
(In thousands)	(In thousands)	Carrying Amount	Estimated Fair Value	(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:	Debt instruments:					
Term loan A facility	Term loan A facility	$ 610,362	$ 585,141			
5.00% Notes due April 2024		399,463	393,000			
Term loan A facility						
Term loan A facility						
4.75% Notes due August 2025						
4.75% Notes due August 2025						
4.75% Notes due August 2025	4.75% Notes due August 2025	795,796	738,000			
4.25% Notes due February 2029	4.25% Notes due February 2029	987,658	616,250			
		$2,793,279	$2,332,391			
		$				
		$				
		$				

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		December 31, 2022			December 31, 2023	
(In thousands)	(In thousands)	Carrying Amount	Estimated Fair Value	(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:	Debt instruments:					
Term loan A facility	Term loan A facility	$ 633,486	$ 615,600			
5.00% Notes due April 2024		398,687	375,348			
Term loan A facility						
Term loan A facility						
4.75% Notes due August 2025						
4.75% Notes due August 2025						
4.75% Notes due August 2025	4.75% Notes due August 2025	794,171	607,000			

4.25% Notes due February 2029	4.25% Notes due February 2029	986,109	620,818
		$2,812,453	$2,218,766
		$	
		$	
		$	

Fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Note 12. Derivative Financial Instruments

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than one of our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain trade receivables and accounts payable and trade receivables (including intercompany amounts) that are denominated in a currency other than the applicable functional currency.

The fair values of the Company's derivative financial instruments included in the condensed consolidated balance sheets are as follows:

(In thousands)	(In thousands)	Balance Sheet Location	September 30, 2023	December 31, 2022	(In thousands)	Balance Sheet Location	March 31, 2024	December 31, 2023
Derivatives not designated as hedging instruments:	**Derivatives not designated as hedging instruments:**							
Derivatives not designated as hedging instruments:								
Derivatives not designated as hedging instruments:								
Assets:	**Assets:**							
Assets:								
Assets:								
Foreign currency derivatives								
Foreign currency derivatives								
Foreign currency derivatives	Foreign currency derivatives	Prepaid expenses and other current assets	$ 357	$ 141				
Foreign currency derivatives	Foreign currency derivatives	Other assets	5,713	395				
Liabilities:	**Liabilities:**							
Liabilities:								
Liabilities:								
Foreign currency derivatives								
Foreign currency derivatives								

Foreign currency derivatives	Foreign currency derivatives	Accrued liabilities	$ 1,694	$ 3,663
Foreign currency derivatives	Foreign currency derivatives	Current portion of program rights obligations	176	82
Foreign currency derivatives	Foreign currency derivatives	Other liabilities	1,743	5,220

The amounts of gains and losses related to the Company's derivative financial instruments not designated as hedging instruments are as follows:

		Location of Gain or (Loss) Recognized in Earnings on Derivatives	Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	(In thousands)		2023	2022	2023	2022
Foreign currency derivatives	Foreign currency derivatives	Miscellaneous, net	$(736)	$(2,947)	$ 9,077	$(6,708)

	Location of Gain (Loss) Recognized in Earnings on Derivatives	Amount of Gain (Loss) Recognized in Earnings on Derivatives	
	Three Months Ended March 31,	Three Months Ended March 31,	
(In thousands)		2024	2023
Foreign currency derivatives			
Foreign currency derivatives			

Note 13. Income Taxes

For the three months ended March 31, 2024, income tax expense was $23.6 million, representing an effective rate of 29%, as compared to the federal statutory rate of 21%. The effective rate differs from the federal statutory rate due primarily to state and local income tax expense, tax expense related to non-deductible compensation, tax expense for shortfalls related to share-based compensation and tax expense for an increase in the valuation allowance for foreign taxes.

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Note 13. Income Taxes

For the three and nine months ended September 30, 2023 March 31, 2023, income tax expense was $23.7 $36.9 million, and $82.7 million, respectively, representing an effective tax rate of 26% for both periods. The items resulting in variances from 25%, as compared to the federal statutory rate of 21% for. The effective rate differs from the three and nine months ended September 30, 2023, federal statutory rate due primarily consisted of to state and local income tax expense and tax expense for shortfalls related to non-deductible compensation.

For the three and nine months ended September 30, 2022, income tax expense was $28.5 million and $103.1 million, respectively, representing an effective tax rate of 24% and 26%, respectively. The items resulting in variances from the federal statutory rate of 21% for the three and nine months ended September 30, 2022, primarily consisted of state and local income tax expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deductible share-based compensation.

At September 30, 2023 March 31, 2024, the Company had foreign tax credit carry forwards of approximately $53.9 $50.3 million, expiring on various dates from 2024 through 2033. 2034. These carryforwards have been reduced to zero by a valuation allowance of $53.9 $50.3 million as it is more likely than not that these carry forwards will not be realized. For the nine months ended September 30, 2023, $0.4 million relating to amortization of tax deductible second component goodwill was realized as a reduction in tax liability (as determined on a 'with-and-without' approach).

As of September 30, 2023 March 31, 2024, approximately $198.0 million of cash and cash equivalents, previously held by foreign subsidiaries, was repatriated to the United States. Our Company's consolidated cash and cash equivalents balance of $955.2 $690.5 million as of September 30, 2023, includes included approximately $170.9 $132.1 million held by foreign subsidiaries. Of this amount, approximately $60.0 $20.0 million is expected to be repatriated to the United States with the remaining amount continuing to be reinvested in foreign operations. Tax expense related to the repatriated amount, as well as the expected remaining repatriation amount has been accrued in the current period prior periods and the Company does not expect to incur any significant, additional taxes related to the remaining balance.

In December 2021, the Organization for Economic Co-operation and Development (OECD) released the Pillar Two Model Rules, which aim to reform international corporate taxation rules, including the implementation of a global minimum tax rate. The Company began the phased implementation of the Pillar Two Model Rules in the first quarter of 2024 and as of March 31, 2024, the Pillar Two minimum tax requirement is not expected to have a material impact upon the Company's full year results of operations or financial position.

Note 14. Commitments and Contingencies

Commitments

As of September 30, 2023 March 31, 2024, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet increased $20.6 million $6.9 million, as compared to December 31, 2022 December 31, 2023, to $932.8 880.5 million. The increase was primarily driven by additional program rights commitments, and the renewal of a third-party service contract, partially offset by payments for program rights.

Legal Matters

On August 14, 2017, Robert Kirkman, Robert Kirkman, LLC, Glen Mazzara, 44 Strong Productions, Inc., David Alpert, Circle of Confusion Productions, LLC, New Circle of Confusion Productions, Inc., Gale Anne Hurd, and Valhalla Entertainment, Inc. f/k/a Valhalla Motion Pictures, Inc. (together, the "Plaintiffs") filed a complaint in California Superior Court in connection with Plaintiffs' rendering of services as writers and producers of the television series entitled The Walking Dead, as well as Fear the Walking Dead and/or Talking Dead, and the agreements between the parties related thereto (the "Walking Dead Litigation"). The Plaintiffs asserted that the Company had been improperly underpaying the Plaintiffs under their contracts with the Company and they asserted claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and liability for violation of Cal. Bus. & Prof. Code § 17200. The Plaintiffs sought compensatory and punitive damages and restitution. On August 8, 2019, the judge in the Walking Dead Litigation ordered a trial to resolve certain issues of contract interpretation only. Following eight days of trial in February and March 2020, on July 22, 2020, the judge issued a Statement of Decision finding in the Company's favor on all seven matters of contract interpretation before the court in this first phase trial. On January 20, 2021, the Plaintiffs filed a second amended complaint, eliminating eight named defendants and their claims under Cal. Bus. & Prof. Code § 17200. On May 5, 2021, the Plaintiffs filed a third amended complaint, repleading in part their claims for alleged breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and certain breach of contract claims. On June 2, 2021, the Company filed a demurrer and motion to strike seeking to dismiss the claim for breach of the implied covenant of good faith and fair dealing and certain tort and breach of contract claims asserted in the third amended complaint. On July 27, 2021, the court granted in part and denied in part the Company's motion. On January 12, 2022, the Company filed a motion for summary adjudication of many of the remaining claims. On April 6, 2022, the court granted the Company's summary adjudication motion in part, dismissing the Plaintiffs' claims for breach of the implied covenant of good faith and fair dealing and inducing breach of contract. On January 26, 2023, the Plaintiffs filed a notice of appeal of the court's post-trial, demurrer, and summary adjudication decisions. The parties entered into an agreement to resolve through confidential binding arbitration the remaining claims in the litigation

(consisting (consisting mainly of ordinary course profit participation audit claims), and as a result, the court formally dismissed the case. The arbitration to resolve the two remaining claims for breach of contract was held between October 16 through October 20, 2023 and . On March 12, 2024, the arbitral panel issued a final decision is awarding the Plaintiffs the sum of approximately $7.8 million. The arbitral panel's decision did not expected until 2024. While the ultimate outcome of this litigation is uncertain, we expect that the ultimate outcome is unlikely to have a material impact on the Company's Company's financial condition or results of operations.

On November 14, 2022, the Plaintiffs filed a separate complaint in California Superior Court (the "MFN Litigation") in connection with the Company's July 16, 2021 settlement agreement with Frank Darabont ("Darabont"), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (the "Darabont Parties"), which resolved litigations the

Darabont Parties had brought in connection with Darabont's rendering services as a writer, director and producer of the television series entitled The Walking Dead and the agreement between the parties related thereto (the "Darabont Settlement"). Plaintiffs assert claims for breach of contract, alleging that the Company breached the most favored nations ("MFN") provisions of Plaintiffs' contracts with the Company by failing to pay them additional contingent compensation as a result of the Darabont Settlement (the "MFN Litigation"). Plaintiffs claim in the MFN Litigation that they are entitled to actual and compensatory damages in excess of $200 million. The Plaintiffs also brought a cause of action to enjoin an arbitration the Company commenced in May 2022 concerning the same dispute. On December 15, 2022, the Company removed the MFN Litigation to the United States District Court for the Central District of California. On January 13, 2023, the Company filed a motion to dismiss the MFN Litigation and informed the court that the Company had withdrawn the arbitration Plaintiffs sought to enjoin. On March 25, 2024, the Court issued a ruling denying the Company's motion to dismiss and the matter is proceeding to discovery. The motion is fully briefed and awaiting decision. The court trial for this matter, previously scheduled for September 17, 2024, has scheduled a trial date of September 17, 2024 been rescheduled to May 6, 2025. The Company believes that the asserted claims are without merit and will vigorously defend against them if they are not dismissed. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

The Company is party to actions and claims arising from alleged violation violations of the federal Video Privacy Protection Act (the "VPPA") and analogous state laws. In addition to certain putative class actions currently pending, the Company is facing a series of arbitration claims managed by multiple plaintiffs' law firms. The class action complaints and the arbitration claims all allege that the Company's use of a Meta Platforms, Inc. pixel on the websites for certain of its subscription video services, including AMC+ and Shudder, violated the privacy protection provisions of the VPPA and its state law analogues. On October 27, 2023, the Company reached a settlement in principle (which settlement is subject to court approval) with multiple plaintiffs' law firms plaintiffs relating to their pending class actions alleging violations of the VPPA and analogous state laws. Although On January 10, 2024, the outcome class action settlement was preliminarily approved by the United States District Court for the Southern District of New York. The Company has also reached settlements to resolve the arbitration claims. All of the arbitration cannot be predicted settlements reached by the Company in connection with certainty, management does not believe that the resolution of these arbitrations will have a material adverse effect on the Company's business or financial position or the Company's ability to meet its financial obligations as they become due. Any potential liability is matters are expected to be reimbursed by the Company's insurance carriers.

The Company is party to various lawsuits and claims in the ordinary course of business, including the matters described above, as well as other lawsuits and claims relating to employment, intellectual property, and privacy and data protection matters. Although the outcome of these matters cannot be predicted with certainty and while the impact of these matters on the Company's results of operations in any particular subsequent reporting period could be material, management does not believe that the resolution of these matters will have a material adverse effect on the financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

Note 15. Equity Plans

During the second first quarter of 2023, 2024, AMC Networks granted 1,792,097 2,016,192 restricted stock units ("RSUs") to certain executive officers and employees under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan, which vest ratably over a three-year period, and 131,640 RSUs under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

In February 2023, AMC Networks granted 297,325 RSUs under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan to its chief executive officer. The RSUs vest ratably over a three-year period.

During the nine three months ended September 30, 2023 March 31, 2024, 883,424 813,111 RSUs of AMC Networks Class A Common Stock previously issued to employees of the Company vested, all of which occurred during the first two quarters of 2023. vested. On the vesting date, 387,675 331,383 RSUs were surrendered to the Company AMC Networks to cover the required statutory tax withholding obligations and 495,749 481,728 shares of AMC Networks Class A Common Stock were issued. Units are surrendered to satisfy the employees' statutory minimum tax withholding obligations for the applicable income and other employment tax. The units surrendered during the nine three months ended September 30, 2023 March 31, 2024 had an aggregate value of $7.2 4.0 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the nine three months ended September 30, 2023 March 31, 2024.

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The Company recorded share-based compensation expenses of $6.4 $6.1 million and $19.9 million $5.9 million (including $0.2 $0.3 million recorded as part of Restructuring and other related charges) for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $7.1 million and $23.9 million for the three and nine months ended September 30, 2022, respectively. 2023, respectively. Share-based compensation expenses are recognized in the condensed consolidated statements of income as part of selling, Selling, general and administrative expenses.

As of September 30, 2023 March 31, 2024, there was $35.2 41.9 million of total unrecognized share-based compensation cost related to outstanding unvested share-based awards. The unrecognized compensation cost is expected to be recognized over a weighted average remaining period of approximately 2.3 2.4 years.

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Note 16. Noncontrolling Interests

Redeemable Noncontrolling Interests

In connection with the Company's previous acquisitions of New Video Channel America L.L.C (owner of the cable channel BBC America) and RLJ Entertainment, the terms of the acquisition agreements provide the noncontrolling members with a right to put all of their noncontrolling interest to subsidiaries of the Company at a future time. Since the exercise of these put rights is outside the Company's control, the noncontrolling interest in each entity is presented as a redeemable noncontrolling interest outside of stockholders' equity on the Company's condensed consolidated balance sheet.

The following tables summarize activity related to redeemable noncontrolling interest for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

(In thousands)		Three Months Ended September 30, 2023 March 31, 2024
June 30, December 31, 2023	$	241,486 185,297
Net earnings		4,056 10,520
Distributions		(20,142) (1,168)
September 30, 2023 Adjustment to redemption fair value		2,721
March 31, 2024	$	225,400 197,370

(In thousands)		Three Months Ended September 30, 2022
June 30, 2022	$	270,726
Net earnings		4,443
Distributions		(2,686)
September 30, 2022	$	272,483

(In thousands)		Nine Months Ended September 30, 2023 March 31, 2023
December 31, 2022	$	253,669
Net earnings		17,126 6,270
Distributions		(45,395) (10,020)
September 30, March 31, 2023	$	225,400 249,919

(In thousands)		Nine Months Ended September 30, 2022
December 31, 2021	$	283,849
Net earnings		12,971
Distributions		(24,866)
Other		529
September 30, 2022	$	272,483

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Note 17. Related Party Transactions

The Company and its related parties enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to $1.3 million and $1.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $3.9 million and $3.8 million for the nine months ended September 30, 2023 and 2022, 2023, respectively. Amounts charged to the Company, included in selling, Selling, general and administrative expenses, pursuant to transactions with its related parties amounted to $0.9 million $0.4 million and $3.3 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $7.5 million and $4.6 million for the nine months ended September 30, 2023 and 2022, 2023, respectively.

