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

# FORM 10-K

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

**For the fiscal year ended December 31, 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 |

**Securities registered pursuant to Section 12(g) of the Act:**
**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☑

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

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

The aggregate market value of the registrant's common stock held by non-affiliates of the registrant, computed by reference to the closing price of a share of common stock on June 30, 2022 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $879 million.

The number of shares of common stock outstanding as of February 10, 2023:

| | |
|---|---|
| Class A Common Stock par value $0.01 per share | 31,524,521 |
| Class B Common Stock par value $0.01 per share | 11,484,408 |

**DOCUMENTS INCORPORATED BY REFERENCE:**

Certain information required in Item 10 through Item 14 of Part III of this Annual Report on Form 10-K is incorporated herein by reference to the Registrant's definitive Proxy Statement for its 2023 Annual Meeting of Stockholders, which shall be filed with the Securities and Exchange Commission pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, within 120 days of the Registrant's fiscal year end.

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## FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. In this Annual Report on Form 10-K there are statements concerning our future operating results and future financial performance. Words such as "expects," "anticipates," "believes," "estimates," "may," "will," "should," "could," "potential," "continue," "intends," "plans" and similar words and terms used in the discussion of future operating results and future financial performance identify forward-looking statements. You are cautioned that any such forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues;
- market demand, including changes in viewer consumption patterns, for our programming networks, our subscription streaming services, our programming, and our production services;
- demand for advertising inventory and our ability to deliver guaranteed viewer ratings;
- the highly competitive nature of the cable, telecommunications, streaming and programming industries;
- the cost of, and our ability to obtain or produce, desirable content for our programming services, other forms of distribution, including digital and licensing in international markets, as well as our film distribution businesses;
- market demand for our owned original programming and our film content;
- the loss of any of our key personnel and artistic talent;
- the security of our program rights and other electronic data;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- our ability to successfully launch our streaming services in countries outside of the United States;
- economic and business conditions and industry trends in the countries in which we operate, including increases in inflation rates and recession risk;
- fluctuations in currency exchange rates and interest rates;
- changes in domestic and foreign laws or regulations under which we operate;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the United States or in the countries in which we operate;
- the impact of existing and proposed federal, state and international laws and regulations relating to data protection, privacy and security, including the European Union's General Data Protection Regulation ("GDPR");
- 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;
- the impact of pandemics or other health emergencies, such as the COVID-19 pandemic, on the economy and our business;
- events that are outside our control, such as political unrest in international markets, terrorist attacks, natural disasters and other similar events; and
- the factors described under Item 1A, "Risk Factors" in this Annual Report.

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

## Part I

### Item 1. Business.

AMC Networks Inc. is a Delaware corporation with its principal executive offices located at 11 Penn Plaza, New York, NY 10001. AMC Networks Inc. is a holding company and conducts substantially all of its operations through its majority owned or controlled subsidiaries. Unless the context otherwise requires, all references to "we," "our," "us," "AMC Networks" or the "Company" refer to AMC Networks Inc., together with its subsidiaries. "AMC Networks Inc." refers to AMC Networks Inc. individually as a separate entity. Our telephone number is (212) 324-8500.

AMC Networks Inc. was incorporated on March 9, 2011 as an indirect, wholly-owned subsidiary of Cablevision Systems Corporation (Cablevision Systems Corporation and its subsidiaries are referred to as "Cablevision"). On June 30, 2011, Cablevision spun off the Company (the "Distribution"), and AMC Networks Inc. became an independent public company.

### OVERVIEW

AMC Networks is a global entertainment company known for its popular and award-winning content. We distribute our content to audiences globally on an array of distribution platforms, including linear networks and subscription streaming services, as well as through licensing arrangements. We have an extensive library of television and film properties that we own and control, including several storied franchises such as The Walking Dead Universe, Anne Rice catalog, and Agatha Christie library that are well-known to a global audience.

We have operated in the entertainment industry for more than 40 years, and over that time we have created targeted and focused video entertainment products that we own and operate and that are powered by distinguished brands, including AMC, AMC+, BBC AMERICA (which we operate through a joint venture with BBC Studios), IFC, SundanceTV, WE tv, Acorn TV, Shudder, Sundance Now, ALLBLK, HIDIVE and IFC Films. Our distinctive, critically-acclaimed content spans multiple genres, including drama, documentary, comedy, reality, anime, anthology, feature film and short form. Our content and our brands are well known and well regarded by our key constituents — our viewers and subscribers as well as distributors and advertisers. Our network, streaming and show brands have developed strong, dedicated followings within their respective targeted demographics, increasing their value to our key constituents. Through our AMC Studios in-house studio, production and distribution operation, we own and control a significant portion of the original scripted series that we deliver to viewers on our linear and streaming platforms. Our ability to produce and own high quality content has provided us with the opportunity to license our owned content to leading third-party platforms. Our owned content as well as the content that we license is distributed domestically and internationally across linear networks, digital streaming services, home video and syndication.

Internationally, we deliver programming that reaches subscribers in approximately 110 countries and territories around the world. The international division of the Company, AMC Networks International ("AMCNI"), consists of our premier AMC global brand as well as a portfolio of popular, locally recognized brands delivering programming in a wide range of genres.

AMC Networks also operates IFC Films, a film distribution business that distributes independent narrative and documentary films under the IFC Films label as well as the IFC Midnight distribution label. IFC Films is known for attracting high-profile talent and distributing films that regularly garner critical acclaim and industry honors, including numerous Academy Award, Golden Globe, and Cannes Film Festival Award winning titles, and has been behind some of the most culturally impactful and successful independent film and documentary releases of all time. IFC Films also operates IFC Films Unlimited, a subscription streaming service comprised of a broad range of theatrically-released and award winning titles from its distribution labels.

### Strategy

Our strategy is to create, showcase and curate high-quality, brand-defining content that appeals to distinct audiences as we maximize our distribution, advertising and content licensing revenue of each of our branded services.

Our strategic areas of focus are:

*Continued Development of High-Quality Original Content.* We intend to continue developing strong high-quality original content across our linear networks and streaming services to optimize our distribution, advertising and content licensing revenue, further enhance our brands, strengthen our engagement with our viewers, subscribers, distributors and advertisers, and to build viewership and attract and retain subscribers for our streaming services.

*Increased Ownership and Control of Content and Valuable IP*. AMC Networks' wholly-owned or majority-controlled library includes more than 6,000 episodes and 1,300 films, as well as more than 20,000 episodes of highly localized unscripted lifestyle content from our AMC Networks International business. In addition, we have storied titles and brands known to a global audience, such as *The Walking Dead* and the Anne Rice catalog, and we own a majority interest in the Agatha Christie library.

By leveraging our library of titles and original content, we are able to enrich the content mix across all of our linear and streaming platforms. As some current content licensing deals with third parties expire, hundreds of hours of our popular and acclaimed shows and films will become an exclusive part of our owned and controlled library which we can then utilize across our various services or re-license to third parties, including critically acclaimed hit series, such as *Halt and Catch Fire*, *Turn*, and *Rectify*, as well as all 11 seasons of *The Walking Dead*, to be discovered and rediscovered by viewers and subscribers, driving growth and value across our portfolio.

*Develop and Grow Streaming Offerings and Brands.* Our targeted streaming strategy is to serve distinct audiences and build loyal and engaged fan communities around each service. With our targeted approach, we are serving audiences with streaming offerings that are companions to (rather than competitive with) the larger general entertainment streaming services. As we assess the optimal level and mix of programming across our platforms, we will prioritize curation to provide compelling offerings that maximize impact on subscriber engagement and retention.

We have launched several of our services, most notably AMC+, Acorn TV and Shudder, in key international markets, including Canada, the United Kingdom (the "U.K."), parts of Europe, South Korea, India, Australia and New Zealand. We will continue to be opportunistic in determining the most optimal monetization strategy for new international markets.

*Multi-Platform Content Monetization and Distribution*. We distribute our content across other platforms so that our viewers can access our content where, when and how they want it. To that end, we have partnerships with all major streaming services and digital platforms, including Netflix, Hulu, Apple TV, Amazon Prime and Roku, to make our content available on various platforms permitting subscribers to access programs at their convenience, including electronic-sell-through (EST) and physical (DVD and Blu-ray) formats.

*Growth and Innovation in Advertising*. We continue to leverage our high-quality popular content on our networks to optimize our advertising revenue. In addition, we are embracing an array of new advertising opportunities, including an expanding and robust presence on free ad-supported streaming (FAST) and advertising video on demand (AVOD) platforms. To date, we have launched a total of 15 distinct channels featuring our content, in different configurations, across major FAST platforms, such as Pluto TV, Sling TV and Samsung TV Plus. We have increased the value of our linear and digital advertising inventory by establishing a leadership position in advanced advertising technologies, including addressable advertising and programmatic buying, to make it easier for a wider variety of advertisers to partner with us and to make the impressions they buy smarter and more effective. We have seen the number of advertisers utilizing these tools increase and our targeted audience advertising sales have grown as a result. In addition to our own initiatives, we are also participating in broader industry efforts focused on expanding the availability of addressable advertising. We believe our products enhance our value to advertisers through better targeting, data and measurement and we believe they will contribute to growth of our overall business in the mid and long term.

We continue to create opportunities for leading consumer brands to leverage the strength of our content and our proven ability to build and engage large, vibrant and passionate fan communities around our shows and franchises. Through an initiative called the AMC Networks “Content Room,” we offer brands and advertisers opportunities to reach fans of our shows and franchises in compelling and innovative ways including through custom short-form content, on social media platforms and through on-the-ground live events.

## Revenue

We earn revenue principally from the distribution of our programming and the sale of advertising. In 2022, distribution revenues and advertising sales accounted for 72% and 28% of our consolidated revenues, net, respectively. For the year ended December 31, 2022, one distributor accounted for greater than 10% of our consolidated revenues, net.

### *Distribution Revenue*

Distribution revenue primarily includes: fees charged to distributors that carry our network brands and content; subscription fees paid for our streaming services; and revenue earned from the licensing of our original programming.

Subscription revenue: Our programming networks as well as our streaming services are distributed to our viewing audience throughout the United States (“U.S.”) and around the world via cable and other multichannel video programming distribution platforms, including direct broadcast satellite ("DBS"), platforms operated by telecommunications providers, virtual or digital multi-channel video programming distributors ("MVPDs" and collectively "distributors"), and through our direct to consumer apps. Our programming networks are available on every major U.S. distribution platform. Our programming networks' distribution agreements expire at various dates through 2028. For our streaming services, we earn monthly or annual subscription fees as the streaming service is provided to our customers.

We frequently negotiate with distributors in an effort to increase the subscriber base for our networks. We have in some instances made upfront payments to distributors in exchange for these additional subscribers. We also may help fund the distributors' efforts to market our programming networks and streaming services or we may permit distributors to offer limited promotional periods without payment of subscriber fees. As we continue our efforts to add subscribers, our subscriber revenue may be negatively affected by such deferred carriage fee arrangements, discounted subscriber fees and other payments, however, we believe that these transactions generate a positive return on investment over the contract period.

Content licensing revenue: We sell rights to our owned original programming and content acquired under long-term distribution arrangements for distribution in a variety of forms including television markets worldwide, streaming services or digital platform providers, such as Netflix, Hulu, and Amazon Prime, electronic-sell-through (EST) and physical (DVD and Blu-ray) formats.

***Advertising Revenue***

We earn advertising revenue by selling advertising time on our programming networks, on digital platforms we own and on an increasing number of AVOD and FAST platforms. In the U.S., we sell advertising time in both the upfront and scatter markets. In the upfront market, advertisers buy advertising time for the upcoming season, and by purchasing in advance, often receive discounted rates. In the scatter market, advertisers buy advertising time close to the time when the commercials will be run, and often pay a premium. The mix between the upfront and scatter markets is based upon a number of factors, such as pricing, demand for advertising time and economic conditions. Internationally, advertising markets vary by jurisdiction. The majority of international advertising is sold close to the time when the commercials will be run (similar to the U.S. scatter market) and we are generally represented by third-party sales agents.

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. In most domestic advertising sales arrangements, we guarantee specified viewer ratings. If these guarantees are not met, we are generally required to provide additional advertising units to the advertiser at no charge. For these types of arrangements, a portion of the related revenue is deferred if the guarantees are not met and is subsequently recognized either when we provide the required additional advertising unit or the guarantee obligation contractually expires. In the U.S., most of our advertising revenues vary based upon the popularity of our programming as measured by Nielsen. In addition to the Nielsen rating, our advertising rates are also influenced by the demographic mix of our viewing audiences, since advertisers tend to pay premium rates for more desirable demographic groups of viewers.

Our programming networks have advertisers representing companies in a broad range of sectors, including automotive, restaurants/food, health, and telecommunications industries.

**Programming**

Our programming strategy is to target audiences with high-quality, compelling stories and powerful brands. We obtain programming through a combination of development, production and licensing; and we distribute programming directly to consumers in the U.S. and throughout the world through our programming networks, streaming services, theatrical release of acquired films and other forms of distribution. Our programming includes original programming that we control, either through outright ownership or through long-term licensing arrangements, as well as acquired programming that we license from studios and other rights holders.

***Original Programming***

Through our AMC Studios operation, we produce owned original programming primarily for our programming networks and streaming services, and also for license to third parties worldwide. Decisions as to how to distribute programming are made on the basis of a variety of factors including the relative value of any particular alternative.

We also contract with some of the industry's leading production companies to produce original programming that appears on our programming networks and streaming services. These contractual arrangements either provide us with outright ownership of the programming, in which case we hold all programming and other rights to the content, or they consist of long-term licensing arrangements, which provide us with exclusive rights to exhibit the content on our programming networks, but may be limited in terms of specific geographic markets or distribution platforms. The license agreements are typically of multi-season duration and provide us with a right of first negotiation or a right of first refusal on the renewal of the license for additional programming seasons.

***Acquired Programming***

The majority of the content on our programming networks and streaming services consists of films, episodic series and specials that we acquire pursuant to rights agreements with film studios, production companies or other rights holders. This acquired programming includes episodic series such as *Law and Order, The X-Files*, *Criminal Minds*, *CSI: Miami*, *Two and a Half Men* and *Batman*, as well as an extensive film library. The rights agreements for this content are of varying duration and generally permit our programming networks and streaming services to carry these series, films and other programming during certain window periods.

## SEGMENTS

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 global streaming services, our AMC Studios operations, and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our global streaming services consist of our 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 services 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 (formerly Levity), our production services business. See Note 4 to the consolidated financial statements for additional information relating to the 2021 spin-off of the Levity comedy venues business.

For financial information of the Company by operating segment, see Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Consolidated Results of Operations" and Note 23 to the accompanying consolidated financial statements.

### Domestic Operations

***Programming Networks*** - Our programming networks consist of the following services:

amc

- As of December 31, 2022, AMC reached approximately 70 million Nielsen subscribers and had distribution agreements with all major U.S. and Canada distributors.
- AMC is home to some of the most popular and acclaimed dramas on television, including *The Walking Dead*, the highest-rated series in cable history; *Fear the Walking Dead*, *Interview with the Vampire* and *Gangs of London*.
- In 2022, AMC aired the epic conclusion of *The Walking Dead*, while expanding The Walking Dead Universe franchise, with the premiere of episodic anthology series *Tales of the Walking Dead*, and production on new series built around iconic characters from the franchise including *The Walking Dead: Dead City*; *The Walking Dead: Daryl Dixon*, and a new series centered on the epic love story of central characters Rick and Michonne. AMC also aired the sixth and final season of the critically acclaimed *Better Call Saul*, which was nominated for seven Emmy Awards and was the #3 cable drama for its season in key demographics.
- In 2022, AMC launched a new universe of stories built around the iconic works of author Anne Rice beginning with the premiere of Anne Rice’s *Interview with the Vampire*. The widely-acclaimed first season became the #1 new drama on ad-supported cable in 2022. AMC renewed the series, starring Jacob Anderson, Sam Reid, Bailey Bass, and Eric Bogosian, for a second season. In 2023 the network launched the highly anticipated *Anne Rice’s Mayfair Witches*, the second endeavor in the Anne Rice Immortal Universe, debuting on the heels of *Anne Rice’s Interview with the Vampire* and has renewed the series for a second season.
- AMC also premiered *Dark Winds*, “perhaps the most ambitious Native-led TV show ever made,” according to The Hollywood Reporter, starring Zahn McClarnon and executive produced by Robert Redford and George R.R. Martin. The series sustained a 100% Fresh rating on Rotten Tomatoes and will return for a second season in 2023.
- AMC's film library consists of films that are licensed under long-term contracts with major studios such as Twentieth Century Fox, Warner Bros., Sony, MGM, NBC Universal, Paramount and Buena Vista. AMC generally structures its contracts for the exclusive cable television rights to air the films during identified window periods.

- As of December 31, 2022, WE tv reached approximately 68 million Nielsen subscribers and had distribution agreements with all major U.S. distributors.
- Driven by unscripted originals, WE tv is the #1 U.S. cable network for African American women on Friday nights and home to a popular slate of series and franchises including *Love After Lockup, Life After Lockup, Marriage Boot Camp and Growing Up Hip Hop*, as well as fan favorites *Waka & Tammy, Brat Loves Judy and Mama June: Road to Redemption.*
- In 2022, the network also premiered new unscripted series *Commit or Quit with Judge Lynn Toler and Super Sized Salon* as well as docuseries, *Hip Hop Homicides*, produced by Curtis "50 Cent" Jackson and hosted by Van Lathan.
- WE tv's programming also includes popular series *CSI: Miami and Law & Order* as well as feature films, with certain exclusive license rights from studios such as Paramount, MGM, Disney and Warner Bros.

- A joint venture between AMC Networks and BBC Studios (the commercial arm of the BBC), BBC AMERICA reached approximately 65 million Nielsen subscribers and had distribution agreements with all major U.S. distributors as of December 31, 2022.
- BBC AMERICA is a hub of innovative, culturally contagious programming. The network has attracted wide critical acclaim for its influential series, including *Orphan Black;* the timeless fan favorite *Doctor Who*, one of the longest running series in the world; and its highly-awarded original series *Killing Eve*, which has garnered Emmy, Golden Globe, Peabody, Critics' Choice and BAFTA Awards, among others, and concluded its fourth and final season in 2022.
- BBC AMERICA is also the definitive home and co-producer of iconic nature programming from the BBC. In 2023 the network will debut *Frozen Planet II*, the highly anticipated sequel to the four-time Emmy®-winning series *Frozen Planet.*

- As of December 31, 2022, IFC reached approximately 60 million Nielsen subscribers and had distribution agreements with all major U.S. distributors.
- IFC is the home of offbeat, unexpected comedies. The network's 2022 slate included the Emmy-nominated *Documentary Now!*, created by Seth Meyers, Bill Hader and Fred Armisen and executive produced by Lorne Michaels, and the Critics' Choice Award-nominated *Sherman's Showcase*, created by and starring Bashir Salahuddin and Diallo Riddle and executive produced by John Legend's Get Lifted Film Co. and RadicalMedia.
- IFC also continued as the broadcast home of the Independent Spirit Awards, the annual celebration of the spirited pioneers who bring a unique vision to filmmaking.
- IFC's programming also includes films from various film distributors, including Fox, Miramax, Sony, Lionsgate, Universal, Paramount and Warner Bros.

SUNDANCETV

- As of December 31, 2022, SundanceTV reached approximately 58 million Nielsen subscribers and had distribution agreements with all major U.S. distributors.
- SundanceTV has remained true to founder Robert Redford’s mission to celebrate creativity and distinctive storytelling through unique voices and narratives since its launch in 1996.
- Working with today's most innovative talent, SundanceTV attracts viewer and critical acclaim for its original scripted programming and true-crime documentaries. In 2022, the network premiered new seasons of its *True Crime Story* franchise with *It Couldn’t Happen Here* from Hilarie Burton Morgan and *Indefensible* with Jena Friedman as well as the second season of the Emmy Award-winning short form anthology series *State of the Union* starring Brendan Gleeson and Patricia Clarkson.

***Streaming Services***

The Company’s streaming portfolio of branded subscription services serve a targeted, passionate fanbase with content depth, curation and community. The content on these platforms is a mix of licensed and owned original programming. Our various services are distributed in several key markets internationally, including Canada, the U.K., parts of Europe, Korea, India, Australia, New Zealand and Latin America.

Our streaming services ended 2022 with approximately 11.8 million aggregate paid streaming subscribers[1].

Our streaming portfolio includes the following targeted services:

amc+

- Launched in 2020, AMC+ is the Company’s premium streaming bundle featuring an extensive lineup of popular and critically acclaimed programming from AMC, BBC America, IFC, and SundanceTV along with full access to targeted streaming services Shudder, Sundance Now and IFC Films Unlimited. Its library of commercial free content includes fan favorites *Mad Men, Halt & Catch Fire, Hell on Wheels, Turn: Washington’s Spies, Rectify, Portlandia,* and series from *The Walking Dead Universe*, among many others.
- In 2022, AMC+ featured the epic conclusions of three iconic series: the Peabody Award-winning *Killing Eve* starring Golden Globe® and SAG® Award-winner Sandra Oh and Emmy® Award-winner Jodie Comer; *Better Call Saul* starring Emmy® Award nominees Bob Odenkirk, Rhea Seehorn, Giancarlo Esposito, and Jonathan Banks; and the highest-rated series in cable television history, *The Walking Dead.* AMC+ also featured a slate of original and exclusive series including the second season of *Gangs of London*, the Gotham Award-winning *This Is Going to Hurt*, the third and final season of *A Discovery of Witches*, and *That Dirty Black Bag.*
- In 2022 AMC+ also became the exclusive streaming home of the Company’s full slate of films from IFC Films, IFC Midnight and RLJE Films following theatrical and digital distribution, with new films released every Friday including *Christmas With the Campbells*, which was the top acquisition driver of any film on AMC+ in 2022.
- AMC+ is available to subscribers commercial free through our direct to consumer (“DTC”) app, as well as through MVPDs and virtual MVPDs, and digital streaming platforms such as Amazon Prime Video Channels, Apple TV Channels and The Roku Channel.
- AMC+ is currently available in several international markets including Canada, Spain, South Korea, India, Australia and New Zealand.

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[1] 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 that converted to paying status in the subsequent period based on historical conversion percentages.

ACORN TV

- Acorn TV is North America's largest streaming service specializing in British and international television with exclusive new programs and a deep library of mysteries, dramas and comedies.
- In 2022, the service premiered hit series *Harry Wild*, starring and executive produced by Jane Seymour, the most watched new series and most watched single season of any series on Acorn TV. Additional recent commissioned and original series include popular New Zealand detective series *My Life Is Murder* starring Lucy Lawless, acclaimed Irish crime thriller *Bloodlands* starring James Nesbitt, British crime drama *Whitstable Pearl*, Emmy® Award nominated *Queens of Mystery*, Kiwi romantic comedy *Under the Vines*, and British detective drama *Dalgliesh*.
- These are in addition to a growing catalog of bingeable and fan-favorite dramas including *Agatha Raisin*, *A Place to Call Home*, *Jack Irish*, *Doc Martin*, *Deadwater Fel*, *and Midsomer Murders.*
- Acorn TV's international distribution is growing, with the service available in key markets including Canada, the U.K., and across Europe.

SHUDDER

- Shudder serves subscribers with a premium selection in genre entertainment covering horror, thrillers and the supernatural and brings subscribers Hollywood favorites, cult classics and original series and critically acclaimed new genre films.
- 2022 premieres on the service included the return of hit found footage anthology *V/H/S* with all-new installment *V/H/S/99*, the animated film *Mad God* from Oscar-winner Phil Tippett, the award-winning documentary *This Is Gwar*, *Queer For Fear: The History of Queer Horror,* and its biggest series launch of the year, *The 101 Scariest Movie Moments of All Time*. These join returning series *Creepshow*, *The Boulet Brothers' Dragula* and *The Last Drive-In with Joe Bob Briggs.*
- Shudder is currently available in several international markets including Canada, the United Kingdom, Ireland, Australia and New Zealand.

SUNDANCE NOW

- Sundance Now offers cross-genre escapism for viewers seeking fresh perspectives, thought-provoking experiences and transportive journeys to far-off places. In 2022, the service housed critically-acclaimed and award-winning original and streaming exclusive series including supernatural thriller *A Discovery of Witches*, the U.K. adaptation of the French hit *Call My Agent!*, *Ten Percent*, the multi- Emmy® winner *State of the Union*, crime thriller *The Suspect*, and four-part drama *Litvinenko*, among many others.

allblk

- ALLBLK is focused on Black content from Black storytellers
- ALLBLK is an invitation to a world of streaming entertainment that is inclusively, but unapologetically – Black. Featuring a diverse lineup of content that spans across genres and generations, in 2022 ALLBLK premiered several new series including provocative drama series *Hush*, psychological thriller limited series *Snap* created by Grammy-nominated artist Eric Benét, supernatural drama *Wicked City*, dramedy *Send Help* from *Insecure* alums Jean Elie and Mike Gauyo, and dramedy *À La Carte*. The service's lineup also includes original series *Craig Ross Jr.'s Monogamy, A House Divided*, *Double Cross*, *Millennials*, and *Partners In Rhyme*.

HIDIVE

- HIDIVE LLC ("HIDIVE") operates an anime-focused streaming service offering a robust library of television series, movies, and original video animations. In addition to its deep and diverse catalog, HIDIVE offers first-run simulcasts of the freshest anime at or near the time that content airs in Japan. HIDIVE is available in North America as well as key overseas markets including the U.K., Ireland, Australia, New Zealand and most countries comprising Latin America. HIDIVE's distribution reach continues to expand through new distribution partners and developing new services including its Anime X HIDIVE FAST channel. In 2022, HIDIVE became available on Amazon Prime Channels and Roku Channels.
- Sentai Holdings, LLC ("Sentai") is a leading global acquirer, producer and supplier of anime content that it distributes through its affiliates including HIDIVE, Anime Network and Sentai Filmworks, as well as select commercial partners. With strong industry relationships and access to key content creators in Japan, Sentai curates one of the anime industry's most diverse libraries of top trending and classic titles.

***AMC Studios***

amc STUDIOS

- AMC Studios is AMC Networks' in-house production and distribution operation which launched in 2010 with *The Walking Dead*, the highest-rated show in cable history.
- Since then, AMC Studios has produced several critically acclaimed, award-winning and culturally distinctive originals for AMC Networks' suite of channels and services including *Anne Rice's Interview with the Vampire*, *Anne Rice's Mayfair Witches*, *Dark Winds*, *Fear the Walking Dead*, *Tales of The Walking Dead*, *Halt and Catch Fire*, *The Terror* anthology and the Peabody Award-winning *Rectify*, as well as unscripted series *Ride with Norman Reedus* and James Cameron's *Story of Science Fiction*.

***Film Distribution***

IFC Films

- IFC Films, our film distribution business, is a leading distributor of high-quality, talent-driven independent films.
- IFC Films operates two distribution labels: IFC Films and IFC Midnight. IFC Films also operates IFC Films Unlimited, a subscription based streaming service in the United States and Canada which launched in 2019.
- Notable 2022 releases include the Oscar shortlisted international film *Corsage*, which also won the Un Certain Regard Award for Best Performance at the Cannes International Film Festival; Oscar shortlisted documentary *Bad Axe*, a Critics' Choice Award winner for Best First Documentary Feature; the Gotham Award-winning international feature *Happening* from director Audrey Diwan; documentary *Hold Your Fire* from award-winning filmmaker Stefan Forbes and producer Fab Five Freddy; Claire Denis' *Fire* starring Juliette Binoche; horror film *Watcher* from director Chloe Okuno; and Sundance hit *Resurrection* starring Rebecca Hall and Tim Roth.

***AMC Networks Broadcasting & Technology***

- AMC Networks Broadcasting & Technology is a full-service network programming feed origination and distribution company located in Bethpage, New York, which primarily services most of the national programming networks of the Company.
- AMC Networks Broadcasting & Technology consolidates origination and satellite communication functions in a 67,000 square-foot facility designed to keep AMC Networks at the forefront of network origination and distribution technology. AMC Networks Broadcasting & Technology has 30 plus years of experience across its network services groups, including network origination, affiliate engineering, network transmission, and traffic and scheduling that provide day-to-day delivery of any programming network, in high definition or standard definition.

**International and Other**

Our International and Other segment includes the operations of AMC Networks International and 25/7 Media.

***AMC Networks International***

- AMCNI, the international division of the Company, delivers entertaining and acclaimed programming that reaches subscribers in more than 110 countries and territories around the world, through operational centers in London, Madrid, Budapest, Miami and Buenos Aires.
- AMCNI consists of our global brand, AMC, as well as a portfolio of popular, locally recognized brands delivering programming in a wide range of genres, including sports, film, cooking, crime and investigation, science, documentary and kids.
- Our local and regional channels are programmed for local audiences and language, and we develop and license local content that is tailored to individual market tastes.
- AMCNI also operates a number of joint venture partnerships and managed channel services as well as direct to consumer services. A joint venture with Paramount International Networks delivers a portfolio of entertainment channels which is managed from London. Dreamia, a joint venture with NOS in Portugal, delivers channels including Canal Hollywood, Canal Panda, Panda Kids, Biggs, Blast, Casa e Cozinha, and recently launched the over-the-top ("OTT") application Panda+.
- Highlights of the top AMCNI locally recognized channels are detailed below:

- El Gourmet is a “go-to” TV culinary destination for Latin American audiences that connects with its viewers by celebrating local traditions and featuring culinary experiences from all over the world. Its mission is to reunite family and friends around the table to make memorable life experiences.
- Launched over two decades ago, El Gourmet offers 100% of its content in Spanish, with over 90% original productions and more than 250 episodes premiering each year, showcasing some of the greatest celebrity cooks of this region.
- El Gourmet’s original productions have been awarded 14 Martin Fierro Awards (granted by the Association of Argentine Television and Radio Journalists) as well as two Taste Awards in the United States.

- Our U.K. business operates a joint venture with Paramount International Networks delivering a portfolio of entertainment channels in the U.K. including CBS Reality, Reality Xtra, Legend, and Horror Xtra.
- CBS Reality is increasingly airing owned locally produced ‘true crime’ content aimed at women in the 50+ demographic. These documentary style programs re-visit famous crimes predominantly from the U.K. and the United States and investigate the psychology of a killer.

- Jim Jam is a pre-school kids channel aimed at 2-6 year-olds, focusing on education and teaching English.
- Popular content includes *Bob The Builder*, *Fireman Sam*, *Thomas and Friends* and *Chuggington*.
- Jim Jam reaches subscribers in over 60 EMEA countries.

- Canal Hollywood is one of the leading pay-TV film channels in Spain and Portugal, offering a wide selection of movies produced by major U.S. studios.
- Genres include comedy, drama, thriller, western, musical, and science fiction and the industry's biggest stars.
- The channel began broadcasting in 1993 and is distributed on all pay-TV platforms in Spain and Portugal, reaching more than 10 million households.

- Sports 1 & Sports 2 are premium sports channels in our core Central European territories.
- The channels broadcast European football, Formula 1, NBA and ice hockey among other live sports events.

- 25/7 Media (dba Center Drive Media) owns and operates two leading production companies: Triage Entertainment, founded in 1995, and Lando Entertainment, founded in 2016.
- Together, they produce premium, prime-time programming, and focus on four major genres: multi-cam events, original formats and lifestyle, premium documentary series and scripted.
- Center Drive Media has produced award-winning and culturally distinctive originals across a wide range of networks and platforms, including CBS, NBC, Netflix, Paramount+, Discovery+, Food Network, HGTV, Lifetime, History, MTV, CMT, HBO and Showtime. Recent multi-camera events include specials from Sebastian Maniscalco, Taylor Tomlinson and Gabriel Iglesias. Original formats and lifestyle include Tournament of Champions, Food Network's highest-rated series, and Guy Fieri's *Guy's Grocery Games*. Premium documentary series include the Emmy award-winning *Remastered* and four-part documentary series *11 Minutes*. Scripted series include *Black Jesus* for Comedy Central.

**REGULATION**

Our businesses are subject to and affected by regulations of U.S. federal, state and local government authorities, and our international operations are subject to laws and regulations of the countries in which they operate, as well as international bodies, such as the European Union. The Federal Communications Commission (the "FCC") regulates U.S. programming networks directly in some limited respects; other FCC regulations, although imposed on cable television operators, satellite operators, or other MVPDs, affect programming networks indirectly. The rules, regulations, policies and procedures affecting our businesses are constantly subject to change and increasingly, legislative and regulatory proposals seek to cover all sources of content, including the digital platforms over which we offer content, which may affect our regulatory burdens in the future.

