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 June 30, 2022

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 ☑ 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 ☑ 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	☑	Accelerated filer	☐
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 ☑

The number of shares of common stock outstanding as of July 29, 2022:

Class A Common Stock par value $0.01 per share	31,434,451
Class B Common Stock par value $0.01 per share	11,484,408

AMC NETWORKS INC. AND SUBSIDIARIES

FORM 10-Q

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Item 1. Financial Statements.

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

	June 30, 2022	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 817,344	$ 892,221
Accounts receivable, trade (less allowance for doubtful accounts of $8,028 and $8,030)	744,432	815,444
Current portion of program rights, net	13,794	10,068
Prepaid expenses and other current assets	429,899	282,453
Total current assets	2,005,469	2,000,186
Property and equipment, net of accumulated depreciation of $313,611 and $286,133	213,940	225,791
Program rights, net	1,941,899	1,731,838
Intangible assets, net	374,348	399,434
Goodwill	684,236	709,344
Deferred tax assets, net	12,280	11,334
Operating lease right-of-use assets	111,673	125,866
Other assets	449,794	545,153
Total assets	$ 5,793,639	$ 5,748,946
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 153,178	$ 173,207
Accrued liabilities	298,807	340,407
Current portion of program rights obligations	299,830	307,054
Deferred revenue	243,734	167,071
Current portion of long-term debt	33,750	33,750
Current portion of lease obligations	37,076	36,596
Total current liabilities	1,066,375	1,058,085
Program rights obligations	187,197	218,321
Long-term debt, net	2,791,673	2,804,720
Lease obligations	132,548	151,839
Deferred tax liabilities, net	197,977	163,600
Other liabilities	133,697	165,860
Total liabilities	4,509,467	4,562,425
Commitments and contingencies		
Redeemable noncontrolling interests	270,726	283,849
Stockholders' equity:		
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,027 and 65,485 shares issued and 31,434 and 30,892 shares outstanding, respectively	660	655
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	—	—
Paid-in capital	341,403	347,971
Accumulated earnings	2,285,664	2,098,047
Treasury stock, at cost (34,593 and 34,593 shares Class A Common Stock, respectively)	(1,419,882)	(1,419,882)
Accumulated other comprehensive loss	(243,292)	(175,818)
Total AMC Networks stockholders' equity	964,668	851,088
Non-redeemable noncontrolling interests	48,778	51,584
Total stockholders' equity	1,013,446	902,672
Total liabilities and stockholders' equity	$ 5,793,639	$ 5,748,946

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenues, net	$ 738,025	$ 771,392	$ 1,450,182	$ 1,463,133
Operating expenses:				
Technical and operating (excluding depreciation and amortization)	325,772	338,841	610,009	619,413
Selling, general and administrative	231,819	198,618	462,472	390,153
Depreciation and amortization	27,231	22,604	49,821	47,850
Impairment and other charges	—	142,918	—	158,973
Restructuring and other related charges	—	155	—	8,780
Total operating expenses	584,822	703,136	1,122,302	1,225,169
Operating income	153,203	68,256	327,880	237,964
Other income (expense):				
Interest expense	(31,980)	(31,519)	(62,777)	(66,261)
Interest income	2,467	3,008	4,927	5,350
Loss on extinguishment of debt	—	—	—	(22,074)
Miscellaneous, net	(742)	14,174	5,086	19,580
Total other expense	(30,255)	(14,337)	(52,764)	(63,405)
Income from operations before income taxes	122,948	53,919	275,116	174,559
Income tax expense	(33,028)	(11,321)	(74,662)	(37,236)
Net income including noncontrolling interests	89,920	42,598	200,454	137,323
Net income attributable to noncontrolling interests	(6,491)	(6,713)	(12,837)	(14,417)
Net income attributable to AMC Networks' stockholders	$ 83,429	$ 35,885	$ 187,617	$ 122,906
Net income per share attributable to AMC Networks' stockholders:				
Basic	$ 1.93	$ 0.84	$ 4.36	$ 2.91
Diluted	$ 1.91	$ 0.83	$ 4.29	$ 2.84
Weighted average common shares:				
Basic	43,192	42,481	42,987	42,207
Diluted	43,679	43,382	43,697	43,277

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 June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net income including noncontrolling interests	$ 89,920	$ 42,598	$ 200,454	$ 137,323
Other comprehensive income (loss):				
Foreign currency translation adjustment	(51,740)	7,675	(70,333)	(14,349)
Unrealized gain on interest rate swaps	—	598	—	1,208
Other comprehensive income (loss), before income taxes	(51,740)	8,273	(70,333)	(13,141)
Income tax expense	—	(141)	—	(284)
Other comprehensive income (loss), net of income taxes	(51,740)	8,132	(70,333)	(13,425)
Comprehensive income	38,180	50,730	130,121	123,898
Comprehensive income attributable to noncontrolling interests	(4,463)	(6,775)	(9,978)	(14,209)
Comprehensive income attributable to AMC Networks' stockholders	$ 33,717	$ 43,955	$ 120,143	$ 109,689

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, March 31, 2022	$ 660	$ 115	$ 335,803	$ 2,202,235	$ (1,419,882)	$ (193,580)	$ 925,351	$ 51,627	$ 976,978
Net income attributable to AMC Networks' stockholders	—	—	—	83,429	—	—	83,429	—	83,429
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,870	1,870
Purchase of noncontrolling interests, net of tax	—	—	(3,066)	—	—	—	(3,066)	(1,297)	(4,363)
Distribution to noncontrolling member	—	—	—	—	—	—	—	(1,394)	(1,394)
Other comprehensive income	—	—	—	—	—	(49,712)	(49,712)	(2,028)	(51,740)
Share-based compensation expenses	—	—	8,683	—	—	—	8,683	—	8,683
Net share issuances under employee stock plans	—	—	(17)	—	—	—	(17)	—	(17)
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	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, March 31, 2021	$ 653	$ 115	$ 314,331	$ 1,934,472	$ (1,419,882)	$ (156,237)	$ 673,452	$ 48,109	$ 721,561
Net income attributable to AMC Networks' stockholders	—	—	—	35,885	—	—	35,885	—	35,885
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	3,143	3,143
Distributions to noncontrolling member	—	—	—	—	—	—	—	(1,441)	(1,441)
Other comprehensive income	—	—	—	—	—	8,070	8,070	62	8,132
Share-based compensation expenses	—	—	16,262	—	—	—	16,262	—	16,262
Balance, June 30, 2021	$ 653	$ 115	$ 330,593	$ 1,970,357	$ (1,419,882)	$ (148,167)	$ 733,669	$ 49,873	$ 783,542

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, 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	—	—	—	187,617	—	—	187,617	—	187,617
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	4,309	4,309
Purchase of noncontrolling interests, net of tax	—	—	(3,066)	—	—	—	(3,066)	(1,297)	(4,363)
Distributions to noncontrolling member	—	—	—	—	—	—	—	(2,959)	(2,959)
Other comprehensive income (loss)	—	—	—	—	—	(67,474)	(67,474)	(2,859)	(70,333)
Share-based compensation expenses	—	—	16,812	—	—	—	16,812	—	16,812
Net share issuances under employee stock plans	5	—	(20,314)	—	—	—	(20,309)	—	(20,309)
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	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, 2020	$ 646	$ 115	$ 323,425	$ 1,847,451	$ (1,419,882)	$ (134,950)	$ 616,805	$ 26,296	$ 643,101
Net income attributable to AMC Networks' stockholders	—	—	—	122,906	—	—	122,906	—	122,906
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	4,278	4,278
Contributions from noncontrolling member	—	—	—	—	—	—	—	1,140	1,140
Transfer from redeemable noncontrolling interest	—	—	—			—	—	18,367	18,367
Other comprehensive income (loss)	—	—	—	—	—	(13,217)	(13,217)	(208)	(13,425)
Share-based compensation expenses	—	—	29,708	—	—	—	29,708	—	29,708
Proceeds from the exercise of stock options	—	—	9,795	—	—	—	9,795	—	9,795
Net share issuances under employee stock plans	7	—	(32,335)	—	—	—	(32,328)	—	(32,328)
Balance, June 30, 2021	$ 653	$ 115	$ 330,593	$ 1,970,357	$ (1,419,882)	$ (148,167)	$ 733,669	$ 49,873	$ 783,542