As disclosed in Note 20 of our 2022 Form 10-K, from time to time the Company enters into arrangements with 605, LLC. James L. Dolan, the Non-Executive Chairman and a director of the Company, and his spouse, Kristin A. Dolan, the Chief Executive Officer of the Company and founder of 605, LLC, previously owned 100% of 605, LLC. Kristin A. Dolan also served as the Non-Executive Chairman of 605, LLC from February 2023 until September 13, 2023, and served as its Chief Executive Officer from its inception in 2016 until February 2023. 605, LLC provides audience measurement and data analytics services to the Company and its subsidiaries pursuant to a Master Services Agreement dated February 8, 2019 (the “Master Services Agreement"). On September 13, 2023, 605, LLC was sold to iSpot.tv, and James L. Dolan and Kristin A. Dolan now hold a minority interest in iSpot.tv. As a result, from and after September 13, 2023, 605, LLC is no longer considered to be a related party.

On August 1, 2022, the Audit Committee authorized the Company to enter into a Statement of Work for Strategic Analytic Services (the “Statement of Work”) with 605, LLC under the Master Services Agreement. The fees payable to 605, LLC by the Company for these services were $10.5 million payable in five installments. The initial term of the Statement of Work ran from August 1, 2022 to December 31, 2022. The term was automatically extended to June 30, 2023 per the terms of the agreement. The Statement of Work expired by its terms on June 30, 2023.

Under the Statement of Work, 605, LLC was engaged in a strategic, research, market, business and financial assessment of the Company and its business, partnering with the Company’s management team. 605, LLC utilized their expertise, including assessment of extensive real-time business intelligence and consumer research, to enable potential further acceleration of the Company’s long-term growth and value creation. Among the analytic services provided by 605, LLC were situation analysis, customer experience, data utilization, addressing the market, content strategy and overview, sales strategy, pricing analysis, customer profiles, content (by offering), marketing strategy and financial analysis.

Note 18. Cash Flows

The following table details the Company's non-cash investing and financing activities and other supplemental data are as follows: data:

		Nine Months Ended September 30,			Three Months Ended March 31,	
(In thousands)	(In thousands)	2023	2022	(In thousands)	2024	2023
Non-Cash Investing and Financing Activities:	Non-Cash Investing and Financing Activities:					

Operating lease additions	Operating lease additions	$ 3,171	$ 7,527
Operating lease additions			
Operating lease additions			
Capital expenditures incurred but not yet paid	Capital expenditures incurred but not yet paid	2,243	5,481
Contingent consideration for purchase of noncontrolling interests		—	2,806
Supplemental Data:			
Supplemental Data:			
Supplemental Data:	Supplemental Data:		
Cash interest paid	Cash interest paid	123,715	105,827
Income taxes paid, net		28,829	39,322
Cash interest paid			
Cash interest paid			
Income tax (refunds) payments, net			

Note 19. Segment Information

The Company classifies its operations into two operating segments: Domestic Operations and International and Other. International. These operating segments represent strategic business units that are managed separately.

In 2024, the Company updated the name of its previously titled "International and Other" operating segment to "International" due to the divestiture of the 25/7 Media business on December 29, 2023, which was the sole component of the operating segment that comprised “Other.” This update does not constitute a change in segment reporting, but rather an update in name only. Prior period segment information contained in this report includes the results of the 25/7 Media business through the date of divestiture.

The Company evaluates segment performance based on several factors, of which the primary financial measure is operating segment adjusted operating income ("AOI"). The Company defines AOI as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expenses or benefit, impairment and other charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges and including the Company's proportionate share of adjusted operating income (loss) from majority-owned equity method

AMC NETWORKS INC. AND SUBSIDIARIES
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investees. The Company has presented the components that reconcile adjusted operating income to operating income, and other information as to the continuing operations of the Company's operating segments below.

		Three Months Ended September 30, 2023					Three Months Ended March 31, 2024			
(In thousands)	**(In thousands)**	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**	**(In thousands)**	**Domestic Operations**	**International**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net	Revenues, net									
Subscription										

Subscription					
Subscription	Subscription	$ 332,135	$ 56,173	$ —	$ 388,308
Content licensing and other	Content licensing and other	61,916	22,150	(1,842)	82,224
Distribution and other	Distribution and other	394,051	78,323	(1,842)	470,532
Advertising	Advertising	147,147	19,275	—	166,422
Consolidated revenues, net	Consolidated revenues, net	$ 541,198	$ 97,598	$ (1,842)	$ 636,954
Operating income (loss)	Operating income (loss)	$ 161,627	$ 7,985	$ (48,762)	$ 120,850
Share-based compensation expenses	Share-based compensation expenses	3,494	815	2,069	6,378
Depreciation and amortization	Depreciation and amortization	11,536	4,271	12,202	28,009
Impairment and other charges		5,400	—	—	5,400
Restructuring and other related charges (credits)		(783)	(4)	11,350	10,563
Cloud computing amortization					
Cloud computing amortization					
Cloud computing amortization	Cloud computing amortization	5	—	2,331	2,336
Majority-owned equity investees AOI	Majority-owned equity investees AOI	3,732	—	—	3,732
Adjusted operating income (loss)	Adjusted operating income (loss)	$ 185,011	$ 13,067	$ (20,810)	$ 177,268

	Three Months Ended September 30, 2022			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Subscription	$ 349,338	$ 52,765	$ —	$ 402,103
Content licensing and other	57,793	29,124	(4,816)	82,101
Distribution and other	407,131	81,889	(4,816)	484,204
Advertising	180,258	17,381	—	197,639
Consolidated revenues, net	$ 587,389	$ 99,270	$ (4,816)	$ 681,843
Operating income (loss)	$ 186,609	$ 8,291	$ (44,223)	$ 150,677
Share-based compensation expenses	3,155	537	3,358	7,050
Depreciation and amortization	12,141	4,482	13,112	29,735
Cloud computing amortization	5	—	2,047	2,052
Majority-owned equity investees AOI	4,791	—	—	4,791
Adjusted operating income (loss)	$ 206,701	$ 13,310	$ (25,706)	$ 194,305

	Three Months Ended March 31, 2023			
(In thousands)	**Domestic Operations**	**International**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				

	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Subscription	$ 347,530	$ 56,690	$ —	$ 404,220
Content licensing and other	103,263	32,860	(2,479)	133,644
Distribution and other	450,793	89,550	(2,479)	537,864
Advertising	161,061	18,522	—	179,583
Consolidated revenues, net	$ 611,854	$ 108,072	$ (2,479)	$ 717,447
Operating income (loss)	$ 199,488	$ 14,142	$ (40,326)	$ 173,304
Share-based compensation expenses	4,447	839	359	5,645
Depreciation and amortization	11,854	4,771	9,250	25,875
Restructuring and other related charges	818	1,385	3,730	5,933
Cloud computing amortization	5	—	2,225	2,230
Majority-owned equity investees AOI	2,776	—	—	2,776
Adjusted operating income (loss)	$ 219,388	$ 21,137	$ (24,762)	$ 215,763

	Nine Months Ended September 30, 2023			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	$ 1,013,419	$ 170,143	$ —	$ 1,183,562
Content licensing and other	246,093	76,668	(6,816)	315,945
Distribution and other	1,259,512	246,811	(6,816)	1,499,507
Advertising	475,359	58,163	—	533,522
Consolidated revenues, net	$ 1,734,871	$ 304,974	$ (6,816)	$ 2,033,029
Operating income (loss)	$ 523,645	$ 10,422	$ (134,212)	$ 399,855
Share-based compensation expenses	10,133	2,500	7,038	19,671
Depreciation and amortization	35,053	13,944	30,632	79,629
Impairment and other charges	5,400	24,882	—	30,282
Restructuring and other related charges	3,940	1,642	16,955	22,537
Cloud computing amortization	15	—	6,800	6,815
Majority-owned equity investees AOI	11,019	—	—	11,019
Adjusted operating income (loss)	$ 589,205	$ 53,390	$ (72,787)	$ 569,808

	Nine Months Ended September 30, 2022			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	$ 1,040,110	$ 169,879	$ —	$ 1,209,989
Content licensing and other	191,473	103,513	(16,901)	278,085
Distribution and other	1,231,583	273,392	(16,901)	1,488,074
Advertising	582,451	61,500	—	643,951
Consolidated revenues, net	$ 1,814,034	$ 334,892	$ (16,901)	$ 2,132,025
Operating income (loss)	$ 573,943	$ 39,733	$ (135,119)	$ 478,557
Share-based compensation expenses	10,000	1,758	12,104	23,862
Depreciation and amortization	37,716	14,018	27,822	79,556
Cloud computing amortization	17	—	5,306	5,323
Majority-owned equity investees AOI	13,733	—	—	13,733
Adjusted operating income (loss)	$ 635,409	$ 55,509	$ (89,887)	$ 601,031

Subscription revenues in the Domestic Operations segment include revenues related to the Company's streaming services of $142.5 $145.1 million and $131.2 $140.9 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $420.8 million and $362.9 million for the nine months ended September 30, 2023 and 2022, respectively. 2023.

Corporate overhead costs not allocated to the segments include costs such as executive salaries and benefits and costs of maintaining corporate headquarters, facilities and common support functions.

Inter-segment eliminations are primarily licensing revenues recognized between the Domestic Operations and International and Other segments.

(In thousands)	(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	(In thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Inter-segment revenues	**Inter-segment revenues**							
Domestic Operations	Domestic Operations	$(1,825)	$(3,864)	$(6,451)	$(14,308)			
International and Other		(17)	(952)	(365)	(2,593)			
		$(1,842)	$(4,816)	$(6,816)	$(16,901)			
Domestic Operations								
Domestic Operations								
International								
	$							

The table below summarizes revenues based on customer location:

(In thousands)	(In thousands)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	(In thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues	**Revenues**							
United States	United States	$524,044	$569,996	$1,681,909	$1,761,430			
United States								
United States								
Europe	Europe	76,332	70,041	233,817	250,112			
Other	Other	36,578	41,806	117,303	120,483			
		$636,954	$681,843	$2,033,029	$2,132,025			
	$							

One customer within the Domestic Operations segment accounted for approximately 12% 15% and 13% of consolidated revenues, net for the three and nine months ended September 30, 2023, March 31, 2024 and 2023, respectively. For the three and nine months ended September 30, 2022, one customer within the Domestic Operations segment accounted for approximately 12% and 10%, respectively, of consolidated revenues, net.

The table below summarizes property and equipment based on asset location:

(In thousands)	(In thousands)	September 30, 2023	December 31, 2022	(In thousands)	March 31, 2024	December 31, 2023
Property and equipment, net	**Property and equipment, net**					
United States	United States	$160,796	$187,833			
United States						

United States			
Europe	Europe	10,795	12,520
Other	Other	1,306	1,681
		$172,897	$202,034
	$		

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. In this Management's Discussion and Analysis of Financial Condition and Results of Operations there are statements concerning our future operating results and future financial performance. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans" and similar words and terms used in the discussion of future operating results and future financial performance identify forward-looking statements. You are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues;
- market demand, including changes in viewer consumption patterns, for our programming networks, our subscription streaming services, our programming, and our production services;
- demand for advertising inventory and our ability to deliver guaranteed viewer ratings;
- the highly competitive nature of the cable, telecommunications, streaming and programming industries;
- the cost of, and our ability to obtain or produce, desirable content for our programming services, other forms of distribution, including digital and licensing in international markets, as well as our film distribution businesses;
- market demand for our owned original programming and our film content;
- the loss of any of our key personnel and artistic talent;
- the impact of strikes, including those related to the Writers, Directors, and Screen Actors guilds;
- the security of our program rights and other electronic data;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- our ability to successfully launch our streaming services in countries outside of the United States;
- economic and business conditions and industry trends in the countries in which we operate, including increases in inflation rates and recession risk;
- fluctuations in currency exchange rates and interest rates;
- changes in domestic and foreign laws or regulations under which we operate;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the United States or in the countries in which we operate;
- the impact of existing and proposed federal, state and international laws and regulations relating to data protection, privacy and security, including the European Union's General Data Protection Regulation ("GDPR"); , the California Consumer Privacy Act ("CCPA") and other similar comprehensive privacy and security laws that have been or may be enacted in other states;
- our substantial debt and high leverage;
- reduced access to, or inability to access, capital or credit markets, or significant increases in costs to borrow;
- the level of our expenses;
- future acquisitions and dispositions of assets;
- our ability to successfully acquire new businesses and, if acquired, to integrate, and implement our plan with respect to businesses we acquire;
- problems we may discover post-closing with the operations, including the internal controls and financial reporting process, of businesses we acquire;
- uncertainties regarding the financial results of equity method investees, issuers of our investments in marketable equity securities and non-marketable equity securities and changes in the nature of key strategic relationships with partners and joint ventures;
- the outcome of litigation, arbitration and other proceedings;
- whether pending uncompleted transactions, if any, are completed on the terms and at the times set forth (if at all);
- other risks and uncertainties inherent in our programming and streaming businesses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;
- the impact of pandemics or other health emergencies on the economy and our business;
- events that are outside our control, such as political unrest in international markets, terrorist attacks, natural disasters and other similar events; and
- the factors described under Item 1A, "Risk Factors" in our 2022 2023 Annual Report on Form 10-K (the "2022 "2023 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC").

We disclaim any obligation to update or revise the forward-looking statements contained herein, except as otherwise required by applicable federal securities laws.

Introduction

Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is a supplement to and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto included elsewhere herein and our 2022 2023 Form 10-K to enhance the understanding of our financial condition, changes in financial condition and results of our operations. Unless the context otherwise requires, all references to "we," "us," "our," "AMC Networks" or the "Company" refer to AMC Networks Inc., together with its subsidiaries. The MD&A is organized as follows:

Business Overview. This section provides a general description of our business and our operating segments, as well as other matters that we believe are important in understanding our results of operations and financial condition and in anticipating future trends.

Consolidated Results of Operations. This section provides an analysis of our results of operations for the three and nine months ended September 30, 2023 March 31, 2024 compared to the three and nine months ended September 30, 2022 March 31, 2023. Our discussion is presented on both a consolidated and segment basis. Our two segments are: (i) Domestic Operations and (ii) International and Other. International.

Liquidity and Capital Resources. This section provides a discussion of our financial condition as of September 30, 2023 March 31, 2024, as well as an analysis of our cash flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. The discussion of our financial condition and liquidity also includes summaries of (i) our primary sources of liquidity and (ii) our contractual obligations that existed at September 30, 2023 March 31, 2024 as compared to December 31, 2022 December 31, 2023.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2022 December 31, 2023.

Business Overview

Financial Highlights

The tables presented below set forth our consolidated revenues, net, operating income (loss) and adjusted operating income (loss) ("AOI")[1], for the periods indicated.

(In thousands)								
	(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,			Three Months Ended March 31,	
(In thousands)	(In thousands)	2023	2022	2023	2022	(In thousands)	2024	2023
Revenues, net	**Revenues, net**							
Domestic Operations	Domestic Operations	$541,198	$587,389	$1,734,871	$1,814,034			
International and Other		97,598	99,270	304,974	334,892			
Domestic Operations								
Domestic Operations								
International								
Inter-segment Eliminations	Inter-segment Eliminations	(1,842)	(4,816)	(6,816)	(16,901)			
		$636,954	$681,843	$2,033,029	$2,132,025			
	$							
Operating Income (Loss)	**Operating Income (Loss)**							
Domestic Operations	Domestic Operations	$161,627	$186,609	$ 523,645	$ 573,943			
International and Other		7,985	8,291	10,422	39,733			
Domestic Operations								
Domestic Operations								
International								
Corporate / Inter-segment Eliminations	Corporate / Inter-segment Eliminations	(48,762)	(44,223)	(134,212)	(135,119)			
		$120,850	$150,677	$ 399,855	$ 478,557			
	$							
Adjusted Operating Income (Loss)	**Adjusted Operating Income (Loss)**							

Domestic Operations	Domestic Operations	$185,011	$206,701	$ 589,205	$ 635,409
International and Other		13,067	13,310	53,390	55,509
Domestic Operations					
Domestic Operations					
International					
Corporate / Inter-segment Eliminations	Corporate / Inter-segment Eliminations	(20,810)	(25,706)	(72,787)	(89,887)
		$177,268	$194,305	$ 569,808	$ 601,031
	$				

1 Adjusted Operating Income (Loss), is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section on page 37 33 for additional information, including our definition and our use of this non-GAAP financial measure, and for a reconciliation to its most comparable GAAP financial measure.