The descriptions below are summary in nature and do not purport to describe all present and proposed laws and regulations affecting our businesses.

***Closed Captioning***

Certain of our networks must provide closed-captioning of programming for the hearing impaired, and comply with other regulations designed to make our content more accessible, and we must provide closed captioning on certain video content that we offer on the Internet or through other Internet Protocol distribution methods. We must also ensure that our DTC applications can pass through closed captions on content and comply with certain other accessibility requirements. Congress and the FCC periodically consider proposals to enhance that accessibility, and are doing so now. Some of those proposals, if adopted, would increase our obligations substantially.

***CALM Act***

FCC rules require MVPDs to ensure that all commercials comply with specified volume standards, and our distribution agreements generally require us to certify compliance with such standards.

***Emergency Alert Codes or Attention Signals***

We may not include emergency alert codes or attention signals, or simulations of them, in our content under any circumstances other than a genuine alert, an authorized test of the emergency alert system, or a permissible public service announcement.

***Obscenity Restrictions***

Cable operators and other MVPDs are prohibited from transmitting obscene programming, and our distribution agreements generally require us to refrain from including such programming on our networks.

***Program Carriage***

The Communications Act and the FCC's program carriage rules prohibit distributors from favoring their affiliated programming networks over unaffiliated similarly situated programming networks in the rates, terms and conditions of carriage agreements between programming networks and cable operators or other MVPDs. Despite these rules, certain regulatory interpretations and court decisions make it more difficult for our programming networks to challenge a distributor’s decision to decline to carry one of our programming networks or discriminate against one of our programming networks.

***Packaging Programming and Volume Discounts***

The FCC from time to time examines whether to adopt rules restricting how programmers package and price their networks, or whether to impose other restrictions on carriage agreements between programmers and MVPDs. We do not currently require distributors to carry more than one of our national programming networks in order to obtain the right to carry a particular national programming network. However, we generally negotiate with a distributor for the carriage of all of our national networks concurrently, and we offer volume discounts to distributors who make our programming available to larger numbers of subscribers or who carry more of our programming networks.

Some states also have sought to regulate the manner in which MVPDs package and offer programming. We generally do not allow our networks or individual programs on those networks today to be offered by distributors on an a la carte basis.

***Effect of "Must-Carry" and "Retransmission Consent" Requirements***

The FCC's implementation of the statutory "must-carry" obligations requires cable and DBS operators to give certain broadcasters preferential access to channel space and preferential channel positions, and FCC "retransmission consent" rules allow broadcasters to require cable and DBS operators to carry broadcast-affiliated networks as a condition of access to the local broadcast station and to charge substantial fees for both carriage of the local broadcast station and the broadcast-affiliated networks. In contrast, programming networks, such as ours, have no guaranteed right of carriage on cable television or DBS systems nor any guaranteed channel position. These carriage laws may reduce the amount of channel space that is available for carriage of our networks by cable television systems and DBS operators, or the amount of programming funds that cable and DBS operators have available for carriage of our networks.

***Website Requirements***

We maintain various websites that provide information regarding our businesses and offer content for sale. The operation of these websites may be subject to a range of federal, state and local laws such as privacy, data security, accessibility, child safety, oversight of user-generated content, and consumer protection regulations. For example, most states have enacted laws that impose data security and security breach obligations, and new frameworks regulating consumer privacy have recently been established at the state level and overseas, including the European Union's General Data Protection Regulation, or the GDPR, and the California Consumer Privacy Act, or as amended, the CCPA. The GDPR and the CCPA impose, among other things, more stringent operational requirements for processors and controllers of personal data, including expanded disclosures about how personal information is to be used, and increased liability for violations. In addition, the FCC from time to time considers whether some or all websites offering video programming should be considered MVPDs and regulated as such, which would increase our regulatory costs and obligations substantially.

***Other Regulation***

The FCC also imposes rules that may impact us regarding a variety of issues such as advertising in children's television, and telemarketing. Programming businesses are subject to regulation by the country in which they operate, as well as international bodies, such as the European Union. These regulations may include restrictions on types of advertising that can be sold on our networks, programming content requirements, requirements to make programming available on non-discriminatory terms, and local content quotas.

**COMPETITION**

Our programming services, consisting of linear networks and streaming services, operate in three highly competitive markets. First, our programming services compete with other programming services to obtain distribution on cable television systems and other multichannel video programming distribution systems, and ultimately for viewing by each distributor's subscribers. Second, our programming services compete with other programming services and other sources of video content, to secure desired entertainment programming. Third, our programming services compete with other sellers of advertising time and space, including other cable programming networks, radio, newspapers, outdoor media and, increasingly, internet sites. The success of our businesses depends on our ability to license and produce content for our programming services that is adequate in quantity and quality and will generate satisfactory viewer ratings. In each of these cases, some of our competitors are large publicly held companies that have greater financial resources than we do.

***Distribution of Programming Services***

The business of distributing programming services to cable television systems and other MVPDs and licensing of original programming for distribution is highly competitive. Our programming services face competition from other programming networks and services for carriage by a particular MVPD, and for the carriage on the service tier that will attract the most subscribers. Once our programming service is selected by a distributor for carriage, that service competes for viewers not only with the other programming services available on the distributor's system, but also with over-the-air broadcast television, Internet-based video and other online services, mobile services, radio, print media, motion picture theaters, DVDs, and other sources of information and entertainment.

Important to our success in each area of competition we face are the prices we charge for our programming services, the quantity, quality and variety of the programming offered on our services, and the effectiveness of our services' marketing efforts. The competition for viewers among advertiser supported networks is directly correlated with the competition for advertising revenues with each of our competitors.

Our ability to successfully compete with other networks and services may be hampered because the cable television systems or other MVPDs through which we seek distribution may be affiliated with other programming networks or services. In addition, because such distributors may have a substantial number of subscribers, the ability of such programming services to obtain distribution on the systems of affiliated distributors may lead to increased distribution and advertising revenue for such programming networks or services because of their increased penetration compared to our programming services. Even if such affiliated distributors carry our programming services, such distributors may place their affiliated programming network on a more desirable tier, thereby giving the affiliated programming network a competitive advantage over our own.

New or existing programming networks that are affiliated with broadcasting networks like ABC, CBS, Fox or NBC may also have a competitive advantage over our programming networks in obtaining distribution through the "bundling" of agreements to carry those programming networks with agreements giving the distributor the right to carry a broadcast station affiliated with the broadcasting network.

Part of our strategy involves exploiting identified segments of the cable television viewing audience that are generally well defined and limited in size. Our networks have faced and will continue to face increasing competition as other programming networks and online or other services seek to serve the same or similar niches.

We also seek to increase our content licensing revenues by expanding the opportunities for licensing our programming through other media platforms and we compete with other programming companies in this market based on the desirability of our programming.

***Sources of Programming***

We also compete with other programming networks and other distributors including digital distribution platforms to secure desired programming. Most of our original programming and all of our acquired programming is obtained through agreements with other parties that have produced or own the rights to such programming. Competition for this programming will increase as the number of programming networks and other distributors increases. Other programming networks or streaming services that are affiliated with programming sources such as movie or television studios or film libraries may have a competitive advantage over us in this area.

With respect to the acquisition of entertainment programming, such as syndicated programs and movies that are not produced by or specifically for networks, our competitors include national broadcast television networks, local broadcast television stations, other cable programming networks, Internet-based video content distributors, and video-on-demand programs. Some of these competitors have exclusive contracts with motion picture studios or independent motion picture distributors or own film libraries.

***Competition for Advertising Revenue***

Our programming networks must compete with other sellers of advertising time and space, including other MVPDs, radio, newspapers, outdoor media and increasing shifts in spending toward online and mobile offerings from more traditional media. We compete for advertisers on the basis of rates we charge and also on the number and demographic nature of viewers who watch our programming. Advertisers will often seek to target their advertising content to those demographic categories they consider most likely to purchase the product or service they advertise. Accordingly, the demographic make-up of our viewership can be equally or more important than the number of viewers watching our programming.

## HUMAN CAPITAL RESOURCES

At AMC Networks we are passionate about telling authentic stories that connect with audiences in meaningful ways and that entertain with vivid characters and worlds that show a full spectrum of the human experience. We believe the strength of our workforce is one of the significant contributors to our success. Our key human capital management objectives are to invest in and support our employees so that we have the ability to attract, develop and retain a high performing and diverse workforce.

***Talent***

The Company employed 1,948 employees as of December 31, 2022. Our global workforce, as of December 31, 2022, was more than 50% women, with 44% of our leadership positions (vice president or equivalent and above) held by women, including three members of the Company’s senior leadership team. The Company also appointed its first woman Chief Commercial Officer in 2022, who now serves as an executive officer of AMC Networks. More than 30% of our U.S.-based workforce are people of color.

We aim to attract top talent through our corporate brand and our reputation for innovation and high-quality content, as well as through the many benefits we offer. We aim to retain our talent by emphasizing our competitive rewards; offering opportunities that support employees both personally and professionally; and our commitment to fostering a positive, inclusive and collaborative corporate culture.

Our performance management practice includes frequent feedback and conversations between managers and team members, and talent reviews designed to identify potential future leaders and inform succession plans. We value continuous learning and development opportunities for our employees, which include: a robust internal group mentorship program; leadership development programs; and tuition assistance.

Our benefit offerings are designed to meet the range of needs of our diverse workforce and support the health, finance, and well-being of employees. They include: adoption assistance; backup child/elder care; child care resources; college planning; domestic partner coverage; domestic partner tax equalization; gender reassignment surgery; employee assistance programs; financial planning seminars; and a health advocate offering.

In addition, for certain of our productions, the Company, through in-house and third-party production service companies, engages the services of writers, directors, actors and various crew members who are subject to certain specially negotiated collective bargaining agreements. Since these agreements are generally entered into on a per-project basis, negotiations occur on various agreements throughout the year. We believe that our relations with the labor unions and our employees are generally good.

***Diversity, Equity and Inclusion (DEI)***

At AMC Networks being diverse, equitable, and inclusive is more than a business imperative that spurs creativity and drives innovation. It is at the heart of who we are and what we believe.

Some examples of our DEI areas of focus are described below:

*Fostering Inclusive Communities* – We have nine active Business Employee Resource Groups (BERGs) that form communities through shared interests and experiences with more than 20 chapters across the U.S, U.K., Europe and Latin America. Our BERG members strive to create a culture of belonging for our employees. They facilitate networking and connections with peers; support the acquisition of diverse talent; provide an avenue to facilitate leadership and skill development; and help to increase the organization's overall cultural competency. They are an important part of driving our business objectives, including curating themed content areas that helps drive streaming subscriber engagement and growth, acting as a valuable sounding board for content development and programming, leading heritage month celebrations and supporting employee engagement and retention.

*Developing Talent Pipelines* – We strive to create robust pipelines of diverse talent for our workplace to provide employment opportunities that are accessible to historically excluded and underrepresented communities. We do this primarily by partnering with leading industry diversity advocacy organizations and through our corporate internship program where we source candidates from a broad range of colleges including Historically Black Colleges and Universities (HBCUs) through our partnership with the Entertainment Industry College Outreach Program ("EICOP") HBCU in LA.

*Learning Together* – We equip our employees and our production staff with the tools and knowledge they need to expand awareness and understand what promoting diversity, equity and inclusion really means, we provide learning opportunities across a variety of topics ranging from exploring unearned advantage and disadvantage and cultivating an inclusive writer's room and set to building a more equitable workforce through inclusive hiring practices.

*Our Content* – We have a long track record of championing and supporting independent and diverse voices and using our platforms and brands to bring these storytellers' vision to life. Encouraging diverse and inclusive voices and points of view – on our screens, on our sets, and in our writer's rooms – is fundamental to our creative process. It is how we understand, reflect, and speak with insight and authenticity to the wide range of audiences we reach every day. In 2022, we launched an Inclusive Writer's Room Workshop, focused on cultivating an environment of inclusion and belonging in the writers' room as well as equipping our writers with tools for inclusive storytelling, including identifying and mitigating unconscious bias and stereotypes in narratives. We also debuted acclaimed and proudly inclusive series and films across our brands and services including breakout series *Dark Winds*, the #2 new cable drama of the television season which has been renewed for a second season; the Gotham Award-winning *This Is Going to Hurt*; the #1 new ad-supported cable drama of 2022; *Anne Rice's Interview with the Vampire*; and the timely New York Times' Critic's Pick and Gotham Award-winning *Happening* from IFC Films; among many others.

*High Impact Partnerships* – We work with leading industry organizations to promote greater inclusion in the stories we tell, the partners we work with, and the audiences who enjoy our content. The following are a few examples of our active partnerships and collaborations through which we strive to empower the next generation of storytellers:

- We introduced AVENUE, a dedicated division of the AMC Networks Content Room, committed to helping advertising and marketing partners authentically reach diverse and underrepresented audiences through association with AMC Networks' programming, talent, relationships, reach and scale.
- Through AVENUE, AMC Networks entered into a partnership with Harlem Festival of Culture (HFC), the modern-day reimagining of the groundbreaking Harlem Cultural Festival of 1969 celebrating Black culture through cultural & economic development programming.
- We were thrilled to partner with ReelWorks in supporting the inaugural IATSE Entertainment Industry Hair Stylist Training, focused on increasing job access for makeup and hair professionals of color.
- We continued our partnerships with Coded for Inclusion's Staff Me Up job matching platform for production crews designed to help change the way hiring happens in Hollywood, and Mentorship Matters to connect showrunners with emerging writers of color for dynamic year-long mentorships.
- We announced a new partnership with the Handy Foundation focused on staffing below the line and post-production roles with talent from historically underrepresented communities in television and film.
- We partnered with the Ad Council to create a PSA campaign highlighting the power of girls in STEM (science, technology, engineering and math) utilizing talent of AMC's popular franchise The Walking Dead. Produced by the AMCN Content Room, the PSAs are part of the Ad Council's She Can STEM campaign which encourages girls, trans and non-binary youth around the country to get excited about STEM.
- We announced a partnership with several film festivals across the U.S. focused on identifying, developing, and amplifying talent from underrepresented and historically excluded communities.

*Supplier Diversity* – We are committed to supplier diversity and advancing the social and economic inclusion of businesses owned by historically excluded and underrepresented groups — including women, minorities, veterans, people with disabilities, and the LGBTQ+ community. We seek to promote opportunities for diverse ideas and innovative solutions that strengthen our organization and the stories we tell, the suppliers we work with, and the communities where we live and operate. We strive to use best practices in supplier diversity to identify and work with businesses that are at least 51% owned, operated and controlled by one or more of the following: Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Lesbian, Gay, Bisexual, Transgender, Queer Enterprises (LGBTQ+), Veteran Owned Business (VBE), Service Disabled Veterans (SDV), and Disability-Owned Business Enterprise (DOBE).

***Culture***

Our Company has a proud past and a long history of innovation and originality in our storytelling. This legacy informs who we are and is imbued in our corporate culture and in our values. We embrace collaboration, openness, approachability, as well as agility and creativity.

Throughout the year we bring together partners, business leaders and our creative talent for engaging and thought-provoking conversations for our employees about our content, industry trends, and advancing DEI. In 2022, we introduced a new series called “Courageous Conversations,” a monthly opportunity for all employees to engage on key social and cultural issues impacting our community and society at large, presented and facilitated by experts on topics ranging from neurodiversity in the workplace to exploring authentic engagement with Native American communities.

Giving and social impact programs and initiatives are an important part of our culture because at AMC Networks we want to be a source for positive change in the communities where we live and work. Through philanthropic efforts, community outreach and strong and lasting partnerships, we support causes aimed at advancing a culture of inclusivity and amplifying everyone’s voice. In 2022, we matched donations from nearly 300 employees in support of more than 275 causes on our online giving and volunteering platform, Give Back at AMCN. Through the platform, employees can research and learn about organizations doing important and difference-making work and make personal charitable donations, which includes an annual company match.

Other initiatives to foster community and social impact include paid time off for full-time employees for Juneteenth, Election Day, Veterans Day and a volunteer day of their choice.

**AVAILABLE INFORMATION**

Our corporate website is http://www.amcnetworks.com and the investor relations section of our website is located at http://investor.amcnetworks.com. We make available, free of charge through the investor relations section of our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as well as our proxy statements, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission ("SEC"). References to our website in this Annual Report on Form 10-K (this "Annual Report") are provided as a convenience and the information contained on, or available through, the website is not part of this or any other report we file with or furnish to the SEC.

**Item 1A. Risk Factors.**

A wide range of risks may affect our business, financial condition and results of operations, now and in the future. We consider the risks described below to be the most significant. There may be other currently unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results.

**Risks Relating to Our Business**

***Our business depends on the appeal of our programming to our U.S. and international viewers and our distributors, which is often unpredictable and volatile.***

Our business depends upon viewer preferences and audience acceptance in the United States and internationally of the programming on our networks. These factors are often unpredictable and volatile, and subject to influences that are beyond our control, such as the quality and appeal of competing programming, general economic conditions and the availability of other entertainment activities. We may not be able to anticipate and react effectively to shifts in viewer preferences and/or interests in our markets. A change in viewer preferences has caused, and could in the future continue to cause, the audience for certain of our programming to decline, which has resulted in, and could in the future continue to result in, a reduction of advertising revenues and jeopardize our bargaining position with distributors. In addition, certain of our competitors have more flexible programming arrangements, as well as greater amounts of available content, distribution and capital resources, and may react more quickly than we might to shifts in tastes and interests.

The success of our business depends on original programming, and our ability to accurately predict how audiences will respond to our original programming is particularly important. Because our network branding strategies depend significantly on a relatively small number of original programs, a failure to anticipate viewer preferences for such programs could be especially detrimental to our business. We periodically review the programming usefulness of our program rights based on a series of factors, including ratings, type and quality of program material, standards and practices, and fitness for exhibition. We have incurred write-offs of program rights in the past, including $403.8 million in the fourth quarter of 2022, and may incur future program rights write-offs if it is determined that program rights have limited, or no, future usefulness.

In addition, feature films constitute a significant portion of the programming on our AMC, IFC and SundanceTV programming networks. In general, the popularity of feature-film content on linear television has declined, and may continue to decline, due in part to the broad availability of such content through an increasing number of distribution platforms. If the popularity of feature-film programming further declines, we may lose viewership, which would decrease our revenues.

If our programming does not gain the level of audience acceptance we expect, or if we are unable to maintain the popularity of our programming, our ratings would suffer, which will negatively affect advertising revenues, and we may have a diminished bargaining position with distributors, which could reduce our distribution revenues. Ratings have declined in recent years, which has had a negative effect on our advertising revenues and our financial results. We cannot assure you that we will be able to maintain the success of any of our current programming or generate sufficient demand and market acceptance for our new programming.

The failure to develop popular new programming to replace programming that is older or ending can have adverse impacts on our business and results of operations.

***Our programming services' success depends upon the availability of programming that is adequate in quantity and quality, and we may be unable to secure or maintain such programming.***

The success of our programming services, consisting of linear networks and streaming services, depends upon the availability of quality programming, particularly original programming and films, that is suitable for our target markets. While we produce certain of our original programming through our studio operations, we obtain most of the programming on our services (including original programming, films and other acquired programming) through agreements with third parties that have produced or control the rights to such programming. These agreements expire at varying times and may be terminated by the other parties if we are not in compliance with their terms.

Competition for programming has increased as the number of programming networks and streaming services has increased. Other programming networks and streaming services that are affiliated with programming sources such as movie or television studios or film libraries may have a competitive advantage over us. In addition to other cable programming networks, we also compete for programming with national broadcast television networks, local broadcast television stations, video on demand services and subscription streaming services, such as Netflix, Hulu, Apple TV, Google TV and Amazon Prime. Some of these competitors have exclusive contracts with motion picture studios or independent motion picture distributors or own film libraries.

We cannot assure you that we will ultimately be successful in producing or obtaining the quality programming our networks and streaming services need to be successful.

***Increased programming costs may adversely affect our profits.***

We produce original programming and other content and may continue to invest in this area, the costs of which are significant. We also acquire programming and television series, as well as a variety of digital content and other ancillary rights from other companies, and we pay license fees, royalties or contingent compensation in connection with these acquired rights. Our investments in original programming have been and may continue to be significant and involve complex negotiations with numerous third parties. These costs may not be recouped when the content is broadcast or distributed and higher costs may lead to decreased profitability or potential write-downs. Increased competition from additional entrants into the market for development and production of original programming, such as Netflix, Hulu, Apple TV, Google TV and Amazon Prime, increases our programming content costs.

We incur costs for the creative talent, including actors, writers and producers, who create our original programming. Some of our original programming has achieved significant popularity and critical acclaim, which has increased and could continue to increase the costs of such programming in the future. In addition, from time to time we have disputes with writers, producers and other creative talent over the amount of royalty and other payments (See Item 3. – Legal Proceedings for additional information). We believe that disputes of this type are endemic to our business and similar disputes may arise from time to time in the future. An increase in the costs of programming may lead to decreased profitability or otherwise adversely affect our business.

Although in some cases the financial commitment for original programming is partially offset by foreign, state or local tax incentives, there is a risk that the tax incentives will not remain available for the duration of a series. If tax incentives are no longer available, reduced substantially, or cannot be utilized, we may incur higher costs in order to complete the production or produce additional seasons. If we are unable to produce original programming content on a cost effective basis our business, financial condition and results of operations may be materially adversely affected.

***Our efforts to attract and retain streaming subscribers may not be successful, which may adversely affect our business***

Our ability to continue to attract subscribers will depend in part on our ability to consistently provide compelling content choices, effectively market our streaming services, as well as provide a quality experience for subscribers. Furthermore, the relative service levels, content offerings, pricing and related features of competitors to our service may adversely impact our ability to attract and retain subscribers. For example, we have in the past increased, and may in the future increase, prices for our streaming services, which could result in subscribers cancelling their subscriptions or potential subscribers not choosing to sign up for our services. We incur significant marketing expenditures to attract streaming subscribers, therefore retention of those subscribers is critical to our business model. We must continually add new subscriptions both to replace canceled subscriptions and to grow our streaming services beyond our current subscription base. While we permit multiple users within the same household to share a single account for noncommercial purposes, if account sharing is abused, our ability to add new subscribers may be hindered and our results of operations may be adversely impacted. If we do not grow as expected, given, in particular, that our content costs are largely fixed in nature and contracted over several years, we may not be able to adjust our expenditures or increase our (per subscription) revenues commensurate with the lowered growth rate, which could adversely impact our margins, liquidity and results of operations. If we are unable to successfully compete with current and new competitors in both retaining our existing subscriptions and attracting new subscriptions, our streaming services will be adversely affected. Further, if excessive numbers of subscribers cancel our services, we may be required to incur significantly higher marketing expenditures than we currently anticipate to replace these subscribers with new subscribers.

***We are subject to intense competition, which may have a negative effect on our profitability or on our ability to expand our business.***

The programming industry is highly competitive. Our programming networks and streaming services compete with other programming networks and other types of video programming services for marketing and distribution by cable and other multichannel video programming distribution systems and ultimately for viewing by their subscribers. We compete with other providers of programming networks for the right to be carried by a particular cable or other multichannel video programming distribution system and for the right to be carried by such system on a particular "tier" of service. The increasing offerings by virtual MVPDs through alternative distribution methods creates competition for carriage on those platforms. Our programming networks and streaming services compete with other programming networks, streaming services, and other sources of video content to secure desired entertainment programming.

Competition for content, audiences and advertising is intense and comes from broadcast television, other cable networks, distributors, including subscription streaming services and virtual multichannel video programming services, social media content distributors, and other entertainment outlets and platforms, as well as from search, social networks, program guides and "second screen" applications.

Increased competition from additional entrants into the market for development and production of original programming, such as Netflix, Hulu, Apple TV, Google TV and Amazon Prime, increases our content costs as creating competing high quality, original content requires significant investment. In addition, as competition with these entrants for the creation and acquisition of quality programming continues to escalate, the complexity of negotiations over acquired rights to the content and the value of the rights we acquire or retain may increase, leading to increased acquisition costs, and our ability to successfully acquire content of the highest quality may face greater uncertainty.

Our ability to compete successfully depends on a number of factors, including our ability to create or acquire high quality and popular programs, adapt to new technologies and distribution platforms, and achieve widespread distribution for our content. More content consumption options increase competition for viewers as well as for programming and creative talent, which can decrease our audience ratings, and therefore potentially our advertising revenues.

Certain programming networks affiliated with broadcast networks like ABC, CBS, Fox or NBC or other key free-to-air programming networks in countries where our networks are distributed may have a competitive advantage over our programming networks in obtaining distribution through the "bundling" of carriage agreements for such programming networks with a distributor's right to carry the affiliated broadcasting network. In addition, our ability to compete with certain programming networks for distribution may be hampered because the cable television or other MVPDs through which we seek distribution may be affiliated with these programming networks. Because such distributors may have a substantial number of subscribers, the ability of such programming networks to obtain distribution on the systems of affiliated distributors may lead to increased distribution and advertising revenue for such programming networks because of their increased penetration compared to our programming networks. Even if the affiliated distributors carry our programming networks, they may place their affiliated programming network on a more desirable tier, thereby giving their affiliated programming network a competitive advantage over our own. Our competitors could also have preferential access to important technologies, customer data or other competitive information. There can be no assurance that we will be able to compete successfully in the future against existing or potential competitors, or that competition will not have a material adverse effect on our business, financial condition or results of operations.

In addition, our competitors include market participants with interests in multiple media businesses that are often vertically integrated, whereas our businesses generally rely on distribution relationships with third parties. As more cable and satellite operators, Internet service providers, subscription streaming services, other content distributors, aggregators and search providers create or acquire their own content, some of them have significant competitive advantages, which could adversely affect our ability to negotiate favorable terms and distribution or otherwise compete effectively in the delivery marketplace. Certain of our competitors also have preferential access to important technologies, customer data or other competitive information.

There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that competition will not have a material adverse effect on our business, financial condition or results of operations.

***Changes in the operating environment of multichannel distributors, including declines in the number of subscribers, could have a material negative effect on our business and results of operations.***

Our business derives a substantial portion of its revenues and income from cable television providers and other MVPDs. Subscription streaming services and virtual MVPDs have changed when, where and how audiences consume video content. These changes pose risks to the traditional U.S. television industry, including (i) the disruption of the traditional television content distribution model by subscription streaming services and virtual multichannel video programming services, which are increasing in number and some of which have a significant and growing subscriber base, and (ii) the disruption of the advertising supported television model resulting from increased video consumption through subscription streaming services and virtual multichannel video programming services with no advertising or less advertising than on television networks, and time shifted viewing of television programming. In part as a result of these changes, over the past few years, the number of subscribers to traditional MVPDs in the United States has declined and the U.S. television industry has experienced declines in ratings for programming, which has negatively affected subscription and advertising revenues, including ours. Developments in technology and new content delivery products and services have also led to an increased amount of video content, as well as changes in consumers' expectations regarding the availability of video content, their willingness to pay for access to or ownership of such content, their perception of what quality entertainment is and their tolerance for commercial interruptions. We are engaged in efforts to respond to and mitigate the risks from these changes, but the success of some of these initiatives depends in part on the cooperation of measurement companies, advertisers and affiliates and, therefore, is not within our control. We have incurred significant costs to implement our strategy and initiatives, and if they are not successful, our competitive position, businesses and results of operations could be adversely affected.

***Because a limited number of distributors account for a large portion of our business, failure to renew our programming networks' distribution agreements, renewal on less favorable terms, or the termination of those agreements, both in the United States and internationally, could have a material adverse effect on our business.***

Our programming networks depend upon agreements with a limited number of cable television system operators and other MVPDs. The loss of any significant distributor could have a material adverse effect on our consolidated results of operations.

Currently our programming networks have distribution agreements with staggered expiration dates through 2028. Failure to renew distribution agreements, or renewal on less favorable terms (including with respect to price, packaging, positioning and other marketing opportunities), or the termination of distribution agreements could have a material adverse effect on our results of operations. A reduced distribution of our programming networks would adversely affect our distribution revenues, and impact our ability to sell advertising or the rates we charge for such advertising. Even if distribution agreements are renewed, there is no assurance that the renewal rates will equal or exceed the rates that we currently charge these distributors.

In addition, we have, in some instances, made upfront payments to distributors in exchange for additional subscribers or have agreed to waive or accept lower subscription fees if certain numbers of additional subscribers are provided. In certain cases, we also help fund our distributors' efforts to market our programming networks or permit distributors to offer promotional periods without payment of subscriber fees. As we continue our efforts to add viewing subscribers, our net revenues may be negatively affected by these deferred carriage fee arrangements, discounted subscriber fees or other payments.

***We may not be able to adapt to new content distribution platforms and to changes in consumer behavior resulting from these new technologies, which may adversely affect our business.***

We must successfully adapt to technological advances in our industry, including alternative distribution platforms and viewing technologies. Our ability to exploit new distribution platforms and viewing technologies will affect our ability to maintain or grow our business. New forms of content distribution provide different economic models and compete with current distribution methods in ways that are not entirely predictable. Such competition has reduced and is likely to continue to reduce demand for our traditional television offerings and could reduce demand for the offerings of digital platforms and, in turn, reduce our revenue from these sources. Accordingly, we must adapt to changing consumer behavior driven by advances such as virtual MVPDs, video on demand, subscription streaming services, including services such as Netflix, Hulu, Apple TV, Google TV and Amazon Prime, and mobile devices. Gaming and other consoles such as Microsoft's Xbox and Roku are establishing themselves as alternative providers of video services. Such changes may impact the revenues we are able to generate from our traditional distribution methods, either by decreasing the viewership of our programming networks on cable and other multichannel video programming distribution systems which are almost entirely directed at television video delivery or by making advertising on our programming networks less valuable to advertisers. If we fail to adapt our distribution methods and content to new technologies, our appeal to our targeted audiences might decline and there could be a negative effect on our business.

***Consolidation among cable, satellite and telecommunications service providers has had, and could continue to have, an adverse effect on our revenue and profitability.***

Consolidation among cable and satellite distributors and telecommunications service providers has given the largest operators considerable leverage and market power in their relationships with programmers. We currently have agreements in place with the major U.S. cable and satellite operators and telecommunications service providers and this consolidation has affected, and could continue to affect, our ability to maximize the value of our content through those distributors. In addition, many of the countries and territories in which we distribute our networks also have a small number of dominant distributors.

In connection with consolidation in the industry, in some cases, if a distributor is acquired, the agreement of the acquiring distributor will govern following the acquisition. In those circumstances, the acquisition of a distributor that is party to one or more distribution agreements with our programming networks on terms that are more favorable to us could adversely impact our financial condition and results of operations. Continued consolidation within the industry could reduce the number of distributors that carry our programming and further increase the negotiating leverage of the cable and satellite television system operators, which could have an adverse effect on our financial condition or results of operations.

***Advertising market conditions in specific markets have in the past caused and could in the future cause our revenues and operating results to decline significantly in any given period.***

We derive substantial revenues from the sale of advertising on a variety of platforms, and a decline in advertising expenditures could have a significant adverse effect on our revenues and operating results in any given period. The strength of the advertising market can fluctuate in response to the economic prospects of specific advertisers or industries, advertisers' current spending priorities and the economy in general, and this may adversely affect the growth rate of our advertising revenues.

In addition, the pricing and volume of advertising has been affected by shifts in spending toward online and mobile offerings from more traditional media, or toward new ways of purchasing advertising, such as through automated purchasing, dynamic advertising insertion, third parties selling local advertising spots and advertising exchanges, some or all of which is not as advantageous to us as current advertising methods. The increased number of entertainment choices available to consumers has intensified audience fragmentation and reduced the viewing of content through traditional and virtual multichannel video programming providers, which has caused, and may continue to cause, audience ratings declines for our programming networks and has adversely affected the pricing and volume of advertising.

Advertising revenues can be significantly impacted by new technologies, since advertising sales are dependent on audience measurement provided by third parties, and the results of audience measurement techniques can vary independent of the size of the audience for a variety of reasons, including variations in the employed statistical sampling methods, difficulties related to the employed statistical sampling methods, new distribution platforms and viewing technologies, and the shifting of the marketplace to the use of measurement of different viewer behaviors, such as delayed viewing. While Nielsen's statistical sampling method is the primary measurement technique used in our television advertising sales, we measure and monetize our campaign reach and frequency on and across digital platforms based on other third-party data using a variety of methods including the number of impressions served and demographics. In addition, multi-platform campaign verification is in its infancy, and viewership on tablets and smartphones, which is growing rapidly, is presently not measured by any one consistently applied method. These variations and changes could have a significant effect on advertising revenues.