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash flows from operating activities:		
Net income including noncontrolling interests	$ 200,454	$ 137,323
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	49,821	47,850
Impairment and other charges	—	158,973
Share-based compensation expenses related to equity classified awards	16,812	29,709
Non-cash restructuring and other related charges	—	4,329
Amortization of program rights	396,890	333,348
Amortization of deferred carriage fees	16,902	7,633
Unrealized foreign currency transaction gain	(554)	(10,609)
Amortization of deferred financing costs and discounts on indebtedness	3,828	3,923
Loss on extinguishment of debt	—	22,074
Bad debt expense	1,165	3,530
Deferred income taxes	34,115	16,487
Gain on investments	(4,084)	(4,554)
Other, net	(4,955)	(7,776)
Changes in assets and liabilities:		
Accounts receivable, trade (including amounts due from related parties, net)	58,410	7,913
Prepaid expenses and other assets	(50,853)	(18,233)
Program rights and obligations, net	(667,492)	(583,480)
Income taxes payable	2,241	(5,472)
Deferred revenue	44,874	1,203
Deferred carriage fees, net	(11,686)	(27,861)
Accounts payable, accrued liabilities and other liabilities	(68,714)	14,857
Net cash provided by operating activities	17,174	131,167
Cash flows from investing activities:		
Capital expenditures	(21,554)	(18,849)
Return of capital from investees	1,771	—
Payments for acquisition of a business, net of cash acquired	—	(19,072)
Acquisition of investments	—	(28,397)
Cash paid on distribution of business	—	(7,052)
Principal payment received on loan to investee	—	20,000
Proceeds from sale of investments	9,854	95,370
Net cash provided by (used in) investing activities	(9,929)	42,000
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	—	984,500
Principal payments on long-term debt	(16,875)	(1,015,000)
Deemed repurchases of restricted stock units	(20,309)	(32,327)
Proceeds from stock option exercises	—	9,795
Principal payments on finance lease obligations	(1,663)	(1,984)
Contributions from noncontrolling interests	—	2,702
Distributions to noncontrolling interests	(25,139)	(11,912)
Purchase of noncontrolling interests	(2,500)	—
Net cash used in financing activities	(66,486)	(64,226)
Net increase (decrease) in cash and cash equivalents from operations	(59,241)	108,941
Effect of exchange rate changes on cash and cash equivalents	(15,636)	(16,741)
Cash and cash equivalents at beginning of period	892,221	888,526
Cash and cash equivalents at end of period	$ 817,344	$ 980,726

See accompanying notes to condensed consolidated financial statements.

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 and AMC Broadcasting & Technology. Our programming services consist of our five national programming networks, our streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our global targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide and IFC Films is our film distribution business. AMC Networks Broadcasting & Technology, our technical services business, 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 around the world, and 25/7 Media, our production services business.

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of AMC Networks and its subsidiaries in which a controlling voting 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, 2021 contained in the Company's Annual Report on Form 10-K ("2021 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, 2022.

Risks and Uncertainties

The Company continues to monitor the ongoing impact of the COVID-19 pandemic on all aspects of its business. The Company cannot reasonably predict the continuing impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the acceptance, safety and efficacy of vaccines, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

Use of Estimates

The preparation of financial statements in conformity with 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.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of June 30, 2022, 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.

Contract Balances from Contracts with Customers

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

(In thousands)	June 30, 2022	December 31, 2021
Balances from contracts with customers:		
Accounts receivable (including long-term receivables within Other assets)	$ 986,278	$ 1,106,225
Contract assets, short-term (included in Prepaid expenses and other current assets)	169,653	69,351
Contract assets, long-term (included in Other assets)	2,086	29,323
Contract liabilities, short-term (Deferred revenue)	243,734	167,071
Contract liabilities, long-term (Deferred revenue included in Other liabilities)	58	31,832

Revenue recognized for the six months ended June 30, 2022 and 2021 relating to the contract liability at December 31, 2021 and 2020 was $45.7 million and $17.7 million, respectively.

Note 3. Net Income per Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2022	2021	2022	2021
Basic weighted average common shares outstanding	43,192	42,481	42,987	42,207
Effect of dilution:				
Stock options	—	—	—	6
Restricted stock units	487	901	710	1,064
Diluted weighted average common shares outstanding	43,679	43,382	43,697	43,277

As of June 30, 2022 and June 30, 2021, 0.8 million and 0.3 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 six months ended June 30, 2022 and 2021, the Company did not repurchase any shares of its Class A Common Stock. As of June 30, 2022, the Company had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Note 4. Impairment and Other Charges

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

Impairment and other charges for the three and six months ended June 30, 2021 were $142.9 million and $159.0 million, respectively.

On July 16, 2021, the Company entered into a settlement agreement (the “Settlement Agreement”) with Frank Darabont, Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "Plaintiffs") in actions brought in connection with Frank Darabont’s rendering services as a writer, director and producer of the television series entitled *The Walking Dead*. The Settlement Agreement provided for a cash payment of $200 million (the “Settlement Payment”) to the Plaintiffs and future revenue sharing related to certain future streaming exhibition of *The Walking Dead* and *Fear The Walking Dead*. With regard to the Settlement Payment, the Company recorded a charge of $143.0 million during the second quarter of 2021, included in Impairment and other charges in consideration for the extinguishment of Plaintiffs’ rights to any compensation in connection with *The Walking Dead* and any related programs and the dismissal of the actions with prejudice, which amount was net of $57.0 million of ordinary course accrued participations.

In March 2021, the Company completed a spin-off of the live comedy venue and talent management businesses ("LiveCo") of Levity Entertainment Group, LLC. In connection with the transaction, the Company effectively exchanged all of its rights and interests in LiveCo for the release of the Company's obligations, principally related to leases. As a result of this divestiture, the Company recognized a loss on the disposal of $16.1 million reflecting the net assets transferred (consisting of property and equipment, lease right-of-use assets and intangibles, partially offset by lease and other obligations), which is included in Impairment and other charges. The Company retained its interest in the production services business of Levity Entertainment Group, LLC, which was renamed 25/7 Media Holdings, LLC ("25/7 Media") following the spin-off.

Note 5. Restructuring and Other Related Charges

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

Restructuring and other related charges of $0.2 million and $8.8 million for the three and six months ended June 30, 2021, respectively, consisted of $0.2 million and $4.3 million of severance costs associated with the restructuring plan announced in November 2020 for the three and six months ended June 30, 2021, respectively, and $4.5 million at AMCNI related to the termination of distribution in certain international territories for the six months ended June 30, 2021.

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

	Three Months Ended June 30,	Six Months Ended June 30,
(In thousands)	**2021**	**2021**
Domestic Operations	$ 216	$ 2,643
International and Other	(17)	4,473
Corporate / Inter-segment eliminations	(44)	1,664
Total restructuring and other related charges	$ 155	$ 8,780

Note 6. Program Rights

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

	June 30, 2022		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	$ 219,611	$ 301,862	$ 521,473
In-production and in-development	105,010	311,768	416,778
Total owned original program rights, net	$ 324,621	$ 613,630	$ 938,251
Licensed program rights, net:			
Licensed film and acquired series	$ 4,932	$ 597,137	$ 602,069
Licensed originals	83,794	208,111	291,905
Advances and content versioning costs	—	123,468	123,468
Total licensed program rights, net	88,726	928,716	1,017,442
Program rights, net	**$ 413,347**	**$ 1,542,346**	**$ 1,955,693**
Current portion of program rights, net			$ 13,794
Program rights, net (long-term)			1,941,899
			$ 1,955,693

	December 31, 2021		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	$ 185,228	$ 127,470	$ 312,698
In-production and in-development	161,881	264,927	426,808
Total owned original program rights, net	$ 347,109	$ 392,397	$ 739,506
Licensed program rights, net:			
Licensed film and acquired series	$ 7,005	$ 620,935	$ 627,940
Licensed originals	61,923	148,063	209,986
Advances and content versioning costs	57,278	107,196	164,474
Total licensed program rights, net	126,206	876,194	1,002,400
Program rights, net	**$ 473,315**	**$ 1,268,591**	**$ 1,741,906**
Current portion of program rights, net			$ 10,068
Program rights, net (long-term)			1,731,838
			$ 1,741,906

Amortization 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 June 30, 2022			Six Months Ended June 30, 2022		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	$ 44,504	$ 30,381	$ 74,885	$ 94,344	$ 47,316	$ 141,660
Licensed program rights	9,633	119,520	129,153	17,241	237,989	255,230
Program rights amortization	$ 54,137	$ 149,901	$ 204,038	$ 111,585	$ 285,305	$ 396,890

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	$ 50,921	$ 7,571	$ 58,492	$ 84,827	$ 12,137	$ 96,964
Licensed program rights	20,865	103,004	123,869	45,885	190,499	236,384
Program rights amortization	$ 71,786	$ 110,575	$ 182,361	$ 130,712	$ 202,636	$ 333,348

The Company periodically reviews the programming usefulness of its 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 it is determined that film or other program rights have limited, or no, future programming usefulness, the useful life is updated, which generally results in a write-off of the unamortized cost to technical and operating expenses in the consolidated statements of income. There were no significant program rights write-offs included in technical and operating expense for the three and six months ended June 30, 2022 or 2021.

Note 7. 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 were $83.0 million and $93.7 million at June 30, 2022 and December 31, 2021, respectively.

Marketable Equity Securities

The Company classifies publicly traded investments with readily determinable fair values that are not accounted for under the equity method as marketable equity securities. Marketable equity securities are recorded at cost and adjusted to fair value at each reporting period. The changes in fair value between measurement dates are recorded in miscellaneous, net in the condensed consolidated statement of income.

In April 2022, the Company sold its interest in a marketable equity security for $9.9 million. The Company recognized a loss of $0.2 million and a gain of $4.1 million on marketable equity securities for the three and six months ended June 30, 2022, respectively. There were losses of $2.4 million and $7.8 million on marketable equity securities for the three and six months ended June 30, 2021, respectively. There were no investments in marketable equity securities at June 30, 2022 and $5.8 million of investments in marketable equity securities at December 31, 2021.

Non-marketable Equity Securities

The Company classifies investments without readily determinable fair values that are not accounted for under the equity method as non-marketable equity securities. Investments in non-marketable equity securities were $37.7 million at June 30, 2022 and December 31, 2021. The changes in value, if any, are recorded in miscellaneous, net in the condensed consolidated statement of income.