Segment Reporting

We manage our business through the following two operating segments:

- *Domestic Operations:* Includes our programming services, which consist of our five national programming networks, our global streaming services, our AMC Studios operation and IFC Films. our film distribution business. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our global streaming services consist of AMC+ and our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE) and AMC+. Our AMC Studios operation produces original programming for our programming services and third parties and also licenses programming worldwide, and worldwide. Our film distribution business includes IFC Films, is our film distribution business. RLJ Entertainment Films and Shudder. The operating segment also includes AMC Networks Broadcasting & Technology, our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels distributed around the world, world.

  In 2024, we updated the name of our previously titled "International and Other" operating segment to "International" due to the divestiture of the 25/7 Media our production services business. business on December 29, 2023, which was the sole component of the operating segment that comprised “Other.” This update does not constitute a change in segment reporting, but rather an update in name only. Prior period segment information contained in this report includes the results of the 25/7 Media business through the date of divestiture.

Domestic Operations

In our Domestic Operations segment, we earn revenue principally from: (i) the distribution of our programming through our programming networks and streaming services, (ii) the sale of advertising, and (iii) the licensing of our original programming to distributors, including the distribution of programming of IFC Films.

Subscription revenue includes fees paid by distributors and consumers for our programming networks and streaming services. Subscription fees paid by distributors represent the largest component of distribution revenue. Our Substantially all of our subscription fee revenues for our programming networks are based on a per subscriber fee, and, to a lesser extent, fixed fees under multi-year contracts, commonly referred to as "affiliation agreements." agreements". The subscription fee revenues we earn vary from period to period, distributor to distributor and also vary among our programming services, but are generally based on the impact of renewals of affiliation agreements and upon the number of each distributor's subscribers who receive our programming, referred to as viewing subscribers. Subscription fees for our streaming services are typically based on a per subscriber fee and are generally paid by distributors and consumers on a monthly basis.

Content licensing revenue is earned from the licensing of original programming for digital, foreign and home video distribution and is recognized upon availability or distribution by the licensee, and to a lesser extent, is earned through the distribution of AMC Studios produced series to third parties.

Under affiliation agreements with our distributors, we have the right to sell a specified amount of national advertising time on our programming networks. Our advertising revenues are more variable than subscription fee revenues because the majority of our advertising is sold on a short-term basis, not under long-term contracts. Our arrangements with advertisers provide for a set number of advertising units to air over a specific period of time at a negotiated price per unit. Additionally, in these advertising sales arrangements, our programming networks generally guarantee specified viewer ratings for their programming. Most of our advertising revenues vary based on the timing of our original programming series and the popularity of our programming as measured by Nielsen.

Content licensing revenue is earned from the licensing of original programming for digital, foreign and home video distribution and is recognized upon availability or distribution by the licensee, and, to a lesser extent, is earned through the distribution of AMC Studios produced series to third parties. Content licensing revenues vary based on the timing of availability of programming to distributors.

Programming expenses, included in technical and operating expenses, represent the largest expenses of the Domestic Operations segment and primarily consists consist of amortization of program rights, such as those for original programming, feature films and licensed series, as well as participation and residual costs. The other components of technical and operating expenses primarily include distribution and production related costs and program operating costs including cost of delivery, such as origination, transmission, uplinking and encryption.

The success of our business depends on original programming, both scripted and unscripted, across all of our programming services. These original series generally result in higher ratings for our networks and higher viewership on our streaming services. Among other things, higher audience ratings drive increased revenues through higher advertising revenues. The timing of exhibition and distribution of original programming varies from period to period, which results in greater variability in our revenues, earnings and cash flows from operating activities. There may be significant changes in the level of our technical and operating expenses due to the level of our content investment spend and the related amortization of content acquisition and/or original programming costs. Program rights that are predominantly monetized as a group are amortized based on projected usage, typically resulting in an accelerated amortization pattern and, to a lesser extent, program rights that are predominantly monetized individually are amortized based on the individual-film-forecast-computation method.

Most original series require us to make significant up-front investments. Our programming efforts are not always commercially successful, which has in the past resulted and could in the future result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of program rights predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the condensed consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost.

International

International and Other

Our International and Other segment primarily includes consists of the operations of AMCNI, and 25/7 Media.

In our International and Other segment, we earn which earns revenue principally from the international distribution of programming and, to a lesser extent, the sale of advertising from our AMCNI programming networks. We also earn revenue through production services from 25/7 Media. For the nine three months ended September 30, 2023 March 31, 2024, distribution revenues represented 81% 72% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and production services revenue generated from 25/7 Media. networks. Our subscription revenues are generally based on either a per-subscriber fee or a fixed contractual annual fee, under multi-year affiliation agreements. Subscription revenues are derived from the distribution of our programming networks primarily in Europe, and to a lesser extent, Latin America. Our production services revenues are based on master production agreements whereby a third-party engages us to produce content on its behalf. Production services revenues are recognized based on the percentage of cost incurred to total estimated cost of the contract.

Programming expenses and program operating costs and production costs incurred to produce content for third parties are included in technical and operating expenses, and represent the largest expense of the International and Other segment. Programming expenses primarily consist of amortization of acquired content, costs of dubbing and sub-titling of programs, and production costs. Program operating costs include costs such as origination, transmission, uplinking and encryption of our linear AMCNI channels as well as content hosting and delivery costs at our various on-line content distribution initiatives. Our programming efforts are not all commercially successful, which has in the past resulted and could in the future result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of program rights predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the condensed consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned, resulting in the write-off of remaining unamortized cost.

Corporate / Inter-segment Eliminations

Corporate operations primarily consist of executive management and administrative support services, such as executive salaries and benefits costs, costs of maintaining corporate headquarters, facilities and common support functions. The segment financial information set forth below, including the discussion related to individual line items, does not reflect inter-segment eliminations unless specifically indicated.

Impact of Economic Conditions

Our future performance is dependent, to a large extent, on general economic conditions including the impact of direct competition, our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers. Additionally, changes in macroeconomic facts factors and circumstances, particularly high inflation and the rise in interest rates, may adversely impact our results of operations, cash flows and financial position or our ability to refinance our indebtedness on terms favorable to us, or at all.

Capital and credit market disruptions, as well as other events such as pandemics or other health emergencies, inflation, international conflict and recession, could cause economic downturns, which may lead to lower demand for our products, such as lower demand for television advertising and a decrease in the number of subscribers receiving our programming services. Events such as these may adversely impact our results of operations, cash flows and financial position.

Consolidated Results of Operations

The amounts presented and discussed below represent 100% of each operating segment's revenues, net and expenses. Where we have management control of an entity, we consolidate 100% of such entity in our condensed consolidated statements of income notwithstanding that a third-party owns an interest, which may be significant, in such entity. The noncontrolling owner's interest in the operating results of consolidated subsidiaries are reflected in net income or loss attributable to noncontrolling interests in our condensed consolidated statements of income.

Three and Nine Months Ended September 30, 2023 March 31, 2024 and 2022 2023

The following table sets forth our consolidated results of operations for the periods indicated.

		Three Months Ended September 30,			Nine Months Ended September 30,				Three Months Ended March 31,			
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change	(In thousands)	2024		2023	
Revenues, net:	Revenues, net:											
Subscription												
Subscription												
Subscription	Subscription	$388,308	$402,103	(3.4)%	$1,183,562	$1,209,989	(2.2)%	$ 373,407	$	$404,220		(7.6)
Content licensing and other	Content licensing and other	82,224	82,101	0.1 %	315,945	278,085	13.6 %	Content licensing and other	61,676	133,644	133,644	

Distribution and other	Distribution and other	470,532	484,204	(2.8)%	1,499,507	1,488,074	0.8 %	Distribution and other	435,083		537,864		537,864	
Advertising	Advertising	166,422	197,639	(15.8)%	533,522	643,951	(17.1)%	Advertising	161,378		179,583		179,583	
Total revenues, net	Total revenues, net	636,954	681,843	(6.6)%	2,033,029	2,132,025	(4.6)%	Total revenues, net	596,461		717,447		717,447	
Operating expenses:	Operating expenses:													
Technical and operating (excluding depreciation and amortization)	Technical and operating (excluding depreciation and amortization)	284,900	293,459	(2.9)%	933,590	903,468	3.3 %							
Technical and operating (excluding depreciation and amortization)														
Technical and operating (excluding depreciation and amortization)									271,576				326,729	
Selling, general and administrative	Selling, general and administrative	187,232	207,972	(10.0)%	567,136	670,444	(15.4)%	Selling, general and administrative	188,881		185,606		185,606	
Depreciation and amortization	Depreciation and amortization	28,009	29,735	(5.8)%	79,629	79,556	0.1 %	Depreciation and amortization	25,826		25,875		25,875	
Impairment and other charges		5,400	—	n/m	30,282	—	n/m							
Restructuring and other related charges														
Restructuring and other related charges														
Restructuring and other related charges	Restructuring and other related charges	10,563	—	n/m	22,537	—	n/m		—	5,933		5,933		(100.0)
Total operating expenses	Total operating expenses	516,104	531,166	(2.8)%	1,633,174	1,653,468	(1.2)%	Total operating expenses	486,283		544,143		544,143	
Operating income	Operating income	120,850	150,677	(19.8)%	399,855	478,557	(16.4)%	Operating income	110,178		173,304		173,304	
Other income (expense):	Other income (expense):													
Interest expense, net	Interest expense, net	(27,071)	(30,683)	(11.8)%	(88,360)	(88,533)	(0.2)%							
Interest expense, net														
Interest expense, net									(23,956)				(29,701)	
Miscellaneous, net														
Miscellaneous, net														
Miscellaneous, net	Miscellaneous, net	(2,211)	(1,546)	43.0 %	12,518	3,540	253.6 %		(5,190)	4,589		4,589		(213.1)
Total other expense	Total other expense	(29,282)	(32,229)	(9.1)%	(75,842)	(84,993)	(10.8)%	Total other expense	(29,146)		(25,112)		(25,112)	
Income from operations before income taxes	Income from operations before income taxes	91,568	118,448	(22.7)%	324,013	393,564	(17.7)%	Income from operations before income taxes	81,032		148,192		148,192	
Income tax expense	Income tax expense	(23,671)	(28,456)	(16.8)%	(82,725)	(103,118)	(19.8)%	Income tax expense	(23,649)		(36,899)		(36,899)	

Net income including noncontrolling interests	Net income including noncontrolling interests	67,897	89,992	(24.6)%	241,288	290,446	(16.9)%	Net income including noncontrolling interests	57,383	111,293		111,293	
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(4,473)	(5,326)	(16.0)%	(4,015)	(18,163)	(77.9)%	Net income attributable to noncontrolling interests	(11,580)	(7,683)		(7,683)	
Net income attributable to AMC Networks' stockholders	Net income attributable to AMC Networks' stockholders	$ 63,424	$ 84,666	(25.1)%	$ 237,273	$ 272,283	(12.9)%	Net income attributable to AMC Networks' stockholders	$45,803	$		$103,610	(

Revenues

Three months ended September 30, 2023 vs. 2022

Subscription revenues decreased 4.9% primarily due to a 7.2% decrease in our Domestic Operations segment primarily due to a decline in affiliate revenues, partially offset by an increase in streaming revenues. The revenues, as well as a 10.3% decrease in our Domestic Operations segment was partially offset by a 6.5% increase in our International and Other segment primarily due to the favorable impact non-renewal of foreign currency translation at AMCNI.

Subscription revenues vary based on an AMCNI distribution agreement in the impact U.K. in the fourth quarter of renewals of affiliation agreements and the number of subscribers to our services. 2023. We expect linear subscriber decline declines to continue, consistent with the declines across the cable ecosystem.

Content licensing and other r revenues decreased evenues increased 7.1% 40.1% in our Domestic Operations segment primarily due to the timing and availability of deliveries. The increase deliveries in our Domestic Operations segment was partially offset by the period, including $56.1 million of revenue associated with the first quarter 2023 delivery of the remaining episodes of *Silo,* an AMC Studios produced series, as well as a 23.9% 90.2% decrease in our International and Other segment primarily due to a reduction in the volume divestiture of productions at the 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Content licensing revenues vary based business on the timing of availability of our programming to distributors, including AMC Studios produced series for third parties, and the timing and volume of productions at 25/7 Media. In addition, we December 29, 2023. We expect content licensing revenues in our Domestic Operations segment to face continued pressure in 2024 due to reduced availability of original programming.

Advertising revenues decreased 18.4% 13.2% in our Domestic Operations segment primarily due to linear ratings declines a challenging and continued softness in the advertising market, and fewer original programming episodes within the quarter, partially offset by digital and advanced advertising revenue growth. The decrease in our Domestic Operations segment was partially offset by a 10.9% an increase of 16.2% in our International and Other segment, primarily due to favorable impact of foreign currency translation at AMCNI increased ratings and growth across Central and Northern Europe advertising markets, as well as digital and advanced advertising growth in the U.K.

Advertising revenues vary based on the timing of our original programming series and the popularity of our programming as measured by Nielsen. Advertising revenue has declined in 2023 compared to 2022 and we We expect advertising revenue in our Domestic Operations segment to continue to decline as the advertising market gravitates toward other distribution platforms.

Nine months ended September 30, 2023 vs. 2022

Subscription revenues decreased primarily due to a 2.6% decrease in our Domestic Operations segment due to a decline in affiliate revenues, partially offset by an increase in streaming revenues.

Content licensing and other revenues increased 28.5% in our Domestic Operations segment primarily due to the timing and availability of deliveries in the period, including $56.1 million for the delivery of the remaining episodes of an AMC Studios produced series to a third party and the $20.3 million impact associated with the termination of an output agreement that resulted in the acceleration of revenue previously anticipated to be recognized in 2024. The increase in our Domestic Operations segment was partially offset by a 25.9% decrease in our International and Other segment due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Advertising revenues decreased 18.4% in our Domestic Operations segment primarily due to linear ratings declines, softness in the advertising market and fewer original programming episodes within the period, partially offset by digital and advanced advertising revenue growth. Advertising revenues also decreased 5.4% in our International and Other segment, primarily due to the impact of the wind-down of two channels in 2022 and marketplace declines in the U.K.

Technical and operating expenses (excluding depreciation and amortization)

The components of technical and operating expenses primarily include the amortization of program rights, such as those for original programming, feature films and licensed series, and other direct programming costs, such as participation and residual costs, distribution and production related costs and program delivery costs, such as transmission, encryption, hosting, and formatting.

There may be significant changes in the level of our technical and operating expenses due to original programming costs and/or content acquisition costs. As competition for programming increases, costs for content acquisition and original programming may are expected to increase.

Three months ended September 30, 2023 vs. 2022

Technical and operating expenses (excluding depreciation and amortization) decreased 0.9% in our Domestic Operations segment primarily due to a decrease in program rights amortization. Technical and operating expenses (excluding depreciation and amortization) also decreased 11.0% in our International and Other segment primarily due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Nine months ended September 30, 2023 vs. 2022

Technical and operating expenses (excluding depreciation and amortization) increased 8.2% decreased 11.0% in our Domestic Operations segment primarily due to costs the first quarter 2023 impact associated with the delivery of the remaining episodes of *Silo,* an AMC Studios produced series, to a third party and partially offset by an increase in program rights amortization, primarily driven by the impact associated with the termination of an output agreement that resulted in the acceleration of program rights amortization previously anticipated to be recognized in 2024 as well as . The increase in our Domestic Operations segment was partially offset by a 16.1% 44.5% decrease in our International and Other segment primarily due to a reduction in the volume divestiture of productions at the 25/7 Media driven by reduced demand for new content and series cancellations from third parties. business on December 29, 2023.

Selling, general and administrative expenses

The components of selling, general and administrative expenses primarily include sales, marketing and advertising expenses, administrative costs and costs of non-production facilities.

There have been and may continue to be significant changes in the level of our selling, general and administrative expenses due to the timing of promotions and marketing of original programming series.