***Theft of our content, including digital copyright theft and other unauthorized exhibitions of our content, may decrease revenue received from our programming and adversely affect our businesses and profitability.***

The success of our businesses depends in part on our ability to maintain and monetize our intellectual property rights to our entertainment content. We are fundamentally a content company and theft of our brands, programming, digital content and other intellectual property has the potential to significantly affect us and the value of our content. Copyright theft is particularly prevalent in many parts of the world that lack effective copyright and technical protective measures similar to those existing in the United States or that lack effective enforcement of such measures, including some of the jurisdictions in which we operate. The interpretation of copyright, privacy and other laws as applied to our content, and piracy detection and enforcement efforts, remain in flux. The failure to strengthen, or the weakening of, existing intellectual property laws could make it more difficult for us to adequately protect our intellectual property and negatively affect its value and our results of operations.

Content theft has been made easier by the wide availability of higher bandwidth and reduced storage costs, as well as tools that undermine security features such as encryption and the ability of pirates to cloak their identities online. In addition, we and our numerous production and distribution partners operate various technology systems in connection with the production and distribution of our programming, and intentional, or unintentional, acts could result in unauthorized access to our content, a disruption of our services, or improper disclosure of confidential information. The prevalence of digital formats and technologies heightens this risk. Unauthorized access to our content could result in the premature release of our programming, which may have a significant adverse effect on the value of the affected programming.

Copyright theft has an adverse effect on our business because it reduces the revenue that we are able to receive from the legitimate sale and distribution of our content, undermines lawful distribution channels and inhibits our ability to recoup or profit from the costs incurred to create such content. A change in the laws of one jurisdiction may also have an impact on our ability to protect our intellectual property rights across other jurisdictions. In addition, many parts of the world where piracy is prevalent lack effective copyright and other legal protections or enforcement measures. Efforts to prevent the unauthorized distribution, performance and copying of our content may affect our profitability and may not be successful in preventing harm to our business.

Litigation may be necessary to enforce our intellectual property rights, protect trade secrets or to determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations. Our failure to protect our intellectual property rights, particularly our brand, in a meaningful manner or challenges to related contractual rights could result in erosion of our brand and limit our ability to control marketing of our networks, which could have a materially adverse effect on our business, financial condition and results of operations.

**Economic and Operational Risks**

***We face risks from doing business internationally.***

We have operations through which we distribute programming outside the United States. As a result, our business is subject to certain risks inherent in international business, many of which are beyond our control. These risks include:

- laws and policies affecting trade and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws;
- changes in local regulatory requirements, including restrictions on content, imposition of local content quotas and restrictions on foreign ownership;
- exchange controls, tariffs and other trade barriers;
- differing degrees of protection for intellectual property and varying attitudes towards the piracy of intellectual property;
- foreign privacy and data protection laws and regulations, as well as data localization requirements, and changes in these laws and requirements;
- the instability of foreign economies and governments;
- war and acts of terrorism; and
- anti-corruption laws and regulations such as the Foreign Corrupt Practices Act and the U.K. Bribery Act that impose stringent requirements on how we conduct our foreign operations and changes in these laws and regulations.

Events or developments related to the risks described above as well as other risks associated with international trade could adversely affect our revenues from non-U.S. sources, which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects.

***Economic problems in the United States or in other parts of the world could adversely affect our results of operations.***

Our business is affected by prevailing economic and financial conditions in the United States and other countries. We derive substantial revenues from advertisers, and these expenditures are sensitive to general economic conditions and consumer buying patterns. Financial instability, a general decline in economic conditions, including as a result of the COVID-19 pandemic, disruptions to financial markets, inflation, recession, high unemployment or geopolitical events (including the war between Russia and Ukraine), or fears about such events occurring, in the United States and other countries where our networks are distributed, have in the past adversely affected advertising rates and volume, which has resulted in a decrease in our advertising revenues.

Decreases in consumer discretionary spending in the U.S and other countries where our networks are distributed may affect cable television and other video service subscriptions, in particular with respect to digital service tiers on which certain of our programming networks are carried. This could lead to a decrease in the number of subscribers receiving our programming from MVPDs, which could, in turn, have a negative impact on our viewing subscribers and subscription fee revenues. Similarly, a decrease in viewing subscribers could have a negative impact on the number of viewers actually watching the programs on our programming networks, thereby impacting the rates we are able to charge advertisers.

Economic conditions affect a number of aspects of our businesses worldwide and impact the businesses of advertisers on our networks. Adverse economic conditions have resulted in and could in the future result in advertisers reducing their spending on advertising and negatively affect the ability of those with whom we do business to satisfy their obligations to us. The worsening of current global economic conditions has in the past adversely affected, and could in the future adversely affect our business, financial condition or results of operations, and worsening of economic conditions in certain specific parts of the world could impact the expansion and success of our businesses in such areas. Furthermore, some foreign markets in which we operate may be more adversely affected by worsening economic conditions than the United States or other countries.

***Fluctuations in foreign exchange rates have had and could have in the future an adverse effect on our results of operations.***

We have significant operations in a number of foreign jurisdictions and certain of our operations are conducted in foreign currencies. The value of these currencies fluctuates relative to the U.S. dollar. As a result, we are exposed to exchange rate fluctuations, which have had, and may in the future have, an adverse effect on our results of operations in a given period.

Specifically, we are exposed to foreign currency exchange rate risk to the extent that we enter into transactions denominated in currencies other than ours or our subsidiaries' respective functional currencies, such as trade receivables, programming contracts, notes payable and notes receivable (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 or realized (based upon period-end exchange rates) foreign currency transaction gains or losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our or our subsidiaries' respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates.

We also are exposed to unfavorable and potentially volatile fluctuations of the U.S. dollar (our reporting currency) against the currencies of our non-U.S. dollar functional currency operating subsidiaries when their respective financial statements are translated into U.S. dollars for inclusion in our 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 foreign currency translation. Our primary exposure to foreign currency risk from a foreign currency translation perspective is to the euro, British pound and, to a lesser extent, other local currencies in Europe. We generally do not hedge against the risk that we may incur non-cash losses upon the translation of the financial statements of our non-U.S. dollar functional currency operating subsidiaries and affiliates into U.S. dollars.

***Our business is limited by United States regulatory constraints which may adversely impact our operations.***

Although most aspects of our business generally are not directly regulated by the FCC, there are certain FCC regulations that govern our business either directly or indirectly. See Item 1, "Business—Regulation" in this Annual Report. Furthermore, to the extent that regulations and laws, either presently in force or proposed, hinder or stimulate the growth of the cable television, satellite or other MVPD industries, our business could be affected.

The United States Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect our operations.

The regulation of cable television operators, satellite carriers, and other video programming distributors is subject to the political process and has been in constant flux over the past two decades. Further changes in the law and regulatory requirements, including material ones, may be proposed or adopted in the future. We cannot assure you that our business will not be adversely affected by future legislation, new regulation or deregulation of us or of our competitors.

***Our businesses are subject to risks of adverse regulation by foreign governments.***

Programming businesses are subject to the regulations of the countries in which they operate as well as international bodies, such as the European Union ("E.U."). These regulations may include restrictions on the types of advertisements that can be sold on our networks, programming content requirements, requirements to make programming available on non-discriminatory terms, local levies or taxes applied to our networks and local content quotas. Consequently, our businesses must adapt their ownership and organizational structures as well as their pricing and service offerings to satisfy the rules and regulations to which they are subject. A failure to comply with applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse conditions.

Existing or proposed legislation and regulations could also significantly affect our business. For example, the E.U. adopted GDPR, which expands the regulation of personal data processing throughout the E.U. and significantly increases penalties for non-compliance. Complying with these laws and regulations could be costly, require us to change our business practices, or limit or restrict aspects of our business in a manner adverse to our business operations. In particular, certain data privacy laws have required monitoring of, and changes to, our practices related to the collection, use, disclosure and storage of personal information. Many of these laws and regulations continue to evolve, and sometimes conflict among the countries in which we operate, and substantial uncertainty surrounds their scope and application. Our failure to comply with these law and regulations could result in exposure to enforcement actions by foreign governments, as well as significant negative publicity and reputational damage.

Adverse changes in foreign rules and regulations could have a significant adverse impact on our profitability.

***We face continually evolving cybersecurity risks, which could result in the disclosure, theft or destruction of confidential information, disruption of our programming, damage to our brands and reputation, legal exposure and financial losses.***

We maintain information, including confidential and proprietary information regarding our content, distributors, advertisers, viewers and employees, in digital form as necessary to conduct our business. We also rely on third-party vendors to provide certain services in connection with the storage, processing and transmission of digital information. Data maintained in digital form is subject to the risk of cybersecurity attacks, tampering and theft. We develop and maintain systems to monitor and prevent this from occurring, but the development and maintenance of these systems is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, the risks of a data breach cannot be entirely eliminated and our third-party vendors' information technology and other systems that maintain and transmit consumer, distributor, advertiser, company, employee and other confidential information may be compromised by a malicious penetration of our network security, or that of a third party provider due to employee error, computer malware or ransomware, viruses, hacking and phishing attacks, or otherwise. Hybrid work arrangements increase the risk of cyber incidents, including data breaches. Additionally, outside parties from time to time attempt to fraudulently induce employees or users to disclose sensitive or confidential information in order to gain access to data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If our or our third-party providers' data systems are compromised, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished and, as described above, we may lose revenue as a result of unlicensed use of our intellectual property. Further, a penetration of our or our third-party providers' network security or other misappropriation or misuse of personal consumer or employee information could subject us to business, regulatory, litigation and reputation risk, which could have a negative effect on our business, financial condition and results of operations.

***We rely upon cloud computing services to operate certain aspects of our business and any disruption of or interference with our use of these services would impact our operations and our business would be adversely impacted.***

Cloud computing services, such as Amazon Web Services (“AWS”), provide a distributed computing infrastructure platform for business operations. We have architected our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS or other third parties. Such third parties’ facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. Currently, we run the vast majority of our computing on AWS. We have experienced, and we expect that in the future we will experience, interruptions, delays and outages in service and availability from AWS and other third-party service providers from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Given this, along with the fact that we cannot easily switch our AWS operations to another cloud provider, without significant costs, or at all, any disruption of or interference with our use of AWS would impact our operations and our business.

***If our technology facilities fail or their operations are disrupted, or if we lose access to third party satellites, our performance could be hindered.***

Our programming is transmitted using technology facilities at certain of our subsidiaries. These technology facilities are used for a variety of purposes, including signal processing, program editing, promotions, creation of programming segments to fill short gaps between featured programs, quality control, and live and recorded playback. These facilities are subject to interruption from fire, lightning, adverse weather conditions and other natural causes. Equipment failure, employee misconduct or outside interference could also disrupt the facilities' services. We maintain a full time disaster recovery site in Chandler, Arizona, which is capable of providing simultaneous playout of AMC, BBCA, SundanceTV, IFC and WEtv in the event of a disruption of operations at our main facility in Bethpage, NY. In the event of a catastrophic failure of the Bethpage facility, the disaster recovery site can be operational on the satellite within one to two hours.

In addition, we rely on third-party satellites in order to transmit our programming signals to our distributors. As with all satellites, there is a risk that the satellites we use will be damaged as a result of natural or man-made causes, or will otherwise fail to operate properly. Although we maintain in-orbit protection providing us with back-up satellite transmission facilities should our primary satellites fail, there can be no assurance that such back-up transmission facilities will be effective or will not themselves fail. Further, there are a limited number of communications satellites available for the transmission of programming, and, in the event of a disruption, we may not be able to secure an alternate distribution source in a timely manner.

Any significant interruption at any of our technology facilities affecting the distribution of our programming, or any failure in satellite transmission of our programming signals, could have an adverse effect on our operating results and financial condition.

***The loss of any of our key personnel and artistic talent could adversely affect our business.***

We believe that our success depends to a significant extent upon the performance of our senior executives and other key employees and on our ability to identify, attract, hire train and retain such personnel. We generally do not maintain "key man" insurance, and there is no assurance of the continued services of our senior executives or other key employees. In addition, we depend on the availability of third-party production companies to create some of our original programming. For certain of our productions, through in-house and third party production service companies, we engage the services of writers, directors, actors and various crew members who are subject to certain specially negotiated collective bargaining agreements. Any labor disputes or a strike by one or more unions representing any of these parties who are essential to our original programming could have a material adverse effect on our original programming, disrupt our operations and reduce our revenues. We may also be impacted by perceptions relating to reductions in force that we have conducted in the past in order to optimize our organizational structure and reduce costs and the departure of certain senior personnel for various reasons. The loss of any significant personnel or artistic talent, or our artistic talent losing their audience base, could also have a material adverse effect on our business.

***Our operations and business have in the past been, and could in the future be, materially adversely impacted by a pandemic or other health emergency.***

Pandemics, such as the COVID-19 pandemic, and public health emergencies have affected and may, in the future, adversely affect our businesses. We experienced adverse advertising sales impacts and suspended content production as a result of the COVID-19 pandemic, which led to delays in the creation and availability of substantially all of our programming. If significant portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connection with a pandemic or other public health emergency, the impact on our businesses could be exacerbated. In addition, remote work arrangements heighten the operational risks, including cybersecurity risks, to which we are subject.

We cannot reasonably predict the ultimate impact of any pandemic or public health emergency, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic or public health emergency, the impact of governmental regulations that have been, and may continue to be, imposed in response, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of vaccines, including against emerging variants of the infectious disease, and global economic conditions.

In addition to the risks described above, to the extent that a pandemic or other public health emergency adversely affects our operations and financial condition, it may also heighten other risks described in this section.

***We may not be successful in achieving sustaining or improving operating expense reductions, and might experience business disruptions associated with restructuring and cost reduction activities.***

Our business has been, and may in the future be, the subject of restructuring and cost reduction initiatives. For example, we recently announced our plans to implement a restructuring plan designed to achieve significant cost reductions. We may not be successful in achieving the full cost reduction benefits we expect over the timeframe we expect, or at all, and the ongoing costs of implementing cost reduction and restructuring measures might be greater than anticipated. If these measures are not successful or sustainable, we may undertake additional restructuring and cost reduction efforts, which could result in future restructuring charges. Moreover, our ability to achieve our other strategic goals and business plans might be adversely affected, and we could experience business disruptions, if our restructuring efforts and cost reduction activities prove ineffective. These actions may also distract management from other business opportunities and adversely impact employee productivity and morale.

***Our inability to successfully make investments in, and/or acquire and integrate, other businesses, assets, products or technologies could harm our business, financial condition or operating results.***

Our success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. We have acquired, and have made strategic investments in, a number of companies (including through joint ventures) in the past, and we expect to make additional acquisitions and strategic investments in the future. Such transactions may result in dilutive issuances of our equity securities, use of our cash resources, and incurrence of debt and amortization expenses related to intangible assets. Any acquisitions and strategic investments that we are able to identify and complete may be accompanied by a number of risks, including:

- the difficulty of assimilating the operations and personnel of acquired companies into our operations;
- the potential disruption of our ongoing business and distraction of management;
- the incurrence of additional operating losses and operating expenses of the businesses we acquired or in which we invested;
- the difficulty of integrating acquired technology and rights into our services and unanticipated expenses related to such integration;
- the failure to successfully further develop an acquired business or technology and any resulting impairment of amounts currently capitalized as intangible assets;
- the failure of strategic investments to perform as expected or to meet financial projections;
- the potential for patent and trademark infringement and data privacy and security claims against the acquired companies, or companies in which we have invested;
- litigation or other claims in connection with acquisitions, acquired companies, or companies in which we have invested;
- the impairment or loss of relationships with customers and partners of the companies we acquired or in which we invested or with our customers and partners as a result of the integration of acquired operations;
- the impairment of relationships with, or failure to retain, employees of acquired companies or our existing employees as a result of integration of new personnel;
- the difficulty of integrating operations, systems, and controls as a result of cultural, regulatory, systems, and operational differences;
- the performance of management of companies in which we invest but do not control;
- in the case of foreign acquisitions and investments, the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries; and
- the impact of known potential liabilities or liabilities that may be unknown, including as a result of inadequate internal controls, associated with the companies we acquired or in which we invested.

Our failure to be successful in addressing these risks or other problems encountered in connection with our past or future acquisitions and strategic investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and harm our business, financial condition and results of operations.

***We may have exposure to additional tax liabilities.***

We are subject to income taxes as well as non-income based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in both the United States and various foreign jurisdictions. Judgment is required in determining our worldwide provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities in both the United States and various foreign jurisdictions. Although we believe that our tax estimates are reasonable, (1) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions, expense amounts for non-income based taxes and accruals and (2) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made.

Although a portion of our revenue and operating income is generated outside the United States, we are subject to potential current U.S. income tax on this income due to our being a U.S. corporation, resulting in a potentially higher effective tax rate for the Company. This includes (i) what is referred to as "Subpart F Income," which generally includes, but is not limited to, such items as interest, dividends, royalties, gains from the disposition of certain property, certain currency exchange gains in excess of currency exchange losses, and certain related party sales and services income and (ii) what is referred to as “global intangible low-taxed income,” which generally equals certain foreign earnings in excess of 10 percent of the foreign subsidiaries’ tangible business assets. While we may mitigate any potential negative impacts of the aforementioned regimes through claiming a foreign tax credit against our U.S. federal income taxes or potentially have foreign or U.S. taxes reduced under applicable income tax treaties, we are subject to various limitations on claiming foreign tax credits or we may lack treaty protections in certain jurisdictions that will potentially limit any reduction of the increased effective tax rate. A higher effective tax rate may also result to the extent that losses are incurred in non-U.S. subsidiaries that do not reduce our U.S. taxable income.

We are subject to changing tax laws, treaties and regulations in and between countries in which we operate, including treaties between the United States and other nations. A change in these tax laws, treaties or regulations, including those in and involving the United States, or in the interpretation thereof, could result in a materially higher or lower income or non-income tax expense. Also, various income tax proposals in the countries in which we operate and measures in response to the economic uncertainty in certain European jurisdictions in which we operate, could result in changes to the existing tax laws under which our taxes are calculated. We are unable to predict whether any of these or other proposals in the United States or foreign jurisdictions will ultimately be enacted. Any such changes could negatively impact our business.

***A significant amount of our book value consists of intangible assets that may not generate cash in the event of a voluntary or involuntary sale.***

At December 31, 2022, our consolidated financial statements included approximately $5.6 billion of consolidated total assets, of which approximately $1.0 billion were classified as intangible assets. Intangible assets primarily include affiliation agreements and affiliate relationships, advertiser relationships, trademarks and goodwill. While we believe that the carrying values of our intangible assets are recoverable, there is no assurance that we would receive any cash from the voluntary or involuntary sale of these intangible assets, particularly if we were not continuing as an operating business.

**Risks Relating to Our Debt**

***Our substantial long-term debt and high leverage could adversely affect our business.***

We have a significant amount of long-term debt. As of December 31, 2022, we had $2.8 billion principal amount of total long-term debt (excluding finance leases), $641.3 million of which is senior secured debt under our Credit Facility and $2.2 billion of which is senior unsecured debt.

Our ability to make payments on, or repay or refinance, our debt, and to fund planned distributions and capital expenditures, will depend largely upon our future operating performance and our ability to borrow additional funds in the future. Our future performance, to a certain extent, is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in the Credit Facility and our other debt agreements, including the indentures governing our notes and other agreements we may enter into in the future.

Our substantial amount of debt could have important consequences. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared with our competitors; and
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity.

We will need to refinance our existing indebtedness as it matures, and we do not expect to generate sufficient cash from operations to repay at maturity our outstanding debt obligations. As a result, we will be dependent upon our ability to access the capital and credit markets. Market conditions, including further changes in interest rates, may increase the risk that the terms of any refinancing will not be as favorable as the terms of the existing debt (including agreeing to more restrictive covenants on our business or needing to provide collateral securing the debt), or that we may not be able to refinance the existing debt at all. Failure to raise significant amounts of funding to repay these obligations at maturity on terms favorable to us, or at all, could adversely affect our business. If we are unable to raise such amounts, we would need to take other actions including reducing investments in new programming, selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash, any of which could adversely impact our business and financial condition. The Credit Facility and indentures governing our notes restrict, and market or business conditions may limit, our ability to do some of these things.

Although a significant amount of our outstanding debt has fixed interest rates, borrowings under our Credit Facility bear interest at variable rates. For example, our interest expense increased from approximately $129.1 million in 2021 to approximately $133.8 million in 2022 despite a relative constant amount of outstanding principal amount of total debt. As a result, increases in market interest rates have increased our interest expense and our debt service obligations. If interest rates were to continue rising, this would further increase the amount of interest expense that we would have to pay for borrowings under the Credit Facility. While we have in the past entered into hedging agreements limiting our exposure to higher interest rates, we did not have any interest rate swap contracts outstanding at December 31, 2022. We may enter into hedging agreements in the future, however any such agreements do not offer complete protection from this risk.

***The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business.***

The agreements governing the Credit Facility and the indentures governing our notes contain covenants that, among other things, limit our ability to:

- borrow money or guarantee debt;
- create liens;
- pay dividends on or redeem or repurchase stock;
- make investments;
- enter into transactions with affiliates;
- enter into strategic transactions; and
- sell assets or merge with other companies.

The Credit Facility requires us to comply with a Cash Flow Ratio and an Interest Coverage Ratio, each as defined in the Credit Facility. Compliance with these covenants may limit our ability to take actions, including repurchasing our common stock or making investments, that might be to our advantage or to the advantage of our stockholders.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial ratios. Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

***Despite our current levels of debt, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial debt.***

We may be able to incur additional debt in the future. The terms of the Credit Facility and indentures governing our notes allow us to incur substantial amounts of additional debt, subject to certain limitations. In addition, as we have in the past, we may in the future refinance all or a portion of our debt, including borrowings under the Credit Facility, and obtain the ability to incur more debt as a result. If new debt is added to our current debt levels, the related risks we could face would be magnified.

***A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future debt issuance costs and reduce our access to capital.***

The debt ratings for our notes are below the "investment grade" category, which results in higher interest costs as well as a reduced pool of potential purchasers of our debt as some investors will not purchase debt securities that are not rated "investment grade". In addition, there can be no assurance that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency, if in that rating agency's judgment, future circumstances, such as adverse changes to economic conditions that could impact an issuer's ability to meet its financial commitments, so warrant. A lowering or withdrawal of the ratings assigned to our debt securities may further increase our future debt issuance costs and reduce our access to capital.

**Risks Relating to Our Controlled Ownership**

***We are controlled by the Dolan family and trusts for their benefit, which may create certain conflicts of interest. In addition, as a result of their control, the Dolan family has the ability to prevent or cause a change in control or approve, prevent or influence certain actions by the Company.***

We have two classes of common stock:

- Class A Common Stock, which is entitled to one vote per share and is entitled collectively to elect 25% of our Board of Directors.
- Class B Common Stock, which is generally entitled to ten votes per share and is entitled collectively to elect the remaining 75% of our Board of Directors.

As of December 31, 2022, the Dolan family, including trusts for the benefit of members of the Dolan family (collectively "the Dolan Family Group"), own all of our Class B Common Stock, approximately 3% of our outstanding Class A Common Stock and approximately 79% of the total voting power of all our outstanding common stock. The members of the Dolan Family Group have executed a voting agreement (the "Stockholders Agreement") that has the effect of causing the voting power of the holders of our Class B Common Stock to be cast as provided therein with respect to all matters to be voted on by holders of Class B Common Stock. Under the Stockholders Agreement, the shares of Class B Common Stock owned by members of the Dolan Family Group are to be voted on all matters in accordance with the determination of the Dolan Family Committee, except that the decisions of the Dolan Family Committee are non-binding with respect to the Class B Common Stock owned by certain Dolan family trusts (the "Excluded Trusts") that collectively own 48% of the outstanding Class B Common Stock. The Dolan Family Committee consists of Charles F. Dolan and his six children, James L. Dolan, Thomas C. Dolan, Patrick F. Dolan, Kathleen M. Dolan, Marianne E. Dolan and Deborah A. Dolan-Sweeney (collectively, the "Dolan Siblings"). The Dolan Family Committee generally acts by vote of a majority of the Dolan Siblings, except that a vote on a going-private transaction must be approved by a two-thirds vote of the Dolan Siblings and a vote on a change-in-control transaction must be approved by not less than all but one of the Dolan Siblings. The Dolan Family Group is able to prevent a change in control of our Company and no person interested in acquiring us would be able to do so without obtaining the consent of the Dolan Family Group.

Shares of Class B Common Stock owned by Excluded Trusts are to be voted on all matters in accordance with the determination of the Excluded Trusts holding a majority of the Class B Common Stock held by all Excluded Trusts, except in the case of a vote on a going-private transaction or a change in control transaction, in which case a vote of trusts holding two-thirds of the Class B Common Stock owned by Excluded Trusts is required.

The Dolan Family Group by virtue of their stock ownership, have the power to elect all of our directors subject to election by holders of Class B Common Stock and are able collectively to control stockholder decisions on matters on which holders of all classes of our common stock vote together as a single class. These matters could include the amendment of some provisions of our certificate of incorporation and the approval of fundamental corporate transactions.

In addition, the affirmative vote or consent of the holders of at least 66 2/3% of the outstanding shares of the Class B Common Stock, voting separately as a class, is required to approve:

- the authorization or issuance of any additional shares of Class B Common Stock, and
- any amendment, alteration or repeal of any of the provisions of our certificate of incorporation that adversely affects the powers, preferences or rights of the Class B Common Stock.

As a result, the Dolan Family Group has the power to prevent such issuance or amendment.

We have adopted a written policy whereby an independent committee of our Board of Directors will review and approve or take such other action as it may deem appropriate with respect to certain transactions involving the Company and its subsidiaries, on the one hand, and certain related parties, including Charles F. Dolan and certain of his family members and related entities on the other hand. This policy does not address all possible conflicts which may arise, and there can be no assurance that this policy will be effective in dealing with conflict scenarios.

***We are a "controlled company" for the purposes of The NASDAQ Stock Market LLC ("NASDAQ"), which allows us not to comply with certain of the corporate governance rules of NASDAQ.***

Members of the Dolan Family Group have entered into the Stockholders Agreement, which relates to, among other things, the voting and transfer of their shares of our Class B Common Stock. As a result, we are a "controlled company" under the corporate governance rules of NASDAQ. As a controlled company, we have the right to elect not to comply with the corporate governance rules of NASDAQ requiring: (i) a majority of independent directors on our Board of Directors, (ii) an independent compensation committee and (iii) an independent corporate governance and nominating committee. Our Board of Directors has elected for the Company to be treated as a "controlled company" under NASDAQ corporate governance rules and not to comply with the NASDAQ requirement for a majority independent board of directors and an independent corporate governance and nominating committee because of our status as a controlled company.

***Future stock sales, including as a result of the exercise of registration rights by certain of our shareholders, could adversely affect the trading price of our Class A Common Stock.***

Certain parties have registration rights covering a portion of our shares. We have entered into registration rights agreements with Charles F. Dolan, members of his family, certain Dolan family interests and the Dolan Family Foundation that provide them with "demand" and "piggyback" registration rights with respect to approximately 12.3 million shares of Class A Common Stock, including shares issuable upon conversion of shares of Class B Common Stock. Sales of a substantial number of shares of Class A Common Stock, including sales pursuant to these registration rights agreements, could adversely affect the market price of the Class A Common Stock and could impair our future ability to raise capital through an offering of our equity securities.

***We share certain executives and directors with Madison Square Garden Sports Corp. ("MSGS") and Madison Square Garden Entertainment Corp. ("MSGE"), which may give rise to conflicts.***

One of our executives, Gregg G. Seibert, serves as a Vice Chairman of the Company and as a Vice Chairman of MSGS and MSGE (each, an "Other Entity" and, collectively the "Other Entities"). Each of the Other Entities and the Company are affiliates by virtue of being under common control of the Dolan family. As a result, he will not be devoting his full time and attention to the Company's affairs. Seven members of our Board of Directors, including our Chairman, are directors of MSGS and seven members of our Board of Directors, including our Chairman, are directors of MSGE. These directors may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, the potential for a conflict of interest exists when we, on one hand, and an Other Entity, on the other hand, consider acquisitions and other corporate opportunities that may be suitable for us and for the Other Entity. Also, conflicts may arise if there are issues or disputes under the commercial arrangements that exist between the Other Entities and us. In addition, certain of our directors and officers own stock, restricted stock units and options to purchase stock in one or more of the Other Entities, as well as cash performance awards with any payout based on the performance of one or more of the Other Entities. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our Company and one or more of the Other Entities. See "Certain Relationships and Related Party Transactions—Certain Relationships and Potential Conflicts of Interest" in our proxy statement filed with the SEC on April 29, 2022 for a description of our related party transaction approval policy that we have adopted to help address such potential conflicts that may arise.

***Our overlapping directors and executives with the Other Entities may result in the diversion of corporate opportunities to and other conflicts with the Other Entities and provisions in our governance documents may provide us no remedy in that circumstance.***

Our amended and restated certificate of incorporation acknowledges that directors and officers of the Company may also be serving as directors, officers, employees, consultants or agents of MSGS, MSGE, and its subsidiaries and that we may engage in material business transactions with such entities (the applicable provisions of the amended and restated certificate of incorporation, the "Overlap Provisions"). The Company has renounced its rights to certain business opportunities and the Overlap Provisions provide that no director or officer of the Company who is also serving as a director, officer, employee, consultant or agent of an Other Entity or any subsidiary of an Other Entity will be liable to the Company or its stockholders for breach of any fiduciary duty that would otherwise exist by reason of the fact that such individual directs a corporate opportunity (other than certain limited types of opportunities set forth in our amended and restated certificate of incorporation) to the Other Entity or any of its subsidiaries, or does not refer or communicate information regarding such corporate opportunities to the Company. The Overlap Provisions also expressly validate certain contracts, agreements, assignments and transactions (and amendments, modifications or terminations thereof) between the Company and the Other Entities and their subsidiaries and, to the fullest extent permitted by law, provide that the actions of the overlapping directors or officers in connection therewith are not breaches of fiduciary duties owed to the Company, any of its subsidiaries or their respective stockholders.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 2. Properties.**

We lease approximately 904,000 square feet of space in the United States, including approximately 326,000 square feet of office space that we lease at 11 Penn Plaza, New York, NY 10001, under lease arrangements with remaining terms through 2027. We use this space as our corporate headquarters and as the principal business location of our Company. We also lease approximately 67,000 square-feet of space for our broadcasting and technology center in Bethpage, New York under a lease arrangement with a term through 2029, from which AMC Networks Broadcasting & Technology conducts its operations. In addition, we lease other properties in New York, California, Georgia, Florida, Texas, Maryland and Illinois.

We lease approximately 177,000 square feet of space outside of the U.S., including in Spain, Hungary and the U.K. that support our international operations.

We believe our properties are adequate for our use.

**Item 3. Legal Proceedings.**

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. In December 2022, the parties entered into an agreement to resolve through confidential binding arbitration the remaining claims in the litigation (consisting mainly of ordinary course profit participation audit claims), which had been scheduled for a February 2023 jury trial. As a result, on January 9, 2023, the Plaintiffs filed with the court a notice of dismissal of the remaining claims, and on January 19, 2023, the court formally dismissed the case. On January, 26, 2023, the Plaintiffs filed a notice of appeal of the court’s post-trial, demurrer, and summary adjudication decisions. The Company believes the two remaining claims in the case for breach of contract, which will now be resolved through confidential binding arbitration, 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.

On November 14, 2022, the Plaintiffs filed a separate complaint in California Superior Court (the “MFN Litigation”) in connection with the Company’s July 16, 2021 settlement agreement with Frank Darabont (“Darabont”), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (the “Darabont Parties”), which resolved litigations the Darabont Parties had brought in connection with Darabont's rendering services as a writer, director and producer of the television series entitled The Walking Dead and the agreement between the parties related thereto (the “Darabont Settlement”). Plaintiffs assert claims for breach of contract, alleging that the Company breached the most favored nations (“MFN”) provisions of Plaintiffs’ contracts with the Company by failing to pay them additional contingent compensation as a result of the Darabont Settlement (the “MFN Litigation”). Plaintiffs claim in the MFN Litigation that they are entitled to actual and compensatory damages in excess of $200 million. The Plaintiffs also bring a cause of action to enjoin an arbitration the Company commenced in May 2022 concerning the same dispute. On December 15, 2022, the Company removed the MFN Litigation to the United States District Court for the Central District of California. On January 13, 2023, the Company filed a motion to dismiss the MFN Litigation and informed the court that the Company had withdrawn the arbitration Plaintiffs sought to enjoin. The Company believes that the asserted claims are without merit and will vigorously defend against them if they are not dismissed. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

The Company is party to 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.