Note 8. 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, 2021	$ 353,470	$ 355,874	$ 709,344
Purchase accounting adjustments	(1,086)	—	(1,086)
Amortization of "second component" goodwill	(672)	—	(672)
Foreign currency translation	—	(23,350)	(23,350)
June 30, 2022	$ 351,712	$ 332,524	$ 684,236

As of June 30, 2022 and December 31, 2021, accumulated impairment charges in the International and Other segment totaled $123.1 million.

The purchase accounting adjustments of $1.1 million to the carrying amount of goodwill in Domestic Operations relate to the acquisition of Sentai Holdings, a global supplier of anime content, including its anime-focused HIDIVE subscription streaming service, for which the allocation of goodwill is preliminary and is based on current estimates and currently available information, and is subject to revision based on final allocation of the purchase price to identifiable assets and liabilities acquired.

The reduction of $0.7 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.

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

	June 30, 2022			
(In thousands)	Gross	Accumulated Amortization	Net	Estimated Useful Lives
Amortizable intangible assets:				
Affiliate and customer relationships	$ 634,476	$ (358,987)	$ 275,489	6 to 25 years
Advertiser relationships	46,282	(32,339)	13,943	11 years
Trade names and other amortizable intangible assets	108,246	(43,230)	65,016	3 to 20 years
Total amortizable intangible assets	789,004	(434,556)	354,448	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$ 808,904	$ (434,556)	$ 374,348	

	December 31, 2021		
(In thousands)	Gross	Accumulated Amortization	Net
Amortizable intangible assets:			
Affiliate and customer relationships	$ 649,543	$ (354,673)	$ 294,870
Advertiser relationships	46,282	(30,235)	16,047
Trade names and other amortizable intangible assets	111,151	(42,534)	68,617
Total amortizable intangible assets	806,976	(427,442)	379,534
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$ 826,876	$ (427,442)	$ 399,434

Aggregate amortization expense for amortizable intangible assets for the three months ended June 30, 2022 and 2021 was $10.4 million and $9.4 million, respectively, and for the six months ended June 30, 2022 and 2021 was $21.0 million and $18.9 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,**		
2022	$	41,600
2023		41,428
2024		41,345
2025		39,654
2026		35,152

Note 9. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)		**June 30, 2022**		**December 31, 2021**
Employee related costs		91,101	$	128,388
Participations and residuals		128,496		133,988
Interest		36,950		36,922
Other accrued expenses		42,260		41,109
Total accrued liabilities	$	298,807	$	340,407

Note 10. Long-term Debt

The Company's long-term debt consists of the following:

(In thousands)		**June 30, 2022**		**December 31, 2021**
Senior Secured Credit Facility: [(a)]				
Term Loan A Facility	$	658,125	$	675,000
Senior Notes:				
5.00% Notes due April 2024		400,000		400,000
4.75% Notes due August 2025		800,000		800,000
4.25% Notes due February 2029		1,000,000		1,000,000
Total long-term debt		2,858,125		2,875,000
Unamortized discount		(20,979)		(23,167)
Unamortized deferred financing costs		(11,723)		(13,363)
Long-term debt, net		2,825,423		2,838,470
Current portion of long-term debt		33,750		33,750
Noncurrent portion of long-term debt	$	2,791,673	$	2,804,720

(a) The Company's $500 million revolving credit facility remains undrawn at June 30, 2022. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

During the six months ended June 30, 2022, the Company repaid a total of $16.9 million of the principal amount of the Term Loan A Facility in accordance with the terms of the agreement.

Note 11. Leases

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

(In thousands)	Balance Sheet Location	June 30, 2022	December 31, 2021
Assets			
Operating	Operating lease right-of-use assets	$ 111,673	$ 125,866
Finance	Property and equipment, net	11,531	12,080
Total lease assets		$ 123,204	$ 137,946
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 33,336	$ 32,929
Finance	Current portion of lease obligations	3,740	3,667
		$ 37,076	$ 36,596
Noncurrent:			
Operating	Lease obligations	$ 111,213	128,319
Finance	Lease obligations	21,335	23,520
		132,548	$ 151,839
Total lease liabilities		$ 169,624	$ 188,435

Note 12. 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 June 30, 2022 and December 31, 2021:

(In thousands)	Level I	Level II	Level III	Total
At June 30, 2022:				
Assets				
Cash equivalents	$ 80,013	$ —	$ —	$ 80,013
Foreign currency derivatives	—	366	—	366
Liabilities				
Foreign currency derivatives	—	8,313	—	8,313
At December 31, 2021:				
Assets				
Marketable securities	$ 5,771	$ —	$ —	$ 5,771
Foreign currency derivatives	—	196	—	196
Liabilities				
Foreign currency derivatives	—	5,911	—	5,911

The Company's cash equivalents (comprised of money market funds) and marketable securities 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 June 30, 2022 and December 31, 2021, 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:

	June 30, 2022	
(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	$ 649,033	$ 651,544
5.00% Notes due April 2024	398,179	387,500
4.75% Notes due August 2025	793,119	740,000
4.25% Notes due February 2029	985,092	805,000
	$ 2,825,423	$ 2,584,044

	December 31, 2021	
(In thousands)	**Carrying Amount**	**Estimated Fair Value**
Debt instruments:		
Term loan A facility	$ 664,581	$ 670,781
5.00% Notes due April 2024	397,693	403,500
4.75% Notes due August 2025	792,098	818,000
4.25% Notes due February 2029	984,098	997,500
	$ 2,838,470	$ 2,889,781

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 13. 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 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)	**Balance Sheet Location**	**June 30, 2022**	**December 31, 2021**
Derivatives not designated as hedging instruments:			
Assets:			
Foreign currency derivatives	Prepaid expenses and other current assets	$ 272	$ 180
Foreign currency derivatives	Other assets	94	16
Liabilities:			
Foreign currency derivatives	Accrued liabilities	$ 3,106	$ 1,686
Foreign currency derivatives	Other liabilities	5,207	4,225

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 June 30,		**Six Months Ended June 30,**	
(In thousands)		**2022**	**2021**	**2022**	**2021**
Foreign currency derivatives	Miscellaneous, net	$ (3,204)	$ (149)	$ (3,761)	$ (95)

Note 14. Income Taxes

For the three and six months ended June 30, 2022, income tax expense was $33.0 million and $74.7 million, respectively, representing an effective tax rate of 27% for both periods. The items resulting in variances from the federal statutory rate of 21% for the three and six months ended June 30, 2022 primarily consist of state and local income tax expense and tax expense for an increase in the valuation allowance for foreign taxes.

For the three and six months ended June 30, 2021, income tax expense was $11.3 million and $37.2 million, respectively, representing an effective tax rate of 21% for both periods, which was equal to the federal statutory rate. The effective tax rate for the three months ended June 30, 2021 was impacted by state and local income tax expense and tax expense for an increase in valuation allowances for foreign taxes and U.S. foreign tax, partially offset by a tax benefit from foreign operations. The effective tax rate for the six months ended June 30, 2021 was impacted by a discrete tax benefit for excess tax benefits related to stock compensation, partially offset by state and local income tax expense.

At June 30, 2022, the Company had foreign tax credit carry forwards of approximately $42.9 million, expiring on various dates from 2022 through 2032. These carryforwards have been reduced by a valuation allowance of $42.9 million as it is more likely than not that these carry forwards will not be realized. For the six months ended June 30, 2022, $0.5 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).

Note 15. Commitments and Contingencies

Commitments

As of June 30, 2022, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet decreased $76.5 million, as compared to December 31, 2021, to $986.9 million. The decrease primarily relates to 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. A trial of the two remaining claims is currently scheduled for January 2023. The Company believes the two remaining claims in the case for breach of contract are without merit and is continuing to defend against them. 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 various lawsuits and claims in the ordinary course of business, including the matters described above. 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 16. Equity Plans

In June 2022, AMC Networks granted 51,044 restricted stock units ("RSUs") under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

In March 2022, AMC Networks granted 628,508 RSUs to certain executive officers and employees under the AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan. The RSUs vest ratably over a three-year period.

During the three months ended June 30, 2022, 1,270 RSUs of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 441 RSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 829 RSU new shares of AMC Networks Class A Common Stock were issued. During the six months ended June 30, 2022, 616,091 RSUs and 344,157 performance restricted stock units ("PRSUs") of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 262,386 RSUs and 155,103 PRSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 353,705 RSU and 189,054 PRSU new 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. All units surrendered during the six months ended June 30, 2022 had an aggregate value of $20.3 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the six months ended June 30, 2022.

Share-based compensation expenses included in selling, general and administrative expenses were $8.7 million and $16.8 million for the three and six months ended June 30, 2022, respectively and $16.3 million and $29.7 million for the three and six months ended June 30, 2021, respectively.

As of June 30, 2022, there was $35.3 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 2.2 years.