Three months ended September 30, 2023 vs. 2022

Selling, general and administrative expenses (including share-based compensation expenses) decreased 15.4% increased 1.5% in our Domestic Operations segment primarily due to lower higher marketing and subscriber acquisition expenses related to our streaming services. The decrease in our Domestic Operations segment was support of a larger content slate, partially offset by an increase of 18.9% lower employee related costs and increased 7.8% in our International and Other segment primarily due to an increase in corporate overhead costs allocated to AMCNI.

Nine months ended September 30, 2023 vs. 2022

Selling, general and administrative expenses (including share-based compensation expenses) decreased 19.7% in our Domestic Operations segment primarily due to lower marketing and subscriber acquisition expenses related to our streaming services and decreased 12.5% in Corporate primarily due to lower employee related costs. The decrease in our Domestic Operations segment and in Corporate was partially offset by an increase of 4.9% in our International and Other segment primarily due to an increase in corporate overhead costs allocated to AMCNI.

Depreciation and amortization

Depreciation and amortization expenses include depreciation of fixed assets and amortization of finite-lived intangible assets.

Three months ended September 30, 2023 vs. 2022

Depreciation and amortization expense decreased primarily due to lower depreciation of equipment at Corporate and the impact of no longer amortizing intangible assets at 25/7 Media as a result of the impairment charge recognized in the second quarter of 2023.

Nine months ended September 30, 2023 vs. 2022

Depreciation and amortization expense increased due to higher depreciation of equipment at Corporate, partially offset by the impact of fully depreciated equipment in our Domestic Operations segment and the impact of no longer amortizing intangible assets at 25/7 Media as a result of the impairment charge recognized in the second quarter of 2023.

Impairment and other charges

During the third quarter of 2023, the Company recorded a $5.4 million other charge.

During the second quarter of 2023, given the impact of market challenges at 25/7 Media, specifically as it relates to reduced demand for new content and series cancellations from third parties, the Company revised its outlook for the 25/7 Media business, resulting in lower expected future cash flows. As a result, the Company determined that sufficient indicators of potential impairment of long-lived assets and goodwill existed at 25/7 Media and an impairment charge of $24.9 million was recorded. Refer to Note 7, Goodwill and Other Intangible Assets for additional details.

There were no impairment and other charges for the three and nine months ended September 30, 2022.

Restructuring and other related charges

During the third quarter of 2023, the Company substantially completed its 2022 restructuring plan and exited a portion of its office space in its corporate headquarters in New York and office space in Silver Spring, Maryland and Woodland Hills, California. In connection with exiting a portion of the New York office space, the Company recorded impairment charges of $11.6 million, consisting of $9.1 million for operating right-of-use assets and $2.5 million for leasehold improvements. Refer to Note 4, Restructuring and Other Related Charges for additional details.

For the nine months ended September 30, 2023, additional restructuring and other related charges consisted primarily of severance and other employee-related costs, with $3.9 million related to our Domestic Operations segment, $1.6 million related to AMCNI and $5.4 million related to Corporate.

There were no restructuring and other related charges for the three and nine months ended September 30, 2022 March 31, 2024.

For the three months ended March 31, 2023, restructuring and other related charges of $5.9 million consisted primarily of severance and other employee-related costs, with $0.8 million related to Domestic Operations, $1.4 million related to AMCNI and $3.7 million related to Corporate.

Operating income

Three months ended September 30, 2023 vs. 2022

The decrease in operating income was primarily attributable to a decrease in revenues, net of $44.9 million, restructuring and other related charges of $10.6 million, and an other charge of $5.4 million $121.0 million, partially offset by decreases in selling, general and administrative expenses of $20.7 million and technical and operating expenses of $8.6 million.

Nine months ended September 30, 2023 vs. 2022

The decrease in operating income was primarily attributable to a decrease in revenues, net of $99.0 million, an increase in technical and operating expenses of $30.1 million, impairment and other charges of $30.3 million, $55.2 million and restructuring and other related charges of $22.5 million, partially offset by a decrease in selling, general and administrative expenses of $103.3 million $5.9 million.

Interest expense, net

Three months ended September 30, 2023 vs. 2022

The decrease in interest expense, net was primarily due to higher interest income from our money market mutual fund accounts an overall lower outstanding debt balance. Interest expense will increase through the remainder of 2024 as a result of the refinancing transactions described under “Liquidity and bank deposits, partially offset by higher interest rates on our Term Loan A Facility.

Nine months ended September 30, 2023 vs. 2022

The decrease in interest expense, net was primarily Capital Resources,” including the issuance of the 10.25% Senior Secured Notes due to higher interest income from our money market mutual fund accounts and bank deposits, partially offset by higher interest rates on our Term Loan A Facility. 2029.

Miscellaneous, net

Three months ended September 30, 2023 vs. 2022

The decrease in miscellaneous, net was primarily related to a $2.3 million unfavorable variance in the impact of foreign currency remeasurement of monetary assets and liabilities (principally intercompany loans) that are denominated in currencies other than the underlying functional currency of the applicable entity and $0.6 million of lower net earnings of equity method investees, partially offset by $2.2 million of lower net losses on derivative financial instruments as compared to the three months ended September 30, 2022.

Nine months ended September 30, 2023 vs. 2022

The increase in miscellaneous, net was primarily related to $15.8 million of higher net gains on derivative financial instruments as compared to the nine months ended September 30, 2022. This increase was partially offset by $3.8 million of lower net gains on marketable securities and impairment charges of $1.7 million related to certain investments in 2023. fluctuations.

Income tax expense

Three months ended September 30, 2023 vs. 2022

For the three months ended September 30, 2023 March 31, 2024, income tax expense was $23.7 million $23.6 million, representing an effective tax rate of 26% 29%. The items resulting in variances effective tax rate differs from the federal statutory rate of 21% primarily consisted of due to state and local income tax expense, and tax expense related to non-deductible compensation. For the three months ended September 30, 2022, income compensation, tax expense was $28.5 million representing an effective tax rate of 24%. The items resulting in variances from the federal statutory rate of 21% primarily consisted of state for shortfalls related to share-based compensation and local income tax expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deducible compensation.

Nine months ended September 30, 2023 vs. 2022 taxes.

For the nine three months ended September 30, 2023 March 31, 2023, income tax expense was $82.7 million $36.9 million, representing an effective tax rate of 26% 25%. The items resulting in variances effective tax rate differs from the federal statutory rate of 21% primarily consisted of due to state and local income tax expense and tax expense for shortfalls related to non-deductible share-based compensation. For the nine months ended September 30, 2022, income tax expense was $103.1 million representing an effective tax rate of 26%. The items resulting in variances from the federal statutory rate of 21% primarily consisted of state and local income tax expense, tax expense for an increase in the valuation allowance for foreign taxes and tax expense related to non-deductible compensation.

Segment Results of Operations

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use segment adjusted operating income as the measure of profit or loss for our operating segments. See Non-GAAP Financial Measures section below for our definition of Adjusted Operating Income and a reconciliation from Operating Income to Adjusted Operating Income on a segment and consolidated basis.

Domestic Operations

The following table sets forth our Domestic Operations segment results for the periods indicated.

		Three Months Ended September 30,			Nine Months Ended September 30,				Three Months Ended March 31,				
(In thousands)	**(In thousands)**	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**	**(In thousands)**	**2024**		**2023**		**Change**
Revenues, net:	Revenues, net:												
Subscription													
Subscription													
Subscription	Subscription	$332,135	$349,338	(4.9)%	$1,013,419	$1,040,110	(2.6)%	$	322,558	$	$347,530	(7.2)	(7.2) %
Content licensing and other	Content licensing and other	61,916	57,793	7.1	246,093	191,473	28.5						

Distribution and other	Distribution and other	394,051	407,131	(3.2)	1,259,512	1,231,583	2.3						
Advertising	Advertising	147,147	180,258	(18.4)	475,359	582,451	(18.4)						
Total revenues, net	Total revenues, net	541,198	587,389	(7.9)	1,734,871	1,814,034	(4.4)						
Technical and operating expenses (excluding depreciation and amortization)(a)	Technical and operating expenses (excluding depreciation and amortization)(a)	236,595	238,752	(0.9)	779,838	720,558	8.2						
Selling, general and administrative expenses(b)	Selling, general and administrative expenses(b)	123,324	146,727	(16.0)	376,847	471,800	(20.1)						
Majority-owned equity investees AOI	Majority-owned equity investees AOI	3,732	4,791	(22.1)	11,019	13,733	(19.8)						
Segment adjusted operating income	Segment adjusted operating income	$185,011	$206,701	(10.5)%	$ 589,205	$ 635,409	(7.3)%	Segment adjusted operating income	$162,319	$	$219,388	(26.0)	(26.0)%

(a) Technical and operating expenses exclude cloud computing amortization

(b) Selling, general and administrative expenses exclude share-based compensation expenses

(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization

(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization

Revenues

Three months ended September 30, 2023 vs. 2022

Subscription revenues decreased primarily due to a 13.1% 14.1% decline in affiliate revenues, partially offset by an 8.6% a 3.0% increase in streaming revenues. Affiliate revenues decreased primarily due to basic subscriber declines and a 3% impact of a strategic non-renewal that occurred at the end of 2022. declines. Streaming revenues increased due to year-over-year subscriber growth and price increases. Subscription revenues include revenues related to the Company's streaming services of $142.5 $145.1 million and $131.2 $140.9 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively. Aggregate paid subscribers[2] to our streaming services increased 3.8% 2.4% to 11.1 million 11.5 million at September 30, 2023 March 31, 2024 compared to 10.7 million 11.2 million at September 30, 2022 March 31, 2023.

Content licensing and other revenues increased decreased primarily due to the timing and availability of deliveries.

Advertising revenues decreased due to linear ratings declines, a challenging advertising market and fewer original programming episodes within the quarter, partially offset by digital and advanced advertising revenue growth.

Nine months ended September 30, 2023 vs. 2022

Subscription revenues decreased primarily due to a 12.5% decline in affiliate revenues, partially offset by a 16.0% increase in streaming revenues. Affiliate revenues decreased due to basic subscriber declines and a 3% impact of a strategic non-renewal that occurred at the end of 2022. Streaming revenues increased due to year-over-year subscriber growth and price increases. Subscription revenues include revenues related to the Company's streaming services of $420.8 million and $362.9 million for the nine months ended September 30, 2023 and 2022, respectively.

Content licensing and other revenues increased primarily due to the timing and availability of deliveries in the period, including $56.1 million for of revenue associated with the first quarter 2023 delivery of the remaining episodes of *Silo*, an AMC Studios produced series, partially offset by the sale of our rights and interests to a third party and a $20.3 million impact associated with the termination of an output agreement that resulted *Killing Eve* in the acceleration first quarter of revenue previously anticipated to be recognized in 2024.

Advertising revenues decreased due to linear ratings declines and continued softness in the advertising market, and fewer original programming episodes within the period, partially offset by digital and advanced advertising revenue growth.

Technical and operating expenses (excluding depreciation and amortization)

Technical and operating expenses (excluding depreciation and amortization) decreased primarily due to the first quarter 2023 impact associated with the delivery of the remaining episodes of *Silo*, an AMC Studios produced series, partially offset by an increase in program rights amortization driven by the slate of AMC Originals premiering throughout 2023.

Selling, general and administrative expenses

Selling, general and administrative expenses increased primarily due to higher marketing and subscriber acquisition expenses in support of a larger content slate, partially offset by lower employee related costs.

Segment adjusted operating income

The decrease in segment adjusted operating income was primarily attributable to the revenue headwinds in our linear businesses. Our continued cost measures and prudent investments, including disciplined acquisition marketing efforts, have mitigated the impact of such headwinds and limited the resulting margin decline from prior year to mid-single digits.

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2 A paid subscription is defined as a subscription to a direct-to-consumer service or a subscription received through distributor arrangements, in which we receive a fee for the distribution of our streaming services.

International

The following table sets forth our International segment results for the periods indicated.

	Three Months Ended March 31,		
(In thousands)	2024	2023	Change
Revenues, net:			
Subscription	$ 50,849	$ 56,690	(10.3)%
Content licensing and other	3,232	32,860	(90.2)
Distribution and other	54,081	89,550	(39.6)
Advertising	21,524	18,522	16.2
Total revenues, net	75,605	108,072	(30.0)
Technical and operating expenses (excluding depreciation and amortization)	33,638	60,561	(44.5)
Selling, general and administrative expenses (a)	28,567	26,374	8.3
Segment adjusted operating income	$ 13,400	$ 21,137	(36.6)%

(a) Selling, general and administrative expenses exclude share-based compensation expenses

Revenues

Subscription revenues decreased primarily due to the non-renewal of an AMCNI distribution agreement in the U.K. in the fourth quarter of 2023.

Content licensing and other revenues decreased due to the divestiture of the 25/7 Media business on December 29, 2023. 25/7 Media generated $30.1 million of content licensing and other revenue in the first quarter of 2023.

Advertising revenues increased primarily due to increased ratings and growth across Central and Northern Europe advertising markets, as well as digital and advanced advertising growth in the U.K.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended September 30, 2023 vs. 2022

Technical and operating expenses (excluding depreciation and amortization) decreased primarily due to a decrease in program rights amortization.

Nine months ended September 30, 2023 vs. 2022

Technical the divestiture of the 25/7 Media business on December 29, 2023. 25/7 Media incurred $23.9 million of technical and operating expenses (excluding depreciation and amortization) increased in the first quarter of 2023. The remaining decrease was primarily due attributable to costs content cost savings associated with the delivery of the remaining episodes non-renewal of an AMC Studios produced series to a third party and an increase in program rights amortization, including the impact associated with the termination of an output AMCNI distribution agreement that resulted in the acceleration U.K. in the fourth quarter of program rights amortization previously anticipated to be recognized in 2024.2023.

Selling, general and administrative expenses

Three months ended September 30, 2023 vs. 2022

Selling, general and administrative expenses decreased primarily due to lower marketing and subscriber acquisition expenses related to our streaming services.

Nine months ended September 30, 2023 vs. 2022

Selling, general and administrative expenses decreased primarily due to lower marketing and subscriber acquisition expenses related to our streaming services.

Segment adjusted operating income

Three months ended September 30, 2023 vs. 2022

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of $46.2 million, partially offset by decreases in selling, general and administrative expenses of $23.4 million and technical and operating expenses of $2.2 million.

Nine months ended September 30, 2023 vs. 2022

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of $79.2 million and an increase in technical and operating expenses of $59.3 million, partially offset by a decrease in selling, general and administrative expenses of $95.0 million.

International and Other

The following table sets forth our International and Other segment results for the periods indicated.

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	2023	2022	Change	2023	2022	Change
Revenues, net:						
Subscription	$ 56,173	$ 52,765	6.5 %	$ 170,143	$ 169,879	0.2 %
Content licensing and other	22,150	29,124	(23.9)	76,668	103,513	(25.9)
Distribution and other	78,323	81,889	(4.4)	246,811	273,392	(9.7)
Advertising	19,275	17,381	10.9	58,163	61,500	(5.4)
Total revenues, net	97,598	99,270	(1.7)	304,974	334,892	(8.9)
Technical and operating expenses (excluding depreciation and amortization)	52,089	58,528	(11.0)	162,630	193,924	(16.1)
Selling, general and administrative expenses(a)	32,442	27,432	18.3	88,954	85,459	4.1
Segment adjusted operating income	$ 13,067	$ 13,310	(1.8)%	$ 53,390	$ 55,509	(3.8)%

(a) Selling, general and administrative expenses exclude share-based compensation expenses

Revenues

Three months ended September 30, 2023 vs. 2022

Subscription revenues increased primarily due to the favorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Advertising revenues increased primarily due to the favorable impact of foreign currency translation at AMCNI and digital and advanced advertising growth in the U.K.

Nine months ended September 30, 2023 vs. 2022

Subscription revenues increased primarily due to the favorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Advertising revenues decreased primarily due to the impact of the wind-down of two channels in 2022 and marketplace declines in the U.K.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended September 30, 2023 vs. 2022

Technical and operating expenses (excluding depreciation and amortization) decreased due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties.