**Item 4. Mine Safety Disclosures.**

Not applicable.

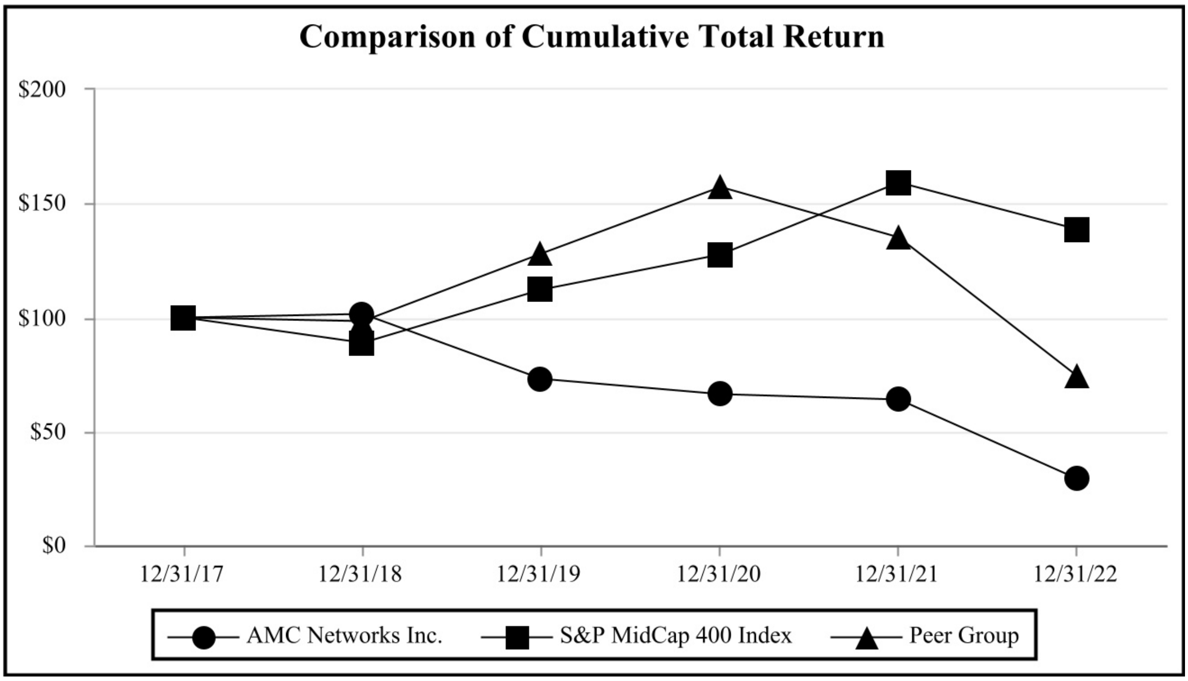
## Part II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Class A Common Stock is listed on NASDAQ under the symbol "AMCX." Our Class B Common Stock is not listed on any exchange. Our Class A Common Stock began trading on NASDAQ on July 1, 2011.

Performance Graph

The following graph compares the performance of the Company's Class A Common Stock with the performance of the S&P Mid-Cap 400 Index and a peer group (the "Peer Group Index") by measuring the changes in our Class A Common Stock prices from December 31, 2017 through December 31, 2022. Because no published index of comparable media companies currently reports values on a dividends-reinvested basis, the Company has created a Peer Group Index for purposes of this graph in accordance with the requirements of the SEC. The Peer Group Index is made up of companies that engage in cable television programming as a significant element of their business, although not all of the companies included in the Peer Group Index participate in all of the lines of business in which the Company is engaged, and some of the companies included in the Peer Group Index also engage in lines of business in which the Company does not participate. Additionally, the market capitalizations of many of the companies included in the Peer Group are quite different from that of the Company. The common stocks of the following companies have been included in the Peer Group Index: Warner Bros. Discovery, Inc., the Walt Disney Company, Fox Corporation (included from March 19, 2019, when trading began), Lions Gate Entertainment Corporation, Nexstar Media Group, Inc., Roku, Inc., and Paramount Global. The chart assumes $100 was invested on December 31, 2017 in each of: i) Company's Class A Common Stock, ii) the S&P Mid-Cap 400 Index, and iii) in this Peer Group weighted by market capitalization.




| | | INDEXED RETURNS Period Ended | | | | |
|---|---|---|---|---|---|---|
| Company Name / Index | Base Period 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 |
| AMC Networks Inc. | 100 | 101.48 | 73.04 | 66.14 | 63.68 | 28.98 |
| S&P MidCap 400 Index | 100 | 88.92 | 112.21 | 127.54 | 159.12 | 138.34 |
| Peer Group | 100 | 98.14 | 127.85 | 156.98 | 135.08 | 73.94 |

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

As of February 10, 2023, there were 548 holders of record of our Class A Common Stock and 34 holders of record of our Class B Common Stock.

Stock Repurchase Program

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of the Company's 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. The Company did not repurchase any shares of its Class A common stock during the year ended December 31, 2022. As of December 31, 2022, the Company had $135.3 million available for repurchase under the Stock Repurchase Program.

**Item 6. [Reserved]**

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

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 accompanying consolidated financial statements and related notes. Our MD&A is provided to enhance the understanding of our financial condition, changes in financial condition and results of our operations and 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 years ended December 31, 2022 and 2021. Our discussion is presented on both a consolidated and segment basis. Our two segments are: (i) Domestic Operations and (ii) International and Other. Analysis of our results of operations, on both a consolidated and segment basis, for the year ended December 31, 2020, including a comparison of 2021 to 2020, is included in our Annual Report on Form 10-K for the year ended December 31, 2021.

*Liquidity and Capital Resources*. This section provides a discussion of our financial condition as of December 31, 2022 as well as an analysis of our cash flows for the years ended December 31, 2022 and 2021. The discussion of our financial condition and liquidity also includes a summary of our primary sources of liquidity. Analysis of our cash flows for the year ended December 31, 2020 is included in our Annual Report on Form 10-K for the year ended December 31, 2021.

*Critical Accounting Policies and Estimates*. This section provides a discussion of our accounting policies considered to be important to an understanding of our financial condition and results of operations, and which require significant judgment and estimates on the part of management in their application.

**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.

| | Year Ended December 31, | | Change |
|---|---|---|---|
| *Dollars in thousands* | **2022** | **2021** | **2022 vs. 2021** |
| **Revenues, net** | | | |
| Domestic Operations | $ 2,675,142 | $ 2,580,616 | 3.7 % |
| International and Other | 442,525 | 511,317 | (13.5)% |
| Inter-segment Eliminations | (21,122) | (14,325) | 47.4 % |
| | **$ 3,096,545** | **$ 3,077,608** | 0.6 % |
| **Operating Income (Loss)** | | | |
| Domestic Operations | $ 286,517 | $ 617,875 | (53.6)% |
| International and Other | 3,031 | 37,167 | (91.8)% |
| Corporate / Inter-segment Eliminations | (202,632) | (165,120) | 22.7 % |
| | **$ 86,916** | **$ 489,922** | (82.3)% |
| **Adjusted Operating Income (Loss)** | | | |
| Domestic Operations | $ 789,396 | $ 845,441 | (6.6)% |
| International and Other | 68,989 | 83,294 | (17.2)% |
| Corporate / Inter-segment Eliminations | (119,983) | (112,665) | 6.5 % |
| | **$ 738,402** | **$ 816,070** | (9.5)% |

(1) Adjusted Operating Income (Loss), is a non-GAAP financial measure. See the "Non-GAAP Financial Measures" section on page 46 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.

*Restructuring and other related charges*

On November 28, 2022, the Company commenced a restructuring plan (the “Plan”) designed to achieve significant cost reductions in light of “cord cutting” and the related impacts being felt across the media industry as well as the broader economic outlook. The Plan encompasses initiatives that include, among other things, strategic programming assessments and organizational restructuring costs. The programming assessments pertain to a broad mix of owned and licensed content, including legacy television series and films that will no longer be in active rotation on the Company’s linear or streaming platforms. As a result of the Plan, the Company recorded restructuring and other related charges of $449.0 million for the year ended December 31, 2022, consisting of content impairments of $403.8 million and severance and other personnel costs of $45.2 million. The Company expects to incur additional restructuring and other related charges in 2023.

*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 global streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our global streaming services consist of our 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 services 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 (formerly Levity), our production services business. See Note 4 to the consolidated financial statements for additional information relating to the 2021 spin-off of the Levity comedy venues business.

***Domestic Operations***

In our Domestic Operations segment, we earn revenue principally from: (i) the distribution of our programming through our programming networks and streaming services, (ii) the sale of advertising, and (iii) the licensing of our original programming to distributors, including the distribution of programming of IFC Films. Subscription revenue includes fees paid by distributors and consumers for our programming networks and streaming services. Subscription fees paid by distributors represent the largest component of distribution revenue. Our 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 typically based on a per subscriber fee and are generally paid by distributors and consumers on a monthly basis. Content licensing revenue is earned from the licensing of original programming for digital, foreign and home video distribution and is recognized upon availability or distribution by the licensee.

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. If these guaranteed viewer ratings are not met, we are generally required to provide additional advertising units to the advertiser at no charge. For these types of arrangements, a portion of the related revenue is deferred if the guaranteed ratings are not met and is subsequently recognized either when we provide the required additional advertising time or the guarantee obligation contractually expires. Most of our advertising revenues vary based upon the popularity of our programming as measured by Nielsen. Our national programming networks have advertisers representing companies in a broad range of sectors, including the automotive, restaurants/food, health, and telecommunications industries.

Changes in revenue are primarily derived from changes in the contractual subscription rates charged for our services; the number of subscribers; the prices and number of advertising spots on our networks; and the availability, amount and timing of licensing fees earned from the distribution of our original programming. Our revenues may increase over time through contractual rate increases stipulated in our affiliation agreements. In negotiating for additional subscribers or extended carriage, we have agreed, in some instances, to make upfront payments to a distributor which we record as deferred carriage fees and are amortized as a reduction to revenue over the period of the related affiliation agreement. We also may help fund the distributors' efforts to market our networks. We believe that these transactions generate a positive return on investment over the contract period. We seek to increase our advertising revenues by increasing the rates we charge for such advertising, which is directly related to the overall distribution of our programming, penetration of our services on various digital platforms such as AVOD and FAST services, integration of our advanced advertising products, and the popularity (including within desirable demographic groups) of our services as measured by Nielsen.

Our principal goal is to increase our revenues by increasing distribution and penetration of our services, and increasing our ratings. To do this, we must continue to contract for and produce high-quality, attractive programming. As competition for programming increases and alternative distribution technologies continue to emerge and develop in the industry, costs for content acquisition and original programming may increase. There is a concentration of subscribers in the hands of a few distributors, which could create disparate bargaining power between the largest distributors and us by giving those distributors greater leverage in negotiating the price and other terms of affiliation agreements. We also seek to increase our content licensing revenues by expanding the opportunities for licensing our programming through digital distribution platforms, foreign distribution and home video services. Content licensing revenues in each quarter may vary based on the timing of availability of our programming to distributors.

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

The success of our business depends on original programming, both scripted and unscripted, across all of our programming services. These original series generally result in higher ratings for our networks and higher viewership on our streaming services. Among other things, higher audience ratings drive increased revenues through higher advertising revenues. The timing of exhibition and distribution of original programming varies from period to period, which results in greater variability in our revenues, earnings and cash flows from operating activities. There may be significant changes in the level of our technical and operating expenses due to the level of our content investment spend and the related amortization of content acquisition and/or original programming costs. Program rights that are 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. Our programming efforts are not always commercially successful, which could result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of program rights predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost. There was $403.8 million of program write-offs recorded to restructuring and other related charges in connection with the Company’s strategic programming assessments. Refer to Note 5 to the consolidated financial statements for additional information. Program rights write-offs of $11.1 million were recorded for the year ended December 31, 2021 in technical and operating expense.

See "Critical Accounting Policies and Estimates" for a discussion of the amortization and write-off of program rights.

***International and Other***

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

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 year ended December 31, 2022, distribution revenues represented 81% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and production services revenue generated from 25/7 Media. 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. Our programming efforts are not all commercially successful, which could result in a write-off of program rights. If events or changes in circumstances indicate that the fair value of program rights predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost.

Similar to our Domestic Operations businesses, the most significant business challenges we expect to encounter in our International and Other businesses include programming competition (from both foreign and domestic programmers), limited channel capacity on distributors' platforms, the number of subscribers on those platforms and economic pressures on subscription fees. Other significant business challenges unique to our international operations include increased programming costs for international rights and translation (*i.e.*, dubbing and subtitling), a lack of availability of international rights for a portion of our domestic programming content, increased distribution costs for cable, satellite or fiber feeds, a limited physical presence in certain territories, and our exposure to foreign currency exchange rate risk. See also the risk factors described under Item 1A, "Risk Factors - We face risks from doing business internationally." in this Annual Report.

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

## Consolidated Results of Operations

The amounts presented and discussed below represent 100% of each operating segment's revenues, net and expenses. Where we have management control of an entity, we consolidate 100% of such entity in our 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.

### Years Ended December 31, 2022 and 2021

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

| (In thousands) | Years Ended December 31, 2022 | Years Ended December 31, 2021 | Change 2022 vs. 2021 |
|---|---|---|---|
| Revenues, net: | | | |
| Subscription | $ 1,618,541 | $ 1,568,576 | 3.2 % |
| Content licensing and other | 606,154 | 558,378 | 8.6 % |
| Distribution and other | 2,224,695 | 2,126,954 | 4.6 % |
| Advertising | 871,850 | 950,654 | (8.3)% |
| Total revenues, net | 3,096,545 | 3,077,608 | 0.6 % |
| Operating expenses: | | | |
| Technical and operating (excluding depreciation and amortization) | 1,515,902 | 1,432,083 | 5.9 % |
| Selling, general and administrative | 896,817 | 891,734 | 0.6 % |
| Depreciation and amortization | 107,227 | 93,881 | 14.2 % |
| Impairment and other charges | 40,717 | 159,610 | (74.5)% |
| Restructuring and other related charges | 448,966 | 10,378 | 4226.1 % |
| Total operating expenses | 3,009,629 | 2,587,686 | 16.3 % |
| Operating income | 86,916 | 489,922 | (82.3)% |
| Other income (expense): | | | |
| Interest expense, net | (120,436) | (118,830) | 1.4 % |
| Loss on extinguishment of debt | — | (22,074) | (100.0)% |
| Miscellaneous, net | 3,568 | 25,214 | (85.8)% |
| Total other income (expense) | (116,868) | (115,690) | 1.0 % |
| Net income (loss) from operations before income taxes | (29,952) | 374,232 | (108.0)% |
| Income tax benefit (expense) | 40,980 | (94,393) | (143.4)% |
| Net income including noncontrolling interests | 11,028 | 279,839 | (96.1)% |
| Net income attributable to noncontrolling interests | (3,434) | (29,243) | (88.3)% |
| Net income attributable to AMC Networks' stockholders | $ 7,594 | $ 250,596 | (97.0)% |

*Revenues*

Subscription revenues increased 5.8% in our Domestic Operations segment primarily due to an increase in streaming revenues, partially offset by a decline in affiliate revenue. Subscription revenues decreased 10.5% in our International and Other segment primarily due to the unfavorable impact of foreign currency translation at AMCNI.

Subscription revenues vary based on the impact of renewals of affiliation agreements and the number of subscribers to our services.

Content licensing and other revenues increased 18.0% in our Domestic Operations segment primarily due to the timing and availability of deliveries in the period, including $125.5 million for the delivery of an AMC Studios produced series to a third party in the fourth quarter of 2022. Content licensing and other revenues decreased 13.1% in our International and Other segment primarily due to the timing of productions at 25/7 Media.

Content licensing revenues vary based on the timing of availability of our programming to distributors.

Advertising revenues decreased 6.7% in our Domestic Operations segment primarily due to lower linear ratings, pricing softness, and fewer original programming episodes, partially offset by continued digital and advanced advertising revenue growth. Advertising revenues decreased 20.9% in our International and Other segment primarily due to the planned wind-down of two channels and softer ratings in the U.K., and the unfavorable impact of foreign currency translation at AMCNI.

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.

*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.

Technical and operating expenses (excluding depreciation and amortization) increased 11.0% in our Domestic Operations segment primarily due to costs associated with the delivery of an AMC Studios produced series to a third party in the fourth quarter of 2022 and an increase in program rights amortization, partially offset by a decrease in other direct programming costs. Technical and operating expenses (excluding depreciation and amortization) decreased 15.2% in our International and Other segment primarily due to the favorable impact of foreign currency translation at AMCNI, the timing of productions at 25/7 Media, and cost savings associated with the planned wind-down of two channels in the U.K.

Technical and operating expense includes write-offs of $12.8 million for the year ended December 31, 2021. Programming write-offs are based on management's periodic assessment of programming usefulness.

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

*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.

Selling, general and administrative expenses (including share-based compensation expenses) increased 3.3% in our Domestic Operations segment primarily due to higher employee related costs, partially offset by lower share-based compensation expenses. Selling, general and administrative expenses (including share-based compensation expenses) decreased 6.4% in our International and other segment primarily related to the favorable impact of foreign currency translation at AMCNI and a decrease in administrative expenses at 25/7 Media, and decreased 4.9% in Corporate due to lower share-based compensation expenses.

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

*Depreciation and amortization expenses*

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

Depreciation and amortization increased in Corporate 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.

*Impairment and other charges*

In December 2022, in connection with the preparation of our fourth quarter financial information, the Company performed its annual goodwill impairment test and concluded that the estimated fair value of the AMCNI reporting unit declined to less than its carrying amount. The decrease in the estimated fair value was in response to current and expected trends across the International television broadcasting markets, as well as a decrease in the valuation multiples used to estimate the fair value using the market approach. As a result, the Company recognized an impairment charge of $40.7 million, reflecting a partial write-down of the goodwill associated with the AMCNI reporting unit.

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 consolidated cases were initially brought in 2013 and 2018 and the trial of the consolidated cases was scheduled to commence on April 4, 2022. 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, 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.

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 its obligations, principally related to leases. As a result of this divestiture, the Company recognized a loss on the disposal of $16.6 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 following the spin-off.

*Restructuring and other related charges*

For 2022, restructuring and other related charges consisted of $403.8 million of strategic programming assessments and $45.2 million of organizational restructuring costs. Of the $449.0 million total charge, $423.2 million related to Domestic Operations, $2.9 million related to AMCNI, and $22.9 million related to Corporate.

For 2021, restructuring and other related charges consisted of (i) $6.1 million at AMCNI related to severance costs and the termination of distribution in certain international territories and (ii) $4.3 million of severance costs associated with the restructuring plan announced in November 2020.

*Operating income*

The decrease in operating income was primarily attributable to increases in restructuring and other related charges of $438.6 million and technical and operating expenses of $83.8 million, partially offset by a decrease in impairment and other charges of $118.9 million.

*Interest expense, net*

The increase in interest expense, net was primarily due to higher interest rates on our Term Loan A Facility, partially offset by higher interest income and lower average daily balances and the refinancing of a portion of our outstanding senior notes at a lower interest rate in 2021.

*Loss on extinguishment of debt*

There was no loss on the extinguishment of debt for the year ended December 31, 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 year ended December 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*

The decrease in miscellaneous, net of $21.6 million was primarily related to a $13.4 million 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 and 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, partially offset by a $7.5 million impact of higher net gains from the sale of certain marketable equity securities.

*Income tax benefit (expense)*

Income tax benefit was $41.0 million for 2022, representing an effective tax rate of 137%. The effective tax rate differs from the federal statutory rate of 21% due primarily to state and local income tax benefit of $6.0 million and tax benefit of $70.4 million related to the deemed liquidation of a wholly-owned controlled foreign corporation, partially offset by tax expense of $32.6 million resulting from a net increase in valuation allowances for foreign deferred tax assets, state net operating losses and excess capital losses and tax expense of $10.4 million related to non-deductible compensation expense.

Income tax expense was $94.4 million for 2021, representing an effective tax rate of 25%. The effective tax rate differs from the federal statutory rate of 21% due primarily to state and local income tax expense of $11.7 million, tax expense of $9.6 million resulting from a net increase in valuation allowances for foreign deferred tax assets, tax expense of $8.3 million related to non-deductible compensation expense, partially offset by $5.5 million of tax benefit related to nontaxable income attributable to noncontrolling interests and tax benefit of $4.7 million for excess tax benefits related to share-based compensation.

**Segment Results of Operations**

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

**Domestic Operations**

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

| | Years Ended December 31, | | Change |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2022 vs. 2021** |
| Revenues, net: | | | |
| Subscription | $ 1,395,026 | $ 1,318,732 | 5.8 % |
| Content licensing and other | 491,870 | 416,898 | 18.0 % |
| Distribution and other | 1,886,896 | 1,735,630 | 8.7 % |
| Advertising | 788,246 | 844,986 | (6.7)% |
| Total revenues, net | 2,675,142 | 2,580,616 | 3.7 % |
| Technical and operating expenses (excluding depreciation and amortization)[(a)] | 1,276,791 | 1,150,564 | 11.0 % |
| Selling, general and administrative expenses[(b)] | 626,203 | 596,559 | 5.0 % |
| Majority-owned equity investees AOI | 17,248 | 11,948 | 44.4 % |
| Segment adjusted operating income | $ 789,396 | $ 845,441 | (6.6)% |

(a) Technical and operating expenses excludes cloud computing amortization

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

*Revenues*

Subscription revenues increased primarily due to a 35.4% increase in streaming revenues driven by streaming subscriber growth, partially offset by a 5.8% decline in affiliate revenue. Affiliate revenue decreased due to basic subscriber declines, partially offset by contractual affiliate rate increases.

Subscription revenues include revenues related to the Company's streaming services of $501.9 million and $370.8 million for 2022 and 2021, respectively. Aggregate paid subscribers to our streaming services were approximately 11.8 million and 9.0 million at December 31, 2022 and 2021, respectively.

Content licensing and other revenues increased primarily due to the timing and availability of deliveries in the period, including $125.5 million for the delivery of an AMC Studios produced series to a third party in the fourth quarter of 2022 partially offset by the delivery of fewer episodes of *The Walking Dead World Beyond* and *Fear the Walking Dead*, both of which were strong contributors in the prior year.

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

The following table presents certain subscriber information for our national programming networks at December 31, 2022 and 2021:

| (In thousands) | Estimated U.S. Subscribers as measured by Nielsen December 31, 2022 | December 31, 2021 |
|---|---|---|
| National Programming Networks: | | |
| AMC | 69,900 | 78,300 |
| WE tv | 68,200 | 75,500 |
| BBC AMERICA | 64,600 | 73,000 |
| IFC | 60,000 | 68,000 |
| SundanceTV | 58,400 | 65,900 |

*Technical and operating expenses (excluding depreciation and amortization)*

Technical and operating expenses (excluding depreciation and amortization) increased primarily due to costs associated with the delivery of an AMC Studios produced series to a third party in the fourth quarter of 2022 and an increase in program rights amortization, partially offset by a decrease in other direct programming costs.

There were no material write-offs included in program rights amortization expense in 2022. Program rights amortization expense includes write-offs $11.1 million for 2021. Programming write-offs are based on management's periodic assessment of programming usefulness.

*Selling, general and administrative expenses*

Selling, general and administrative expenses (excluding share-based compensation expenses) increased primarily due to higher employee related costs.

*Segment adjusted operating income*

The decrease in segment adjusted operating income was primarily attributable to increases in technical and operating expenses of $126.2 million and selling, general and administrative expenses of $29.6 million, partially offset by an increase in revenues of $94.5 million.

## International and Other

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

| (In thousands) | Years Ended December 31, 2022 | 2021 | Change 2022 vs. 2021 |
|---|---|---|---|
| Revenues, net: | | | |
| Subscription | $ 223,515 | $ 249,844 | (10.5)% |
| Content licensing and other | 135,406 | 155,805 | (13.1)% |
| Distribution and other | 358,921 | 405,649 | (11.5)% |
| Advertising | 83,604 | 105,668 | (20.9)% |
| Total revenues, net | 442,525 | 511,317 | (13.5)% |
| Technical and operating expenses (excluding depreciation and amortization) | 257,097 | 303,045 | (15.2)% |
| Selling, general and administrative expenses[(a)] | 116,439 | 124,978 | (6.8)% |
| Segment adjusted operating income | $ 68,989 | $ 83,294 | (17.2)% |

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

*Revenues*

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

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

Advertising revenues decreased primarily due to the planned wind-down of two channels and softer ratings in the U.K., and the unfavorable impact of foreign currency translation at AMCNI.

*Technical and operating expenses (excluding depreciation and amortization)*

Technical and operating expenses (excluding depreciation and amortization) decreased due to the favorable impact of foreign currency translation at AMCNI, the timing of productions at 25/7 Media, and cost savings associated with the planned wind-down of two channels in the U.K.

There were no material write-offs included in program rights amortization expense in 2022. Program rights amortization expense includes write-offs $1.7 million for 2021. Programming write-offs are based on management's periodic assessment of programming usefulness.

*Selling, general and administrative expenses*

Selling, general and administrative expenses decreased primarily due 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*

The decrease in segment adjusted operating income was primarily attributable to a decrease in revenues of $68.8 million, partially offset by decreases in technical and operating expenses of $45.9 million and selling, general and administrative expenses of $8.5 million.

**Corporate / Inter-segment Eliminations**

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

| | Years Ended December 31, | | Change |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2022 vs. 2021** |
| Revenues, net | $ (21,122) | $ (14,325) | 47.4 % |
| Operating expenses: | | | |
| Technical and operating expenses (excluding depreciation and amortization)[a] | (18,375) | (21,526) | (14.6)% |
| Selling, general and administrative expenses[b] | 117,236 | 119,866 | (2.2)% |
| Segment adjusted operating income | $ (119,983) | $ (112,665) | 6.5 % |

(a) Technical and operating expenses excludes cloud computing amortization

(b) Selling, general and administrative expenses 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 (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 decreased primarily due to lower long-term incentive compensation, partially offset by an increase in 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 may exclude the impact of certain events, gains, losses or other charges (such as significant legal settlements) from AOI that affect our operating performance.

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

Internally, we use revenues, net and AOI 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:

| | Year Ended December 31, 2022 | | | |
|---|---|---|---|---|
| **(In thousands)** | Domestic Operations | International and Other | Corporate / Inter-segment Eliminations | Consolidated |
| Operating income (loss) | $ 286,517 | $ 3,031 | $ (202,632) | $ 86,916 |
| Share-based compensation expenses | 12,815 | 3,900 | 13,271 | 29,986 |
| Depreciation and amortization | 49,588 | 18,487 | 39,152 | 107,227 |
| Impairment and other charges | — | 40,717 | — | 40,717 |
| Restructuring and other related charges | 423,205 | 2,854 | 22,907 | 448,966 |
| Cloud computing amortization | 23 | — | 7,319 | 7,342 |
| Majority owned equity investees AOI | 17,248 | — | — | 17,248 |
| Adjusted operating income (loss) | $ 789,396 | $ 68,989 | $ (119,983) | $ 738,402 |

| | Year Ended December 31, 2021 | | | |
|---|---|---|---|---|
| **(In thousands)** | Domestic Operations | International and Other | Corporate / Inter-segment Eliminations | Consolidated |
| Operating income (loss) | $ 617,875 | $ 37,167 | $ (165,120) | $ 489,922 |
| Share-based compensation expenses | 22,077 | 3,627 | 22,221 | 47,925 |
| Depreciation and amortization | 48,025 | 19,807 | 26,049 | 93,881 |
| Impairment and other charges | 143,000 | 16,610 | — | 159,610 |
| Restructuring and other related charges | 2,516 | 6,083 | 1,779 | 10,378 |
| Cloud computing amortization | — | — | 2,406 | 2,406 |
| Majority owned equity investees AOI | 11,948 | — | — | 11,948 |
| Adjusted operating income (loss) | $ 845,441 | $ 83,294 | $ (112,665) | $ 816,070 |

## Liquidity and Capital Resources

### Overview

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

Our Board 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. The Company did not repurchase any shares of its Class A common stock during the year ended December 31, 2022. As of December 31, 2022, the Company 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 invest in original programming, the funding of which generally occurs six to nine months in advance of a program's airing.

As of December 31, 2022, our consolidated cash and cash equivalents balance of $930.0 million includes approximately $338.3 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, availability under our revolving credit facility, borrowings under additional financing facilities and, when we have access to capital and credit markets, proceeds from the sale of new debt, will provide sufficient liquidity to service the principal and interest payments on our indebtedness, along with our other funding and investment requirements over the next twelve months and over the longer term. However, we do not expect to generate sufficient cash from operations to repay the then outstanding balances of our debt at the applicable maturity dates. As a result, we will be dependent upon our ability to access the capital and credit markets in order to repay, refinance, repurchase through privately negotiated transactions, tender offers or otherwise or redeem the outstanding balances of our indebtedness. Given the maturity dates of our 5.00% senior notes due 2024 and our 4.75% senior notes due 2025, we may access the capital or credit markets in the near term to refinance those senior notes through privately negotiated transactions, tender offers or redemptions.

Failure to raise significant amounts of funding to repay our outstanding debt obligations at their respective maturity dates would adversely affect our business. In such a circumstance, we would need to take other actions including selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash. See Item 1A, "Risk Factors – Risks Related to Our Debt" in this Annual Report.

### Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operations for the periods indicated:

| | Years Ended December 31, | |
|---|---|---|
| **(In thousands)** | **2022** | **2021** |
| Cash provided by operating activities | $ 181,834 | $ 143,474 |
| Cash used in investing activities | (39,385) | (26,582) |
| Cash used in financing activities | (97,115) | (84,103) |
| Net increase in cash and cash equivalents | $ 45,334 | $ 32,789 |

*Operating Activities*

Net cash provided by operating activities for 2022 and 2021 amounted to $181.8 million and $143.5 million, respectively.

In 2022, net cash provided by operating activities primarily resulted from $1,524.6 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, partially offset by payments for program rights of $1,347.4 million. Changes in all other assets and liabilities during the year resulted in a net cash inflow of $4.6 million.

In 2021, net cash provided by operating activities primarily resulted from net income before amortization of program rights, depreciation and amortization, and other non-cash items of $1,425.5 million, partially offset by payments for program rights of $1,297.8 million. Changes in all other assets and liabilities resulted in a net cash inflow of $15.8 million.

*Investing Activities*

Net cash used in investing activities for 2022 and 2021 was $39.4 million and $26.6 million, respectively.

In 2022, net cash used in investing activities primarily consisted of capital expenditures of $44.3 million and an additional investment in an equity security of $5.0 million, partially offset by proceeds from the sales of a marketable equity security of $9.9 million.

In 2021, net cash used in investing activities was primarily related to the acquisition of investments of $30.3 million, payments for the acquisition of a business of $62.1 million, and capital expenditures of $42.6 million, partially offset by proceeds from the sales of investments of $95.4 million and the collection of a loan for $20.0 million. All other changes in investing activities resulted in a decrease of $7.0 million.

*Financing Activities*

Net cash used in financing activities for 2022 and 2021 was $97.1 million and $84.1 million, respectively.

In 2022, net cash used in financing activities primarily consisted of distributions to noncontrolling interests of $35.0 million, principal payments on the Term Loan A Facility of $33.8 million, taxes paid in lieu of shares issued for equity-based compensation of $22.3 million, principal payments on finance leases of $3.6 million, and the purchase of noncontrolling interests of $2.5 million.

In 2021, net cash used in financing activities 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 $32.9 million, and distributions to noncontrolling interests of $29.4 million and payments on finance leases of $3.8 million, partially offset by proceeds from the exercise of stock options of $9.8 million and contributions from noncontrolling interests of $2.7 million.