Note 17. Noncontrolling Interests

Redeemable Noncontrolling Interests

The following table summarizes activity related to redeemable noncontrolling interest for the six months ended June 30, 2022 and 2021:

(In thousands)	**Six Months Ended June 30, 2022**
December 31, 2021	$ 283,849
Net earnings	8,528
Distributions	(22,180)
Other	529
June 30, 2022	$ 270,726

(In thousands)	**Six Months Ended June 30, 2021**
December 31, 2020	$ 315,649
Net earnings	10,139
Distributions	(10,351)
Distribution related to spin-off transaction	(8,040)
Transfer to noncontrolling interest	(18,367)
June 30, 2021	$ 289,030

In connection with the spin-off of the live comedy venue and talent management businesses of Levity Entertainment Group, LLC (see Note 4), $8.0 million of redeemable noncontrolling interests was distributed to the noncontrolling partners. In addition, as part of the transaction, the preexisting put rights of the noncontrolling interest holders were terminated. Accordingly, the remaining $18.4 million of noncontrolling interests was transferred from Redeemable noncontrolling interests to Noncontrolling interests in the condensed consolidated balance sheet.

Non-redeemable Noncontrolling Interests

In April 2022, 25/7 Media entered into a purchase agreement to acquire the remaining 50% interest of a consolidated subsidiary. Under the terms of the agreement, 25/7 Media agreed to pay up to $7.1 million, of which $2.5 million was paid in cash upon closing and an additional $4.6 million represents an earn-out that is contingent on the subsidiary exceeding specified profitability targets. As of June 30, 2022, the estimated fair value of the purchase price, based on the weighted average probability of such profitability targets being met, was $4.4 million (net of tax of $0.9 million). The carrying amount of the noncontrolling interest was eliminated and the excess of consideration transferred was recorded as additional-paid-in capital in the condensed consolidated statement of stockholders' equity.

Note 18. Related Party Transactions

The Company and its related parties routinely enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to $1.2 million and $1.3 million for the three months ended June 30, 2022 and 2021, respectively, and $2.5 million for the six months ended June 30, 2022 and 2021. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to transactions with its related parties amounted to $0.7 million and $0.5 million for the three months ended June 30, 2022 and 2021, respectively, and $1.3 million and $1.0 million for the six months ended June 30, 2022 and 2021, respectively.

As disclosed in Note 20 of the Company's 2021 Annual Report on 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, a director of the Company, own 50% of 605, LLC. Kristin A. Dolan is also the founder and Chief Executive Officer of 605, LLC. 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 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 are $10.5 million payable in five installments with the first payment due upon execution of the agreement. The initial term of the Statement of Work is August 1, 2022 to December 31, 2022, which term is automatically extended to June 30, 2023 unless terminated by either party on 30 days' notice prior to December 31, 2022.

Under the Statement of Work, 605, LLC will engage in a strategic, research, market, business and financial assessment of the Company and its business partnering with the Company's management team with a goal of accelerating transition to direct consumer-facing distribution platforms (including subscription streaming, ad-supported streaming, AVOD/FAST, and global streaming expansion). 605, LLC will utilize 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 to be provided by 605, LLC are 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 19. Cash Flows

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

	Six Months Ended June 30,	
(In thousands)	**2022**	**2021**
Non-Cash Investing and Financing Activities:		
Capital expenditures incurred but not yet paid	$ 6,002	$ 1,758
Contingent consideration for purchase of noncontrolling interests	2,806	—
Supplemental Data:		
Cash interest paid	58,539	54,207
Income taxes paid, net	33,793	45,058

Note 20. Segment Information

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

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 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.

(In thousands)	Three Months Ended June 30, 2022 Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	$ 347,024	$ 56,702	$ —	$ 403,726
Content licensing and other	72,426	47,335	(8,848)	110,913
Distribution and other	419,450	104,037	(8,848)	514,639
Advertising	201,652	21,734	—	223,386
Consolidated revenues, net	$ 621,102	$ 125,771	$ (8,848)	$ 738,025
Operating income (loss)	$ 188,812	$ 14,087	$ (49,696)	$ 153,203
Share-based compensation expenses	3,172	467	5,044	8,683
Depreciation and amortization	13,439	4,633	9,159	27,231
Cloud computing amortization	5	—	2,359	2,364
Majority-owned equity investees AOI	4,061	—	—	4,061
Adjusted operating income (loss)	$ 209,489	$ 19,187	$ (33,134)	$ 195,542

(In thousands)	Three Months Ended June 30, 2021 Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Revenues, net				
Subscription	$ 343,056	$ 62,924	$ —	405,980
Content licensing and other	83,677	49,386	(5,900)	127,163
Distribution and other	426,733	112,310	(5,900)	533,143
Advertising	212,282	25,967	—	238,249
Consolidated revenues, net	$ 639,015	$ 138,277	$ (5,900)	$ 771,392
Operating income (loss)	$ 88,116	$ 19,963	$ (39,823)	68,256
Share-based compensation expenses	7,292	913	8,057	16,262
Depreciation and amortization	11,716	4,328	6,560	22,604
Impairment charges	143,000	(82)	—	142,918
Restructuring and other related charges	216	(17)	(44)	155
Cloud computing amortization	—	—	642	642
Majority-owned equity investees AOI	(200)	—	—	(200)
Adjusted operating income (loss)	$ 250,140	$ 25,105	$ (24,608)	$ 250,637

	Six Months Ended June 30, 2022			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Subscription	$ 690,772	$ 117,114	$ —	$ 807,886
Content licensing and other	133,680	74,389	(12,085)	195,984
Distribution and other	824,452	191,503	(12,085)	1,003,870
Advertising	402,193	44,119	—	446,312
Consolidated revenues, net	$ 1,226,645	$ 235,622	$ (12,085)	$ 1,450,182
Operating income (loss)	$ 387,334	$ 31,442	$ (90,896)	$ 327,880
Share-based compensation expenses	6,845	1,221	8,746	16,812
Depreciation and amortization	25,575	9,536	14,710	49,821
Cloud computing amortization	12	—	3,259	3,271
Majority-owned equity investees AOI	8,942	—	—	8,942
Adjusted operating income (loss)	$ 428,708	$ 42,199	$ (64,181)	$ 406,726

	Six Months Ended June 30, 2021			
(In thousands)	**Domestic Operations**	**International and Other**	**Corporate / Inter-segment Eliminations**	**Consolidated**
Revenues, net				
Subscription	$ 661,888	$ 125,952	$ —	$ 787,840
Content licensing and other	139,672	85,954	(9,295)	216,331
Distribution and other	801,560	$ 211,906	(9,295)	$ 1,004,171
Advertising	411,424	47,538	—	458,962
Consolidated revenues, net	$ 1,212,984	$ 259,444	$ (9,295)	$ 1,463,133
Operating income (loss)	$ 304,575	$ 16,801	$ (83,412)	$ 237,964
Share-based compensation expenses	12,931	2,144	14,633	29,708
Depreciation and amortization	25,089	9,277	13,484	47,850
Impairment and other charges	143,000	15,973	—	158,973
Restructuring and other related charges	2,643	4,473	1,664	8,780
Cloud computing amortization	—	—	906	906
Majority-owned equity investees AOI	4,435	—	—	4,435
Adjusted operating income (loss)	$ 492,673	$ 48,668	$ (52,725)	$ 488,616

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 (such as human resources, legal, finance, strategic planning and information technology).

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Inter-segment revenues				
Domestic Operations	$ (7,442)	$ (6,256)	$ (10,444)	$ (6,926)
International and Other	(1,406)	356	(1,641)	(2,369)
	$ (8,848)	$ (5,900)	$ (12,085)	$ (9,295)

The table below summarizes revenues based on customer location:

(In thousands)	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Revenues				
United States	$ 600,226	$ 612,326	$ 1,191,434	$ 1,189,474
Europe	97,146	119,555	180,071	201,591
Other	40,653	39,511	78,677	72,068
	$ 738,025	$ 771,392	$ 1,450,182	$ 1,463,133

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

(In thousands)	June 30, 2022	December 31, 2021
Property and equipment, net		
United States	$ 200,586	$ 210,252
Europe	12,242	14,510
Other	1,112	1,029
	$ 213,940	$ 225,791

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;
- our ability to successfully launch our streaming services in countries outside of the United States;
- the loss of any of our key personnel and artistic talent;
- the security of our program rights and other electronic data;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- economic and business conditions and industry trends in the countries in which we operate, including increases in inflation rates;
- fluctuations in currency exchange rates and interest rates;
- the impact of COVID-19 on the economy and our business, including the measures taken by governmental authorities to address the pandemic, which may precipitate or exacerbate other risks and/or uncertainties;
- 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");
- our substantial debt and high leverage;
- reduced access to capital 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 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;
- 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 2021 Annual Report on Form 10-K (the "2021 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 2021 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. 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 six months ended June 30, 2022 compared to the three and six months ended June 30, 2021. Our discussion is presented on both a consolidated and segment basis. Our two segments are: (i) Domestic Operations and (ii) International and Other.

Liquidity and Capital Resources. This section provides a discussion of our financial condition as of June 30, 2022, as well as an analysis of our cash flows for the six months ended June 30, 2022 and 2021. The discussion of our financial condition and liquidity includes summaries of (i) our primary sources of liquidity and (ii) our contractual obligations that existed at June 30, 2022 as compared to December 31, 2021.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2021.