Nine months ended September 30, 2023 vs. 2022

Technical and operating expenses (excluding depreciation and amortization) decreased due to a reduction in the volume of productions at 25/7 Media driven by reduced demand for new content and series cancellations from third parties, as well as lower program rights amortization at AMCNI, primarily resulting from the impact of the wind-down of two channels in 2022 in the U.K.

Selling, general and administrative expenses

Three months ended September 30, 2023 vs. 2022

Selling, general and administrative expenses increased primarily due to an increase in corporate overhead costs allocated to AMCNI.

Nine months ended September 30, 2023 vs. 2022

Selling, AMCNI, partially offset by the divestiture of the 25/7 Media business on December 29, 2023. 25/7 Media incurred $4.4 million of selling, general and administrative expenses increased primarily due to an increase in corporate overhead costs allocated to AMCNI. the first quarter of 2023.

Segment adjusted operating income

Three months ended September 30, 2023 vs. 2022

The decrease in segment adjusted operating income was primarily attributable to an increase in selling, general corporate overhead costs allocated to AMCNI, the impact of the non-renewal of an AMCNI distribution agreement in the U.K., and administrative expenses the divestiture of $5.0 million and a decrease in revenues, net the 25/7 Media business on December 29, 2023. 25/7 Media generated $1.8 million of $1.7 million, partially offset by a decrease in technical and operating expenses of $6.4 million.

Nine months ended September 30, 2023 vs. 2022

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net the first quarter of $29.9 million and an increase in selling, general and administrative expenses of $3.5 million, partially offset by a decrease in technical and operating expenses of $31.3 million. 2023.

Corporate and Inter-segment Elimination

The following table sets forth our Corporate and Inter-segment Eliminations segment results for the periods indicated.

		Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)							
(In thousands)							
(In thousands)	(In thousands)	2023	2022	Change	2023	2022	Change
Revenues, net:	Revenues, net:	$ (1,842)	$ (4,816)	(61.8) %	$ (6,816)	$ (16,901)	(59.7) %
Revenues, net:							
Revenues, net:							
Technical and operating expenses (excluding depreciation and amortization)(a)	Technical and operating expenses (excluding depreciation and amortization)(a)	(3,849)	(3,912)	(1.6) %	(9,071)	(11,295)	(19.7)
Technical and operating expenses (excluding depreciation and amortization)(a)							
Technical and operating expenses (excluding depreciation and amortization)(a)							
Selling, general and administrative expenses(b)							
Selling, general and administrative expenses(b)							
Selling, general and administrative expenses(b)	Selling, general and administrative expenses(b)	22,817	24,802	(8.0) %	75,042	84,281	(11.0)
Segment adjusted operating income	Segment adjusted operating income	$ (20,810)	$ (25,706)	(19.0) %	$ (72,787)	$ (89,887)	(19.0) %
Segment adjusted operating income							
Segment adjusted operating income							

(a) Technical and operating expenses exclude cloud computing amortization

(a) Technical and operating expenses exclude cloud computing amortization

(a) Technical and operating expenses exclude cloud computing amortization

(a) Technical and operating expenses exclude cloud computing amortization

(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization	(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization

(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization

(b) Selling, general and administrative expenses exclude share-based compensation expenses and cloud computing amortization

Revenues, net

Revenue eliminations are primarily related to inter-segment licensing revenues recognized between the Domestic Operations and International and Other segments.

Technical and operating expenses (excluding depreciation and amortization)

Technical and operating expense eliminations are primarily related to inter-segment programming amortization recognized between the Domestic Operations and International and Other segments.

Selling, general and administrative expenses

Corporate overhead costs not allocated to the segments include such costs as executive salaries and benefits, costs of maintaining corporate headquarters, facilities and common support functions.

Selling, general and administrative expenses for the three and nine months ended September 30, 2023 compared to 2022 decreased primarily due to lower employee related costs.

Non-GAAP Financial Measures

We evaluate segment performance based on several factors, of which the primary financial measure is operating segment AOI. We define AOI, which is a financial measure that is not calculated in accordance with generally accepted accounting principles ("GAAP"), as operating income (loss) before share-based compensation expenses or benefit, depreciation and amortization, impairment and other charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges, cloud computing amortization and including the Company's proportionate share of adjusted operating income (loss) from majority-owned equity method investees. From time to time, we may exclude the impact of certain events, gains, losses or other charges (such as significant legal settlements) from AOI that affect our operating performance.

We believe that AOI is an appropriate measure for evaluating the operating performance on both an operating segment and consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in the industry.

Internally, we use revenues, net and AOI as the most important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

The following is a reconciliation of operating income (loss) to AOI for the periods indicated:

	Three Months Ended September 30, 2023			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 161,627	$ 7,985	$ (48,762)	$ 120,850
Share-based compensation expenses	3,494	815	2,069	6,378
Depreciation and amortization	11,536	4,271	12,202	28,009
Restructuring and other related charges (credits)	(783)	(4)	11,350	10,563
Impairment and other charges	5,400	—	—	5,400
Cloud computing amortization	5	—	2,331	2,336
Majority owned equity investees AOI	3,732	—	—	3,732
Adjusted operating income (loss)	$ 185,011	$ 13,067	$ (20,810)	$ 177,268

	Three Months Ended September 30, 2022			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated

Operating income (loss)	$ 186,609	$ 8,291	$ (44,223)	$ 150,677
Share-based compensation expenses	3,155	537	3,358	7,050
Depreciation and amortization	12,141	4,482	13,112	29,735
Cloud computing amortization	5	—	2,047	2,052
Majority owned equity investees AOI	4,791	—	—	4,791
Adjusted operating income (loss)	$ 206,701	$ 13,310	$ (25,706)	$ 194,305

	Nine Months Ended September 30, 2023			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 523,645	$ 10,422	$ (134,212)	$ 399,855
Share-based compensation expenses	10,133	2,500	7,038	19,671
Depreciation and amortization	35,053	13,944	30,632	79,629
Restructuring and other related charges	3,940	1,642	16,955	22,537
Impairment and other charges	5,400	24,882	—	30,282
Cloud computing amortization	15	—	6,800	6,815
Majority owned equity investees AOI	11,019	—	—	11,019
Adjusted operating income (loss)	$ 589,205	$ 53,390	$ (72,787)	$ 569,808

	Nine Months Ended September 30, 2022			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 573,943	$ 39,733	$ (135,119)	$ 478,557
Share-based compensation expenses	10,000	1,758	12,104	23,862
Depreciation and amortization	37,716	14,018	27,822	79,556
Cloud computing amortization	17	—	5,306	5,323
Majority owned equity investees AOI	13,733	—	—	13,733
Adjusted operating income (loss)	$ 635,409	$ 55,509	$ (89,887)	$ 601,031

Liquidity and Capital Resources

Our operations typically generate positive net cash flow from operating activities. However, each of our programming businesses has substantial programming acquisition and production expenditure requirements.

Our primary source of cash typically includes cash flow from operations. Sources of cash also include amounts available under our revolving credit facility and, subject to market conditions, access to capital and credit markets. Although we currently believe that amounts available under our revolving credit facility will be available when and if needed, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. As a public company, we may have access to capital and credit markets, although adverse conditions in the financial markets have in the past impacted, and are expected in the future to impact, access to those markets.

Our Board On April 9, 2024, AMC Networks entered into Amendment No. 3 ("Amendment No. 3") to the Second Amended and Restated Credit Agreement, dated as of Directors previously authorized July 28, 2017 (as amended to date and by Amendment No. 3, the “Credit Agreement”), among AMC Networks and its subsidiary, AMC Network Entertainment LLC (“AMC Network Entertainment”), as the initial borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, Bank of America, N.A., as an L/C Issuer, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and an L/C Issuer.

In connection with Amendment No. 3, AMC Networks made a program partial prepayment of the Term Loan A facility under the Credit Agreement (the “Term Loan A Facility”), bringing the total principal amount outstanding under the Term Loan A Facility to repurchase up $425 million, and reduced the revolving credit facility under the Credit Agreement (the “Revolving Credit Facility”) to $1.5 billion $175 million. In addition, pursuant to Amendment No. 3, the maturity date of our outstanding shares $325 million principal amount of common stock (the "Stock Repurchase Program") loans under the Term Loan A Facility as well as all of the commitments under the Revolving Credit Facility has been extended to April 9, 2028. The Stock Repurchase Program has no pre-established closing maturity date and may be suspended or discontinued at any time. For of the three and nine months ended September 30, 2023, we did not repurchase any remaining $100 million principal amount of our Class A common stock. As of September 30, 2023, we had $135.3 million of authorization remaining for repurchase loans under the Stock Repurchase Program. Term Loan A Facility continues to be February 8, 2026. Amendment No. 3 also includes certain other modifications to covenants and other provisions of the Credit Agreement.

In October 2023, we entered into an agreement enabling us to sell certain customer receivables to a financial institution on a recurring basis for cash. On April 9, 2024, AMC Networks issued $875 million aggregate principal amount of 10.25% Senior Secured Notes due January 15, 2029 (the “Secured Notes”). AMC Networks received net proceeds of $863.0 million, after deducting underwriting discounts. The transferred receivables will be fully Secured Notes are guaranteed by AMC Network Entertainment and AMC Networks' subsidiaries that guarantee the Credit Agreement (the "Guarantors").

On April 22, 2024, AMC Networks completed a bankruptcy-remote entity cash tender offer (the "Offer") to purchase any and the financial institution all outstanding 4.75% Senior Notes due 2025 and redeemed all 4.75% Senior Notes due 2025 that purchases the receivables will have no recourse to our other assets in the event of non-payment by the customers. We can sell an indefinite amount of customer receivables under the agreement on a revolving basis, but the remained outstanding balance of unpaid customer receivables to the financial institution cannot exceed the initial program limit of $125.0 million at any given time. As after completion of the date Offer at a price of this report, we have 100.000% of their principal amount, plus accrued and unpaid interest to, but not yet sold any customer receivables under this agreement.

Our principal uses of cash include including, the production, acquisition and promotion of programming, technology investments, debt service and payments for income taxes. We continue to invest in original programming, the funding of which generally occurs a minimum of nine months in advance of a program's airing. redemption date.

As of September 30, 2023 March 31, 2024, approximately $198.0 million of cash and cash equivalents, previously held by foreign subsidiaries, was repatriated to the United States. Our Company's consolidated cash and cash equivalents balance of $955.2 million, as of September 30, 2023, includes $690.5 million included approximately $170.9 million $132.1 million held by foreign subsidiaries. Of this amount, approximately $60.0 million $20.0 million is expected to be repatriated to the United States with the remaining amount continuing to be reinvested in foreign operations. Tax expense related to the repatriated amount, as well as the expected remaining repatriation amount has been accrued in the current period prior periods and the Company does not expect to incur any significant, additional taxes related to the remaining balance.

We believe that a combination of cash-on-hand, cash generated from operating activities, availability under our revolving credit facility and new our accounts receivable monetization program, borrowings under additional financing facilities and when we have access to capital and credit markets, proceeds from the sale issuance of the new debt, will provide sufficient liquidity to service the principal and interest payments on our indebtedness, along with our other funding and investment requirements over the next twelve months and over the longer term. However, we do not expect to generate sufficient cash from operations to repay the then entirety of the outstanding balances of our debt at the applicable maturity dates. As a result, we will be dependent upon our ability to access the capital and credit markets in order to repay, refinance, repurchase through privately negotiated transactions, open market repurchases, tender offers or otherwise or redeem the outstanding balances of our indebtedness. On November 3, 2023, we gave notice of our intention to redeem the remaining $400 million outstanding principal amount of our 5.00% senior notes due 2024 (the “2024 Notes”) on December 12, 2023 (the “Redemption Date”). The 2024 Notes will be redeemed at a redemption price of 100.000% of the principal amount of the 2024 Notes plus accrued and unpaid interest to, but excluding, the Redemption Date. Given the maturity date of our $800 million of 4.75% senior notes due 2025, we may access the capital or credit markets in the near term to refinance those senior notes through privately negotiated transactions, open market repurchases, tender offers or redemptions.

Failure to raise significant amounts of funding to repay our outstanding debt obligations at their respective maturity dates would adversely affect our business. In such a circumstance, we would need to take other actions including selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash. For information relating to our outstanding debt obligations, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Debt Financing Agreements" of our 2022 2023 Form 10-K.

In addition, economic or market disruptions could lead to lower demand for our services, such as loss of subscribers and lower levels of advertising. These events would adversely impact our results of operations, cash flows and financial position.

The revolving credit facility was not drawn upon at September 30, 2023 March 31, 2024. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

In April 2023, the Company entered into Amendment No. 2 ("Amendment No. 2") to the Second Amended and Restated Credit Agreement (the "Credit Agreement"). Amendment No. 2 (i) reduced the aggregate principal amount of the revolving loan commitments under the Credit Agreement from $500 million to $400 million, (ii) replaced the interest rate based on London Interbank Offered Rate with an interest rate based on the Secured Overnight Financing Rate, (iii) increased the Company's ability to incur additional debt in the future to provide additional flexibility for future financings, including increasing the amount of the incremental debt basket to the greater of $1.2 billion and the amount that would not cause the senior secured leverage ratio to exceed 3.00 to 1.00 on a pro forma basis and (iv) made certain other modifications to the Credit Agreement. The maturity date of the Term Loan A Facility and revolving credit facility under the Credit Agreement is February 8, 2026. In connection with the modification of the revolving loan commitments, the Company recorded $0.6 million to write-off a portion of the unamortized deferred financing costs, which is included in interest expense within the consolidated statements of income for the nine months ended September 30, 2023.

AMC Networks was in compliance with all of its debt covenants as of September 30, 2023 March 31, 2024.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operating, investing and financing activities for the periods indicated:

	Nine Months Ended September 30,	
(In thousands)	**2023**	**2022**
Cash provided by operating activities	$ 131,139	$ 36,591
Cash used in investing activities	(19,234)	(28,623)
Cash used in financing activities	(84,907)	(80,208)
Net increase (decrease) in cash and cash equivalents from operations	$ 26,998	$ (72,240)

	Three Months Ended March 31,	
(In thousands)	**2024**	**2023**
Net cash provided by (used in) operating activities	$ 150,869	$ (132,519)
Net cash used in investing activities	(2,784)	(7,005)
Net cash used in financing activities	(23,133)	(28,310)
Net increase (decrease) in cash and cash equivalents from operations	$ 124,952	$ (167,834)

Operating Activities

Net cash provided by (used in) operating activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 amounted to $131.1 150.9 million and $36.6 (132.5) million, respectively.

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by operating activities primarily resulted from $1,033.6 million $294.8 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, partially offset by payments for program rights of $844.3 million and restructuring initiatives of $101.6 million $193.0 million. Changes in all other assets and liabilities resulted in a net cash inflow of $43.4 million $49.1 million.

For the nine three months ended September 30, 2022 March 31, 2023, net cash provided by used in operating activities primarily resulted from payments for program rights of $370.3 million and restructuring initiatives of $56.9 million, partially offset by $332.4 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items of $1,069.8 million, partially offset by payments for program rights of $1,065.9 million. items. Changes in all other assets and liabilities during the quarter resulted in a net cash inflow outflow of $32.7 million $37.7 million.

Investing Activities

Net cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 amounted to $19.2 2.8 million and $28.6 million $7.0 million, respectively.

For the nine three months ended September 30, 2023 March 31, 2024, net cash used in investing activities consisted primarily of capital expenditures of $28.4 million, partially offset by proceeds from the sale of investments of $8.6 million. expenditures.

For the nine three months ended September 30, 2022 March 31, 2023, net cash used in investing activities consisted of capital expenditures of $33.5 million and an additional investment in an equity security of $5.0 million $11.5 million, partially offset by proceeds from the sale of a marketable equity security investments of $9.9 million $4.5 million.

Financing Activities

Net cash used in financing activities for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 amounted to $84.9 23.1 million and $80.2 million $28.3 million, respectively.