**Debt Financing Agreements**

The Company's principal amount of long-term debt consists of:

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Senior Secured Credit Facility:[(a)] | | |
| Term Loan A Facility | $ 641,250 | $ 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 |
| Principal amount of debt | $ 2,841,250 | $ 2,875,000 |

(a) The Company's $500 million revolving credit facility remains undrawn at December 31, 2022. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

On February 8, 2021, we issued $1.0 billion aggregate principal amount of 4.25% senior notes due February 15, 2029 (the “4.25% Notes due 2029”) in a registered public offering and received net proceeds of $982.3 million, after deducting underwriting discounts and commissions and expenses. We used such proceeds to redeem (i) the remaining $400 million principal amount of our 4.75% senior notes due 2022 and (ii) $600 million principal amount of our 5.00% senior notes due 2024 on February 26, 2021 (the "Redemption Date"). The 4.75% senior notes due 2022 were redeemed at a redemption price of 100.000% of the principal amount of such notes and the 5.00% senior notes due 2024 were redeemed at a redemption price of 102.500% of the principal amount of such notes, in each case, plus accrued and unpaid interest to, but excluding, the Redemption Date. In connection with the redemptions, we incurred a loss on extinguishment of debt for the year ended December 31, 2021 of $22.1 million representing the redemption premium and the write-off of a portion of the unamortized discount and deferred financing costs.

On February 8, 2021, the Company entered into Amendment No. 1 (“Amendment No. 1”) to its existing credit agreement (the "Credit Agreement"). Amendment No. 1 extends the maturity dates of the $675 million term loan A facility and $500 million revolving credit facility under the Credit Agreement to February 8, 2026, and makes certain other amendments to the covenants and other provisions of the Credit Agreement.

AMC Networks was in compliance with all of its debt covenants as of December 31, 2022.

Additional information regarding our outstanding indebtedness and the significant terms and provisions of our Senior Secured Credit Facility and our Senior Notes is discussed in Note 11 to the accompanying consolidated financial statements included in this Annual Report on Form 10-K and is incorporated herein by reference.

**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 December 31, 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**

| | Year Ended December 31, 2022 | | Year Ended December 31, 2021 | |
|---|---|---|---|---|
| **(In thousands)** | **Parent Company** | **Guarantor Subsidiaries** | **Parent Company** | **Guarantor Subsidiaries** |
| Revenues | $ — | $ 2,244,245 | $ — | $ 2,137,263 |
| Operating expenses | — | 2,165,131 | — | 1,713,682 |
| Operating income | $ — | $ 79,114 | $ — | $ 423,581 |
| Income (loss) before income taxes | $ (49,040) | $ 91,088 | $ 314,283 | $ 472,985 |
| Net income | 7,594 | 82,396 | 250,596 | 463,637 |

| **Balance Sheet** | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| **(In thousands)** | **Parent Company** | **Guarantor Subsidiaries** | **Parent Company** | **Guarantor Subsidiaries** |
| ***Assets*** | | | | |
| Amounts due from subsidiaries | $ — | $ 79,020 | $ — | $ — |
| Current assets | 44,045 | 1,258,759 | 9,991 | 1,242,724 |
| Non-current assets | 3,893,205 | 3,706,858 | 4,010,028 | 3,633,383 |
| | | | | |
| ***Liabilities and equity:*** | | | | |
| Amounts due to subsidiaries | $ 68,682 | $ 6,783 | $ 12,797 | $ 5,324 |
| Current liabilities | 157,658 | 872,109 | 100,969 | 671,041 |
| Non-current liabilities | 2,972,602 | 330,467 | 3,067,962 | 331,860 |

**Critical Accounting Policies and Estimates**

In preparing our consolidated financial statements, we are required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. These estimates and assumptions can be subjective and complex and, consequently, actual results could differ materially from our estimates and assumptions. We base our estimates on historical experience, known or expected trends and other assumptions that we believe are reasonable under the circumstances.

We believe the following critical accounting policies comprise the more significant judgments and estimates used in the preparation of our consolidated financial statements:

***Program Rights***

Licensed rights to programming, including feature films and episodic series, are stated at the lower of amortized cost or fair value. Such licensed rights along with the related obligations are recorded at the contract value when a license agreement is executed, unless there is uncertainty with respect to either cost, acceptability or availability. If such uncertainty exists, those rights and obligations are recorded at the earlier of when the uncertainty is resolved or when the license period begins. Costs are amortized to technical and operating expense on a straight-line or accelerated basis, based on the expected exploitation strategy of the rights, over a period not to exceed the respective license periods. We periodically review the remaining useful lives of our licensed program rights based on several factors, including expected future revenue generation from airings on our networks 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 remaining useful life of such rights is adjusted accordingly, which may result in the accelerated amortization or write-off of such costs to technical and operating expense.

Owned original programming costs, including estimated participation and residual costs qualifying for capitalization, are recorded as program rights on the consolidated balance sheet. Program rights that are predominantly monetized individually are amortized to technical and operating expense over their estimated useful lives, commencing upon the first airing, based on attributable revenue for airings to date as a percentage of total projected attributable revenue ("ultimate revenue") under the individual-film-forecast-computation method. Program rights that are monetized as a group are amortized based on projected usage, typically resulting in an accelerated amortization pattern. We base our estimates of ultimate revenue primarily on distribution and advertising revenues historically generated from similar content in comparable markets, and projected program usage. Projected program usage is based on our current expectation of future exhibitions. We periodically review ultimate revenue estimates and projected program usage and revise our assumptions if necessary, which could either accelerate or delay the timing of amortization expense or result in a write-down of unamortized costs to fair value. For example, a program's strong performance could result in increased usage and increased attributable revenues in a particular period, resulting in accelerated amortization of costs in that period. Poor ratings may result in the reduction of attributable revenue from planned usage or the abandonment of a program, which would require a write-off of any unamortized costs. Actual attributable revenue and exhibitions may vary from our projections due to factors such as market acceptance, levels of distribution and advertising revenue, resulting in changes to our decisions regarding planned program usage. A failure to adjust for a downward change in estimates of ultimate revenue could result in the understatement of program rights amortization expense for the period. Any capitalized development costs for programs that we determine will not be produced are also written off. Historically, other than instances of write-offs associated with our decisions to abandon programming, actual ultimate revenue amounts have not significantly differed from our estimates of ultimate revenue.

There were no significant program write-offs included in technical and operating expense for the year ended December 31, 2022. Refer to Note 5 for amounts recorded to restructuring expense in connection with the Company’s strategic programming assessments. Program rights write-offs of $12.8 million were recorded for the year ended December 31, 2021.

***Useful Lives of Affiliate Intangible Assets***

The carrying amount of our intangible assets as of December 31, 2022 is $354.7 million, of which $260.8 million is comprised of affiliate relationships acquired in business combinations. Useful lives of affiliate relationships (ranging from 6 to 25 years) are initially determined based upon weighted average remaining terms of agreements in place with major distributors when purchase accounting is applied, plus an assumption for expected renewals. We periodically update our assumption for expected renewals based on recent experience and known or expected trends. We have historically been successful in renewing our major affiliation agreements and expect to renew such agreements in the future. However, if renewal trends deteriorate in the future (e.g., failure to renew, or renewals with significantly shorter terms), we may revise the remaining useful lives of affiliate intangible assets, resulting in higher amortization expenses in future periods.

***Goodwill***

Goodwill is not amortized, but instead is tested for impairment at the reporting unit level annually as of December 1, or more frequently upon the occurrence of certain events or substantive changes in circumstances. The annual goodwill impairment test allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If it is determined, on the basis of qualitative factors, that the fair value of a reporting unit is, more likely than not, less than its carrying value, the quantitative impairment test is required. The quantitative impairment test calculates any goodwill impairment as the difference between the carrying amount of a reporting unit and its fair value, but not to exceed the carrying amount of goodwill.

For our annual impairment test, we performed quantitative impairment tests for all reporting units. The impairment test for goodwill requires judgment related to the identification of reporting units, the assignment of assets and liabilities to reporting units including goodwill, and the determination of fair value of the reporting units. The quantitative impairment test evaluates whether the carrying value of a reporting unit exceeds its estimated fair value. We estimate the fair value of our reporting units based on the present value of future cash flows (“Discounted Cash Flow Method”) and the total enterprise value multiples of publicly traded comparable companies (“Market Comparables Method”). The Discounted Cash Flow Method requires us to make various assumptions regarding the timing and amount of future cash flows, including revenue growth rates, operating margins, and programming and working capital investments for a projection period, plus the terminal value of the business at the end of the projection period. The assumptions about future cash flows are based on internal forecasts, which incorporates our long-term business plans and historical trends and are subject to a greater degree of uncertainty in times of adverse economic conditions. The terminal value is estimated based on a perpetual growth rate, which is based on historical and projected inflation and economic indicators, as well as industry growth projections. A discount rate is determined for the reporting unit based on the risks of achieving the future cash flows, including risks applicable to the industry and market as a whole, as well as the capital structure of comparable entities. The Market Comparables Method incorporates revenue and earnings multiples from publicly traded companies with operations and other characteristics similar to each reporting unit. The selected multiples consider each reporting unit’s relative growth, profitability, size, and risk relative to the selected publicly traded companies.

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

| **(In thousands)** | **December 31, 2022** |
|---|---|
| Domestic Operations | $ 349,292 |
| International and Other | 294,127 |
| | $ 643,419 |

Based on our annual impairment tests for goodwill during 2022, we recorded an impairment charge of $40.7 million related to our AMCNI reporting unit. For our two other reporting units, we concluded that the estimated fair value of the reporting units exceeded their respective carrying values by 27% and 15%, and therefore no impairment charge was required. See Note 9 to the accompanying consolidated financial statements included in this Annual Report on Form 10-K for additional details.

**Recently Issued Accounting Pronouncements**

The information regarding recently issued accounting pronouncements is discussed in Note 2 to the accompanying consolidated financial statements included in this Annual Report on Form 10-K and is incorporated herein by reference.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

**Fair Value of Debt**

Based on the level of interest rates prevailing at December 31, 2022, the fair value of our fixed rate debt of $1.60 billion was lower than its carrying value of $2.18 billion by $575.8 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 December 31, 2022 would increase the estimated fair value of our fixed rate debt by approximately $48.6 million to approximately $1.65 billion.

**Managing our Interest Rate Risk**

To manage interest rate risk, we enter into interest rate swap contracts from time to time to adjust the amount of total debt that is subject to variable interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to limit the exposure against the risk of rising rates. We do not enter into interest rate swap contracts for speculative or trading purposes and we only enter into interest rate swap contracts with financial institutions that we believe are credit worthy counterparties. We monitor the financial institutions that are counterparties to our interest rate swap contracts and to the extent possible diversify our swap contracts among various counterparties to mitigate exposure to any single financial institution. For the year ended December 31, 2022, we did not have any interest rate swap contracts outstanding.

As of December 31, 2022, we have $2.8 billion of debt outstanding (excluding finance leases), of which $641.3 million is outstanding under our loan facility and is subject to variable interest rates. A hypothetical 100 basis point increase in interest rates prevailing at December 31, 2022 would increase our annual interest expense by approximately $6.4 million. The interest rate paid on approximately 77% of our debt (excluding finance leases) as of December 31, 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.

As a result of our international expansion in recent years, we expect the exposure to foreign currency fluctuations will have a more significant impact on our financial position and results of operations.

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.

The Company recognized foreign currency transaction gains (losses) of $(1.2) million and $12.2 million for the years ended December 31, 2022 and 2021, respectively, related to foreign currency transactions. Unrealized foreign currency transaction gains or losses are computed based on period-end exchange rates and are non-cash in nature until such time as the amounts are settled. Such amount is included in miscellaneous, net in the consolidated statements of income.

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 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 8. Financial Statements and Supplementary Data.**

The Financial Statements required by this Item 8 appear beginning on page 62 of this Annual Report, and are incorporated by reference herein.

**Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.**

None.

**Item 9A. Controls and Procedures.**

**(a) Evaluation of Disclosure Controls and Procedures**

An evaluation was carried out under the supervision and with the participation of the Company's management, including our principal executive officer (our Interim Executive Chairman) and our principal financial officer (our 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 December 31, 2022, the Company's principal executive officer (our Interim Executive Chairman) and principal financial officer (our Chief Financial Officer) concluded that the Company's disclosure controls and procedures are effective.

**(b) Management's Report on Internal Control over Financial Reporting**

Management is responsible for establishing and maintaining effective internal control over financial reporting, as such term is defined under the Securities Exchange Act of 1934 Rule 13a-15(f). The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements prepared for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including the principal executive officer (our Interim Executive Chairman) and our principal financial officer (our Chief Financial Officer), we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control — Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in Internal Control — Integrated Framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2022.

**(c) Attestation Report of Independent Registered Public Accounting Firm**

The effectiveness of the Company's internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their attestation report appearing on page F-1.

**(d) Changes in Internal Control over Financial Reporting**

During the three months ended December 31, 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.

**Item 9B. Other Information.**

None.

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.**

Not applicable.

## Part III

### Item 10. Directors, Executive Officers and Corporate Governance.

Information relating to our directors, executive officers and corporate governance will be included in our definitive Proxy Statement for our 2023 Annual Meeting of Stockholders, which will be filed within 120 days of the year ended December 31, 2022 (the "2023 Proxy Statement"), which is incorporated herein by reference.

### Item 11. Executive Compensation.

Information relating to executive compensation will be included in the 2023 Proxy Statement, which is incorporated herein by reference.

### Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Information relating to the beneficial ownership of our common stock and related stockholder matters will be included in the 2023 Proxy Statement, which is incorporated herein by reference.

### Item 13. Certain Relationships and Related Transactions, and Director Independence.

Information relating to certain relationships and related transactions and director independence will be included in the 2023 Proxy Statement, which is incorporated herein by reference.

### Item 14. Principal Accountant Fees and Services.

Information relating to principal accountant fees and services will be included in the 2023 Proxy Statement, which is incorporated herein by reference.

## Part IV

### Item 15. Exhibits and Financial Statement Schedules.

*(a) Documents filed as part of the Form 10-K:*

The following items are filed as part of this Annual Report:

(1) The financial statements as indicated in the index set forth on page 62.

(2) Financial statement schedule:

Schedule II—Valuation and Qualifying Accounts

Schedules other than that listed above have been omitted, since they are either not applicable, not required or the information is included elsewhere herein.

(3) Exhibits:

The exhibits listed in the accompanying Exhibit Index are filed or incorporated by reference as part of this Annual Report.

### Item 16. Form 10-K Summary.

None.

INDEX TO EXHIBITS

| Exhibit Number | Description of Exhibit |
|---|---|
| 2.1 | Agreement and Plan of Merger, dated as of July 29, 2018, by and among RLJE, the Company (solely for the purposes of Section 10.7 thereof), DEH and Merger Sub (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K filed July 30, 2018). |
| 3.1(i) | Amended and Restated Certificate of Incorporation of AMC Networks Inc. (incorporated by reference to Exhibit 99.4 to the Company's Current Report on Form 8-K filed on July 1, 2011). |
| 3.1(ii) | Amended and Restated By-Laws of AMC Networks Inc. (incorporated by reference to Exhibit 99.5 to the Company's Current Report on Form 8-K filed on July 1, 2011). |
| 4.1 | Form of Registration Rights Agreement between AMC Networks Inc. and The Charles F. Dolan Children Trusts (incorporated by reference to Exhibit 3.5 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |
| 4.2 | Form of Registration Rights Agreement between AMC Networks Inc. and The Dolan Family Affiliates (incorporated by reference to Exhibit 3.6 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |
| 4.3 | Registration Rights Agreement, dated as of June 30, 2011, among AMC Networks Inc., the subsidiary guarantors named therein, Merrill Lynch, Pierce, Fenner & Smith Incorporated and J.P. Morgan Securities LLC, as representatives of the several initial purchasers (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K filed on July 1, 2011). |
| 4.6 | Indenture dated as of March 30, 2016, by and among AMC Networks Inc., as Issuer, each of the guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 28, 2017). |
| 4.7 | First Supplemental Indenture, dated as of March 30, 2016, to the Indenture, dated as of March 30, 2016, by and among AMC Networks Inc., as Issuer, each of the guarantors party thereto and U.S. Bank National Association, as Trustee, relating to the AMC Networks Inc. 5.00% Senior Notes due April 1, 2024 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 30, 2016). |
| 4.8 | Second Supplemental Indenture, dated as of July 28, 2017 to the Indenture, dated as of March 30, 2016, among AMC Networks, as issuer, the Guarantors and U.S. Bank National Association, as Trustee, and Form of Notes (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on July 28, 2017). |
| 4.9 | Third Supplemental Indenture, dated as of February 8, 2021, to the Indenture, dated as of March 30, 2016, among AMC Networks, as issuer, the Guarantors and U.S. Bank National Association, as Trustee, and Form of Notes (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on February 8, 2021) |
| 4.10 | Description of AMC Networks Inc.'s Securities Registered under Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.10 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020). |
| 10.1 | Form of Tax Disaffiliation Agreement between Cablevision Systems Corporation and AMC Networks Inc. (incorporated by reference to Exhibit 10.2 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |
| 10.2 | Form of Standstill Agreement by and among AMC Networks Inc. and The Dolan Family Group (incorporated by reference to Exhibit 10.5 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |
| 10.3 | Second Amended and Restated Credit Agreement, dated as of July 28, 2017, among AMC Networks and its subsidiary, AMC Network Entertainment LLC, as the initial borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and an L/C Issuer and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 28, 2017). |

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| 10.4 | Amendment No. 1, dated as of February 8, 2021, to the Second Amended and Restated Credit Agreement, dated as of July 28, 2017, in each case, among AMC Networks and its subsidiary, AMC Network Entertainment LLC, as the initial borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, Bank of America, N.A., as an L/C Issuer, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and an L/C Issuer (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 8, 2021) |
| 10.5 | AMC Networks Inc. Amended and Restated 2011 Stock Plan For Non-Employee Directors (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2020) |
| 10.6 | Form of Employment Agreement by and between AMC Networks Inc. and Charles F. Dolan (incorporated by reference to Exhibit 10.13 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |
| 10.7 | Amendment to Employment Agreement, dated as of September 15, 2020, by and between AMC Networks Inc. and Charles F. Dolan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 15, 2020). |
| 10.8 | Amended and Restated Employment Agreement dated December 11, 2020, between AMC Networks Inc. and Joshua W. Sapan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020) |
| 10.9 | Amendment, dated August 23, 2021, to Amended and Restated Employment Agreement, dated December 11, 2020, by and between AMC Networks Inc. and Joshua W. Sapan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021) |
| 10.10 | Employment Agreement, dated August 4, 2022, by and between AMC Networks Inc. and Christina Spade (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022) |
| 10.11 | Employment Agreement, dated August 4, 2022, by and between AMC Networks Inc. and Patrick O'Connell (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022) |
| 10.12 | Employment Agreement, dated August 23, 2021, by and between AMC Networks Inc. and Matthew Blank (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021) |
| 10.13 | Employment Agreement, dated August 24, 2021, by and between AMC Networks Inc. and Michael J. Sherin III (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021) |
| 10.14 | Amended and Restated Employment Agreement dated October 13, 2016 by and between AMC Networks Inc. and Edward A. Carroll (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 14, 2016). |
| 10.15 | Separation Agreement, dated September 28, 2021, by and between AMC Networks Inc. and Edward A. Carroll (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021) |
| 10.16 | Employment Agreement, dated October 19, 2022, by and between AMC Networks Inc. and James G. Gallagher (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022) |
| 10.17 | Employment Agreement dated January 12, 2021, between AMC Networks Inc. and Christina Spade (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2020) |
| 10.18 | Amendment, dated November 19, 2021, to Employment Agreement dated January 12, 2021, by and between AMC Networks Inc. and Christina Spade (incorporated by reference to Exhibit 10.17 on Form 10-K for the year ended December 31, 2021). |
| 10.19 | Form of AMC Networks Inc. Non-Employee Director Award Agreement (incorporated by reference to Exhibit 10.22 to the Company's Amendment No. 5 to Registration Statement on Form 10 filed on June 6, 2011). |

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| 10.20 | Form of AMC Networks Inc. Non-Employee Director Agreement (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012). |
| 10.21 | AMC Networks Inc. Amended and Restated 2016 Employee Stock Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 5, 2020) |
| 10.22 | Shared Executive Space Cost Sharing Arrangement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016). |
| 10.23 | Form of Performance Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.21 on Form 10-K for the year ended December 31, 2017). |
| 10.24 | Form of Restricted Stock Unit Award Agreement (incorporated by reference to Exhibit 10.22 on Form 10-K for the year ended December 31, 2017). |
| 10.25 | Form of Performance Cash Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020). |
| 10.26 | Form of Performance Cash Award Agreement (incorporated by reference to Exhibit 10.27 on Form 10-K for the year ended December 31, 2021). |
| 10.27 | Master Services Agreement, dated February 8, 2019, by and between Rainbow Media Holdings LLC and 605 LLC (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019). |
| 10.28 | Statement of Work for Strategic Analytic Services, dated August 1, 2022, by and between Rainbow Media Holdings LLC and 605, LLC (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022). |
| 10.29 | AMC Networks Inc. Executive Deferred Compensation Plan (incorporated by reference to Exhibit 10.29 on Form 10-K for the year ended December 31, 2021). |
| 21 | Subsidiaries of the Registrant. |
| 22 | List of Guarantor Subsidiaries. |
| 23 | Consent of Independent Registered Public Accounting Firm. |
| 24 | Power of Attorney (included on the signature page to this Annual Report on Form 10-K). |
| 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. |
| 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. |

**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: | February 17, 2023 | By: | /s/ Patrick O'Connell |
| | | | Patrick O'Connell |
| | | | Executive Vice President and Chief Financial Officer |

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James L. Dolan and Patrick O'Connell, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him in his name, place and stead, in any and all capacities, to sign this report, and file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do and perform each and every act and thing requisite and necessary to be done as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Name | Title | Date |
|---|---|---|
| /s/ James L. Dolan<br>James L. Dolan | Interim Executive Chairman and Director<br>(Principal Executive Officer) | February 17, 2023 |
| /s/ Patrick O'Connell<br>Patrick O'Connell | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer) | February 17, 2023 |
| /s/ Michael J. Sherin III<br>Michael J. Sherin III | Executive Vice President and Chief Accounting Officer<br>(Principal Accounting Officer) | February 17, 2023 |
| /s/ Charles F. Dolan<br>Charles F. Dolan | Chairman Emeritus and Director | February 17, 2023 |
| /s/ William J. Bell<br>William J. Bell | Director | February 17, 2023 |
| /s/ Matthew Blank<br>Matthew Blank | Director | February 17, 2023 |
| /s/ Joseph M. Cohen<br>Joseph M. Cohen | Director | February 17, 2023 |
| /s/ Aidan. Dolan<br>Aidan Dolan | Director | February 17, 2023 |

| | | |
|---|---|---|
| /s/ Kristin A. Dolan<br>Kristin A. Dolan | Director | February 17, 2023 |
| /s/ Patrick F. Dolan<br>Patrick F. Dolan | Director | February 17, 2023 |
| /s/ Thomas C. Dolan<br>Thomas C. Dolan | Director | February 17, 2023 |
| /s/ Brian G. Sweeney<br>Brian G. Sweeney | Director | February 17, 2023 |
| /s/ Vincent Tese<br>Vincent Tese | Director | February 17, 2023 |
| /s/ Leonard Tow<br>Leonard Tow | Director | February 17, 2023 |
| /s/ David E. Van Zandt<br>David E. Van Zandt | Director | February 17, 2023 |
| /s/ Carl E. Vogel<br>Carl E. Vogel | Director | February 17, 2023 |
| /s/ Marianne Dolan Weber<br>Marianne Dolan Weber | Director | February 17, 2023 |

**AMC NETWORKS INC. AND SUBSIDIARIES**
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Financial Statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020**

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
AMC Networks Inc.:

*Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of AMC Networks Inc. and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes and financial statement schedule II (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report, dated February 17, 2023, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

*Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

*Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Assessment of the carrying value of goodwill in the AMC Networks International (AMCNI) reporting unit*

As discussed in Note 9 to the consolidated financial statements, the Company's goodwill balance for the International and Other segment was $294.1 million at December 31, 2022, which includes its AMCNI reporting unit. The Company performs goodwill impairment testing at the reporting unit level on an annual basis during the fourth quarter of each fiscal year as of December 1, and whenever events and changes in circumstances indicate that the carrying value of a reporting unit might exceed its fair value. The Company recognized an impairment charge of $40.7 million for the year ended December 31, 2022 to reduce the carrying value of the AMCNI reporting unit to its fair value.

We identified the assessment of the carrying value of goodwill in the AMCNI reporting unit as a critical audit matter. Revenue growth rates, long-term growth rate and the discount rate used by the Company to estimate the fair value of the reporting unit involved especially challenging auditor judgment and could have a significant effect on the Company's assessment of the carrying value of the reporting unit's goodwill.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's impairment process, including controls over the selection of the revenue growth rates, long-term growth rate and the discount rate used to estimate the fair value of the reporting unit. We performed sensitivity analyses over the revenue growth rates, long-term growth rate and discount rate assumptions. We evaluated the Company's forecasted reporting unit revenue growth rate assumptions by comparing the assumptions to the reporting unit's historical revenue growth rates, to projected revenue growth rates for guideline companies, and to projected television broadcasting revenue growth rates published by a third-party. We compared the Company's historical revenue forecasts to actual results to assess the Company's ability to accurately forecast. We involved a valuation professional with specialized skills and knowledge who assisted in:

• independently developing a discount rate range using publicly available market data for comparable entities and comparing it to the Company's discount rate;

• independently developing a long-term growth rate range using publicly available market data and comparing it to the Company's long-term growth rate; and

• developing an estimated range of the reporting unit fair value using the reporting unit's cash flow projections and the independently developed discount rate range and long-term growth rate range and compared the result to the Company's fair value estimate.

*Assessment of amortization of owned original program rights predominantly monetized individually*

As discussed in Note 6 to the consolidated financial statements, the balance of the Company's owned original program rights, net as of December 31, 2022 was $876.9 million, of which $215.5 million relates to completed productions predominantly monetized individually. Program rights that are predominantly monetized individually are amortized to technical and operating expense over their estimated useful lives, commencing upon the first airing, based on attributable revenue for airings to-date as a percentage of total projected attributable revenue ("ultimate revenue") under the individual-film-forecast-computation method. The Company bases its estimates of ultimate revenue primarily on distribution and advertising revenues historically generated from similar content in comparable markets, and projected program usage. Projected program usage is based on the Company's expectation of future exhibitions. The Company periodically reviews ultimate revenue estimates and projected program usage and revises assumptions, if necessary, which could either accelerate or delay the timing of amortization expense or result in a write-down of unamortized costs to fair value.

We identified the assessment of ultimate revenues used in the amortization of owned original program rights as a critical audit matter. The assumptions used by the Company to determine ultimate revenues involved especially challenging auditor judgment as they involve subjective assessments about future distribution (subscription fee revenues and content licensing revenues) and advertising revenues. Changes in those assumptions could have a significant effect on the carrying amount of the Company's owned original program rights and associated current period program rights amortization expense.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the critical audit matter. This included controls related to the development of assumptions used in determining projected attributable distribution revenue and projected attributable advertising revenue. We compared the Company's historical projections of attributable distribution and advertising revenues to actual results to assess the Company's ability to accurately project ultimate revenues. For a selection of owned original programming predominantly monetized individually, we evaluated (1) projected attributable subscription fee revenue, by comparing the Company's assumptions for projected subscribers and rates to recent actual subscriber and rate trends and terms of existing distribution agreements, (2) projected attributable content licensing revenue, by comparing expected licensing fees to contractual terms of existing agreements and recent historical trends of sales and usage based royalties, (3) projected attributable advertising revenue, by comparing the underlying pricing and ratings assumptions to recent historical trends, and (4) projected program usage by comparing historical projections to actual usage, to assess the company's ability to accurately project program usage, and compared projected program usage to historical trends.

/s/ KPMG LLP

We have served as the Company's auditor since 2011.

New York, New York
February 17, 2023

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors
AMC Networks Inc.:

*Opinion on Internal Control Over Financial Reporting*

We have audited AMC Networks Inc. and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income (loss), stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2022, and the related notes, and financial statement schedule II (collectively, the consolidated financial statements), and our report, dated February 17, 2023, expressed an unqualified opinion on those consolidated financial statements.

*Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

*Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

New York, New York
February 17, 2023

**AMC NETWORKS INC. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**(In thousands, except per share amounts)**

| | 2022 | 2021 |
|---|---|---|
| **ASSETS** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 930,002 | $ 892,221 |
| Accounts receivable, trade (less allowance for doubtful accounts of $8,725 and $8,030) | 722,185 | 815,444 |
| Current portion of program rights, net | 10,807 | 10,068 |
| Prepaid expenses and other current assets | 286,875 | 282,453 |
| Total current assets | 1,949,869 | 2,000,186 |
| Property and equipment, net of accumulated depreciation of $344,906 and $286,133 | 202,034 | 225,791 |
| Program rights, net | 1,762,939 | 1,731,838 |
| Intangible assets, net | 354,676 | 399,434 |
| Goodwill | 643,419 | 709,344 |
| Deferred tax assets, net | 13,618 | 11,334 |
| Operating lease right-of-use assets | 108,229 | 125,866 |
| Other assets | 599,052 | 545,153 |
| Total assets | $ 5,633,836 | $ 5,748,946 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current Liabilities: | | |
| Accounts payable | $ 172,009 | $ 173,207 |
| Accrued liabilities | 419,065 | 340,407 |
| Current portion of program rights obligations | 374,115 | 307,054 |
| Deferred revenue | 134,883 | 167,071 |
| Current portion of long-term debt | 33,750 | 33,750 |
| Current portion of lease obligations | 36,411 | 36,596 |
| Total current liabilities | 1,170,233 | 1,058,085 |
| Program rights obligations | 200,869 | 218,321 |
| Long-term debt, net | 2,778,703 | 2,804,720 |
| Lease obligations | 124,799 | 151,839 |
| Deferred tax liabilities, net | 112,642 | 163,600 |
| Other liabilities | 139,108 | 165,860 |
| Total liabilities | 4,526,354 | 4,562,425 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 253,669 | 283,849 |
| Stockholders' equity: | | |
| Class A Common Stock, $0.01 par value, 360,000 shares authorized, 66,118 and 65,485 shares issued and 31,525 and 30,892 shares outstanding, respectively | 661 | 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 | 360,251 | 347,971 |
| Accumulated earnings | 2,105,641 | 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 | (239,798) | (175,818) |
| Total AMC Networks stockholders' equity | 806,988 | 851,088 |
| Non-redeemable noncontrolling interests | 46,825 | 51,584 |
| Total stockholders' equity | 853,813 | 902,672 |
| Total liabilities and stockholders' equity | $ 5,633,836 | $ 5,748,946 |

See accompanying notes to consolidated financial statements.

**AMC NETWORKS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF INCOME**
**(In thousands, except per share amounts)**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Revenues, net | $ 3,096,545 | $ 3,077,608 | $ 2,814,956 |
| Operating expenses: | | | |
| Technical and operating (excluding depreciation and amortization) | 1,515,902 | 1,432,083 | 1,401,591 |
| Selling, general and administrative | 896,817 | 891,734 | 708,820 |
| Depreciation and amortization | 107,227 | 93,881 | 104,606 |
| Impairment and other charges | 40,717 | 159,610 | 122,227 |
| Restructuring and other related charges | 448,966 | 10,378 | 35,068 |
| Total operating expenses | 3,009,629 | 2,587,686 | 2,372,312 |
| Operating income | 86,916 | 489,922 | 442,644 |
| Other income (expense): | | | |
| Interest expense | (133,762) | (129,073) | (138,610) |
| Interest income | 13,326 | 10,243 | 30,032 |
| Loss on extinguishment of debt | — | (22,074) | (2,908) |
| Miscellaneous, net | 3,568 | 25,214 | 71,221 |
| Total other expense | (116,868) | (115,690) | (40,265) |
| Income (loss) from operations before income taxes | (29,952) | 374,232 | 402,379 |
| Income tax benefit (expense) | 40,980 | (94,393) | (145,391) |
| Net income including noncontrolling interests | 11,028 | 279,839 | 256,988 |
| Net income attributable to noncontrolling interests | (3,434) | (29,243) | (17,009) |
| Net income attributable to AMC Networks' stockholders | $ 7,594 | $ 250,596 | $ 239,979 |
| | | | |
| Net income per share attributable to AMC Networks' stockholders: | | | |
| Basic | $ 0.18 | $ 5.92 | $ 4.70 |
| Diluted | $ 0.17 | $ 5.77 | $ 4.64 |
| | | | |
| Weighted average common shares: | | | |
| Basic | 43,135 | 42,361 | 51,016 |
| Diluted | 43,731 | 43,439 | 51,733 |

See accompanying notes to consolidated financial statements.