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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2022**	**2021**	**2022**	**2021**
Revenues, net				
Domestic Operations	$ 621,102	$ 639,015	$ 1,226,645	$ 1,212,984
International and Other	125,771	138,277	235,622	259,444
Inter-segment Eliminations	(8,848)	(5,900)	(12,085)	(9,295)
	$ 738,025	$ 771,392	$ 1,450,182	$ 1,463,133
Operating Income (Loss)				
Domestic Operations	$ 188,812	$ 88,116	$ 387,334	$ 304,575
International and Other	14,087	19,963	31,442	16,801
Corporate / Inter-segment Eliminations	(49,696)	(39,823)	(90,896)	(83,412)
	$ 153,203	$ 68,256	$ 327,880	$ 237,964
Adjusted Operating Income (Loss)				
Domestic Operations	$ 209,489	$ 250,140	$ 428,708	$ 492,673
International and Other	19,187	25,105	42,199	48,668
Corporate / Inter-segment Eliminations	(33,134)	(24,608)	(64,181)	(52,725)
	$ 195,542	$ 250,637	$ 406,726	$ 488,616

[1] Adjusted Operating Income (Loss), is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section on page 34 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 and AMC Broadcasting & Technology. Our programming services consist of our five national programming networks, our streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our streaming services consist of our global targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, ALLBLK, and HIDIVE), AMC+ and other streaming initiatives. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide and IFC Films is our film distribution business. AMC Networks Broadcasting & Technology, our technical services business, 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 around the world, and 25/7 Media, our production services business.

<u>*Domestic Operations*</u>

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 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," which generally provide for annual rate increases. The specific subscription fee revenues we earn vary from period to period, distributor to distributor and also vary among our programming services, but are generally based upon the number of each distributor's subscribers who receive our programming, referred to as viewing subscribers. Subscription fees for our streaming services are generally paid by 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.

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.

Programming expenses, included in technical and operating expenses, represent the largest expenses of the Domestic Operations segment and primarily consists of amortization of programming 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. 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. We will continue to increase our investment in original programming. There may be significant changes in the level of our technical and operating expenses due to the amortization of content acquisition and/or original programming costs. Program rights that are 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 monetized individually are amortized based on the individual-film-forecast-computation method.

Most original series require us to make up-front investments, which are often significant amounts. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expenses.

<u>*International and Other*</u>

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

In our International and Other segment, we earn 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 six months ended June 30, 2022, distribution revenues represented 81% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors or consumers to carry our programming networks and production services revenue generated from 25/7 Media. Our subscription revenues are generally based on either a per-subscriber fee or a fixed contractual annual fee, under multi-year affiliation agreements, which may provide for annual rate increases. 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. Distribution revenues are derived from the distribution of our programming networks primarily in Europe and to a lesser extent, Latin America.

Programming expenses, 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, production costs, and participation and residual 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. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expenses.

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 (such as human resources, legal, finance, strategic planning and information technology). 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.

Capital and credit market disruptions, as well as other events such as the COVID-19 pandemic, 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 from our distributors. Events such as these may adversely impact our results of operations, cash flows and financial position.

Impact of COVID-19 on Our Business

The Company continues to monitor the ongoing impact of the COVID-19 pandemic on all aspects of its business. The Company cannot reasonably predict the continuing impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the acceptance, safety and efficacy of vaccines, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

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 consolidated statements of operations 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 attributable to noncontrolling interests in our consolidated statements of operations.

Three and Six Months Ended June 30, 2022 and 2021

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

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Revenues, net:						
Subscription	$ 403,726	$ 405,980	(0.6)%	$ 807,886	$ 787,840	2.5 %
Content licensing and other	110,913	127,163	(12.8)%	195,984	216,331	(9.4)%
Distribution and other	514,639	533,143	(3.5)%	1,003,870	1,004,171	— %
Advertising	223,386	238,249	(6.2)%	446,312	458,962	(2.8)%
Total revenues, net	738,025	771,392	(4.3)%	1,450,182	1,463,133	(0.9)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	325,772	338,841	(3.9)%	610,009	619,413	(1.5)%
Selling, general and administrative	231,819	198,618	16.7 %	462,472	390,153	18.5 %
Depreciation and amortization	27,231	22,604	20.5 %	49,821	47,850	4.1 %
Impairment and other charges	—	142,918	(100.0)%	—	158,973	(100.0)%
Restructuring and other related charges	—	155	(100.0)%	—	8,780	(100.0)%
Total operating expenses	584,822	703,136	(16.8)%	1,122,302	1,225,169	(8.4)%
Operating income	153,203	68,256	124.5 %	327,880	237,964	37.8 %
Other income (expense):						
Interest expense, net	(29,513)	(28,511)	3.5 %	(57,850)	(60,911)	(5.0)%
Loss on extinguishment of debt	—	—	—	—	(22,074)	(100.0)%
Miscellaneous, net	(742)	14,174	(105.2)%	5,086	19,580	(74.0)%
Total other expense	(30,255)	(14,337)	111.0 %	(52,764)	(63,405)	(16.8)%
Income from operations before income taxes	122,948	53,919	128.0 %	275,116	174,559	57.6 %
Income tax expense	(33,028)	(11,321)	191.7 %	(74,662)	(37,236)	100.5 %
Net income including noncontrolling interests	89,920	42,598	111.1 %	200,454	137,323	46.0 %
Net income attributable to noncontrolling interests	(6,491)	(6,713)	(3.3)%	(12,837)	(14,417)	(11.0)%
Net income attributable to AMC Networks' stockholders	$ 83,429	$ 35,885	132.5 %	$ 187,617	$ 122,906	52.7 %

Revenues

Three months ended June 30, 2022 vs. 2021

Subscription revenues increased 1.2% in our Domestic Operations segment primarily due to an increase in streaming revenues, partially offset by a decline in affiliate revenue. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 5.5% in our Domestic Operations segment. Subscription revenues decreased 9.9% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation at AMCNI. Subscription revenues may vary from quarter to quarter based on the impact of renewals of affiliation agreements and the level of subscribers to our services.

Content licensing and other revenues decreased 13.4% in our Domestic Operations segment primarily due to the expected timing of deliveries in the period. Content licensing and other revenues decreased 4.2% in our International and Other segment primarily due to the timing of productions at 25/7 Media. Content licensing revenues vary from quarter to quarter based on the timing of availability of our programming to distributors.

Advertising revenues decreased 5.0% in our Domestic Operations segment primarily due to lower linear ratings, partially offset by digital growth. Advertising revenues decreased 16.3% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation. 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.

Six months ended June 30, 2022 vs. 2021

Subscription revenues increased 4.4% in our Domestic Operations segment primarily due to an increase in streaming revenues, partially offset by a decline in affiliate revenue. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 6.6% in our Domestic Operations segment. Subscription revenues decreased 7.0% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased 4.3% in our Domestic Operations segment primarily due to the expected timing of deliveries in the period. Content licensing and other revenues decreased 13.5% in our International and Other segment primarily due to the timing of productions at 25/7 Media.

Advertising revenues decreased 2.2% in our Domestic Operations segment primarily due to lower linear ratings. Advertising revenues decreased 7.2% in our International and Other segment, primarily due to the unfavorable impact of foreign currency translation and lower linear ratings.

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, participation and residual costs, distribution and production related costs and program delivery costs, such as transmission, encryption, hosting, and formatting.

Three months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased 5.5% in our Domestic Operations segment primarily due a decrease in other direct programming costs, partially offset by an increase in program rights amortization. Technical and operating expenses (excluding depreciation and amortization) increased 2.6% in our International and Other segment primarily due to an increase in other direct programming costs at AMCNI, partially offset by a decrease due to the timing of productions at 25/7 Media.

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

Six months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) increased 0.3% in our Domestic Operations segment primarily due to an increase in program rights amortization attributable to an increase in the number of original programs, partially offset by a decrease in other direct programming costs. Technical and operating expenses (excluding depreciation and amortization) decreased 9.8% in our International and Other segment primarily due to lower program rights amortization at AMCNI and the timing of productions at 25/7 Media.

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.

Three months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (including share-based compensation expenses) increased 29.5% in our Domestic Operations segment primarily due to higher strategic marketing and subscriber acquisition expenses related to our streaming services and linear networks, and decreased 22.2% in our International and other segment primarily due to lower selling expenses and the favorable impact of foreign currency translation.

Six months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (including share-based compensation expenses) increased 29.0% in our Domestic Operations segment primarily due to higher strategic marketing and subscriber acquisition expenses related to our streaming services and linear networks, and decreased 5.7% in our International and other segment primarily related to the favorable impact of foreign currency translation and a decrease in administrative expenses at 25/7 Media.

Depreciation and amortization

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

Three months ended June 30, 2022 vs. 2021

Depreciation and amortization expense increased in Corporate and our Domestic Operations segment due to higher depreciation of equipment and in our Domestic Operations segment due to the amortization of finite-lived intangible assets acquired in connection with the acquisition of Sentai Holdings in the fourth quarter of 2021.

Six months ended June 30, 2022 vs. 2021

Depreciation and amortization expense increased primarily in our Domestic Operations segment due to the amortization of finite-lived intangible assets acquired in connection with the acquisition of Sentai Holdings in the fourth quarter of 2021.

Impairment and other charges

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

Impairment and other charges for the three and six months ended June 30, 2021 were $142.9 million and $159.0 million, respectively.