For the nine three months ended September 30, 2023 March 31, 2024, net cash used in financing activities primarily consisted of principal payments on the Term Loan A Facility of $16.9 million and taxes paid in lieu of shares issued for equity-based compensation of $4.0 million.

For the three months ended March 31, 2023, net cash used in financing activities primarily consisted of distributions to noncontrolling interests of $47.5 million $11.5 million, principal payments on the Term Loan A Facility of $25.3 million $8.4 million, and taxes paid in lieu of shares issued for equity-based compensation of $7.2 million, $6.0 million.

Free Cash Flow[3]

The following table summarizes Free Cash Flow for the periods indicated:

	Three Months Ended March 31,	
(In thousands)	**2024**	**2023**
Net cash provided by (used in) operating activities	$ 150,869	$ (132,519)
Less: capital expenditures	(6,720)	(11,498)
Free cash flow	$ 144,149	$ (144,017)

The increase in free cash flow is reflective of our cost management measures, including remaining prudent with our investments in programming, and principal due to the timing of payments on finance leases of $3.1 million. made in connection with our restructuring initiatives.

For the nine months ended September 30, 2022, net cash used in financing activities consisted of distributions to noncontrolling interests of $28.2 million, principal payments on the Term Loan A Facility of $25.3 million, taxes paid in lieu of shares issued for equity-based compensation of $21.6 million, principal payments on finance leases of $2.6 million, and the purchase of noncontrolling interests of $2.5 million.

Supplemental Cash Flow Information	Three Months Ended March 31,	
	2024	**2024**
Restructuring initiatives	$ (4,821)	$ (56,886)
Distributions to noncontrolling interests	(1,168)	(11,502)

Contractual Obligations

As of September 30, 2023 March 31, 2024, our contractual obligations not reflected on the condensed consolidated balance sheet increased $20.6 million $6.9 million, as compared to December 31, 2022 December 31, 2023, to $932.8 million $880.5 million. The increase was primarily driven by additional program rights commitments, and the renewal of a third-party service contract, partially offset by payments for program rights.

Supplemental Guarantor Financial Information

The following is a description of the terms and conditions of the guarantees with respect to the notes outstanding notes as of March 31, 2024 for which AMC Networks is the issuer.

Note Guarantees

Debt of AMC Networks as of September 30, 2023 March 31, 2024 included $400.0 million of the 2024 Notes, $800.0 million $774.7 million of 4.75% Notes due August 2025 and $1.0 billion of 4.25% Notes due February 2029 (collectively, the “notes”). The notes were issued by AMC Networks and are unconditionally guaranteed, jointly and severally, on an unsecured basis, by each of AMC Networks’ existing and future domestic restricted subsidiaries, subject to certain exceptions (each, a “Guarantor Subsidiary,” and collectively, the “Guarantor Subsidiaries”). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. A guarantee of the notes by a Guarantor Subsidiary is subject to release in the following circumstances: (i) any sale or other disposition of all of the capital stock of a Guarantor Subsidiary to a person that is not (either before or after giving effect to such transaction) a restricted subsidiary, in compliance with the terms of the applicable indenture; (ii) the designation of a restricted subsidiary as an “Unrestricted Subsidiary” under the applicable indenture; or (iii) the release or discharge of the guarantee (including the guarantee under the AMC Networks’ credit agreement) which resulted in the creation of the note guarantee (provided that such Guarantor Subsidiary does not have any preferred stock outstanding at such time that is not held by AMC Networks or another Guarantor Subsidiary).

Foreign subsidiaries of AMC Networks do not and will not guarantee the notes.

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[3]Free Cash Flow is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section on page 33 for additional information, including our definition and our use of this non-GAAP financial measure, and for a reconciliation to its most comparable GAAP financial measure.

The following tables present the summarized financial information specified in Rule 1-02(bb)(1) of Regulation S-X for AMC Networks and each Guarantor Subsidiary. The summarized financial information has been prepared in accordance with Rule 13-01 of Regulation S-X.

Summarized Financial Information

Income Statement **Income Statement**

(In thousands)

		Nine Months Ended September 30, 2023		**Nine Months Ended September 30, 2022**	
(In thousands)	**(In thousands)**	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Revenues	Revenues	$ —	$1,466,115	$ —	$1,513,831
Operating expenses	Operating expenses	—	1,107,533	—	1,104,348
Operating income	Operating income	$ —	$ 358,582	$ —	$ 409,483
Income before income taxes	Income before income taxes	$307,735	$ 428,244	$365,942	$ 467,752
Net income	Net income	237,273	421,629	272,283	461,433

	Three Months Ended March 31, 2024		**Three Months Ended March 31, 2023**	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**

Balance Sheet	**Balance Sheet**	**September 30, 2023**		**December 31, 2022**	
(In thousands)	**(In thousands)**	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Assets	***Assets***				
Amounts due from subsidiaries	Amounts due from subsidiaries	$ —	$ 33,374	$ —	$ 79,020
Current assets	Current assets	7,980	1,437,697	44,045	1,258,759
Non-current assets	Non-current assets	4,147,117	3,457,558	3,893,205	3,706,858
Liabilities and equity:	***Liabilities and equity:***				

Balance Sheet	**March 31, 2024**		**December 31, 2023**	
(In thousands)	**Parent Company**	**Guarantor Subsidiaries**	**Parent Company**	**Guarantor Subsidiaries**
Amounts due from subsidiaries				
Amounts due from subsidiaries				
Liabilities and equity:				

Liabilities and equity:

Amounts due to subsidiaries

Amounts due to subsidiaries

Amounts due to subsidiaries	Amounts due to subsidiaries	$ 71,910	$ 1,836	$ 68,682	$ 6,783
Current liabilities	Current liabilities	587,762	629,004	157,658	872,109
Non-current liabilities	Non-current liabilities	2,516,659	232,256	2,972,602	330,467

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2022 2023 Form 10-K. There have been no significant changes in our significant accounting policies since December 31, 2022 December 31, 2023.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2022 2023 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2022 December 31, 2023.

During

Non-GAAP Financial Measures

Internally, we use AOI and Free Cash Flow as the third quarter of 2023, the Company substantially completed its 2022 restructuring plan and exited a portion of its office space in its corporate headquarters in New York and office space in Silver Spring, Maryland and Woodland Hills, California. In connection with exiting a portion of the New York office, the Company recorded impairment charges of $11.6 million, consisting of $9.1 million for operating lease right-of use assets and $2.5 million for leasehold improvements. Fair values used to determine the impairment charge were determined using an income approach, specifically a discounted cash flow ("DCF") model. The DCF model includes significant assumptions about sublease income and enterprise specific discount rates. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

25/7 Media is our production services business and is part most important indicators of our International business performance, and Other segment. See "Item 1. Business - International and Other" in our 2022 Form 10-K for further details. During evaluate management's effectiveness with specific reference to these indicators.

We evaluate segment performance based on several factors, of which the second quarter of 2023, given the impact of market challenges at 25/7 Media, specifically as it relates to reduced demand for new content and series cancellations from third parties, the Company revised its outlook for the 25/7 Media business, resulting in lower expected future cash flows.As a result, the Company determined that sufficient indicators of potential impairment of long-lived assets existed at 25/7 Media. The Company performed a recoverability test and determined that the carrying amount of the 25/7 Media asset group was not recoverable. The carrying value of the asset group exceeded its fair value, therefore an impairment charge of $23.0 million was recorded for identifiable intangible assets, primary financial measure is operating segment AOI. We define AOI, which is included a financial measure that is not calculated in accordance with generally accepted accounting principles ("GAAP"), as operating income (loss) before share-based compensation expenses or benefit, depreciation and amortization, impairment and other charges (including gains or losses on sales or dispositions of businesses), restructuring and other related charges, cloud computing amortization and including the Company's proportionate share of adjusted operating income (loss) from majority-owned equity method investees. From time to time, we may exclude the impact of certain events, gains, losses or other charges (such as significant legal settlements) from AOI that affect our operating performance.

We believe that AOI is an appropriate measure for evaluating the operating performance on both an operating segment and consolidated basis. AOI and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in the consolidated statement industry. AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

The following is a reconciliation of operating income within the International and Other operating segment (loss) to AOI for the nine months ended September 30, 2023. Fair values used to determine the impairment charge were determined using an income approach, specifically a DCF model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations. periods indicated:

During the second quarter of 2023, the Company also determined that a triggering event had occurred with respect to the 25/7 Media reporting unit, which required an interim goodwill impairment test to be performed. Accordingly, the Company performed a quantitative assessment using an income approach, specifically a DCF model, and a market comparables approach. Based on the valuations performed, a $1.9 million goodwill impairment charge was recorded,

	Three Months Ended March 31, 2024			
(In thousands)	Domestic Operations	International	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 142,017	$ 8,609	$ (40,448)	$ 110,178
Share-based compensation expenses	3,230	766	2,079	6,075
Depreciation and amortization	10,027	4,025	11,774	25,826
Cloud computing amortization	3,548	—	—	3,548

Majority owned equity investees AOI	3,497	—	—	3,497
Adjusted operating income (loss)	$ 162,319	$ 13,400	$ (26,595)	$ 149,124

	Three Months Ended March 31, 2023			
(In thousands)	Domestic Operations	International	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 199,488	$ 14,142	$ (40,326)	$ 173,304
Share-based compensation expenses	4,447	839	359	5,645
Depreciation and amortization	11,854	4,771	9,250	25,875
Restructuring and other related charges	818	1,385	3,730	5,933
Cloud computing amortization	5	—	2,225	2,230
Majority owned equity investees AOI	2,776	—	—	2,776
Adjusted operating income (loss)	$ 219,388	$ 21,137	$ (24,762)	$ 215,763

We define Free Cash Flow, which is included a non-GAAP financial measure, as net cash provided by operating activities less capital expenditures, all of which are reported in impairment our Consolidated Statement of Cash Flows. We believe the most comparable GAAP financial measure of our liquidity is net cash provided by operating activities. We believe that Free Cash Flow is useful as an indicator of our overall liquidity, as the amount of Free Cash Flow generated in any period is representative of cash that is available for debt repayment, investment, and other charges discretionary and non-discretionary cash uses. We also believe that Free Cash Flow is one of several benchmarks used by analysts and investors who follow the industry for comparison of its liquidity with other companies in the consolidated statement our industry, although our measure of income, within the International and Other Free Cash Flow may not be directly comparable to similar measures reported by other companies.

The following is a reconciliation of net cash provided by operating segment activities to Free Cash Flow for the nine months ended September 30, 2023. periods indicated:

	Three Months Ended March 31,	
(In thousands)	2024	2023
Net cash provided by (used in) operating activities	$ 150,869	$ (132,519)
Less: capital expenditures	(6,720)	(11,498)
Free cash flow	$ 144,149	$ (144,017)

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at September 30, 2023 March 31, 2024, the carrying value of our fixed rate debt of $2.18 billion $1.76 billion was more than its fair value of $1.75 billion $1.48 billion by approximately $435.7 million $282.0 million. The fair value of these financial instruments is estimated based on reference to quoted market prices for these or comparable securities. A hypothetical 100 basis point decrease in interest rates prevailing at September 30, 2023 March 31, 2024 would increase the estimated fair value of our fixed rate debt by approximately $41.4 million $38.8 million to approximately $1.79 billion $1.52 billion.

Managing our Interest Rate Risk

To manage interest rate risk, we enter into interest rate swap contracts from time to time to adjust the amount of total debt that is subject to variable interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to limit the exposure against the risk of rising rates. We do not enter into interest rate swap contracts for speculative or trading purposes and we only enter into interest rate swap contracts with financial institutions that we believe are credit worthy counterparties. We monitor the financial institutions that are counterparties to our interest rate swap contracts and to the extent possible diversify our swap contracts among various counterparties to mitigate exposure to any single financial institution. For the three and nine months ended September 30, 2023 March 31, 2024, we did not have any interest rate swap contracts outstanding.

As of September 30, 2023 March 31, 2024, we had $2.8 billion $2.4 billion of debt outstanding (excluding finance leases), of which $615.9 million $590.6 million is outstanding under our loan facility and is subject to variable interest rates. A hypothetical 100 basis point increase in interest rates prevailing at September 30, 2023 March 31, 2024 would increase our annual interest expense by approximately $6.2 $5.9 million. The interest rate paid on approximately 78% 75% of our debt (excluding finance leases) as of September 30, 2023 March 31, 2024 is fixed.

Managing our Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain trade receivables and accounts payable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our condensed consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. The Company recognized losses of $3.3 million $2.7 million and $0.8 million $0.6 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 and losses of $1.0 million and $0.1 million for the three and nine months ended September 30, 2022, 2023, respectively, related to foreign currency transactions. Such amounts are included in miscellaneous, net in the condensed consolidated statements of income.

To manage foreign currency exchange rate risk, we enter into foreign currency contracts from time to time with financial institutions to limit our exposure to fluctuations in foreign currency exchange rates. We do not enter into foreign currency contracts for speculative or trading purposes.

We also are exposed to fluctuations of the U.S. dollar (our reporting currency) against the currencies of our operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our condensed consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. Any increase (decrease) in the value of the U.S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive income (loss) and equity with respect to our holdings solely as a result of changes in foreign currency exchange rates.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our principal executive officer (our Chief Executive Officer Officer) and our principal financial officer (our Chief Financial Officer, Officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation as of September 30, 2023 March 31, 2024, the Company's principal executive officer (our Chief Executive Officer Officer) and principal financial officer (our Chief Financial Officer Officer) concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2023 March 31, 2024, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 14, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a description of our legal proceedings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds and Issuer Purchases of Equity Securities

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The authorization of up to $500 million was announced on March 7, 2016, an additional authorization of $500 million was announced on June 7, 2017, and an additional authorization of $500 million was announced on June 13, 2018. The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time.

For the three and nine months ended September 30, 2023 March 31, 2024, the Company did not repurchase any of its Class A common stock. As of September 30, 2023 March 31, 2024, the Company had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Item 6. Exhibits.

(a) Index to Exhibits.

10.1	Employment Agreement, dated August 15, 2023 March 16, 2020, between AMC Networks Inc. and Michael J. Sherin III Dan McDermott
10.2	Amendment to Employment Agreement, dated October 20, 2021, between AMC Networks Inc. and Dan McDermott
10.3	Indenture, dated as of April 9, 2024, among AMC Networks, as issuer, the Guarantors and U.S. Bank Trust Company, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 10, 2024)
10.4	Amendment No. 3, dated as of April 9, 2024, to Second Amended and Restated Credit Agreement, dated as of July 28, 2017, among AMC Networks and its subsidiary, AMC Network Entertainment LLC, as the initial borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, Bank of America, N.A., as an L/C Issuer, the lenders party thereto, and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and an L/C Issuer.(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 10, 2024)
22	Guarantor Subsidiaries of the Registrant
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

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.

AMC Networks Inc.

Date: November 3, 2023 May 10, 2024

By: /s/ Patrick O'Connell

Patrick O'Connell

Executive Vice President and Chief Financial Officer

Date: November 3, 2023 May 10, 2024

By: /s/ Michael J. Sherin III

Michael J. Sherin III

Executive Vice President and Chief Accounting Officer

image_0.jpg

August 15, 2023 March 16, 2020

Michael J. Sherin III
Dan McDermott
c/o AMC Networks Inc. Carlos Goodman

11 Penn Plaza Goodman, Genow, Schenkman,
New York, New York 10001 Smelkinson & Christopher, LLP
9665 Wilshire Blvd.
Third Floor
Beverly Hills, California 90212

Re: Employment

Dear Mike: Dan:

I am pleased to forward this letter agreement (the (this "Agreement") setting forth the terms details of your employment with by AMC Networks Inc. Network Entertainment LLC which, together with its parent, subsidiaries, and affiliates, is referred to herein as the "Company."

Upon execution, by you and the Company, this Agreement will be become effective as of your first day of employment with the Company (the "Effective Date"), which is currently anticipated to be August 17, 2023. The term of this Agreement shall commence as of the Effective Date and shall automatically expire on the three-year anniversary of the Effective Date (the "Expiration Date") April 1, 2020.