**AMC NETWORKS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**
**(In thousands)**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Net income including noncontrolling interests | $ 11,028 | $ 279,839 | $ 256,988 |
| Other comprehensive income (loss): | | | |
| Foreign currency translation adjustment | (66,630) | (43,783) | 33,562 |
| Unrealized gain (loss) on interest rate swaps | — | 2,403 | (437) |
| Other comprehensive income (loss), before income taxes | (66,630) | (41,380) | 33,125 |
| Income tax benefit (expense) | 2 | (577) | 114 |
| Other comprehensive income (loss), net of income taxes | (66,628) | (41,957) | 33,239 |
| Comprehensive income (loss) | (55,600) | 237,882 | 290,227 |
| Comprehensive income attributable to noncontrolling interests | (786) | (28,154) | (17,487) |
| Comprehensive income (loss) attributable to AMC Networks' stockholders | $ (56,386) | $ 209,728 | $ 272,740 |

See accompanying notes to consolidated financial statements.

**AMC NETWORKS INC. AND SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**
**(In thousands)**

| | Class A Common Stock | Class B Common Stock | Paid-in Capital | Accumulated Earnings | Treasury Stock | Accumulated Other Comprehensive Loss | Total AMC Networks Stockholders' Equity | Non-redeemable Noncontrolling Interests | Total Stockholders' Equity |
|---|---|---|---|---|---|---|---|---|---|
| **Balance, December 31, 2019** | $ 639 | $ 115 | $ 286,491 | $ 1,609,428 | $ (1,063,181) | $ (167,711) | $ 665,781 | $ 25,724 | $ 691,505 |
| Net income attributable to AMC Networks' stockholders | — | — | — | 239,979 | — | — | 239,979 | — | 239,979 |
| Net income attributable to non-redeemable noncontrolling interests | — | — | — | — | — | — | — | 1,131 | 1,131 |
| Adoption of ASU 2016-13, credit losses | — | — | — | (1,956) | — | — | (1,956) | — | (1,956) |
| Distributions to noncontrolling member | — | — | — | — | — | — | — | (1,037) | (1,037) |
| Other comprehensive income | — | — | — | — | — | 32,761 | 32,761 | 478 | 33,239 |
| Share-based compensation expenses | — | — | 52,908 | — | — | — | 52,908 | — | 52,908 |
| Treasury stock acquired | — | — | — | — | (356,701) | — | (356,701) | — | (356,701) |
| Restricted stock units converted to shares | 7 | — | (15,974) | — | — | — | (15,967) | — | (15,967) |
| **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 | — | — | — | 250,596 | — | — | 250,596 | — | 250,596 |
| Net income attributable to non-redeemable noncontrolling interests | — | — | — | — | — | — | — | 12,013 | 12,013 |
| Transfer from redeemable noncontrolling interest | — | — | — | — | — | — | — | 18,367 | 18,367 |
| Distributions to noncontrolling member | — | — | — | — | — | — | — | (4,282) | (4,282) |
| Acquisition of noncontrolling interest | — | — | (279) | — | — | — | (279) | 279 | — |
| Other comprehensive loss | — | — | — | — | — | (40,868) | (40,868) | (1,089) | (41,957) |
| Share-based compensation expenses | — | — | 47,925 | — | — | — | 47,925 | — | 47,925 |
| Proceeds from exercise of stock options | — | — | 9,795 | — | — | — | 9,795 | — | 9,795 |
| Net share issuance under employee stock plans | 9 | — | (32,895) | — | — | — | (32,886) | — | (32,886) |
| **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 | — | — | — | 7,594 | — | — | 7,594 | — | 7,594 |
| Net income attributable to non-redeemable noncontrolling interests | — | — | — | — | — | — | — | 6,708 | 6,708 |
| Purchase of noncontrolling interest, net of tax | — | — | (3,066) | — | — | — | (3,066) | (1,297) | (4,363) |
| Distributions to noncontrolling members | — | — | — | — | — | — | — | (7,522) | (7,522) |
| Other comprehensive loss | — | — | — | — | — | (63,980) | (63,980) | (2,648) | (66,628) |
| Share-based compensation expenses | — | — | 37,684 | — | — | — | 37,684 | — | 37,684 |
| Net share issuance under employee stock plans | 6 | — | (22,338) | — | — | — | (22,332) | — | (22,332) |
| **Balance, December 31, 2022** | $ 661 | $ 115 | $ 360,251 | $ 2,105,641 | $ (1,419,882) | $ (239,798) | $ 806,988 | $ 46,825 | $ 853,813 |

See accompanying notes to consolidated financial statements.

## AMC NETWORKS INC. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CASH FLOWS
**(In thousands)**

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Cash flows from operating activities: | | | |
| Net income including noncontrolling interests | $ 11,028 | $ 279,839 | $ 256,988 |
| Adjustments to reconcile net income to net cash from operating activities: | | | |
| Depreciation and amortization | 107,227 | 93,881 | 104,606 |
| Impairment and other charges | 40,717 | 16,699 | 122,227 |
| Share-based compensation expenses related to equity classified awards | 29,986 | 47,925 | 52,908 |
| Non-cash restructuring and other related charges | 336,744 | 4,329 | 5,359 |
| Amortization and write-offs of program rights | 1,008,470 | 909,339 | 923,886 |
| Amortization of deferred carriage fees | 34,234 | 29,709 | 28,231 |
| Unrealized foreign currency transaction loss (gain) | 8,692 | (16,882) | 3,099 |
| Amortization of deferred financing costs and discounts on indebtedness | 7,733 | 7,729 | 8,005 |
| Loss on extinguishment of debt | — | 22,074 | 2,908 |
| Bad debt expense (recoveries) | 2,202 | 5,337 | (2,843) |
| Deferred income taxes | (50,689) | 34,010 | 23,159 |
| Gains on investments | (4,084) | (1,306) | (97,617) |
| Write-down of non-marketable equity securities and note receivable | — | — | 20,000 |
| Other, net | (7,667) | (7,216) | (594) |
| Changes in assets and liabilities: | | | |
| Accounts receivable, trade (including amounts due from related parties, net) | 70,371 | (56) | 63,337 |
| Prepaid expenses and other assets | (34,069) | (183,861) | 64,060 |
| Program rights and obligations, net | (1,347,351) | (1,297,782) | (850,013) |
| Income taxes payable | (148) | (3,467) | 6,703 |
| Deferred revenue | (63,622) | 126,832 | 7,202 |
| Deferred carriage fees, net | (39,590) | (53,065) | (8,833) |
| Accounts payable, accrued liabilities and other liabilities | 71,650 | 129,406 | 15,958 |
| Net cash provided by operating activities | 181,834 | 143,474 | 748,736 |
| Cash flows from investing activities: | | | |
| Capital expenditures | (44,272) | (42,572) | (46,595) |
| Return of capital from investees | 1,771 | — | 1,872 |
| Acquisition of investments | (5,002) | (30,273) | (5,440) |
| Loans to investees | (2,456) | — | — |
| Cash paid on distribution of business | — | (7,052) | — |
| Principal payments received on loans to investees | 720 | 20,000 | 5,000 |
| Payments for acquisitions of businesses, net of cash acquired | — | (62,055) | — |
| Proceeds from sale of investments | 9,854 | 95,370 | 10,000 |
| Net cash used in investing activities | (39,385) | (26,582) | (35,163) |
| Cash flows from financing activities: | | | |
| Proceeds from the issuance of long-term debt | — | 986,000 | 6,000 |
| Principal payments on long-term debt | (33,750) | (1,016,500) | (262,250) |
| Deemed repurchases of restricted stock units | (22,332) | (32,886) | (15,967) |
| Purchase of treasury stock | — | — | (356,701) |
| Proceeds from stock option exercises | — | 9,795 | — |
| Principal payments on finance lease obligations | (3,576) | (3,800) | (3,261) |
| Purchase of noncontrolling interests | (2,500) | — | — |
| Contributions from noncontrolling interests | — | 2,702 | — |
| Distributions to noncontrolling interests | (34,957) | (29,414) | (15,819) |
| Net cash used in financing activities | (97,115) | (84,103) | (647,998) |
| Net increase in cash and cash equivalents from operations | 45,334 | 32,789 | 65,575 |
| Effect of exchange rate changes on cash and cash equivalents | (7,553) | (29,094) | 6,781 |
| Cash and cash equivalents at beginning of year | 892,221 | 888,526 | 816,170 |
| Cash and cash equivalents at end of year | $ 930,002 | $ 892,221 | $ 888,526 |

See accompanying notes to 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 global streaming services, our AMC Studios operation and IFC Films. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV. Our global streaming services consist of our 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 (formerly Levity), our production services business. See Note 4 relating to the 2021 spin-off of the Levity comedy venues business.

### Basis of Presentation

*Principles of Consolidation*

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

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

*Use of Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("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. Summary of Significant Accounting Policies

### Revenue Recognition

The Company primarily earns revenue from (i) the distribution of its programming services, through distributors and directly to consumers, and licensing of its programming and other content, (ii) advertising, and (iii) other services. Revenue is recognized when, or as, performance obligations under the terms of a contract are satisfied, which generally occurs when, or as, control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or services to a customer. The Company’s revenue recognition policies associated with each major source of revenue from contracts with customers are described in Note 3 Revenue Recognition.

### Technical and Operating Expenses

Costs of revenues, including but not limited to programming expenses, primarily consisting of 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 are classified as technical and operating expenses in the consolidated statements of income.

**Advertising Expenses**

Advertising costs are charged to expense when incurred and are included in selling, general and administrative expenses in the consolidated statements of income. Advertising costs were $379.0 million, $383.0 million and $246.9 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**Share-Based Compensation**

The Company measures the cost of employee services received in exchange for an award of equity-based instruments based on the grant date fair value of the portion of awards that are ultimately expected to vest. The cost is recognized in earnings over the period during which an employee is required to provide service in exchange for the award using a straight-line amortization method, except for restricted stock units granted to non-employee directors which vest 100%, and are expensed, at the date of grant. Share-based compensation expenses is included in selling, general and administrative expenses in the consolidated statements of income.

**Foreign Currency**

The reporting currency of the Company is the U.S. dollar. The functional currency of most of the Company's international subsidiaries is the local currency. Assets and liabilities, including intercompany balances for which settlement is anticipated in the foreseeable future, are translated at exchange rates in effect at the balance sheet date. Foreign currency equity balances are translated at historical rates. Revenues and expenses denominated in foreign currencies are translated at average exchange rates for the respective periods. Foreign currency translation adjustments are recorded as a component of other comprehensive income ("OCI") in the consolidated statements of stockholders' equity.

Transactions denominated in currencies other than subsidiaries' functional currencies are recorded based on exchange rates at the time such transactions arise. Changes in exchange rates with respect to amounts recorded in the consolidated balance sheets related to these items will result in unrealized foreign currency transaction gains and losses based upon period-end exchange rates. The Company also records realized foreign currency transaction gains and losses upon settlement of the transactions. The Company recognized foreign currency transaction gains (losses) of $(1.2) million, $12.2 million and $(4.0) million for the years ended December 31, 2022, 2021 and 2020, respectively, which are included in miscellaneous, net in the consolidated statements of income.

**Cash and Cash Equivalents**

The Company's cash investments are placed with money market funds and financial institutions that are investment grade as rated by Standard & Poor's and Moody's Investors Service. The Company selects money market funds that predominantly invest in marketable, direct obligations issued or guaranteed by the U.S. government or its agencies, commercial paper, fully collateralized repurchase agreements, certificates of deposit, and time deposits.

The Company considers the balance of its investment in funds that hold securities that mature within three months or less from the date the fund purchases these securities to be cash equivalents. The carrying amount of cash and cash equivalents either approximates fair value due to the short-term maturity of these instruments or are at fair value.

**Accounts Receivable, Trade**

The Company periodically assesses the adequacy of valuation allowances for uncollectible accounts receivable using a forward looking expected loss model by evaluating the collectability of outstanding receivables and general factors such as length of time individual receivables are past due, historical collection experience, and the economic and competitive environment. As of December 31, 2022 and 2021, the Company had $281.3 million and $293.4 million, respectively, of accounts receivable contractually due in excess of one-year, which are included in other assets in the consolidated balance sheets.

**Program Rights**

Rights to programming, including feature films and episodic series, acquired under license agreements are stated at the lower of unamortized cost or fair value. Such licensed rights along with the related obligations are recorded at the contract value when a license agreement is executed, unless there is uncertainty with respect to either cost, acceptability or availability. If such uncertainty exists, those rights and obligations are recorded at the earlier of when the uncertainty is resolved or the license period begins. Costs are amortized to technical and operating expenses on a straight-line or accelerated basis, based on the expected exploitation strategy of the rights, over a period not to exceed the respective license periods.

Owned original programming costs are recorded as program rights on the consolidated balance sheet. Program rights that are monetized as a group are amortized based on projected usage, typically resulting in an accelerated amortization pattern. Projected program usage is based on the Company's current expectation of future exhibitions taking into account historical usage of similar content. To a lesser extent, program rights that are predominantly monetized individually are amortized to technical and operating expenses over their estimated useful lives, commencing upon the first airing, based on attributable revenue for airings to date as a percentage of total projected attributable revenue ("ultimate revenue") under the individual-film-forecast-computation method. Projected attributable revenue can change based upon programming market acceptance, levels of distribution and advertising revenue and decisions regarding planned program usage. These calculations require management to make assumptions and to apply judgment regarding revenue and planned usage. Accordingly, the Company periodically reviews revenue estimates and planned usage and revises its assumptions if necessary, which could impact the timing of amortization expense or result in a write-down to fair value. Any capitalized development costs for programs that the Company determines will not be produced are written off at the earlier of the time of abandonment or three years.

The Company periodically reviews the programming usefulness of licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and streaming services and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If events or changes in circumstances indicate that the fair value of a film predominantly monetized individually or a film group is less than its unamortized cost, the Company will write off the excess to technical and operating expenses in the consolidated statements of income. Program rights with no future programming usefulness are substantively abandoned resulting in the write-off of remaining unamortized cost. See Note 6 for further discussion regarding program rights.

In the normal course of business, the Company may qualify for tax incentives through eligible spend on productions. These tax incentives generally provide for refundable or transferable tax credits upon meeting established levels of qualified production spending within a participating jurisdiction and may be received prior to or after completion of a production. Production tax incentives are included in prepaid and other current assets or other assets in the consolidated balance sheet with a corresponding reduction to the cost basis of the Company’s programming assets when collection becomes probable, and reduces program rights amortization over the life of the title. Receivables related to tax incentives earned on production spend as of December 31, 2022 were $143.1 million and $104.5 million recorded in Prepaid expenses and other current assets and Other assets, respectively.

**Investments**

Investments in equity securities (excluding equity method investments) with readily determinable fair values are accounted for at fair value. The Company applies the measurement alternative to fair value for equity securities without readily determinable fair values, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. All gains and losses related to equity securities are recorded in earnings as a component of miscellaneous, net, in the consolidated statements of income.

Investments in which the Company has the ability to exercise significant influence but does not control and is not the primary beneficiary are equity method investments. Significant influence typically exists if the Company has a 20% to 50% ownership interest in a venture unless persuasive evidence to the contrary exists. Under this method of accounting, the Company records its proportionate share of the net earnings or losses of equity method investees and a corresponding increase or decrease to the investment balances. Cash payments to equity method investees such as additional investments and expenses incurred on behalf of investees as well as payments from equity method investees such as dividends and distributions are recorded as adjustments to investment balances. The Company applies the cumulative earnings approach for determining the cash flow presentation of cash distributions received from equity method investees. Distributions received are included in the consolidated statements of cash flows as operating activities, unless the cumulative distributions (less distributions received in prior periods that were determined to be returns of investment) exceed the Company's portion of the cumulative equity in the net earnings of the equity method investment, in which case the excess distributions are deemed to be returns of the investment and are classified as investing activities in the consolidated statements of cash flows. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. See Note **7** for further discussion regarding investments.

**Long-Lived Assets**

Property and equipment are carried at cost. Equipment under finance leases is recorded at the present value of the total minimum lease payments. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets or, with respect to equipment under finance leases and leasehold improvements, amortized over the shorter of the lease term or the assets' useful lives and reported in depreciation and amortization in the consolidated statements of income.

Amortizable intangible assets established in connection with business combinations primarily consist of affiliate and customer relationships, advertiser relationships and trade names. Amortizable intangible assets are amortized on a straight-line basis over their respective estimated useful lives.

The Company reviews its long-lived assets (property and equipment, and amortizable intangible assets) for impairment whenever events or circumstances indicate that the carrying amount of an asset group may not be recoverable. If the sum of the expected cash flows, undiscounted and without interest, is less than the carrying amount of the asset group, an impairment loss is recognized as the amount by which the carrying amount of the asset group exceeds its fair value. See Note 9 for further discussion regarding impairment tests of long-lived assets.

**Goodwill and Indefinite-Lived Intangible Assets**

Goodwill and identifiable intangible assets that have indefinite useful lives are not amortized, but instead are tested annually for impairment and upon the occurrence of certain events or substantive changes in circumstances.

*Goodwill*

The annual goodwill impairment test allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity may choose to perform the qualitative assessment on none, some or all of its reporting units or an entity may bypass the qualitative assessment for any reporting unit and proceed directly to step one of the quantitative impairment test. If it is determined, on the basis of qualitative factors, that the fair value of a reporting unit is, more likely than not, less than its carrying value, the quantitative impairment test is required. The quantitative impairment test calculates any goodwill impairment as the difference between the carrying amount of a reporting unit and its fair value, but not to exceed the carrying amount of goodwill.

*Indefinite-Lived Intangible Assets*

Indefinite-lived intangible assets established in connection with business combinations consist of trademarks. The annual indefinite-lived intangible asset impairment test allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value is less than its carrying amount. If it is determined, on the basis of qualitative factors, that the fair value is, more likely than not, less than its carrying value, the quantitative impairment test is required. The quantitative impairment test consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value exceeds its fair value, an impairment loss is recognized in an amount equal to that excess.

See Note 9 for further discussion regarding impairment tests of goodwill and indefinite-lived intangible assets.

**Deferred Carriage Fees**

Deferred carriage fees, included in other assets in the consolidated balance sheets, represent amounts principally paid to multichannel video programming distributors to obtain additional subscribers and/or guarantee carriage of certain programming services and are amortized as a reduction of revenue over the period of the related affiliation arrangement (up to 5 years).

**Derivative Financial Instruments**

The Company's derivative financial instruments are recorded as either assets or liabilities in the consolidated balance sheet based on their fair values. The Company's embedded derivative financial instruments which are clearly and closely related to the host contracts are not accounted for on a stand-alone basis. Changes in the fair values are reported in earnings or other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. Derivative instruments are designated and accounted for as either a hedge of a recognized asset or liability (fair value hedge) or a hedge of a forecasted transaction (cash flow hedge). For derivatives not designated as hedges, changes in fair values are recognized in earnings and included in interest expense, for interest rate swap contracts and miscellaneous, net, for foreign currency and other derivative contracts. For derivatives designated as effective cash flow hedges, changes in fair values are recognized in other comprehensive income (loss). Changes in fair values related to fair value hedges as well as the ineffective portion of cash flow hedges are recognized in earnings. Changes in the fair value of the underlying hedged item of a fair value hedge are also recognized in earnings. See Note 13 for a further discussion of the Company's derivative financial instruments.

**Income Taxes**

The Company's provision for income taxes is based on current period income, changes in deferred tax assets and liabilities and estimates with regard to the liability for unrecognized tax benefits resulting from uncertain tax positions. Deferred tax assets are evaluated quarterly for expected future realization and reduced by a valuation allowance to the extent management believes it is more likely than not that a portion will not be realized. The Company provides deferred taxes for the outside basis difference for its investment in partnerships and uses the deferral method to recognize the income tax benefit from investment tax credits. Global intangible low taxed income (“GILTI”) tax is treated as a period expense. Interest and penalties, if any, associated with uncertain tax positions are included in income tax expense.

**Commitments and Contingencies**

Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the contingency can be reasonably estimated. See Note 16 for further discussion regarding commitments and contingencies.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and trade accounts receivable. Cash is invested in money market funds and bank time deposits. The Company monitors the financial institutions and money market funds where it invests its cash and cash equivalents with diversification among counterparties to mitigate exposure to any single financial institution. The Company's emphasis is primarily on safety of principal and liquidity and secondarily on maximizing the yield on its investments. As of December 31, 2022, two customers accounted for 14% and 12%, respectively, of accounts receivable (short and long-term). As of December 31, 2021, two customers accounted for 14% and 13%, respectively, of accounts receivable (short and long-term).

**Redeemable Noncontrolling Interests**

Noncontrolling interest with redemption features, such as put options, that are not solely within the Company's control are considered redeemable noncontrolling interests. Redeemable noncontrolling interests are considered to be temporary equity and are reported in the mezzanine section between total liabilities and stockholders' equity in the Company's consolidated balance sheet at the greater of their initial carrying amount, increased or decreased for contributions, distributions and the noncontrolling interest's share of net income or loss, or redemption value.

**Net Income per Share**

The consolidated statements of income present basic and diluted net income per share ("EPS"). Basic EPS is based upon net income divided by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects the dilutive effects of AMC Networks outstanding equity-based awards.

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

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| Basic weighted average shares outstanding | 43,135 | 42,361 | 51,016 |
| Effect of dilution: | | | |
| Stock options | — | 3 | — |
| Restricted stock units | 596 | 1,075 | 717 |
| Diluted weighted average shares outstanding | 43,731 | 43,439 | 51,733 |

As of December 31, 2022, 2021 and 2020, 0.8 million, 0.4 million, and 0.3 million, respectively, of restricted stock units and stock options have been excluded from diluted weighted average common shares outstanding, as their impact would have been anti-dilutive.

**Common Stock of AMC Networks**

Each holder of AMC Networks Class A Common Stock has one vote per share while holders of AMC Networks Class B Common Stock have ten votes per share. AMC Networks Class B shares can be converted to AMC Networks Class A Common Stock at any time with a conversion ratio of one AMC Networks Class A common share for one AMC Networks Class B common share. The AMC Networks Class A stockholders are entitled to elect 25% of the Company's Board of Directors. AMC Networks Class B stockholders have the right to elect the remaining members of the Company's Board of Directors. In addition, AMC Networks Class B stockholders are parties to an agreement which has the effect of causing the voting power of these AMC Networks Class B stockholders to be cast as a block.

**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 years ended December 31, 2022 and 2021, the Company did not repurchase any shares of its Class A common stock. As of December 31, 2022, the Company had $135.3 million available for repurchase under the Stock Repurchase Program.

On September 16, 2020, the Company commenced a modified "Dutch auction" tender offer (the "Tender Offer") to purchase up to $250 million in value of shares of its Class A Common Stock, plus up to an additional 2% of the outstanding shares of Class A Common Stock, at a price not greater than $26.50 nor less than $22.50 per share. The Tender Offer expired on October 14, 2020. On October 21, 2020, the Company accepted for purchase 10.8 million shares of its Class A Common Stock, at a price of $23.20 per share, for an aggregate cost of $250.6 million. The cost of these shares, and the fees relating to the Tender Offer, are classified in Treasury stock in the consolidated balance sheet.

The following table summarizes common stock share activity for all years presented:

| | Shares Outstanding | |
|---|---|---|
| **(In thousands)** | **Class A Common Stock** | **Class B Common Stock** |
| Balance at December 31, 2019 | 44,078 | 11,484 |
| Share repurchases | (14,785) | — |
| Employee and non-employee director stock transactions* | 682 | — |
| Balance at December 31, 2020 | 29,975 | 11,484 |
| Employee and non-employee director stock transactions* | 917 | — |
| Balance at December 31, 2021 | 30,892 | 11,484 |
| Employee and non-employee director stock transactions* | 633 | — |
| Balance at December 31, 2022 | 31,525 | 11,484 |

*Reflects common stock activity in connection with restricted stock units and stock options granted to employees, as well as in connection with the fulfillment of employees' statutory tax withholding obligations for applicable income and other employment taxes and forfeited employee restricted stock units.

**Recently Adopted Accounting Standards**

In November 2021, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) 2021-10, Government Assistance (Topic 832): *Disclosures by Business Entities about Government Assistance*, requiring annual disclosures about transactions with a government that are accounted for by analogizing to a grant or contribution accounting model. The new guidance requires the disclosure of the nature of the transactions, the accounting policies used to account for the transactions, and the effect of the transactions on the financial statements. The Company adopted the new guidance prospectively for the year ended December 31, 2022, which impacts disclosures of tax incentives related to the production of content.

Effective January 1, 2021, the Company adopted FASB ASU 2019-12, *Simplifying the Accounting for Income Taxes*. ASU 2019-12 removes certain exceptions to the general principles in Accounting Standards Codification (“ASC”) Topic 740 - Income Taxes. The adoption of the standard did not have a material effect on the Company's consolidated financial statements.

Effective January 1, 2020, the Company adopted FASB ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*, which changed the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking "expected loss" model that would generally result in the earlier recognition of allowances for losses. The Company adopted the standard using the modified retrospective approach and recorded a decrease to opening retained earnings of $2.0 million, after taxes, for the cumulative-effect of the adoption.

Effective January 1, 2020, the Company adopted FASB ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. The standard changed the disclosure requirements related to transfers between Level I and II assets, as well as several aspects surrounding the valuation process and unrealized gains and losses related to Level III assets. The adoption of the standard did not have any effect on the Company's consolidated financial statements.

Effective January 1, 2020, the Company adopted FASB ASU No. 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. The standard amended prior guidance to align the accounting for costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing costs associated with developing or obtaining internal-use software. Capitalized implementation costs must be expensed over the term of the hosting arrangement and presented in the same line item in the income statement as the fees associated with the hosting element (service) of the arrangement. The adoption of the standard did not have a material effect on the Company's consolidated financial statements.

Effective January 1, 2020, the Company adopted FASB ASU No. 2019-02, *Improvements to Accounting for Costs of Films and License Agreements for Program Materials.* The standard aligns the accounting for production costs of episodic television series with the accounting for production costs of films. In addition, the standard modifies certain aspects of the capitalization, impairment, presentation and disclosure requirements in ASC Topic 926-20 and the impairment, presentation and disclosure requirements in ASC 920-350. The Company adopted the standard on a prospective basis. See Note 6 for further information.

**Note 3. Revenue Recognition**

Revenue is recognized when, or as, performance obligations under the terms of a contract are satisfied, which generally occurs when, or as, control of the promised products or services is transferred to customers. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products or services to a customer ("transaction price"). To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount to which the Company expects to be entitled. Variable consideration is included in the transaction price if, in the Company’s judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the Company’s anticipated performance and all information that is reasonably available. Amounts collected on behalf of others (including taxes), where the Company is an agent, are excluded from revenue.

When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. Applying a practical expedient in the guidance, the Company does not assess whether a significant financing component exists if the period between when the Company performs its obligations under the contract and when the customer pays is one year or less.

Contracts with customers may contain multiple performance obligations. For such arrangements, the transaction price is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price considering available information such as market conditions and internal pricing guidelines related to the performance obligations.

The Company primarily earns revenue from (i) the distribution of its programming services, through distributors and directly to consumers, and licensing of its programming and other content, (ii) advertising, and (iii) other services. The Company’s revenue recognition policies summarizing the nature, amount, timing and uncertainty associated with each major source of revenue from contracts with customers are described below.

*Distribution*

The majority of the Company’s distribution revenues relate to sales-based and usage-based royalties which are recognized on the later of (i) when the subsequent sale or usage occurs and (ii) satisfaction or partial satisfaction of the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated to. Occasionally, the Company incurs costs to obtain a distribution contract and these costs are amortized over the period of the related distribution contract as a reduction of revenue.

Subscription fee revenue: Subscription fees are earned from cable and other multichannel video programming distribution platforms, including direct broadcast satellite ("DBS"), platforms operated by telecommunications providers and virtual multichannel video programming distributors (collectively "distributors"), for the rights to use the Company's network programming under multi-year contracts, commonly referred to as "affiliation agreements." The Company's performance obligation under affiliation agreements is a license of functional intellectual property that is satisfied as the Company provides its programming over the term of the agreement. The transaction price is represented by subscription fees that are generally based upon (i) contractual rates applied to the number of the distributor's subscribers who receive or can receive our programming ("rate-per-subscriber"), or (ii) fixed contractual monthly fees ("fixed fee").

For rate-per-subscriber agreements, the Company applies the sales-based or usage-based royalty guidance, and accordingly, recognizes revenue in the period of the distributor’s usage, based on the subscription fee earned during the period.

Fixed fee affiliation agreements are generally billed in monthly installments, and such amounts may vary over the term of the contract. In cases where the invoice amount corresponds directly with the value to the affiliate of the performance to-date, the Company recognizes revenue based on the invoiced amount. In cases where changes in fees during the contract term do not correspond directly to the value of the performance to-date (for example, if the fees vary over the contract term due to a significant financing or credit risk component), the Company recognizes the total amount of fixed transaction price over the contract period using a time-based (e.g., straight-line) measure of progress.

Certain of the Company’s fixed fee affiliation agreements contain guaranteed minimum fees that are recoupable during the term of the agreement, and variable fees based on rates-per-subscriber after the guaranteed minimum is recouped. The Company recognizes revenue for the fixed consideration over the minimum guarantee period and recognizes variable fees only when cumulative consideration exceeds the minimum guarantee.

The Company's performance obligation in connection with its streaming services is a license of functional intellectual property that is satisfied as the Company provides its programming over the term of the agreement. Subscription fees for the Company's streaming services are typically based on a per subscriber fee and are generally paid by distributors and consumers on a monthly basis. The Company applies the sales-based or usage-based royalty guidance, and accordingly, recognizes revenue in the period of usage, based on the subscription fee earned during the period.

Content licensing revenue: The Company licenses its original programming content to certain distributors, including under streaming, pay-per-view ("PPV") and electronic sell-through ("EST") arrangements. For streaming licensing arrangements, our performance obligation is a license to functional intellectual property that provides the distributor the right to use our programming as it exists at a point in time. The satisfaction of the Company’s performance obligation, and related recognition of revenue, occurs at the later of the beginning of the license period, or when we provide the programming to the distributor. The Company’s performance obligation in a content license arrangement pertains to each distinct unit of content, which is generally each season of an episodic series or a film. The Company typically delivers all episodes of a season for a series concurrently and the licensee’s rights to exploit the content is the same across all of the episodes. The Company adjusts the transaction price for the time value of money in cases where license fees are paid over several years. A contract asset is recognized for the difference between the revenue recognized and the amount we are permitted to invoice.

For PPV and EST license fee arrangements, the Company applies the sales-based or usage-based royalty guidance and recognizes revenue in the period of end-customer purchases, based on the fees earned during the period.

The Company also licenses trademarks, logos, brands, derivative character copyrights, etc. under multi-year arrangements. Under these arrangements, the Company may receive a non-refundable minimum guarantee that is recoupable against a volume-based royalty throughout the term of the agreement. The performance obligation is a license of symbolic intellectual property that provides the customer with a right to access the intellectual property. The Company adjusts the transaction price for the time value of money in cases where license fees are paid over several years. The Company recognizes revenue for the minimum guarantee on a straight-line basis over the term of the agreement, and recognizes variable fees only when cumulative consideration exceeds the minimum guarantee.

The Company’s payment terms vary by the type and location of customer. Generally, payment terms are 30-45 days after revenue is earned. In certain limited circumstances, agreements with customers have payment terms in excess of one-year after satisfaction of the performance obligation.

*Advertising*

The Company generates revenues from the sale of advertising time on its networks. In such arrangements, the Company generally promises to air a certain number of commercials (spots) and to generate guaranteed viewer ratings for an audience demographic (impressions) over a period that generally does not exceed one year. The promise to deliver impressions by airing spots represents the Company’s performance obligation. Advertising revenues are recognized as commercials are aired, to the extent that guaranteed viewer ratings are achieved. A contract liability is recognized to the extent the guaranteed viewer ratings are not met, and is subsequently recognized as revenue either when the Company provides the required additional advertising or the guarantee obligation contractually expires. Generally, payment terms are 30 days after revenue is earned.