On July 16, 2021, the Company entered into a settlement agreement (the “Settlement Agreement”) with Frank Darabont, Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "Plaintiffs") in actions brought in connection with Frank Darabont’s rendering services as a writer, director and producer of the television series entitled *The Walking Dead*. The Settlement Agreement provided for a cash payment of $200 million (the “Settlement Payment”) to the Plaintiffs and future revenue sharing related to certain future streaming exhibition of *The Walking Dead* and *Fear The Walking Dead*. With regard to the Settlement Payment, the Company recorded a charge of $143.0 million in the second quarter of 2021, included in Impairment and other charges in consideration for the extinguishment of Plaintiffs’ rights to any compensation in connection with *The Walking Dead* and any related programs and the dismissal of the actions with prejudice, which amount is net of $57.0 million of ordinary course accrued participations.

The remaining $16.1 million for the six months ended June 30, 2021 related to the Company's March 2021 spin-off of the live comedy venue and talent management businesses ("LiveCo") of Levity Entertainment Group, LLC. In connection with the transaction, the Company effectively exchanged all of its rights and interests in LiveCo for the release of our obligations, principally related to leases. As a result of this divestiture, the Company recognized a loss on the disposal of $16.1 million reflecting the net assets transferred (consisting of property and equipment, lease right-of-use assets and intangibles, partially offset by lease and other obligations), which is included in Impairment and other charges. The Company retained its interest in the production services business of Levity Entertainment Group, LLC, which was renamed 25/7 Media Holdings LLC ("25/7 Media") following the spin-off.

Restructuring and other related charges

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

Restructuring and other related charges of $0.2 million for the three months ended June 30, 2021 are associated with the restructuring plan announced in November 2020.

Restructuring and other related charges of $8.8 million for the six months ended June 30, 2021 consisted of $4.3 million of severance costs associated with the restructuring plan announced in November 2020 and $4.5 million at AMCNI related to the termination of distribution in certain international territories.

Operating income

Three months ended June 30, 2022 vs. 2021

The increase in operating income was primarily attributable to decreases in impairment and other charges of $142.9 million and technical and operating expenses of $13.1 million, partially offset by a decrease in revenues of $33.4 million and an increase in selling, general and administrative expenses of $33.2 million.

Six months ended June 30, 2022 vs. 2021

The increase in operating income was primarily attributable to decreases in impairment and other charges, technical and operating expenses, and restructuring and other related charges of $159.0 million, $9.4 million and $8.8 million, respectively, partially offset by increases in selling, general and administrative expenses of $72.3 million and a decrease in revenues of $13.0 million.

Interest expense, net

Three months ended June 30, 2022 vs. 2021

The increase in interest expense, net was primarily due to higher interest rates on our Term Loan A Facility.

Six months ended June 30, 2022 vs. 2021

The decrease in interest expense, net was primarily due to lower average daily balances and the refinancing of a portion of our outstanding Senior Notes at a lower interest rate in the first six months of 2021, partially offset by higher interest rates on our Term Loan A Facility.

Loss on extinguishment of debt

There was no loss on extinguishment of debt for the three and six months ended June 30, 2022.

In February 2021, we redeemed (i) the remaining $400 million principal amount of our 4.75% senior notes due December 2022 and (ii) $600 million principal amount of our 5.00% senior notes due April 2024. In connection with the redemptions, we incurred a loss on extinguishment of debt for the quarter ended March 31, 2021 of $22.1 million representing a redemption premium on the 5.00% senior notes due 2024, and the write-off of a portion of the unamortized discount and deferred financing costs related to both issuances.

Miscellaneous, net

Three months ended June 30, 2022 vs. 2021

The decrease in miscellaneous, net was primarily related to the impact of a $12.3 million gain recorded in the prior period in connection with the Company's acquisition of the remaining 50% interest in an equity method investment. The remaining decrease primarily relates to the impact of lower net gains from the sale of certain marketable equity securities, partially offset by a favorable variance in the 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.

Six months ended June 30, 2022 vs. 2021

The decrease in miscellaneous, net was primarily related to the impact of a $12.3 million gain recorded in the prior year in connection with the Company's acquisition of the remaining 50% interest in an equity method investment. The remaining decrease primarily relates to an unfavorable variance in the 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, partially offset by the impact of higher net gains from the sale of certain marketable equity securities.

Income tax expense

For the three months ended June 30, 2022, income tax expense was $33.0 million representing an effective tax rate of 27%. The items resulting in variances from the federal statutory rate of 21% primarily consist of state and local income tax expense and tax expense for an increase in the valuation allowance for foreign taxes. For the three months ended June 30, 2021, income tax expense was $11.3 million representing an effective tax rate of 21%, which was equal to the federal statutory rate. The effective tax rate was impacted by state and local income tax expense and tax expense for an increase in valuation allowances for foreign taxes and U.S. foreign tax, partially offset by a tax benefit from foreign operations.

For the six months ended June 30, 2022, income tax expense was $74.7 million representing an effective tax rate of 27%. The items resulting in variances from the federal statutory rate of 21% primarily consist of state and local income tax expense and tax expense for an increase in the valuation allowance for foreign taxes. For the six months ended June 30, 2021, income tax expense was $37.2 million representing an effective tax rate of 21%, which was equal to the federal statutory rate. The effective tax rate was impacted by a discrete tax benefit for excess tax benefits related to stock compensation, partially offset by state and local income tax expense.

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 June 30,			Six Months Ended June 30,		
(In thousands)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Revenues, net:						
Subscription	$ 347,024	$ 343,056	1.2 %	$ 690,772	$ 661,888	4.4 %
Content licensing and other	72,426	83,677	(13.4)	133,680	139,672	(4.3)
Distribution and other	419,450	426,733	(1.7)	824,452	801,560	2.9
Advertising	201,652	212,282	(5.0)	402,193	411,424	(2.2)
Total revenues, net	621,102	639,015	(2.8)	1,226,645	1,212,984	1.1
Technical and operating (excluding depreciation and amortization)(1)	(253,699)	(268,399)	(5.5)	(481,806)	(480,360)	0.3
Selling, general and administrative(2)	(161,975)	(120,276)	34.7	(325,073)	(244,386)	33.0
Majority-owned equity investees AOI	4,061	(200)	n/m	8,942	4,435	101.6
Segment adjusted operating income	$ 209,489	$ 250,140	(16.3)%	$ 428,708	$ 492,673	(13.0)%

(1) Technical and operating excludes cloud computing amortization

(2) Selling, general and administrative excludes share-based compensation expenses

Revenues

Three months ended June 30, 2022 vs. 2021

Subscription revenues increased primarily due to a 19.7% increase in streaming revenues driven by an increase in subscribers to our streaming services, partially offset by a mid single-digit decline in affiliate revenue. Affiliate revenue decreased due to declines in the linear subscriber universe, partially offset by contractual rate increases. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 5.5%, including an increase in streaming revenues of 35.7%. Aggregate paid subscribers[2] to our streaming services increased 46% to 10.8 million at June 30, 2022 compared to June 30, 2021.

Content licensing and other revenues decreased primarily due to the expected timing of deliveries in the period.

Advertising revenues decreased primarily due to lower linear ratings, partially offset by higher year-over-year AMC original programming impressions, pricing and digital growth.

Six months ended June 30, 2022 vs. 2021

Subscription revenues increased primarily due to a 29.5% increase in streaming revenues driven by an increase in subscribers to our streaming services, partially offset by a mid single-digit decline in affiliate revenue. Affiliate revenue decreased due to declines in the linear subscriber universe, partially offset by contractual rate increases. Excluding the one-time beneficial impact of a distribution agreement renewal in the prior year, subscription revenues increased 6.6%, including an increase in streaming revenues of 38.8%.

Content licensing and other revenues decreased primarily due to the expected timing of deliveries in the period.

Advertising revenues decreased primarily due to lower linear ratings, partially offset by higher pricing and digital growth.

[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, and includes an estimate of subscribers converting to paying status in the subsequent period based on historical conversion percentages.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased primarily due to a decrease in other direct programming costs, partially offset by an increase in program rights amortization.

Six months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) increased primarily due to an increase in program rights amortization mainly attributable to an increase in the number of original programs, partially offset by a decrease in other direct programming costs.

Selling, general and administrative expenses

Three months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) increased primarily due to higher strategic marketing and subscriber acquisition expenses related to our streaming services and linear networks.

Six months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) increased primarily due to higher strategic marketing and subscriber acquisition expenses related to our streaming services and linear networks, as well as higher employee related costs.

Segment adjusted operating income

Three months ended June 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to an increase in selling, general and administrative expenses of $41.7 million and a decrease in revenues, net of $17.9 million, partially offset by a decrease in technical and operating expenses of $14.7 million.

Six months ended June 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to an increase in selling, general and administrative expenses of $80.7 million, partially offset by an increase in revenues, net of $13.7 million.

International and Other

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

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Revenues, net:						
Subscription	$ 56,702	$ 62,924	(9.9)%	$ 117,114	$ 125,952	(7.0)%
Content licensing and other	47,335	49,386	(4.2)	74,389	85,954	(13.5)
Distribution and other	104,037	112,310	(7.4)	191,503	211,906	(9.6)
Advertising	21,734	25,967	(16.3)	44,119	47,538	(7.2)
Total revenues, net	125,771	138,277	(9.0)	235,622	259,444	(9.2)
Technical and operating (excluding depreciation and amortization)	(75,701)	(73,795)	2.6	(135,396)	(150,104)	(9.8)
Selling, general and administrative[(1)]	(30,883)	(39,377)	(21.6)	(58,027)	(60,672)	(4.4)
Segment adjusted operating income	$ 19,187	$ 25,105	(23.6)%	$ 42,199	$ 48,668	(13.3)%

(1) Selling, general and administrative excludes share-based compensation expenses

Revenues

Three months ended June 30, 2022 vs. 2021

Subscription revenues decreased primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased primarily due to timing of productions at 25/7 Media.