As of

TERMS OF EMPLOYMENT

Position. You will provide services to the Effective Date, you Company as President – Original Programming, AMC Entertainment Networks, a regular full-time, exempt position, and will be employed based in the position of Executive Vice President and Chief Accounting Officer. Company's offices in Los Angeles, California.

Duties & Responsibilities. You agree to devote substantially all of your business time and attention to the business and affairs of the Company and shall to perform your duties in a diligent, competent, professional and skillful manner and in accordance with applicable law. By signing Without limitation to the foregoing, the Company acknowledges that you are entitled to receive credit as an "Executive Producer," passive fees and potential passive profit participation in connection with the following projects: 1) *Jupiter's Legacy*; 2) *Crusaders*; and 3) *The List*, and agrees that your receipt of such credit, fees and/or profit participation shall not constitute a violation of this provision.

Employment Term. The term of this Agreement, you subject to provisions herein relating to termination, shall begin on the Effective Date and continue through the four-year anniversary of the Effective Date (the "Term").

Compliance with Company Policies and Law. You shall comply with the Company's personnel and other policies including, but not limited to, the Company's policies prohibiting discrimination, unlawful harassment, conflicts of interest and violation of applicable laws, in the course of performing services to the Company.

No-Conflict. You represent and warrant that you there are aware of no obligations, contractual, or otherwise, relating to a current or prior employer, or any other entity for which you rendered services or with which you are or were affiliated which would prevent or prohibit you from signing this Agreement, accepting or commencing employment with the Company, commencing such employment as of the Effective Date and/or performing fully your job responsibilities now or in the future.

Beginning on the Effective Date, your annual base salary will be not less than $408,000, subject to annual review and potential increase by the Compensation Committee of the Board of Directors of AMC Networks Inc. (the "Compensation Committee"), in its discretion. COMPENSATION

You will also be eligible to participate in our discretionary annual incentive bonus program ("AIP") Salary. Beginning on the Effective Date, your base salary will be, and throughout the Term will not be less than $1,000,000 annually, paid bi-weekly. You will be eligible to be considered for discretionary annual salary increases in accordance with Company practice in effect from time to time.

Bonus. You will be eligible to participate in the Company's discretionary annual discretionary bonus program ("AIP") with an annual target bonus opportunity will be equal to forty sixty percent (40% (60%) of salary. Bonus payments are based on actual salary dollars paid during the each fiscal year and depend on a number of factors, including Company, unit, and individual performance. Notwithstanding However, the foregoing, for the fiscal year ending December 31, 2023, your target bonus opportunity will be $163,200 and will not be pro-rated, provided, however, if, prior to the one-year anniversary of the Effective Date, your employment is terminated by the Company for "*Cause*", as defined below, or you voluntarily resign your employment, you agree: i) that you will not be entitled to receive an AIP bonus for 2023; and ii) if you have already received an AIP bonus for the 2023

fiscal year, you willrepay the gross amount of any AIP bonus you previously received with respect to the 2023 fiscal year. The decision of whether or not to pay a bonus, and the amount of that bonus, if any, will be is made by the Compensation Committee Company in its sole discretion. Except as otherwise provided herein, Bonuses are typically paid early in the subsequent calendar year. In order to receive a bonus, you must be employed by the Company at the time bonuses are being paid. Subject to the terms of this Agreement, any Such bonus shall be earned, only if and when actually paid to, and received by, you.

Equity and Long-Term Incentive Programs. You will also be eligible, subject to your continued employment by the Company and actual grant by the Compensation Committee of the Board of Directors of AMC Networks Inc. (the "Compensation Committee"), in its sole discretion, to participate in such long-term equity and other long-term incentive programs as that are made available in the future to similarly situated executives employees at the Company. Beginning with awards granted in 2024, it It is expected that such awards will consist of annual grants of cash and/or equity awards with an annual target value of not less than $340,000, $600,000, as determined by the Compensation Committee. For calendar year 2023, you will be recommended to the Compensation Committee, in or about October 2023, for one-time grants of long-term incentive awards, which grants will be comprised of: 1) a one-time award of 13,885 restricted stock units; and 2) a one-time cash performance award with a target value of $377,000. Any such awards would be subject to actual grant to you by the Compensation Committee, in its discretion would be made pursuant to the applicable plan documents document and would be subject to terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in separate agreements you would will receive after any award is actually made; provided, however, that such terms and conditions shall made.

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BENEFITS

Employee/Fringe Benefits. You will be consistent with the terms and conditions of the grant agreements received by similarly situated executives; *provided, further*, that for the purposes of this provision, eligible to participate in the Company's Chief Executive Officer shall not be deemed a "similarly situated executive."

You will also be eligible for our standard benefits program at the levels that are made available to similarly situated executives at the Company. programs. Participation in our the Company's benefits program programs is subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. We The Company currently offer offers medical, dental, vision and life and accidental death and dismemberment insurance; short insurance, short- and long-term disability insurance; insurance, a savings and retirement program, and ten paid holidays.

Vacation. You will be entitled eligible to four (4) weeks' accrue and use vacation per year, to be accrued and used in accordance with Company policy.

CONFIDENTIAL AND PROPRIETARY INFORMATION/RESTRICTIVE COVENANTS

Proprietary Information & Inventions. Concurrently with your execution of this Agreement, you will execute and return to the Company the enclosed *Proprietary Information and Inventions Agreement* ("PIIA") and will comply with the PIIA's terms and conditions at all times. This offer is contingent on your executing and returning the PIIA to the Company, including your completion of Exhibit A to the PIIA to the satisfaction of the Company.

Non-Solicitation. During the period commencing on the Effective Date of this Agreement and continuing until the first anniversary of the date when your employment is terminated for any reason, you agree not to hire, solicit, contact or persuade, directly or indirectly (whether for your own interest or any other person or entity's interest) any employee, or any exclusive or substantially full-time consultant or vendor of the Company to cease or reduce working for and/or doing business with the Company. This restriction does not apply to: i) the hiring or recruiting of any employee, consultant or vendor after one year has elapsed after the date on which such person's relationship with the Company was terminated; or ii) your executive assistant provided such executive assistant provides services exclusively to you. You will also be entitled to reimbursement acknowledge that this Non-Solicitation provision is reasonable and necessary for the Company's legitimate protection of its business expenses upon submission of appropriate documentation in accordance with Company policy. interests.

TERMINATION OF EMPLOYMENT/SEPARATION PAYMENT

Termination by the Company Without "Cause." If, at any time prior to the Expiration Date, expiration of the Term (the "Reference Date"), your employment is involuntarily terminated by the Company for reasons any reason other than " for "Cause" (defined below), you shall be eligible for the Separation Payment described in this Section.

Termination by the Company With "Cause" or Because of Death. Cause," then subject to If the Company terminates your execution and the effectiveness of a severance agreement (the "Severance Agreement") employment prior to the Company's satisfaction (to include, Reference Date because of your death or for "Cause" (defined below), you *shall not be* eligible for the Separation Payment described in this Section.

Definition of "Cause": The definition of "Cause" for termination is as follows:

- o Your commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof,

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- o Your commission of any act or omission that results in a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any crime involving moral turpitude or any felony,

- o Your material violation of Company policies, including without limitation, non-compete (limited to one year), non-disparagement, non-solicitation, confidentiality and further cooperation obligations/restrictions on you as well as a general release by you of Company policies prohibiting unlawful harassment and/or discrimination, or

- o Immediately upon written notice from the Company that it has determined that, due to a physical or mental health condition, you are not able to perform the essential functions of your position with reasonable accommodation. Such notice shall not be effective until you have exhausted all entitlements, if any, to leave under the Family and its affiliates), Medical Leave Act, other applicable statutes, and Company programs. Your execution of this Agreement does not waive your right to any relief or cause of action available at law if your employment with the Company is terminated in accordance with this paragraph.

Form & Amount of Separation Payment. Subject to the terms and conditions in this Agreement, the Company will provide you will be paid no less than with a Separation Payment (the "Separation Payment") in an amount (the "Severance Amount") equal to:

- o The sum of: 1) One and one-half (1.5) times the sum of your annual eighteen (18) months' base salary, and annual target bonus opportunity each as in effect on the effective date of the termination of your termination employment (the "Termination Date"). Sixty; and 2) your annual target bonus opportunity, as in effect on the Termination Date. An amount equal to sixty percent (60%) of the payment provided for in this paragraph (the "First Payment") will be payable to you, less lawful withholdings and deductions, on the six-month anniversary of the Termination Date and the remaining forty percent (40%) remainder, less lawful withholdings and deductions, will be payable to you on over the twelve-month six-month period following such anniversary of in accordance with the Termination Date; Company's then prevailing payroll policies; *provided* that the maximum portion of the First Payment that is exempt from

Section 409A of the Code (as defined below) will be payable to you on or before the seventy-fifth (75) (75th) day following the date your employment so terminates; Termination Date; _plus_

2) A prorated annual bonus based on the amount of your then current annual base salary actually earned by you during the fiscal year through the Termination Date, provided, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your then current annual target bonus as well as Company and your business unit performance as determined by the Company in its discretion, but without adjustment for your individual performance; o and

3) If, as of the Termination Date, AIP bonuses had not yet generally been paid to similarly situated employees with respect to the prior fiscal year, a bonus based on the amount of your base salary actually paid to you during such prior fiscal year, *provided*, that such bonus, if any, will be payable to you if and when such bonuses are generally paid to similarly situated employees and will be based on your annual bonus target bonus that was in effect with respect to such prior fiscal year as well as Company and your business unit performance, as determined by the Company, but without adjustment for your individual performance. performance; _*and*_

Ifo A prorated AIP bonus based on the amount of base salary actually earned by you die after a termination of your employment during the fiscal year through the Termination Date, *provided*, that is subject to the above, your estate or beneficiaries such bonus, if any, will be provided any remaining benefits payable to you if and rights under the above Sections (1) through (3).

In connection with any termination of your employment, when such bonuses are paid to similarly situated employees and will be based on your then outstanding long-term incentive awards shall be treated in accordance with their terms current annual target bonus opportunity as well as Company and other than as provided in this Agreement, you shall not be eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your long-term incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a "Going Private Transaction" or a "Change of Control" (as those terms are defined in the applicable award agreement).

For purposes of this Agreement, "*Cause*" means, business unit performance, as determined by the Company, but without adjustment for your (i) commission individual performance.

Release Agreement. You will not be entitled to any Separation Payment unless you execute and do not revoke a separation and release agreement acceptable to the Company that includes a full and complete release of an act all known and unknown claims. You will be required to sign and return the separation and release agreement within the time period stated in that agreement. The separation and release agreement will include, but will not be limited to, provisions acceptable to the Company relating to your full release of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty known and unknown claims against the Company or an affiliate thereof, or (ii) commission Company; non-disparagement; non-solicitation; confidentiality of any act or omission that results the separation and release agreement and of the Company's confidential information; ownership rights in intellectual property; a conviction, plea of no contest, plea of *nolocontendere*, or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

Effective immediately, you choice-of-law and choice-of-venue provision; and other provisions and acknowledgements acceptable to the Company. No Separation Payment will be paid until such executed separation and release agreement has been received by the Company agree to be bound by the additional covenants and provisions any applicable to each that are set forth in the *Annex* attached hereto, which *Annex* shall be deemed to be a part of this Agreement. revocation period has expired without revocation.

This Agreement does not constitute a guarantee of employment for any definite period or on any specific terms. Your employment is at will and may be terminated by you or the Company at any time, with or without notice or reason. TAX ISSUES

The Company may withhold from any payment due to you any taxes that are required to be withheld under any law, rule or regulation. You acknowledge

If and to the extent that any compensation earned, paid, awarded payment or benefit under this Agreement, or any plan or arrangement of the Company or its affiliates, is determined by the Company to constitute "non-qualified deferred compensation" subject to Section 409A of the Internal Revenue Code of 1986 (the "Internal Revenue Code") ("Section 409A") and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations (a "Separation from Service") and (b) if you are a "specified employee" (within the meaning of Section 409A and as determined by the Company), such payment or benefit, including without limitation the Separation Payment Amount, shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death) and in such event shall be payable to you in two lump sums: (a) sixty percent (60%) of such amount will be payable to you on the six month anniversary of your Separation from Service, and (b) the remaining forty percent (40%) of such amount will be payable to you on the twelve month anniversary of your Separation from Service. Any such payment or benefit shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments.

To the extent you would otherwise be entitled to any payment (including the Separation Payment) or benefit that would be subject to additional tax under Section 409A, such payment or benefit will be delayed and will begin being provided as soon as permissible in a manner and at a time that does not trigger the imposition of additional tax under Section 409A.

To the extent any clawback as may be required expense reimbursement is determined to be made pursuant subject to Section 409A, the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except under any lifetime limit applicable law, government regulation or stock exchange listing requirement or to expenses for medical care), in no event shall any clawback policy adopted by expenses be reimbursed after the Company or its affiliates. last day of the calendar year following the calendar year in which you incurred such

expenses, and in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended (the "Code"), the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of after-tax proceeds (as reasonably determined by the Company). In the event that any such payment or benefits payable to you hereunder would be reduced because of the imposition of such excise tax, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (i.e., later payments will be reduced first) until the reduction specified is achieved.

It is intended that this Agreement will comply with Section 409A of the Code (together with the applicable regulations thereunder, "Section 409A") and to the extent the Agreement is subject thereto, the Agreement shall be interpreted on a basis consistent with such intent. If and to the extent that any payment or benefit under this Agreement, or any plan, award or arrangement of the Company or its affiliates, constitutes "non-qualified deferred compensation" subject to Section 409A and is payable to you by reason of your termination of employment, then (a) such payment or benefit shall be made or provided to you only upon a "separation from service" as defined for purposes of Section 409A under applicable regulations and (b) if you are a "specified employee" (within the meaning of Section 409A as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the date of your separation from service (or your earlier death) as set forth herein. Any amount not paid or benefit not provided in respect of the six-month period specified in the preceding sentence will be paid to you in the manner set forth in this Agreement. Any such payment or benefit shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payments. OTHER TERMS

This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives.

This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

The Company hereby agrees that it shall indemnify and hold you harmless to the fullest extent provided in Article VIII of the Company's By-Laws and on terms no less favorable as those applicable to other similarly situated executives of the Company. To the extent that the Company maintains officers' and directors' liability insurance, you will be covered under such policy subject to the exclusions and limitations set forth therein. The provisions of this Paragraph shall survive the expiration or termination of your employment and/or this Agreement as well as your execution of the Severance Agreement as provided for herein.

To the extent permitted by law, you hereby waive any and all rights to the a jury trialwith respect to any matter relating to this Agreement.

This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.

You hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America located in the State of New York solely in respect of the interpretation and enforcement of the provisions of this

Agreement, and you hereby waive, and agree not to assert, as a defense that you are not subject thereto or that the venue thereof may not be appropriate. You hereby agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof.

This Agreement may not be amended or modified otherwise than by a written agreement executed by Following the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. If any provision of this Agreement is held by any court of competent jurisdiction to be illegal, invalid, void or unenforceable, such provision shall be deemed modified, amended and narrowed to the extent necessary to render the same legal, valid and enforceable, and the other remaining provisions of this Agreement shall not be affected but shall remain in full force and effect. It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company.

This Agreement sets forth the entire agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter hereof.

This Agreement will automatically terminate, and be of no further force or effect, on the earlier of (a) August 17, 2023, if it is not acknowledged by you below prior to such date, or (b) the Expiration Date (except as to any right that accrued prior to such date to receive the Severance Amount subject to the execution and effectiveness of the Severance Agreement); provided, however, that the confidentiality obligations set forth herein and the covenants and agreements set forth in the Annex shall survive any termination or expiration of this Agreement, and any termination of your employment, with the Company, in accordance with their respective terms.

We look forward to your execution of this Agreement.

Sincerely,

/s/ Patrick O'Connell

Patrick O'Connell

Executive Vice President and Chief Financial Officer
AMC Networks Inc.