*Other*

The Company earns revenue from production and transmission services. Such services are recognized as revenue as the services are performed.

**Transaction Price Allocated to Future Performance Obligations**

The guidance requires disclosure of the aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied as of December 31, 2022. However, the guidance does not apply to sales-based or usage-based royalty arrangements and also provides certain practical expedients that allow companies to omit this disclosure requirement for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed and (iii) variable consideration related to a wholly unsatisfied performance obligation.

As of December 31, 2022, other than contracts for which the Company has applied the practical expedients, the aggregate amount of transaction price allocated to remaining performance obligations was not material to our consolidated revenues.

**Contract Balances from Contracts with Customers**

The timing of revenue recognition, billings and cash collections results in billed receivables, contract assets and contract liabilities in the consolidated balance sheet.

For certain types of contracts with customers, the Company may recognize revenue in advance of the contractual right to invoice the customer, resulting in an amount recorded to contract assets. Once the Company has an unconditional right to consideration under a contract, the contract assets are reclassified to account receivables.

When consideration is received, or such consideration is unconditionally due, from a customer prior to transferring goods or services to the customer under the terms of a contract, a contract liability is recorded. Contract liabilities are recognized as revenue when, or as, control of the products or services is transferred to the customer and all revenue recognition criteria have been met. The primary source of the Company's contract liabilities relates to advertising sales arrangements and content licensing arrangements, including payments received in connection with an AMC Studios produced series for a third party. As noted above, the Company's programming networks generally guarantee viewer ratings for its programming. If these guaranteed viewer ratings are not met, the Company is required to provide additional advertising units to the advertiser. For these types of arrangements, a portion of the related revenue is deferred if the guaranteed ratings are not met, representing a contract liability, and is subsequently recognized either when the Company provides the required additional advertising time or the guarantee obligation contractually expires. In certain content licensing arrangements, payment may be received in advance of a distributor's ability to exhibit a program. Such payments are recorded as a contract liability and subsequently recognized when the program becomes available for exhibition.

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

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| **Balances from contracts with customers:** | | |
| Accounts receivable (including long-term receivables, within Other assets) | $ 1,003,505 | $ 1,106,225 |
| Contract assets, short-term (included in Prepaid expenses and other current assets) | 48,594 | 69,351 |
| Contract assets, long-term (included in Other assets) | — | 29,323 |
| Contract liabilities, short-term (Deferred revenue) | 134,883 | 167,071 |
| Contract liabilities, long-term (Deferred revenue included in Other liabilities) | 683 | 31,832 |

(a) Revenue recognized for the twelve months ended December 31, 2022, 2021, and 2020, relating to the contract liabilities at December 31, 2021, 2020, and 2019 was $185.6 million, $61.2 million, and $47.2 million, respectively.

**Note 4. Impairment and Other Charges**

In December 2022, in connection with the preparation of its fourth quarter financial information, the Company performed its annual goodwill impairment test and concluded that the estimated fair value of the AMCNI reporting unit declined to less than its carrying amount. The decrease in the estimated fair value was in response to current and expected trends across the International television broadcasting markets, as well as a decrease in the valuation multiples used to estimate the fair value using the market approach. As a result, the Company recognized an impairment charge of $40.7 million, reflecting a partial write-down of the goodwill associated with the AMCNI reporting unit.

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 consolidated cases were initially brought in 2013 and 2018 and the trial of the consolidated cases was scheduled to commence on April 4, 2022. 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 is 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 $16.6 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 following the spin-off.

In 2020, as a result of the continuing impact of the COVID-19 pandemic, the Company qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. As a result of that assessment, the Company incurred impairment charges of $122.2 million, consisting of $25.1 million related to goodwill impairment and $97.1 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets, all of which were associated with the AMCNI reporting unit.

**Note 5. Restructuring and Other Related Charges**

On November 28, 2022, the Company commenced a restructuring plan (the “Plan”) designed to achieve significant cost reductions in light of “cord cutting” and the related impacts being felt across the media industry as well as the broader economic outlook. The Plan encompasses initiatives that include, among other things, strategic programming assessments and organizational restructuring costs. The Plan is intended to improve the organizational design of the Company through the elimination of certain roles and centralization of certain functional areas of the Company. The programming assessments pertain to a broad mix of owned and licensed content, including legacy television series and films that will no longer be in active rotation on the Company’s linear or streaming platforms. As a result of the Plan, the Company recorded restructuring and other related charges of $449.0 million for the year ended December 31, 2022, consisting of content impairments of $403.8 million and severance and other personnel costs of $45.2 million. The Company expects to incur additional restructuring and other related charges in 2023.

Restructuring and other related charges of $10.4 million for the year ended December 31, 2021 consisted of (i) $6.1 million at AMCNI related to severance costs and the termination of distribution in certain international territories and (ii) $4.3 million of severance costs associated with the restructuring plan announced in November 2020.

The Company recorded restructuring and other related charges of $35.1 million for the year ended December 31, 2020. On November 18, 2020, the Company commenced a restructuring plan (the “2020 Plan”) designed to streamline the Company’s operations through a reduction of its domestic workforce. The 2020 Plan is intended to improve the organizational design of the Company through the elimination of certain roles and centralization of certain functional areas of the Company. Restructuring and other related charges associated with the 2020 Plan, recorded in 2020, were primarily for severance and other personnel costs of $21.2 million, of which $15.8 million was attributable to the Domestic Operations segment, $0.2 million was attributable to the International and Other segment, and $5.2 million was attributable to Corporate / Inter-segment Eliminations. Additional restructuring and other related charges for the year ended December 31, 2020 were $13.9 million, which related to costs associated with the termination of distribution in certain territories, as well as severance and other personnel related costs associated with previously disclosed restructuring activities.

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

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| Domestic Operations | $ 423,205 | $ 2,516 | $ 22,946 |
| International and Other | 2,854 | 6,083 | 6,410 |
| Corporate / Inter-segment Eliminations | 22,907 | 1,779 | 5,712 |
| Total restructuring and other related charges | $ 448,966 | $ 10,378 | $ 35,068 |

The following table summarizes the restructuring and other related charges recognized for the three years:

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| Restructuring charges | $ 45,212 | $ 10,378 | $ 35,068 |
| Content impairments | 403,754 | — | — |
| Total restructuring and other related charges | $ 448,966 | $ 10,378 | $ 35,068 |

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

| **(In thousands)** | **Severance and Employee-Related Costs** | **Content Impairments and Other Exit Costs** | **Total** |
|---|---|---|---|
| Balance at December 31, 2020 | $ 25,571 | $ 31 | $ 25,602 |
| Charges | 5,921 | 4,457 | 10,378 |
| Cash payments | (31,245) | (256) | (31,501) |
| Non-cash adjustments | — | (4,201) | (4,201) |
| Currency translation | 64 | (2) | 62 |
| Balance at December 31, 2021 | 311 | 29 | 340 |
| Charges | 45,212 | 403,754 | 448,966 |
| Cash payments | (311) | (13) | (324) |
| Non-cash adjustments | (7,698) | (329,046) | (336,744) |
| Currency translation | (364) | — | (364) |
| Balance at December 31, 2022 | $ 37,150 | $ 74,724 | $ 111,874 |

Accrued restructuring and other related costs of $108.0 million and $3.9 million are included in Accrued liabilities and Other liabilities, respectively, in the consolidated balance sheet at December 31, 2022. Accrued restructuring and other related costs of $0.3 million are included in Accrued liabilities in the consolidated balance sheet at December 31, 2021.

**Note 6. Program Rights and Obligations**

**Program Rights**

Effective January 1, 2020, the Company adopted FASB ASU No. 2019-02, *Improvements to Accounting for Costs of Films and License Agreements for Program Materials*. The guidance impacts the Company as follows:

- Allows for the classification of acquired/licensed program rights as long-term assets. Previously, the Company reported a portion of these rights in current assets. Advances for live program rights made prior to the live event and acquired/licensed program rights with license terms of less than one year continue to be reported in current assets.
- Aligns the capitalization of production costs for episodic television programs with the capitalization of production costs for theatrical content. Previously, theatrical content production costs could be fully capitalized while episodic television production costs were generally limited to the amount of contracted revenues.
- Introduces the concept of "predominant monetization strategy" to classify capitalized program rights for purposes of amortization and impairment as follows:

- Individual program rights - programming value is predominantly derived from third-party revenues that are directly attributable to the specific film or television title (e.g., theatrical revenues, significant in-show advertising on the Company's programming networks or specific content licensing revenues).
- Group program rights - programming value is predominantly derived from third-party revenues that are not directly attributable to a specific film or television title (e.g., library of program rights for purpose of the Company's programming networks or subscription revenue for streaming services).

The determination of the predominant monetization strategy is made at commencement of production and is based on the means by which the Company derives third-party revenues from use of the programming. The classification of program rights as individual or group only changes if there is a significant change to the title's monetization strategy relative to its initial assessment.

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

| | December 31, 2022 | | |
|---|---|---|---|
| **(In thousands)** | Predominantly Monetized Individually | Predominantly Monetized as a Group | Total |
| Owned original program rights, net: | | | |
| Completed | $ 215,496 | $ 322,248 | $ 537,744 |
| In-production and in-development | 45,098 | 294,086 | 339,184 |
| Total owned original program rights, net | $ 260,594 | $ 616,334 | $ 876,928 |
| | | | |
| Licensed program rights, net: | | | |
| Licensed film and acquired series | $ 3,092 | $ 642,768 | $ 645,860 |
| Licensed originals | 5,373 | 171,418 | 176,791 |
| Advances and content versioning costs | — | 74,167 | 74,167 |
| Total licensed program rights, net | 8,465 | 888,353 | 896,818 |
| Program rights, net | **$ 269,059** | **$ 1,504,687** | **$ 1,773,746** |
| | | | |
| Current portion of program rights, net | | | $ 10,807 |
| Program rights, net (long-term) | | | 1,762,939 |
| | | | **$ 1,773,746** |

| (In thousands) | December 31, 2021 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, including write-offs, of owned and licensed program rights is as follows:

| (In thousands) | Year Ended December 31, 2022 Predominantly Monetized Individually | Predominantly Monetized as a Group | Total |
|---|---|---|---|
| | | | |
| *Included in Technical and operating:* | | | |
| Owned original program rights | $ 279,910 | $ 182,695 | $ 462,605 |
| Licensed program rights | 37,935 | 507,930 | 545,865 |
| | $ 317,845 | $ 690,625 | $ 1,008,470 |
| *Included in Restructuring and other related charges:* | | | |
| Owned original program rights | $ 192,749 | $ 24,914 | $ 217,663 |
| Licensed program rights | 110,830 | 75,261 | 186,091 |
| | $ 303,579 | $ 100,175 | $ 403,754 |

| (In thousands) | Year Ended December 31, 2021 Predominantly Monetized Individually | Predominantly Monetized as a Group | Total |
|---|---|---|---|
| | | | |
| Owned original program rights | $ 307,676 | $ 53,547 | $ 361,223 |
| Licensed program rights | 73,648 | 474,468 | 548,116 |
| Program rights amortization | $ 381,324 | $ 528,015 | $ 909,339 |

The following table presents the expected amortization over each of the next three years of completed program rights on the consolidated balance sheet as of December 31, 2022:

| (In thousands) | 2023 | 2024 | 2025 |
|---|---|---|---|
| Owned original program rights: | | | |
| Predominantly Monetized Individually | $ 88,280 | $ 56,156 | $ 36,587 |
| Predominantly Monetized as a Group | 149,888 | 90,913 | 53,964 |
| | | | |
| Licensed program rights: | | | |
| Predominantly Monetized Individually | $ 4,483 | $ 2,279 | $ 1,493 |
| Predominantly Monetized as a Group | 395,510 | 257,667 | 130,785 |

There was $403.8 million of program write-offs recorded to restructuring and other related charges in connection with the Company's strategic programming assessments. Refer to Note 5 to the consolidated financial statements for additional information. Program rights write-offs of $12.8 million and $108.3 million were included in technical and operating expense for the years ended December 31, 2021 and 2020, respectively.

**Program Rights Obligations**

Amounts payable subsequent to December 31, 2022 related to program rights obligations included in the consolidated balance sheet are as follows:

| (In thousands)<br>Years Ending December 31, | |
|---|---|
| 2023 | $ 374,115 |
| 2024 | 128,115 |
| 2025 | 49,921 |
| 2026 | 13,058 |
| 2027 | 5,790 |
| Thereafter | 3,985 |
| | $ 574,984 |

**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**

Equity method investments were $79.6 million and $93.7 million at December 31, 2022 and 2021, respectively.

In February 2021, the Company invested $27.4 million for an interest in a Toronto-based production company and studio, which is accounted for as an equity method investment.

In June 2021, the Company paid $23.8 million to acquire the remaining 50% interest in an equity method investment in which it previously owned a 50% interest and began consolidating that business from June 2021. In connection with the acquisition, the Company recorded a gain of $12.3 million, included in miscellaneous, net in the consolidated income statement related to the step-up to fair value of its previously held interest.

**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 consolidated statements of income.

There were no investments in marketable equity securities at December 31, 2022 and $5.8 million at December 31, 2021.

In April 2022, the Company sold its interest in a marketable equity security for $9.9 million, resulting in a $4.1 million gain recorded during the period.

In January 2021, the Company sold the remaining portion of one of its marketable securities with a carrying value of $51.0 million as of December 31, 2020, resulting in a realized loss of $5.4 million included in miscellaneous, net in the consolidated statement of income.

In December 2020, the Company sold a portion of one of its marketable securities, resulting in a realized gain of $37.4 million, included in miscellaneous, net in the consolidated statement of income.

For the years ended December 31, 2022, 2021, and 2020, realized and unrealized gains (losses) on marketable equity securities were $4.1 million, $(11.1) million and $82.8 million, respectively, included in miscellaneous, net in the consolidated statement of income.

**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. The accounting guidance requires non-marketable equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. The Company applies this measurement alternative to its non-marketable equity securities. When an observable event occurs, the Company estimates the fair values of its non-marketable equity securities based on Level 2 inputs that are derived from observable price changes of similar securities adjusted for insignificant differences in rights and obligations. The changes in value are recorded in miscellaneous, net in the consolidated statements of income.

Investments in non-marketable equity securities were $42.7 million at December 31, 2022 and $37.7 million at December 31, 2021. During the third quarter of 2022, the Company made a $5.0 million investment in a targeted streaming service.

The Company recognized impairment charges of $20.0 million for the year ended December 31, 2020, related to the partial write-down of certain non-marketable equity securities, included in miscellaneous, net in the consolidated statements of income. Additionally, in September 2020, an observable price change occurred with respect to one of the Company's non-marketable equity securities, resulting in an unrealized gain of $14.9 million, included in miscellaneous, net in the condensed consolidated statement of income.

**Note 8. Property and Equipment**

Property and equipment (including equipment under finance leases) consists of the following:

| | December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **Estimated Useful Lives** |
| Program, service and test equipment | $ 314,234 | $ 279,067 | 2 to 5 years |
| Satellite equipment | 40,051 | 41,134 | Term of lease |
| Furniture and fixtures | 12,490 | 13,933 | 3 to 8 years |
| Transmission equipment | 30,169 | 30,925 | 5 years |
| Leasehold improvements | 149,996 | 146,865 | Term of lease |
| Property and equipment | 546,940 | 511,924 | |
| Accumulated depreciation and amortization | (344,906) | (286,133) | |
| Property and equipment, net | $ 202,034 | $ 225,791 | |

Depreciation and amortization expenses on property and equipment (including equipment under finance leases) amounted to $65.8 million, $54.8 million and $62.4 million, for the years ended December 31, 2022, 2021 and 2020, respectively.

At December 31, 2022 and 2021, the gross amount of equipment and related accumulated amortization recorded under finance leases were as follows:

| | December 31, | |
|---|---|---|
| **(In thousands)** | **2022** | **2021** |
| Satellite equipment | $ 40,051 | $ 41,134 |
| Less accumulated amortization | (29,069) | (29,054) |
| | $ 10,982 | $ 12,080 |

## Note 9. 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, 2020 | $ 333,502 | $ 352,905 | $ 686,407 |
| Goodwill written off related to spin-off of a business unit | — | (476) | (476) |
| Additions | 21,312 | 11,902 | 33,214 |
| Amortization of "second component" goodwill | (1,344) | — | (1,344) |
| Foreign currency translation | — | (8,457) | (8,457) |
| December 31, 2021 | 353,470 | 355,874 | 709,344 |
| Purchase accounting adjustments | (2,834) | — | (2,834) |
| Impairment charge | — | (40,717) | (40,717) |
| Amortization of "second component" goodwill | (1,344) | — | (1,344) |
| Foreign currency translation | — | (21,030) | (21,030) |
| December 31, 2022 | $ 349,292 | $ 294,127 | $ 643,419 |

As of December 31, 2022 and 2021, accumulated impairment charges totaled $163.8 million and $123.1 million, respectively.

The purchase accounting adjustments of $2.8 million to the carrying amount of goodwill in Domestic Operations in 2022 relate to the December 2021 acquisition of Sentai Holdings, a global supplier of anime content, including its anime-focused HIDIVE subscription streaming service.

The annual reduction of $1.3 million in the carrying amount of goodwill for the Domestic Operations segment 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 addition of $21.3 million in the carrying amount of goodwill in Domestic Operations in 2021 relates to the acquisition of Sentai Holdings. The addition of $11.9 million in the carrying amount of goodwill in International and Other in 2021 relates to the acquisition of the remaining 50% interest in an equity method investment in which the Company previously owned a 50% interest.

### Impairment Test of Goodwill

***Goodwill***

Goodwill is not amortized, but instead is tested for impairment at the reporting unit level annually as of December 1, or more frequently upon the occurrence of certain events or substantive changes in circumstances.

As of December 1, 2022, the Company performed a quantitative assessment for all of its reporting units. The fair values were determined using a combination of an income approach, using a discounted cash flow model (DCF), and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Additionally, the market comparables approach is determined using guideline company valuation multiples. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations.

Based on the valuations performed, in response to current and expected trends across the International television broadcasting markets, as well as a decrease in the valuation multiples used to estimate the fair value using the market approach, the fair value of the Company's AMCNI reporting unit declined to less than its carrying amount. As a result, the Company recognized an impairment charge of $40.7 million related to the AMCNI reporting unit, included in impairment and other charges in the consolidated statement of income. No impairment charges were required for any of the Company's other reporting units.

In addition to the annual impairment test, the Company is required to regularly assess whether a triggering event has occurred which would require an interim impairment test. As a result of the continuing impact of the COVID-19 pandemic in 2020, the Company qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired as of June 30, 2020. The Company considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact on each of its reporting units. Further, the Company assessed the current forecasts (including significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates) and the amount of excess fair value over carrying value for each of its reporting units in the 2019 impairment test. In connection with the preparation of the second quarter 2020 financial information, the Company determined that a triggering event had occurred with respect to its AMCNI reporting unit, which required an interim impairment test to be performed as of June 30, 2020. As such, the Company performed a quantitative assessment for its AMCNI reporting unit. Based on the valuations performed, in response to the then current and expected trends across the International television broadcasting markets, the fair value of the Company's AMCNI reporting unit declined below its carrying amount. As a result, in June 2020, the Company recognized an impairment charge of $25.1 million related to the AMCNI reporting unit, included in impairment and other charges in the consolidated statement of income.

The determination of fair value of the Company's reporting units represents a Level 3 fair value measurement in the fair value hierarchy due to its use of internal projections and unobservable measurement inputs. Changes in significant judgments and estimates could significantly impact the concluded fair value of the reporting unit. Changes to assumptions that would decrease the fair value of the reporting unit would result in corresponding increases to the impairment of goodwill at the reporting unit.

The following table summarizes information relating to the Company's identifiable intangible assets:

| (In thousands) | December 31, 2022 Gross | Accumulated Amortization | Net | Estimated Useful Lives |
|---|---|---|---|---|
| **Amortizable intangible assets:** | | | | |
| Affiliate and customer relationships | $ 634,000 | $ (373,240) | $ 260,760 | 6 to 25 years |
| Advertiser relationships | 46,282 | (34,443) | 11,839 | 11 years |
| Trade names and other amortizable intangible assets | 105,338 | (43,161) | 62,177 | 3 to 20 years |
| Total amortizable intangible assets | 785,620 | (450,844) | 334,776 | |
| **Indefinite-lived intangible assets:** | | | | |
| Trademarks | 19,900 | — | 19,900 | |
| Total intangible assets | $ 805,520 | $ (450,844) | $ 354,676 | |

| (In thousands) | December 31, 2021 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 years ended December 31, 2022, 2021 and 2020 was $41.5 million, $39.1 million and $42.2 million, respectively.

Estimated aggregate amortization expense for intangible assets subject to amortization for each of the following five years is:

| (In thousands) Years Ending December 31, | |
|---|---|
| 2023 | $ 41,487 |
| 2024 | 41,416 |
| 2025 | 39,697 |
| 2026 | 35,342 |
| 2027 | 31,184 |

**Impairment Test of Long-Lived Assets**

In June 2020, given the then continuing and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact, the Company revised its outlook for the AMCNI business, resulting in lower expected future cash flows. As a result, the Company determined that sufficient indicators of potential impairment of long-lived assets existed and the Company performed a recoverability test of the long-lived asset groups within the AMCNI business. Based on the recoverability tests performed, the Company determined that certain long-lived assets were not recoverable and recognized an impairment charge of $97.1 million related primarily to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets, which is included in impairment and other charges in the consolidated statement of income. Fair values used to determine the impairment charges were determined using an income approach, specifically a discounted cash flow model (DCF). The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Given the uncertainty in determining assumptions underlying the DCF approach, actual results may differ from those used in the valuations. No impairment charges for long-lived assets were required in 2021 or 2022.

**Impairment Test of Identifiable Indefinite-Lived Intangible Assets**

As of December 1, 2022, the Company performed a quantitative assessment for its indefinite-lived intangible assets. Based on the annual impairment test performed, no impairment charge was required. The Company's indefinite-lived intangible assets relate to SundanceTV trademarks, which were valued using a relief-from-royalty method in which the expected benefits are valued by discounting estimated royalty revenue relating to projected revenues covered by the trademarks.

Significant judgments inherent in estimating the fair value of indefinite-lived intangible assets include the selection of appropriate discount and royalty rates, estimating the amount and timing of estimated future revenues and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows generated by the respective intangible assets.

## Note 10. Accrued Liabilities

Accrued liabilities consist of the following:

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Employee related costs | $ 97,362 | $ 128,388 |
| Participations and residuals | 138,384 | 133,988 |
| Interest | 37,105 | 36,922 |
| Restructuring and other related charges | 107,998 | 340 |
| Other accrued expenses | 38,216 | 40,769 |
| Total accrued liabilities | $ 419,065 | $ 340,407 |

## Note 11. Long-term Debt

The Company's long-term debt consists of:

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Senior Secured Credit Facility: | | |
| Term Loan A Facility | $ 641,250 | $ 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 | 2,841,250 | 2,875,000 |
| Unamortized discount | (18,718) | (23,167) |
| Unamortized deferred financing costs | (10,079) | (13,363) |
| Long-term debt, net | 2,812,453 | 2,838,470 |
| Current portion of long-term debt | 33,750 | 33,750 |
| Noncurrent portion of long-term debt | $ 2,778,703 | $ 2,804,720 |

**Senior Secured Credit Facility**

On February 8, 2021, AMC Networks entered into Amendment No. 1 (“Amendment No. 1”) to the Second Amended and Restated Credit Agreement, dated as of July 28, 2017 (as amended by Amendment No. 1, the "Credit Agreement"), among AMC Networks and its subsidiary, AMC Network Entertainment LLC, as the Initial Borrowers, certain of AMC Networks' subsidiaries, as restricted subsidiaries, JPMorgan Chase Bank, N.A., as Administrative Agent, Collateral Agent and L/C Issuer, Bank of America, as an L/C Issuer, and the lenders party thereto. Amendment No. 1 extended the maturity dates of the $675 million Term Loan A Facility and $500 million Revolving Facility (each as defined below) under the Credit Agreement to February 8, 2026, and made certain other amendments to the covenants and other provisions of the Credit Agreement.

The Credit Agreement provides the Initial Borrowers with senior secured credit facilities consisting of (a) a $675 million Term Loan A (the "Term Loan A Facility") and (b) a $500 million revolving credit facility (the "Revolving Facility" and, together with the Term Loan A Facility, the "Credit Facility"). Under Amendment No. 1, the maturity dates of the Term Loan A Facility and the Revolving Facility were extended to February 8, 2026.

Borrowings under the Credit Agreement bear interest at a floating rate, which at the option of the Initial Borrowers may be either (a) a base rate plus an additional rate ranging from 0.25% to 1.25% per annum (determined based on a cash flow ratio) (the "Base Rate"), or (b) a Eurodollar rate plus an additional rate ranging from 1.25% to 2.25% per annum (determined based on a cash flow ratio) (the "Eurodollar Rate").

The Credit Agreement requires the Initial Borrowers to pay a commitment fee of between 0.25% and 0.50% (determined based on a cash flow ratio) in respect of the average daily unused commitments under the Revolving Facility. The Initial Borrowers also are required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the Credit Agreement.

All obligations under the Credit Agreement are guaranteed by certain of the Initial Borrowers' existing and future domestic restricted subsidiaries in accordance with the Credit Agreement. All obligations under the Credit Agreement, including the guarantees of those obligations, are secured by certain assets of the Initial Borrowers and certain of their subsidiaries (collectively, the "Loan Parties").

The Credit Agreement contains certain affirmative and negative covenants applicable to the Loan Parties. These include restrictions on the Loan Parties' ability to incur indebtedness, make investments, place liens on assets, dispose of assets, enter into certain affiliate transactions and make certain restricted payments, including restrictions on AMC Networks' ability to pay dividends on and to repurchase its common stock. The Credit Agreement also requires the Initial Borrowers to comply with the following financial covenants: (i) a maximum ratio of net debt to annual operating cash flow (each defined in the Credit Agreement) of 5.25:1 from January 1, 2021 through December 31, 2021 and decreasing to 5.00:1 on and after January 1, 2022, subject to increase (not to exceed 6.00:1) if AMC Networks consummates any leveraging acquisition; and (ii) a minimum ratio of annual operating cash flow to annual total interest expense (as defined in the Credit Agreement) of 2.50:1.

The Revolving Facility was not drawn upon at December 31, 2022 or December 31, 2021. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

AMC Networks was in compliance with all of its financial covenants under the Credit Facility as of December 31, 2022 and 2021.

**Senior Notes**

*General terms*

The senior notes are guaranteed on a senior unsecured basis by the guarantors, in accordance with the related indenture. The guarantees are full and unconditional and joint and several. The indentures governing each of the senior notes contain certain affirmative and negative covenants applicable to AMC Networks and its restricted subsidiaries including restrictions on their ability to incur additional indebtedness, consummate certain assets sales, make investments in entities that are not restricted subsidiaries, create liens on their assets, enter into certain affiliate transactions and make certain restricted payments, including restrictions on AMC Networks' ability to pay dividends on, or repurchase, its common stock.

*4.25% Notes due 2029*

On February 8, 2021, AMC Networks issued and certain of AMC Networks’ subsidiaries (hereinafter, the “Guarantors”) guaranteed $1.0 billion aggregate principal amount of 4.25% senior notes due February 15, 2029 (the “4.25% Notes due 2029”) in a registered public offering and received net proceeds of $982.3 million, after deducting underwriting discounts and commissions and expenses. The Company used such proceeds to redeem (i) the remaining $400 million principal amount of the Company’s 4.75% senior notes due 2022 and (ii) $600 million principal amount of the Company’s 5.00% senior notes due 2024 on February 26, 2021 (the "Redemption Date"). The 4.75% senior notes due 2022 were redeemed at a redemption price of 100.000% of the principal amount of such notes and the 5.00% senior notes due 2024 were redeemed at a redemption price of 102.500% of the principal amount of such notes, in each case, plus accrued and unpaid interest to, but excluding, the Redemption Date. In connection with the redemptions, the Company incurred a loss on extinguishment of debt for the year ended December 31, 2021 of $22.1 million representing the redemption premium and the write-off of a portion of the unamortized discount and deferred financing costs.

The 4.25% Notes due 2029 may be redeemed, at AMC Networks' option, in whole or in part, at any time on or after February 15, 2024, at a redemption price equal to 102.125% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption), declining annually to 100% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption) beginning on February 15, 2026.

*4.75% Notes due 2025*

On July 28, 2017, AMC Networks issued, and the Guarantors guaranteed $800 million aggregate principal amount of senior notes due August 1, 2025 (the "4.75% Notes due 2025") in a registered public offering. The 4.75% Notes due 2025 were issued net of a $14.0 million underwriting discount. AMC Networks used approximately $400 million of the net proceeds to repay loans under AMC Networks' Term Loan A Facility and to pay fees and expenses related to the issuance. The remaining proceeds are for general corporate purposes. The 4.75% Notes due 2025 were issued pursuant to an indenture, dated as of March 30, 2016, as amended by the Second Supplemental Indenture, dated as of July 28, 2017.

The 4.75% Notes due 2025 may be redeemed, at AMC Networks' option, in whole or in part, at any time on or after August 1, 2021, at a redemption price equal to 102.375% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption), declining annually to 100% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption) beginning on August 1, 2023.

*5.00% Notes due 2024*

On March 30, 2016, the Company issued and the Guarantors guaranteed $1.0 billion in aggregate principal amount of 5.00% senior notes due 2024 (the "5.00% Notes due 2024"), net of an issuance discount of $17.5 million. AMC Networks used $703 million of the net proceeds of this offering to make a cash tender ("Tender Offer") for its outstanding 7.75% Notes due 2021 (the "7.75% Notes"). In addition, $45.6 million of the proceeds from the issuance of the 5.00% Notes due 2024 was used for the redemption of the 7.75% Notes not tendered. The remaining proceeds are for general corporate purposes. The 5.00% Notes due 2024 were issued pursuant to an indenture dated as of March 30, 2016.

The 5.00% Notes due 2024 may be redeemed, in whole or in part, at any time on or after April 1, 2020, at a redemption price equal to 102.5% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption), declining annually to 100% of the principal amount thereof (plus accrued and unpaid interest thereon, if any, to the date of such redemption) beginning on April 1, 2022. As discussed above, on February 26, 2021, the Company redeemed $600 million principal amount of its 5.00% Notes due 2024.

*4.75% Notes due 2022*

On December 17, 2012, AMC Networks issued and the Guarantors guaranteed $600 million in aggregate principal amount of its 4.75% senior notes, net of an issuance discount of $10.5 million, due December 15, 2022 (the "4.75% Notes due 2022"). AMC Networks used the net proceeds of this offering to repay the outstanding amount under its term loan B facility of approximately $587.6 million, with the remaining proceeds used for general corporate purposes. The 4.75% Notes due 2022 were issued pursuant to an indenture, and first supplemental indenture, each dated as of December 17, 2012.

In March 2020 the Company redeemed $200 million principal amount of the outstanding $600 million principal amount of its 4.75% Notes due 2022. In connection with the redemption, the Company incurred a loss on extinguishment of debt for the year ended December 31, 2020 of $2.9 million representing the redemption premium and the write-off of a portion of the unamortized discount and deferred financing costs. As discussed above, on February 26, 2021, the Company redeemed the remaining $400 million principal amount of its 4.75% Notes due 2022.

**Other Debt**

A majority owned subsidiary of the Company had credit facilities totaling $4.5 million. The facilities bear interest at the greater of 3.5% or the prime rate plus 1% and matured on November 18, 2022. There were no outstanding borrowings under the credit facilities during 2022.