Advertising revenues decreased primarily due to the unfavorable impact of foreign currency translation.

Six months ended June 30, 2022 vs. 2021

Subscription revenues decreased primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Content licensing and other revenues decreased primarily due to timing of productions at 25/7 Media.

Advertising revenues decreased primarily due to the unfavorable impact of foreign currency translation and lower ratings at AMCNI.

Technical and operating expenses (excluding depreciation and amortization)

Three months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) increased due to an increase in other direct programming costs at AMCNI, partially offset by the favorable impact of foreign currency translation, and a decrease due to the timing of productions at 25/7 Media.

Six months ended June 30, 2022 vs. 2021

Technical and operating expenses (excluding depreciation and amortization) decreased due to the favorable impact of foreign currency translation and lower program rights amortization at AMCNI, as well as due to the timing of productions at 25/7 Media.

Selling, general and administrative expenses

Three months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) decreased primarily related to lower selling expenses and the favorable impact of foreign currency translation at AMCNI.

Six months ended June 30, 2022 vs. 2021

Selling, general and administrative expenses (excluding share-based compensation expenses) decreased primarily related to the favorable impact of foreign currency translation at AMCNI and a decrease in administrative expenses at 25/7 Media related to the March 2021 spin off of the comedy venues.

Segment adjusted operating income

Three months ended June 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of $12.5 million and an increase in technical and operating expenses of $1.9 million, partially offset by a decrease in selling, general and administrative expenses of $8.5 million.

Six months ended June 30, 2022 vs. 2021

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues, net of $23.8 million, partially offset by decreases in technical and operating expenses of $14.7 million and selling, general and administrative expenses of $2.6 million.

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 June 30,			Six Months Ended June 30,		
(In thousands)	**2022**	**2021**	**Change**	**2022**	**2021**	**Change**
Revenues, net:	(8,848)	(5,900)	50.0 %	(12,085)	(9,295)	30.0 %
Technical and operating (excluding depreciation and amortization)[1]	3,811	3,353	13.7 %	7,383	11,051	(33.2)
Selling, general and administrative[2]	(28,097)	(22,061)	27.4 %	(59,479)	(54,481)	9.2
Segment adjusted operating income	$ (33,134)	$ (24,608)	34.6 %	$ (64,181)	$ (52,725)	21.7 %

(1) Technical and operating excludes cloud computing amortization

(2) Selling, general and administrative excludes 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 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 (such as human resources, legal, finance, strategic planning and information technology).

Selling, general and administrative expenses for the three and six months ended June 30, 2022 compared to 2021 increased primarily due to expenses associated with technology investments.

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 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 measures 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 June 30, 2022			
(In thousands)	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 188,812	$ 14,087	$ (49,696)	$ 153,203
Share-based compensation expenses	3,172	467	5,044	8,683
Depreciation and amortization	13,439	4,633	9,159	27,231
Cloud computing amortization	5	—	2,359	2,364
Majority owned equity investees AOI	4,061	—	—	4,061
Adjusted operating income (loss)	$ 209,489	$ 19,187	$ (33,134)	$ 195,542

(In thousands)	Three Months Ended June 30, 2021			
	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 88,116	$ 19,963	$ (39,823)	$ 68,256
Share-based compensation expenses	7,292	913	8,057	16,262
Depreciation and amortization	11,716	4,328	6,560	22,604
Restructuring and other related charges	216	(17)	(44)	155
Impairment and other charges	143,000	(82)	—	142,918
Cloud computing amortization	—	—	642	642
Majority owned equity investees AOI	(200)	—	—	(200)
Adjusted operating income (loss)	$ 250,140	$ 25,105	$ (24,608)	$ 250,637

(In thousands)	Six Months Ended June 30, 2022			
	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 387,334	$ 31,442	$ (90,896)	$ 327,880
Share-based compensation expenses	6,845	1,221	8,746	16,812
Depreciation and amortization	25,575	9,536	14,710	49,821
Cloud computing amortization	12	—	3,259	3,271
Majority owned equity investees AOI	8,942	—	—	8,942
Adjusted operating income (loss)	$ 428,708	$ 42,199	$ (64,181)	$ 406,726

(In thousands)	Six Months Ended June 30, 2021			
	Domestic Operations	International and Other	Corporate / Inter-segment Eliminations	Consolidated
Operating income (loss)	$ 304,575	$ 16,801	$ (83,412)	$ 237,964
Share-based compensation expenses	12,931	2,144	14,633	29,708
Depreciation and amortization	25,089	9,277	13,484	47,850
Restructuring and other related charges	2,643	4,473	1,664	8,780
Impairment and other charges	143,000	15,973	—	158,973
Cloud computing amortization	—	—	906	906
Majority owned equity investees AOI	4,435	—	—	4,435
Adjusted operating income (loss)	$ 492,673	$ 48,668	$ (52,725)	$ 488,616

Liquidity and Capital Resources

Our operations have historically generated 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 access to capital 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.

Our Board of Directors previously authorized a program to repurchase up to $1.5 billion of our 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 six months ended June 30, 2022, we did not repurchase any of our Class A common stock. As of June 30, 2022, we had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

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

As of June 30, 2022, our consolidated cash and cash equivalents balance of $817.3 million includes approximately $290.9 million held by foreign subsidiaries. Most or all of the earnings of our foreign subsidiaries will continue to be permanently reinvested in foreign operations and we do not expect to incur any significant, additional taxes related to such amounts, nor have any been provided for in the current period.

We believe that a combination of cash-on-hand, cash generated from operating activities and availability under our revolving credit facility 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 at maturity the entirety of the then outstanding balances of our debt. As a result, we will then be dependent upon our ability to access the capital and credit markets in order to repay or refinance the outstanding balances of our indebtedness. Failure to raise significant amounts of funding to repay these obligations at maturity 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.

Our level of debt could have important consequences on our business including, but not limited to, increasing our vulnerability to general adverse economic and industry conditions, limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements and limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate. 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 2021 Form 10-K.

In addition, economic or market disruptions could lead to lower demand for our services, such as 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 June 30, 2022. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

AMC Networks was in compliance with all of its debt covenants as of June 30, 2022.

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:

	Six Months Ended June 30,	
(In thousands)	**2022**	**2021**
Cash provided by operating activities	$ 17,174	$ 131,167
Cash (used in) provided by investing activities	(9,929)	42,000
Cash used in financing activities	(66,486)	(64,226)
Net (decrease) increase in cash and cash equivalents from operations	$ (59,241)	$ 108,941

Operating Activities

Net cash provided by operating activities amounted to $17.2 million for the six months ended June 30, 2022 as compared to $131.2 million for the six months ended June 30, 2021. Net cash provided by operating activities for the six months ended June 30, 2022 primarily resulted from net income before amortization of program rights, depreciation and amortization, and other non-cash items of $710.4 million, a decrease in accounts receivable, trade of $58.4 million, and an increase in deferred revenue of $44.9 million, partially offset by payments for program rights of $667.5 million and a decrease in accounts payable, accrued liabilities and other liabilities of $68.7 million primarily related to lower employee related, and participations and residuals liabilities, as well as an increase in prepaid expenses and other assets of $50.9 million. Changes in all other assets and liabilities resulted in a net cash outflow of $9.5 million.

Net cash provided by operating activities for the six months ended June 30, 2021 primarily resulted from $742.2 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $583.5 million, an increase in deferred carriage fees of $27.9 million, and an increase in prepaid expense and other assets of $18.2 million. Changes in all other assets and liabilities resulted in an increase of $18.6 million.

Investing Activities

Net cash (used in) provided by investing activities for the six months ended June 30, 2022 and 2021 was $(9.9) million and $42.0 million, respectively. For the six months ended June 30, 2022, net cash used in investing activities included capital expenditures of $21.6 million, partially offset by proceeds from the sale of a marketable equity security of $9.9 million and a return of capital from investees of $1.8 million. For the six months ended June 30, 2021, cash provided by investing activities included proceeds received from the sale of an investment of $95.4 million and the collection of a loan for $20.0 million, partially offset by the acquisition of equity securities of $28.4 million, payments for the acquisition of a business of $19.1 million, and capital expenditures of $18.8 million. All other changes in investing activities resulted in an decrease of $7.1 million.

Financing Activities

Net cash used in financing activities amounted to $66.5 million for the six months ended June 30, 2022 and consisted of distributions to noncontrolling interests of $25.1 million, taxes paid in lieu of shares issued for equity-based compensation of $20.3 million, principal payments on long-term debt of $16.9 million, purchase of noncontrolling interests of $2.5 million and payments on finance leases of $1.7 million.