ACCEPTED AND AGREED TO:

/s/ Michael J. Sherin III

Michael J. Sherin III

August 15, 2023
Date

ANNEX

This Annex constitutes part of the Agreement, dated August 15, 2023, by and between Michael J. Sherin III ("*You*") and the Company. Terms defined in the Agreement shall have the same meanings in this Annex.

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1. Confidentiality

(a) <u>Agreement.</u> You agree to keep the existence and terms of this Agreement confidential (unless it is made public by the Company) *provided* that (1) you are authorized to make any disclosure required of you by any federal, state or local laws or judicial proceedings, after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law), and (2) you are authorized to disclose this Agreement and its terms to your legal, financial and tax advisors or to members of your immediate family so long as such advisors and family members agree to maintain the confidentiality of the Agreement.

(b) <u>Confidential and Proprietary Information.</u> You agree to retain in strict confidence and not use for any purpose whatsoever or divulge, disseminate, copy, disclose to any third party, or otherwise use any Confidential Information, other than for legitimate business purposes of the Company and its affiliates. As used herein, "*Confidential Information*" means any non-public information of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its affiliates or any director, officer or member of senior management of any of the foregoing (collectively "*Covered Parties*"). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to: (i) information designated or treated as confidential; (ii) budgets, plans, forecasts or other financial or accounting data; (iii) subscriber, customer, guest, fan vendor or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties' cable, data, telephone, programming, advertising, sports, entertainment, film production, theatrical, motion picture exhibition or other businesses; (v) advertising, business, programming, sales or marketing tactics and strategies; (vi) policies, practices, procedures or techniques; (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets; (x) information regarding employees, officers, directors, players, coaches, agents, talent, consultants, advisors or representatives, including their compensation or other human resources policies and procedures; and (xi) any other information the disclosure of which may have an adverse effect on the Covered Parties' business reputation, operations or competitive position, reputation or standing in the community.

(c) <u>Exception for Disclosure Pursuant to Law.</u> Notwithstanding anything contained elsewhere in this Agreement, you are authorized to make any disclosure required of you by any federal, state or local laws or judicial, arbitral or governmental agency proceedings, including, but not limited to, providing truthful testimony concerning the Company or its affiliates as required by court order or other legal process; after providing the Company with prior written notice and an opportunity to respond prior to such disclosure. In addition, this Agreement in no way restricts or prevents you

from providing truthful testimony concerning the Company to judicial, administrative, regulatory or other governmental authorities.

By signing this Agreement, you acknowledge that you have been advised that pursuant to the federal Defend Trade Secrets Act of 2016, you may not be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret: (i) in confidence, to a federal, state, or local government official, or to your attorneys, for the purpose of reporting or investigating a suspected violation of the law; or (ii) in a complaint or other court document filed in connection with a lawsuit or court proceeding, provided that said filing is made under seal. In addition, you acknowledge that you have been advised that if you file an action for retaliation against the Company for reporting a suspected violation of law, you may disclose a trade secret to your attorneys and use the trade secret in connection with the court proceeding provided that you: (i) file any document containing the trade secret under seal; and (ii) do not disclose the trade secret, except pursuant to court order.

2. Non-Compete

You acknowledge that due to your executive position in the Company and your knowledge of Confidential Information, your employment by or affiliation with certain businesses would be detrimental to the Company or any of its direct or indirect subsidiaries. You agree that, without the prior written consent of the Company, you will not represent, become employed by, consult to, advise in any manner or have any material interest, directly or indirectly, in any Competitive Entity (as defined below). A "*Competitive Entity*" shall mean (1) any person, entity or business that (i) competes with any of the Company's or any of its affiliates' programming, distribution or other existing businesses, internationally, nationally or regionally; or (ii) directly competes with any other business of the Company or one of its subsidiaries that produced greater than 10% of the Company's revenues in the calendar year immediately preceding the year in which the determination is made. Ownership of not more than 1% of the outstanding stock of any publicly traded company shall not, by itself, be a violation of this paragraph. This agreement not to compete will expire on the first anniversary of the date on which your employment with the Company has terminated if such termination occurs prior to the Expiration Date.

3. Additional Understandings

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company, any of its affiliates or any of their respective incumbent or former officers, directors, agents, consultants, employees, successors and assigns.

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs, inventions (whether patentable or not), schematics, music, lyrics, programming ideas and other technical, business, financial, advertising, sales, marketing, customer, programming or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation during the course of your employment by the Company (the “*Materials*”). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.

4. Further Cooperation

Following the date of termination of your employment with the Company, you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to such employment the termination or in any litigation or administrative proceedings or appeals (including any preparation therefore) therefor) where the Company believes that your personal knowledge, attendance, or and participation could be beneficial necessary. Such cooperation shall include, but is not limited to, your providing truthful testimony by affidavit, deposition, testimony or otherwise in connection with a trial, arbitration or similar proceeding, upon the Company’s request.

The terms and conditions of this Agreement may be amended or modified only by a written instrument executed by both the Company and you or the parties’ respective successors or legal representatives.

If any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement and such invalid, illegal or unenforceable provision, to the extent possible and consistent with the intent of the parties, will be reformed, construed and enforced in such a manner to render it valid, legal, and enforceable under applicable law.

It is the parties’ intention that this Agreement not be construed more strictly with regard to you or the Company.

This Agreement and the PIIA constitute the full, complete and final agreement between you and the Company with respect to any subject arising from or relating to the employment relationship, and cancel, replace and supersede any and all other promises, agreements, representations and negotiations between you and the Company (oral, written or implied-in-fact) with respect to such subjects.

To accept this offer, please sign this Agreement indicating your agreement and acceptance of the terms and conditions of employment and return the original to my attention. A duplicate copy of this Agreement is included for your records.

Sincerely,

AMC NETWORK ENTERTAINMENT LLC

By: /s/ Sarah Barnett

Name: Sarah Barnett
Title: President - AMC Networks Entertainment Group & AMC Studios

Accepted and Agreed:

/s/ Dan McDermott

Dan McDermott

Date: March 16, 2020

image_0a.jpg

October 20, 2021

VIA E-MAIL & DOCUSIGN

Dan McDermott
c/o Carlos Goodman
Goodman Genow Schenkman
Smelkinson + Christopher, LLP
9665 Wilshire Blvd
Fifth Floor
Beverly Hills, CA 90212

Re: Amendment to Employment Agreement

Dear Dan:

This amendment (the "Amendment") will amend and modify the March 16, 2020 employment agreement (the "Employment Agreement") between you and AMC Network Entertainment LLC. All defined terms used in this Amendment and not otherwise defined shall have the meaning ascribed thereto in the Employment Agreement. Additionally, except as modified by this Amendment, the Employment Agreement remains in full force and effect in accordance with its terms. This Amendment will be effective as of date of your execution (the "Amendment Effective Date").

1. *Position*. Beginning on the Amendment Effective Date, you will be employed by the Company as President – Programming, AMC Networks and President – AMC Studios.

2. *Term*. The term of the Employment Agreement (the "Term") shall be extended through the four-year anniversary of the Amendment Effective Date.

3. *Salary*. Effective as of October 1, 2021, your base salary will be, and throughout the Term will not be less than, $1,500,000 annually, paid bi-weekly. You will be eligible to be considered for discretionary annual salary increases in accordance with Company practice in effect from time to time.

4. *Bonus*. Subject to the terms and conditions set forth in the provision of the Employment Agreement entitled *Bonus*, effective as of October 1, 2021, your annual target bonus opportunity

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under the terms of the Company's discretionary annual bonus program ("AIP") will be equal to one hundred percent (100%) of salary.

5. *Equity and Long-Term Incentive Programs*. You will continue to be eligible, subject to your continued employment by the Company and actual grant by the Compensation Committee in its sole discretion, to participate in such equity and other long-term incentive programs that are made available in the future to similarly situated employees at the Company. Beginning in calendar year 2022, it is expected that such awards will consist of

annual grants of cash and/or equity awards with an annual target value of $1,000,000, as determined by the Compensation Committee. Any such awards would be subject to actual grant by the Compensation Committee, would be made pursuant to the applicable plan document and would be subject to terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in separate agreements you will receive after any award is actually made.

Please acknowledge receipt of this Amendment and acceptance of its terms by countersigning in the space indicated below and returning a signed copy to Cliff Bail, Executive Vice President and Deputy General Counsel, at Cliff.Bail@amcnetworks.com.

We continue to appreciate your ongoing services to the Company or its affiliates. This cooperation includes, without limitation, participation on behalf and look forward to your execution of the Company and/or its affiliates in any litigation, administrative or similar proceeding, including providing truthful testimony.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such expenses. You agree to provide the Company with an estimate of any such expense before it is incurred. Amendment.

AMC NETWORK ENTERTAINMENT LLC

/s/ Matthew Blank

By: Matthew Blank

Title: Chief Executive Officer

5. No Hire or Solicit

Throughout your employment and until one year after the termination of your employment, you agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any employee of the Company or any of its affiliates. This restriction does not apply to any employee who was discharged by the Company or any of its affiliates. In addition, this restriction will not prevent you from providing references.

ACCEPTED AND AGREED TO:

6. Acknowledgments /s/ Dan McDermott

Dan McDermott

You acknowledge that the restrictions contained in this *Annex*, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach any of the provisions of this *Annex*, and therefore agree that the Company shall be entitled to injunctive relief to prevent any breach or threatened breach of any of the provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this *Annex*, raise the defense that the Company has an adequate remedy at law. Nothing in this *Annex* shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this *Annex*, or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced. Notwithstanding anything to the contrary contained in this Agreement, in the event you violate the covenants and agreements set forth in this *Annex*, then, in addition to all other rights and remedies available to the Company, the Company shall have no further obligation to pay you any severance benefits or to provide you with any other rights or benefits to which you would have been entitled pursuant to this Agreement had you not breached the covenants and agreements set forth in this *Annex*. October 20, 2021

7. Survival

The covenants and agreements set forth in this *Annex* shall survive any termination or expiration of this Agreement and any termination of your employment with the Company, in accordance with their respective terms.

Date

Exhibit 22

List of Guarantor Subsidiaries

As of September 30, 2023 March 31, 2024, the following subsidiaries of AMC Networks Inc. guarantee the notes issued by AMC Networks Inc.

Guarantor	Jurisdiction of Formation
2nd Party LLC	Delaware
61st Street Productions I LLC	Delaware
Across the River Productions LLC	Delaware
Aesir Media Group, LLC	Texas
AMC Film Holdings LLC	Delaware
AMC Games LLC	Delaware
AMC Network Entertainment LLC	New York
AMC Networks Broadcasting & Technology	New York
AMC Networks International LLC	Delaware
AMC Networks Productions LLC	Delaware
AMC Plus Holdings LLC	Delaware
AMC Premiere LLC	Delaware
AMC TV Studios LLC	Delaware
AMC/Sundance Channel Global Networks LLC	Delaware
AMCN Properties LLC	Delaware
American Movie Classics IV Holding Corp	Delaware
Animal Control Productions I LLC	Delaware
Anime Network LLC	Texas
Anthem Productions I LLC	Delaware
Badlands Productions I LLC	Louisiana
Badlands Productions II LLC	Delaware
Brockmire Productions I LLC	Delaware
Cobalt Productions LLC	Delaware
Comic Scribe LLC	Delaware
Crossed Pens Development LLC	Delaware
Dark Winds Productions I LLC	Delaware
Digital Store LLC	Delaware
Dispatches Productions I LLC	Delaware
Expedition Productions I LLC	Delaware
Five Families Productions I LLC	Delaware
Five Moons Productions I LLC	Delaware
Geese Productions LLC	Delaware
Ground Work Productions LLC	Delaware
Halt and Catch Fire Productions I LLC	Delaware
Halt and Catch Fire Productions II LLC	Delaware
Halt and Catch Fire Productions III LLC	Delaware
Halt and Catch Fire Productions IV LLC	Delaware
Halt and Catch Fire Productions LLC	Delaware
Hap and Leonard Productions II LLC	Delaware
Hap and Leonard Productions III LLC	Delaware
HIDIVE LLC	Delaware

Guarantor	Jurisdiction of Formation
IFC Entertainment Holdings LLC	Delaware
IFC Entertainment LLC	Delaware
IFC Films LLC	Delaware
IFC In Theaters LLC	Delaware
IFC Productions I L.L.C.	Delaware
IFC Television Holdings LLC	Delaware
IFC Theatres Concessions LLC	Delaware
IFC Theatres, LLC	Delaware
IFC TV LLC	Delaware
IFC TV Studios Holdings LLC	Delaware
IFC TV Studios LLC	Delaware
Infinite Frontiers, LLC	Texas
Japan Creative Contents Alliance LLC	Delaware
Kindred Spirit Productions LLC	Delaware
Kopus Productions II LLC	Delaware
Kopus Productions LLC	Delaware
Lodge Productions I LLC	Delaware
Lodge Productions II LLC	Delaware
Making Waves Studio Productions LLC	Delaware
Mechanical Productions I LLC	Delaware
Monument Productions I LLC	Delaware
Moonhaven Productions I LLC	Delaware
Newfound Lake Productions I LLC	Delaware
NOS4A2 Productions I LLC	Rhode Island
Peach Pit Properties LLC	Delaware
Peachwood Productions LLC	Delaware
Pens Down LLC	Delaware
Premier Quills LLC	Delaware
AMC Content Distribution LLC	Delaware
Rainbow Media Enterprises, Inc.	Delaware
Rainbow Media Holdings LLC	Delaware
Rectify Productions II LLC	Delaware
Rectify Productions III LLC	Delaware
Rectify Productions IV LLC	Delaware
Rectify Productions LLC	Delaware
Red Monday Programming LLC	Delaware
RNC Holding Corporation	Delaware
RNC II Holding Corporation	Delaware
Roughhouse Productions I LLC	Delaware
Selects VOD LLC	Delaware
Sentai Holdings, LLC	Texas
Sentai Filmworks, LLC	Texas
Shudder LLC	Delaware

Guarantor	Jurisdiction of Formation
Sleuth Secrets Productions LLC	Delaware
Stalwart Productions LLC	Delaware
Stan Productions I LLC	Delaware
Stan Productions II LLC	Delaware
Sundance Channel Originals LLC	Delaware
Sundance Film Holdings LLC	Delaware
SundanceTV LLC	Delaware
Sxion 23, LLC	Texas
Tales Productions I LLC	Delaware
TWD Productions IV LLC	Delaware
TWD Productions IX LLC	Delaware
TWD Productions V LLC	Delaware
TWD Productions VI LLC	Delaware
TWD Productions VII LLC	Delaware
TWD Productions VIII LLC	Delaware
TWD Productions X LLC	Delaware
TWD Productions XI LLC	Delaware
Unio Mystica Holding, LLC	Texas
Universe Productions LLC	Delaware
Vampire Chronicles Productions I LLC	Delaware Louisiana
Voom HD Holdings LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

Exhibit 31.1

I, Kristin A. Dolan, certify that:

1. I have reviewed this report on Form 10-Q of AMC Networks Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the Registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date:	November 3, 2023 May 10, 2024	By:	/s/ Kristin A. Dolan
			Kristin A. Dolan
			Chief Executive Officer

Exhibit 31.2

I, Patrick O'Connell, certify that:

1. I have reviewed this report on Form 10-Q of AMC Networks Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the Registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date:	November 3, 2023 May 10, 2024	By:	/s/ Patrick O'Connell
			Patrick O'Connell
			Executive Vice President and Chief Financial Officer

Exhibit 32

Certifications

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of AMC Networks Inc. ("AMC Networks") hereby certifies, to such officer's knowledge, that AMC Networks' Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of AMC Networks.

Date:	November 3, 2023 May 10, 2024	By:	/s/ Kristin A. Dolan
			Kristin A. Dolan
			Chief Executive Officer

Date:	November 3, 2023 May 10, 2024	By:	/s/ Patrick O'Connell
			Patrick O'Connell
			Executive Vice President and Chief Financial Officer

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