Net cash used in financing activities amounted to $64.2 million for the six months ended June 30, 2021 and primarily consisted of principal payments, net of proceeds, on long-term debt (including the redemption of $400 million of 4.75% Notes due December 2022 and $600 million of 5.00% Notes due April 2024) of $30.5 million, taxes paid in lieu of shares issued for equity-based compensation of $32.3 million, distributions to noncontrolling interests of $11.9 million, and payments on finance leases of $2.0 million, partially offset by proceeds from the exercise of stock options of $9.8 million and contributions from noncontrolling interests of $2.7 million.

Contractual Obligations

As of June 30, 2022, our contractual obligations not reflected on the condensed consolidated balance sheet decreased $76.5 million, as compared to December 31, 2021, to $986.9 million. The decrease primarily relates to 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 outstanding notes for which AMC Networks is the issuer.

Note Guarantees

Debt of AMC Networks as of June 30, 2022 included $400.0 million of 5.00% Notes due April 2024, $800.0 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.

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

(In thousands)	Six Months Ended June 30, 2022 Parent Company	Six Months Ended June 30, 2022 Guarantor Subsidiaries	Six Months Ended June 30, 2021 Parent Company	Six Months Ended June 30, 2021 Guarantor Subsidiaries
Revenues	$ —	$ 1,020,245	$ —	$ 994,582
Operating expenses	—	743,394	—	796,356
Operating income	$ —	$ 276,851	$ —	$ 198,226
Income before income taxes	$ 255,211	$ 321,509	$ 150,784	$ 243,001
Net income	187,617	316,942	122,906	238,646

Balance Sheet

(In thousands)	June 30, 2022 Parent Company	June 30, 2022 Guarantor Subsidiaries	December 31, 2021 Parent Company	December 31, 2021 Guarantor Subsidiaries
Assets				
Amounts due from subsidiaries	$ —	$ 135,426	$ —	$ —
Current assets	5,218	1,450,986	9,991	1,242,724
Non-current assets	4,260,554	3,740,074	4,010,028	3,633,383
Liabilities and equity:				
Amounts due to subsidiaries	$ 128,162	$ 2,407	$ 12,797	$ 5,324
Current liabilities	221,372	770,793	100,969	671,041
Non-current liabilities	3,079,733	296,218	3,067,962	331,860

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2021 Form 10-K. There have been no significant changes in our significant accounting policies since December 31, 2021.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our 2021 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at June 30, 2022, the carrying value of our fixed rate debt of $2.18 billion was more than its fair value of $1.93 billion by approximately $243.9 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 June 30, 2022 would increase the estimated fair value of our fixed rate debt by approximately $72.6 million to approximately $2.00 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. As of June 30, 2022, we did not have any interest rate swap contracts outstanding.

As of June 30, 2022, we had $2.8 billion of debt outstanding (excluding finance leases), of which $0.6 billion is outstanding under our loan facility and is subject to variable interest rates. A hypothetical 100 basis point increase in interest rates prevailing at June 30, 2022 would increase our annual interest expense by approximately $6.6 million. The interest rate paid on approximately 77% of our debt (excluding finance leases) as of June 30, 2022 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 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 a $1.0 million gain and a $0.9 million gain for the three and six months ended June 30, 2022, respectively, and a $3.1 million loss and a $6.4 million gain for the three and six months ended June 30, 2021, 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 Chief Executive Officer and Chief Financial 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 June 30, 2022, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended June 30, 2022, 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 15, 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

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 six months ended June 30, 2022, the Company did not repurchase any of its Class A common stock. As of June 30, 2022, the Company had $135.3 million of authorization remaining for repurchase under the Stock Repurchase Program.

Item 5. Other Information

As disclosed in Note 20 of the Company's Annual Report on Form 10-K for the year ended December 31, 2021, 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, a director of the Company, own 50% of 605, LLC. Kristin A. Dolan is also the founder and Chief Executive Officer of 605, LLC. 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"), which has been incorporated by reference as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

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 are $10.5 million payable in five installments with the first payment due upon execution of the agreement. The initial term of the Statement of Work is August 1, 2022 to December 31, 2022, which term is automatically extended to June 30, 2023 unless terminated by either party on 30 days' notice prior to December 31, 2022.

Under the Statement of Work, 605, LLC will engage in a strategic, research, market, business and financial assessment of the Company and its business partnering with the Company's management team with a goal of accelerating transition to direct consumer-facing distribution platforms (including subscription streaming, ad-supported streaming, AVOD/FAST, and global streaming expansion). 605, LLC will utilize 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 to be provided by 605, LLC are 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.

Item 6. Exhibits.

(a) Index to Exhibits.

10.1	Statement of Work for Strategic Analytic Services, dated August 1, 2022, by and between Rainbow Media Holdings LLC and 605 LLC
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: August 5, 2022	By: /s/ Christina Spade
	Christina Spade
	Chief Operating Officer and Chief Financial Officer
Date: August 5, 2022	By: /s/ Michael J. Sherin III
	Michael J. Sherin III
	Executive Vice President and Chief Accounting Officer

Statement of Work for Strategic Analytic Services

This **Statement of Work for Strategic Analytic Services** (this "**SOW**") is a SOW under the Master Services Agreement dated as of February 8, 2019 between 605, LLC ("**605**") and Rainbow Media Holdings LLC ("**Customer**" or "**AMCN**") (the "**Agreement**"), and is effective as of August 1, 2022 (the "**Statement of Work Effective Date**"). Capitalized terms used in this SOW but not defined in this SOW will have the meanings given in the Agreement.

1. **Services**. 605 shall perform the following Services under this SOW:

605 will engage in a strategic, research, market, business and financial assessment of AMCN and its business, partnering with the AMCN management team to accelerate transition to direct consumer-facing distribution platforms (including subscription streaming, ad-supported streaming, AVOD/FAST, global streaming expansion). 605 will utilize its expertise, including assessment of extensive real-time business intelligence and consumer research to enable potential further acceleration of AMCN's long-term growth and value creation. Among the analytic services to be provided by 605 are 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.

The 605 team will develop a comprehensive understanding of the business and partner with the AMCN senior leadership team to devise an action plan to successfully migrate the business, optimize asset value and create optionality for the AMCN. 605 personnel who will perform the services include:

Kristin Dolan	CEO
Matt Weiss	CSO
Ray Casazza	COO
Alex Freed	VP
Gina Gusenfitter	Associate
Other Support Staff As Necessary	

A full scope of the Services is set forth in Exhibit A.

2. **Deliverables**. The following are the Deliverables under this SOW: Attached as Exhibit B. All Deliverables shall constitute Work Product.

3. **Certain Customer Responsibilities**. Customer shall have the responsibilities described in Section 1.3 of the Agreement.

4. **Fees and Expenses**. Subject to mutual execution of this SOW, promptly upon receipt of an invoice for the initial payment below, and upon receipt of an invoice at least thirty (30) days prior to each subsequent payment date below, Customer shall pay 605 the following fees under this SOW:

Execution of SOW: $2,625,000 (25%)
December 1, 2022: $1,312,500 (12.5%)
December 31, 2022: $1,312,500 (12.5%)
March 31, 2023: $2,625,000 (25%)

Final Deliverable: $2,625,000 (25%)

All expenses incurred by 605 in connection with the services, including travel expenses, shall be borne by 605 without reimbursement from Customer, unless 605 obtains prior written authorization from Customer and submits proper receipts, vouchers and any other requested substantiation. 605 shall not be entitled to receive reimbursement of any overages or additional expenses of any kind without the prior written approval of Customer.

5. **Term**. The term of this Statement of Work begins on the Statement of Work Effective Date and ends on December 31, 2022, and shall automatically be extended to end on June 30, 2023 unless earlier terminated pursuant to Section 5.3 of the MSA.
6. **Estimated Timeline**. See Exhibit B.

7. **Additional Restrictions**. Customer agrees that its use of 605 Materials (including the Deliverables) provided under this Statement of Work is subject at all times to the following restrictions: **To the extent any Deliverables involve use of 605 licensed set-top box and ACR data, such Deliverables shall be provided on an aggregated and anonymized basis.**

- Signature Page Follows -

IN WITNESS WHEREOF, the parties hereto have caused this Statement of Work to be executed by their duly authorized representatives as of the Statement of Work Effective Date.

RAINBOW MEDIA HOLDINGS LLC	**605, LLC:**
By: /s/ Christina Spade *Authorized Signature*	By: /s/ Tom Keaveney *Authorized Signature*
Christina Spade *Printed Name*	Tom Keaveney *Printed Name*
COO and CFO *Title*	President *Title*

Exhibit A – Services Detail

[Intentionally omitted.]

Exhibit B
Deliverables

[Intentionally omitted.]

List of Guarantor Subsidiaries

As of June 30, 2022, 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
Rainbow Film Holdings 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
Voom HD Holdings LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

I, Matthew Blank, 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.

ugust 5, 2022

By: /s/ Matthew Blank
Matthew Blank
Interim Chief Executive Officer

Exhibit 31.2

I, Christina Spade, 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.

ugust 5, 2022

By: /s/ Christina Spade
Christina Spade
Chief Operating Officer and Chief Financial Officer

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 June 30, 2022 (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:	August 5, 2022	By:	/s/ Matthew Blank
			Matthew Blank
			Interim Chief Executive Officer
Date:	August 5, 2022	By:	/s/ Christina Spade
			Christina Spade
			Chief Operating Officer and Chief Financial Officer