### Summary of Debt Maturities

Total amounts payable by the Company under its various debt obligations outstanding as of December 31, 2022 are as follows:

| (In thousands) | |
|---|---|
| Years Ending December 31, | |
| 2023 | $ 33,750 |
| 2024 | 467,500 |
| 2025 | 867,500 |
| 2026 | 472,500 |
| 2027 | — |
| Thereafter | 1,000,000 |
| | $ 2,841,250 |

### 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 December 31, 2022 and 2021:

| (In thousands) | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| **At December 31, 2022:** | | | | |
| **Assets:** | | | | |
| Cash equivalents | $ 80,000 | $ — | $ — | $ 80,000 |
| Foreign currency derivatives | — | 536 | — | 536 |
| **Liabilities:** | | | | |
| Foreign currency derivatives | — | 8,965 | — | 8,965 |
| | | | | |
| **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 mutual 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 and 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 December 31, 2022 or 2021, the Company does not have any other 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 consolidated balance sheets are summarized as follows:

| | December 31, 2022 | |
|---|---|---|
| **(In thousands)** | **Carrying Amount** | **Estimated Fair Value** |
| Debt instruments: | | |
| Term Loan A Facility | $ 633,486 | $ 615,600 |
| 5.00% Notes due April 2024 | 398,687 | 375,348 |
| 4.75% Notes due August 2025 | 794,171 | 607,000 |
| 4.25% Notes due February 2029 | 986,109 | 620,818 |
| | $ 2,812,453 | $ 2,218,766 |

| | 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**

**Interest Rate Risk**

To manage interest rate risk, the Company may enter into interest rate swap contracts 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 interest rates. The Company does not enter into interest rate swap contracts for speculative or trading purposes and it has only entered into interest rate swap contracts with financial institutions that it believes are creditworthy counterparties. The Company monitors the financial institutions that are counterparties to its interest rate swap contracts and to the extent possible diversifies its swap contracts among various counterparties to mitigate exposure to any single financial institution.

The Company's risk management objective and strategy with respect to interest rate swap contracts is to protect the Company against adverse fluctuations in interest rates by reducing its exposure to variability in cash flows relating to interest payments on a portion of its outstanding debt. The Company is meeting its objective by hedging the risk of changes in its cash flows (interest payments) attributable to changes in the designated benchmark interest rate being hedged (the "hedged risk"), on an amount of the Company's debt principal equal to the then-outstanding swap notional. The forecasted interest payments are deemed to be probable of occurring.

The Company assesses, both at the hedge's inception and on an ongoing basis, hedge effectiveness based on the overall changes in the fair value of the interest rate swap contracts. Hedge effectiveness of the interest rate swap contracts is based on a hypothetical derivative methodology. Any ineffective portion of an interest rate swap contract which is designated as a hedging instrument is recorded in current-period earnings. Changes in fair value of interest rate swap contracts not designated as hedging instruments are also recognized in earnings and included in interest expense.

**Foreign Currency Exchange Rate Risk**

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

To manage foreign currency exchange rate risk, the Company may enter into foreign currency contracts from time to time with financial institutions to limit the exposure to fluctuations in foreign currency exchange rates. The Company does not enter into foreign currency contracts for speculative or trading purposes.

In certain circumstances, the Company enters into contracts that are settled in currencies other than the functional or local currencies of the contracting parties. Accordingly, these contracts consist of the underlying operational contract and an embedded foreign currency derivative element. Hedge accounting is not applied to the embedded foreign currency derivative element and changes in their fair values are included in miscellaneous, net in the consolidated statement of income.

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

| | | December 31, | |
|---|---|---|---|
| **(In thousands)** | **Balance Sheet Location** | **2022** | **2021** |
| **Derivatives not designated as hedging instruments:** | | | |
| **Assets:** | | | |
| Foreign currency derivatives | Prepaid expenses and other current assets | $ 141 | $ 180 |
| Foreign currency derivatives | Other assets | 395 | 16 |
| **Liabilities:** | | | |
| Foreign currency derivatives | Accrued liabilities | $ 3,663 | $ 1,686 |
| Foreign currency derivatives | Current portion of program rights obligations | 82 | — |
| Foreign currency derivatives | Other liabilities | 5,220 | 4,225 |

The amount of gains and losses related to the Company's derivative financial instruments designated as hedging instruments are as follows:

| | Gain or (Loss) on Derivatives Recognized in OCI | | Location of Gain or (Loss) in Earnings | Gain or (Loss) Reclassified from Accumulated OCI into Earnings (a) | |
|---|---|---|---|---|---|
| | Years Ended December 31, | | | Years Ended December 31, | |
| **(In thousands)** | **2022** | **2021** | | **2022** | **2021** |
| **Derivatives in cash flow hedging relationships:** | | | | | |
| Interest rate swap contracts | $ — | $ (27) | Interest expense | $ — | $ 2,430 |

(a) There were no gains or losses recognized in earnings related to any ineffective portion of the hedging relationship or related to any amount excluded from the assessment of hedge effectiveness for the years ended December 31, 2022 and 2021.

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

| | Location of Gain (Loss) Recognized in Earnings on Derivatives | Amount of Gain (Loss) Recognized in Earnings on Derivatives | | |
|---|---|---|---|---|
| | | Years Ended December 31, | | |
| (In thousands) | | 2022 | 2021 | 2020 |
| Foreign currency derivatives | Miscellaneous, net | $ (4,887) | $ (2,678) | $ (2,618) |

**Note 14. Leases**

Certain subsidiaries of the Company lease office space and equipment under long-term non-cancelable lease agreements which expire at various dates through 2033. Leases with an initial term of 12 months or less are not recorded on the balance sheet, instead the lease expense is recorded on a straight-line basis over the lease term. For lease agreements entered into, we combine lease and non-lease components. Some leases include options to extend the lease term or terminate the lease prior to the end of the lease term. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise.

The leases generally provide for fixed annual rentals plus certain other costs or credits. Some leases include rental payments based on a percentage of revenue over contractual levels or based on an index or rate. Our lease agreements do not include any material residual value guarantees or material restrictive covenants.

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

| | | December 31, | |
|---|---|---|---|
| (In thousands) | Balance Sheet Location | 2022 | 2021 |
| **Assets** | | | |
| Operating | Operating lease right-of-use assets | $ 108,229 | $ 125,866 |
| Finance | Property and equipment, net | 10,982 | 12,080 |
| Total lease assets | | $ 119,211 | $ 137,946 |
| **Liabilities** | | | |
| Current: | | | |
| Operating | Current portion of lease obligations | $ 32,207 | $ 32,929 |
| Finance | Current portion of lease obligations | 4,204 | 3,667 |
| | | 36,411 | 36,596 |
| Noncurrent: | | | |
| Operating | Lease obligations | 105,768 | 128,319 |
| Finance | Lease obligations | 19,031 | 23,520 |
| | | 124,799 | 151,839 |
| Total lease liabilities | | $ 161,210 | $ 188,435 |

As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease commencement date.

The following table summarizes the lease costs included in the consolidated statement of income:

| (In thousands) | Income Statement Location | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| Operating lease costs | Selling, general and administrative expenses | $ 27,186 | $ 28,189 |
| Finance lease costs: | | | |
| Amortization of leased assets | Depreciation and amortization | 1,098 | 2,105 |
| Interest on lease liabilities | Interest expense | 1,894 | 2,346 |
| Short term lease costs | Selling, general and administrative expenses | 248 | 206 |
| Variable lease costs | Selling, general and administrative expenses | 1,468 | 854 |
| Total net lease costs | | $ 31,894 | $ 33,700 |

The following table summarizes the maturity of lease liabilities for operating and finance leases as of December 31, 2022:

| (In thousands) | Operating Leases | Finance Leases | Total |
|---|---|---|---|
| 2023 | $ 37,365 | $ 5,786 | $ 43,151 |
| 2024 | 36,215 | 5,812 | 42,027 |
| 2025 | 31,994 | 5,838 | 37,832 |
| 2026 | 27,717 | 2,087 | 29,804 |
| 2027 | 12,636 | 1,428 | 14,064 |
| Thereafter | 7,462 | 7,140 | 14,602 |
| Total lease payments | 153,389 | 28,091 | 181,480 |
| Less: Interest | 15,414 | 4,856 | 20,270 |
| Present value of lease liabilities | $ 137,975 | $ 23,235 | $ 161,210 |

The following table summarizes the weighted average remaining lease term and discount rate for operating and finance leases:

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Weighted average remaining lease term (years): | | |
| Operating leases | 4.6 | 5.1 |
| Finance leases | 6.6 | 7.8 |
| Weighted average discount rate: | | |
| Operating leases | 4.6 % | 4.5 % |
| Finance leases | 7.5 % | 7.8 % |

The following table summarizes the supplemental cash paid for amounts in the measurement of lease liabilities:

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Operating cash flows from operating leases | $ 39,857 | $ 40,000 |
| Operating cash flows from finance leases | 1,947 | 1,789 |
| Financing cash flows from finance leases | 3,576 | 3,800 |

**Note 15. Income Taxes**

Income (loss) from continuing operations before income taxes consists of the following components:

| (In thousands) | Years Ended December 31, 2022 | 2021 | 2020 |
|---|---|---|---|
| Domestic | $ (52,458) | $ 292,364 | $ 437,039 |
| Foreign | 22,506 | 81,868 | (34,660) |
| Total | $ (29,952) | $ 374,232 | $ 402,379 |

Income tax expense (benefit) attributable to continuing operations consists of the following components:

| (In thousands) | Years Ended December 31, 2022 | 2021 | 2020 |
|---|---|---|---|
| Current expense (benefit): | | | |
| Federal | $ (6,310) | $ 19,751 | $ 86,977 |
| State | 2,141 | 10,360 | 17,733 |
| Foreign | 18,933 | 25,990 | 23,845 |
| | 14,764 | 56,101 | 128,555 |
| Deferred expense (benefit): | | | |
| Federal | (43,707) | 24,923 | (2,979) |
| State | (3,633) | 2,715 | (405) |
| Foreign | (3,349) | 6,372 | 26,543 |
| | (50,689) | 34,010 | 23,159 |
| Tax expense (benefit) relating to uncertain tax positions, including accrued interest | (5,055) | 4,282 | (6,323) |
| Income tax expense (benefit) | $ (40,980) | $ 94,393 | $ 145,391 |

A reconciliation of the federal statutory income tax rate to the effective income tax rate is as follows:

| (In thousands) | Years Ended December 31, 2022 | 2021 | 2020 |
|---|---|---|---|
| U.S. federal statutory income tax rate | 21 % | 21 % | 21 % |
| State and local income taxes, net of federal benefit (a) | 20 | 3 | 4 |
| Effect of foreign operations (b) | (11) | (1) | 2 |
| Non-deductible compensation expenses (c) | (35) | 2 | 1 |
| Excess tax deficiencies related to share-based compensation | (5) | (1) | 2 |
| Changes in the valuation allowance (d) | (109) | 3 | 10 |
| Tax expense relating to uncertain tax positions, including accrued interest, net of deferred tax benefits | 16 | 1 | (1) |
| Deferral of investment tax credit benefit | 4 | (1) | (1) |
| Deemed liquidation - controlled foreign corporation (a) | 235 | — | — |
| Other | 1 | (2) | (2) |
| Effective income tax rate | 137 % | 25 % | 36 % |

(a) In the year ended December 31, 2022, the deemed liquidation – controlled foreign corporation is a result of a capital loss sustained related to a change in the entity classification of a wholly-owned controlled foreign corporation. This also impacts state and local income taxes.

(b) In the years ended December 31, 2022, 2021 and 2020, the effect of foreign operations relates to the income tax benefit or expense as a result of certain entities operating in foreign jurisdictions.

(c) In the year ended December 31, 2022, the increase in nondeductible compensation expense is primarily due to contractual severance as a result of employee separations. In the year ended December 31, 2021, the increase in nondeductible compensation expense is primarily due to the expiration of grandfathered arrangements related to equity compensation under Internal Revenue Code Section 162(m). Prior periods have been restated for comparative purposes.

(d) In the year ended December 31, 2022, the increase in valuation allowance relates primarily to the generation of excess capital losses and foreign tax credits. In the year ended December 31, 2021, the increase in valuation allowance from prior year relates primarily to the generation of excess foreign tax credits and a reduction in the expected utilization of interest expense carryforwards as a result of a tax assessment.

The tax effects of temporary differences that give rise to significant components of deferred tax assets or liabilities at December 31, 2022 and 2021 are as follows:

| (In thousands) | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Deferred Tax Asset (Liability) | | |
| NOLs and tax credit carry forwards | $ 101,793 | $ 95,684 |
| Compensation and benefit plans | 24,451 | 19,450 |
| Allowance for doubtful accounts | 1,280 | 1,285 |
| Fixed assets and intangible assets | 35,678 | 39,860 |
| Accrued interest expense | 30,346 | 5,258 |
| Unused capital losses | 60,226 | — |
| Other liabilities | 21,618 | 15,913 |
| Deferred tax asset | 275,392 | 177,450 |
| Valuation allowance | (132,164) | (105,494) |
| Net deferred tax asset | 143,228 | 71,956 |
| Prepaid liabilities | (570) | (642) |
| Fixed assets and intangible assets | (89,671) | (106,820) |
| Investments in partnerships | (128,434) | (92,866) |
| Other assets | (23,577) | (23,894) |
| Deferred tax liability | (242,252) | (224,222) |
| Total net deferred tax liability | $ (99,024) | $ (152,266) |

At December 31, 2022, the Company had investment tax credit carry forwards of approximately $59.3 million, expiring on various dates from 2032 through 2037 and foreign tax credit carryforwards of approximately $47.3 million, expiring on various dates from 2024 through 2032. The foreign tax credit carryforwards have been reduced by a valuation allowance of $47.3 million as it is more likely than not that these carry forwards will not be realized. The Company had net operating loss carry forwards of approximately $318.9 million, related primarily to federal and state net operating losses acquired as a result of the purchase of the outstanding shares of RLJ Entertainment and Sentai Holdings of approximately $87.3 million and $6.8 million, respectively, as well as net operating loss carryforwards of our foreign subsidiaries. The deferred tax asset related to the federal and state net operating loss carryforward of approximately $20.8 million has expiration dates ranging from 2023 through 2042 (some are indefinite) and has been reduced by a valuation allowance of approximately $9.7 million, including $7.7 million that was recorded through goodwill as part of purchase accounting. Although the foreign net operating loss carry forward periods range from 5 years to unlimited, the related deferred tax assets of approximately $33.6 million for these carry forwards have been reduced by a valuation allowance of approximately $33.3 million as it is more likely than not that these carry forwards will not be realized. The deferred tax asset related to unused capital losses expires in 2027 and has been reduced by a valuation allowance of approximately $21.6 million as it is more likely than not that these losses will not be realized. The remainder of the valuation allowance at December 31, 2022 relates primarily to deferred tax assets attributable to temporary differences of certain foreign subsidiaries for which it is more likely than not that these deferred tax assets will not be realized.

For the year ended December 31, 2022, $1.3 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).

At December 31, 2022, the liability for uncertain tax positions was $6.7 million, excluding accrued interest of $2.1 million and deferred tax assets of $1.7 million. All of such unrecognized tax benefits, if recognized, would reduce the Company's income tax expense and effective tax rate.

A reconciliation of the beginning to ending amount of the liability for uncertain tax positions (excluding related accrued interest and deferred tax benefit) is as follows:

| **(In thousands)** | | |
|---|---|---|
| Balance at December 31, 2021 | $ | 12,193 |
| Increases related to current year tax positions | | 107 |
| Increases related to prior year tax positions | | 476 |
| Decreases related to prior year tax positions | | (364) |
| Decreases due to settlements/payments | | (1,797) |
| Decreases due to lapse of statute of limitations | | (3,965) |
| Balance at December 31, 2022 | $ | 6,650 |

Interest benefit (net of the related deferred tax) of $1.3 million was recognized during the year ended December 31, 2022 and is included in income tax expense in the consolidated statement of income. At December 31, 2022 and 2021, the liability for uncertain tax positions and accrued interest are included in accrued liabilities and other liabilities, in the consolidated balance sheets.

The Company is currently being audited by the State and City of New York and various other states or jurisdictions, with most of the periods under examination relating to tax years 2013 and forward.

## Note 16. Commitments and Contingencies

### Commitments

| | Payments due by period | | | | |
|---|---|---|---|---|---|
| **(In thousands)** | **Total** | **Year 1** | **Years 2 - 3** | **Years 4 - 5** | **More than 5 years** |
| Purchase obligations [1] | $ 912,167 | $ 300,224 | $ 200,680 | $ 66,582 | $ 344,681 |

(1) Purchase obligations consist primarily of program rights obligations, and transmission and marketing commitments.

### 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. In December 2022, the parties entered into an agreement to resolve through confidential binding arbitration the remaining claims in the litigation (consisting mainly of ordinary course profit participation audit claims), which had been scheduled for a February 2023 jury trial. As a result, on January 9, 2023, the Plaintiffs filed with the court a notice of dismissal of the remaining claims, and on January 19, 2023, the court formally dismissed the case. On January, 26, 2023, the Plaintiffs filed a notice of appeal of the court’s post-trial, demurrer, and summary adjudication decisions. The Company believes the two remaining claims in the case for breach of contract, which will now be resolved through confidential binding arbitration, 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.

On November 14, 2022, the Plaintiffs filed a separate complaint in California Superior Court (the “MFN Litigation”) in connection with the Company’s July 16, 2021 settlement agreement with Frank Darabont (“Darabont”), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (the “Darabont Parties”), which resolved litigations the Darabont Parties had brought in connection with Darabont's rendering services as a writer, director and producer of the television series entitled The Walking Dead and the agreement between the parties related thereto (the “Darabont Settlement”). Plaintiffs assert claims for breach of contract, alleging that the Company breached the most favored nations (“MFN”) provisions of Plaintiffs’ contracts with the Company by failing to pay them additional contingent compensation as a result of the Darabont Settlement (the “MFN Litigation”). Plaintiffs claim in the MFN Litigation that they are entitled to actual and compensatory damages in excess of $200 million. The Plaintiffs also bring a cause of action to enjoin an arbitration the Company commenced in May 2022 concerning the same dispute. On December 15, 2022, the Company removed the MFN Litigation to the United States District Court for the Central District of California. On January 13, 2023, the Company filed a motion to dismiss the MFN Litigation and informed the court that the Company had withdrawn the arbitration Plaintiffs sought to enjoin. The Company believes that the asserted claims are without merit and will vigorously defend against them if they are not dismissed. At this time, no determination can be made as to the ultimate outcome of this litigation or the potential liability, if any, on the part of the Company.

The Company is party to 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 17. Noncontrolling Interests

Redeemable Noncontrolling Interests

In connection with the 2018 acquisition of RLJ Entertainment, the terms of the operating agreement provide the noncontrolling member with a right to put all of its noncontrolling interest to a subsidiary of the Company following the seventh anniversary of the agreement, or earlier upon a change of control. The put option is exercisable at the greater of the then fair market value or enterprise value of RLJ Entertainment, (but not lower than the fair value of the initial equity interest at the closing date of the agreement), in each case pursuant to the operating agreement and applied to the equity interest.

In 2014, the Company, through a wholly-owned subsidiary, acquired 49.9% of the limited liability company interests of New Video Channel America L.L.C, that owns the cable channel BBC AMERICA. In connection with the acquisition, the terms of the agreement provide the BBC with a right to put all of its 50.1% noncontrolling interest to a subsidiary of the Company at the greater of the then fair value or the fair value of the initial equity interest at the closing date of the agreement. The put option is exercisable on the fifteenth and twenty-fifth anniversary of the joint venture agreement.

Because exercise of these put rights is outside the Company's control, the noncontrolling interest in each entity is presented as redeemable noncontrolling interest outside of stockholders' equity on the Company's consolidated balance sheet.

The activity reflected within redeemable noncontrolling interests for the years ended December 31, 2022 and 2021 is presented below.

| (In thousands) | Redeemable Noncontrolling Interest |
|---|---|
| December 31, 2020 | $ 315,649 |
| Net earnings | 17,230 |
| Distributions | (22,430) |
| Distribution related to spin-off transaction | (8,233) |
| Transfer to noncontrolling interest | (18,367) |
| December 31, 2021 | 283,849 |
| Net losses | (3,274) |
| Distributions | (27,435) |
| Other | 529 |
| December 31, 2022 | $ 253,669 |

In connection with the spin-off of the live comedy venue and talent management businesses of Levity Entertainment Group, LLC in 2021 (see Note 4), $8.2 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 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. Upon the effective date of the transaction, 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 consolidated statement of stockholders' equity.

## Note 18. Equity and Long-Term Incentive Plans

On June 8, 2016, the Company's shareholders approved the AMC Networks Inc. 2016 Employee Stock Plan (the "2016 Employee Stock Plan") and the AMC Networks Inc. 2016 Executive Cash Incentive Plan (the "2016 Cash Incentive Plan"). On June 5, 2012, the Company's shareholders approved the AMC Networks Inc. 2011 Stock Plan for Non-Employee Directors (the "2011 Non-Employee Director Plan").

***Equity Plans***

On June 11, 2020, the Company adopted the Amended and Restated 2016 Employee Stock Plan (the "2016 Employee Stock Plan"). The 2016 Employee Stock Plan provides for the grants of incentive stock options, non-qualified stock options, stock appreciation rights, restricted shares, restricted stock units and other equity-based awards (collectively, "awards"). Under the 2016 Employee Stock Plan, the Company may grant awards for up to 12,000,000 shares of AMC Networks Class A Common Stock (subject to certain adjustments). Equity-based awards granted under the 2016 Employee Stock Plan must be granted with an exercise price of not less than the fair market value of a share of AMC Networks Class A Common Stock on the date of grant and must expire no later than 10 years from the date of grant. The terms and conditions of awards granted under the 2016 Employee Stock Plan, including vesting and exercisability, are determined by the Compensation Committee of the Board of Directors ("Compensation Committee") and may include terms or conditions based upon performance criteria.

Awards issued to employees under the 2016 Employee Stock Plan will settle in shares of the Company's Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash. As of December 31, 2022, there are 8,175,717 share awards available for future grant under the 2016 Employee Stock Plan.

On June 11, 2020, the Company adopted the Amended and Restated 2011 Stock Plan for Non-Employee Directors (the "2011 Non-Employee Director Plan"). Under the 2011 Non-Employee Director Plan, the Company is authorized to grant non-qualified stock options, restricted stock units, restricted shares, stock appreciation rights and other equity-based awards. The Company may grant awards for up to 665,000 shares of AMC Networks Class A Common Stock (subject to certain adjustments). Stock options under the 2011 Non-Employee Director Plan must be granted with an exercise price of not less than the fair market value of a share of AMC Networks Class A Common Stock on the date of grant and must expire no later than 10 years from the date of grant. The terms and conditions of awards granted under the 2011 Non-Employee Director Plan, including vesting and exercisability, are determined by the Compensation Committee. Unless otherwise provided in an applicable award agreement, stock options granted under this plan will be fully vested and exercisable, and restricted stock units granted under this plan will be fully vested, upon the date of grant and will settle in shares of the Company's Class A Common Stock (either from treasury or with newly issued shares), or, at the option of the Compensation Committee, in cash, on the first business day after ninety days from the date the director's service on the Board of Directors ceases or, if earlier, upon the director's death. As of December 31, 2022, there are 191,989 shares available for future grant under the 2011 Non-Employee Director Plan.

Restricted Stock Unit Activity

The following table summarizes activity relating to Company employees who held AMC Networks restricted stock units for the years ended December 31, 2022 and 2021:

| | Number of Restricted Stock Units | Number of Performance Restricted Stock Units | Weighted Average Fair Value Per Stock Unit at Date of Grant |
|---|---|---|---|
| Unvested award balance, December 31, 2020 | 1,002,537 | 1,477,622 | $ 43.79 |
| Granted | 681,303 | 364 | $ 71.25 |
| Released/Vested | (427,852) | (823,510) | $ 45.31 |
| Canceled/Forfeited | (66,323) | (28,192) | $ 45.43 |
| Unvested award balance, December 31, 2021 | 1,189,665 | 626,284 | $ 52.97 |
| Granted | 920,372 | 38,264 | $ 36.03 |
| Released/Vested | (857,044) | (624,401) | $ 49.74 |
| Canceled/Forfeited | (221,269) | (3,162) | $ 46.15 |
| Unvested award balance, December 31, 2022 | 1,031,724 | 36,985 | $ 44.22 |

All restricted stock units granted vest ratably over a three or four year period.

The target number of PRSUs granted represents the right to receive a corresponding number of shares, subject to adjustment based on the performance of the Company against target performance criteria for a three year period. The number of shares issuable at the end of the applicable measurement period ranges from 0% to 200% of the target PRSU award.

The following table summarizes activity relating to Non-employee Directors who held AMC Networks restricted stock units for the years ended December 31, 2022 and 2021:

| | Number of Restricted Stock Units | Weighted Average Fair Value Per Stock Unit at Date of Grant |
|---|---|---|
| Vested award balance, December 31, 2020 | 260,365 | $ 49.45 |
| Granted | 27,423 | $ 64.43 |
| Released/Vested | (25,133) | $ 48.94 |
| Vested award balance, December 31, 2021 | 262,655 | $ 51.19 |
| Granted | 47,398 | $ 28.10 |
| Released/Vested | — | $ — |
| Vested award balance, December 31, 2022 | 310,053 | $ 47.55 |

Stock Option Award Activity

The following table summarizes activity relating to employees of the Company who held AMC Networks stock options:

| | Shares Under Option<br>Time Vesting Options | Weighted Average Exercise Price Per Share | Weighted Average Contractual Term (in years) | Aggregate Intrinsic Value(a) |
|---|---|---|---|---|
| Balance, December 31, 2020 | 202,961 | $ 48.26 | 5.79 | $ — |
| Exercised | (202,961) | 48.26 | | |
| Balance, December 31, 2021 | — | $ — | — | $ — |
| Exercised | — | — | — | $ — |
| Balance, December 31, 2022 | — | $ — | — | $ — |
| Options exercisable at December 31, 2022 | — | $ — | — | $ — |
| Options expected to vest in the future | — | $ — | — | $ — |

(a) The aggregate intrinsic value is calculated as the difference between (i) the exercise price of the underlying award and (ii) the quoted price of AMC Networks Class A Common Stock on the reporting date, as indicated.

Share-based Compensation Expenses

The Company recorded share-based compensation expenses of $37.7 million (including $7.7 million recorded as part of Restructuring and other related charges), $47.9 million and $52.9 million, reduced for forfeitures, for the years ended December 31, 2022, 2021 and 2020, respectively. Forfeitures are estimated based on historical experience. To the extent actual results of forfeitures differ from those estimates, such amounts are recorded as an adjustment in the period the estimates are revised.

Share-based compensation expenses are recognized in the consolidated statements of income as part of selling, general and administrative expenses. As of December 31, 2022, there was $21.8 million of total unrecognized share-based compensation costs related to Company employees who held unvested AMC Networks restricted stock units. The unrecognized compensation cost is expected to be recognized over a weighted-average remaining period of approximately 1.9 years. There were no costs related to share-based compensation that were capitalized.

The Company receives income tax deductions related to restricted stock units, stock options or other equity awards granted to its employees by the Company.

Cash flows resulting from excess tax benefits and deficiencies are classified along with other income tax cash flows as an operating activity. Excess tax benefits are realized tax benefits from tax deductions for options exercised and restricted shares issued, in excess of the deferred tax asset attributable to stock compensation costs for such awards. Excess tax deficiencies are realized deficiencies from tax deductions being less than the deferred tax asset. Excess tax deficiencies/(benefits) of $1.4 million, $(4.6) million and $8.4 million were recorded for the years ended December 31, 2022, 2021 and 2020, respectively.

***Long-Term Incentive Plans***

Under the terms of the 2016 Cash Incentive Plan, the Company is authorized to grant a cash or equity based award to certain employees. The terms and conditions of such awards are determined by the Compensation Committee of the Company's Board of Directors, may include the achievement of certain performance criteria and may extend for a period not to exceed ten years. During 2022, 2021 and 2020, the Company granted long-term incentive cash awards.

Long-term incentive compensation plan expense is recognized in the consolidated statements of income as part of selling, general and administrative expenses. The Company recorded long-term incentive compensation expense of $8.0 million, $22.5 million and $13.9 million for the years ended December 31, 2022, 2021, and 2020, respectively.

**Note 19. Benefit Plans**

Certain employees of the Company participate in the AMC Networks 401(k) Savings Plan (the "401(k) Plan"), a qualified defined contribution plan, and the AMC Networks Excess Savings Plan (the "Excess Savings Plan"), a non-qualified deferred compensation plan. Under the 401(k) Plan, participating Company employees may contribute into their plan accounts a percentage of their eligible pay on a before-tax basis as well as a percentage of their eligible pay on an after-tax basis. The Company makes matching contributions on behalf of participating employees in accordance with the terms of the 401(k) Plan.

In addition to the matching contribution, the Company may make a discretionary year-end contribution to employee 401(k) Plan and Excess Savings Plan accounts, subject to certain conditions.

Total expense related to all benefit plans was $4.3 million, $11.9 million and $9.3 million for the years ended December 31, 2022, 2021 and 2020, respectively. The Company does not provide postretirement benefits for any of its employees.

**Note 20. Related Party Transactions**

On June 30, 2011, Cablevision spun off the Company (the "Distribution") and the Company became an independent public company. At the time of the Distribution, both Cablevision and AMC Networks were controlled by Charles F. Dolan, certain members of his immediate family and certain family related entities (collectively the "Dolan Family").

Members of the Dolan Family, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, including trusts for the benefit of the Dolan Family, collectively beneficially own all of the Company's outstanding Class B Common Stock and own approximately 3% of the Company's outstanding Class A Common Stock. Such shares of the Company's Class A Common Stock and Class B Common Stock, collectively, represent approximately 79% of the aggregate voting power of the Company's outstanding common stock. Members of the Dolan Family are also the controlling stockholders of Madison Square Garden Sports Corp. ("MSGS") and Madison Square Garden Entertainment Corp. ("MSGE"). The Company provides services to and receives services from MSGS and MSGE.

From time to time the Company enters into arrangements with 605, LLC. James L. Dolan, the Interim 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 in the ordinary course of business.

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 made upon execution of the agreement. The initial term of the Statement of Work ran from August 1, 2022 to December 31, 2022. The term was automatically extended to June 30, 2023 per the terms of the agreement.

Under the Statement of Work, 605, LLC is engaged in a strategic, research, market, business and financial assessment of the Company and its business partnering with the Company’s management team. 605, LLC utilizes their expertise, including assessment of extensive real-time business intelligence and consumer research, to enable potential further acceleration of the Company’s long-term growth and value creation. Among the analytic services provided by 605, LLC 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.

***Revenues, net***

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 $5.1 million, $5.0 million and $4.8 million for the years ended December 31, 2022, 2021 and 2020, respectively.

***Selling, General and Administrative***

Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to a transition services agreement and for other transactions with its related parties amounted to $8.0 million, $2.2 million and $0.5 million for the years ended December 31, 2022, 2021 and 2020, respectively.

AMC Networks has an arrangement with the Dolan Family Office, LLC ("DFO"), MSGS and MSGE providing for the sharing of certain expenses associated with executive office space which are available to Charles F. Dolan (the Chairman Emeritus and a director of the Company and a director of MSGS and MSGE), James L. Dolan (the Interim Executive Chairman and a director of the Company and a director of MSGS and MSGE), and the DFO which is controlled by Charles F. Dolan. The Company's share of initial set-up costs and office expenses was not material.

**Note 21. Cash Flows**

During 2022, 2021 and 2020, the Company's non-cash investing and financing activities and other supplemental data were as follows:

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| *Non-Cash Investing and Financing Activities:* | | | |
| Operating lease additions | $ 11,885 | $ 28,522 | $ 10,904 |
| Finance lease additions | — | — | 14,255 |
| Capital expenditures incurred but not yet paid | 8,298 | 8,826 | 5,689 |
| Contingent consideration for purchase of noncontrolling interests | 2,806 | — | — |
| *Supplemental Data:* | | | |
| Cash interest paid | 125,060 | 114,528 | 131,167 |
| Income taxes paid, net | 50,490 | 59,850 | 99,852 |

**Note 22. Accumulated Other Comprehensive Loss**

The following table details the components of accumulated other comprehensive loss:

| | Year Ended December 31, 2022 | | |
|---|---|---|---|
| **(In thousands)** | **Currency Translation Adjustment** | **Gains (Losses) on Cash Flow Hedges** | **Accumulated Other Comprehensive Loss** |
| Beginning Balance | $ (175,818) | $ — | $ (175,818) |
| Net current-period other comprehensive income (loss), before income taxes | (63,982) | — | (63,982) |
| Income tax expense | 2 | — | 2 |
| Net current-period other comprehensive income (loss), net of income taxes | (63,980) | — | (63,980) |
| Ending Balance | $ (239,798) | $ — | $ (239,798) |

| | Year Ended December 31, 2021 | | |
|---|---|---|---|
| **(In thousands)** | **Currency Translation Adjustment** | **Gains (Losses) on Cash Flow Hedges** | **Accumulated Other Comprehensive Loss** |
| Beginning Balance | $ (133,108) | $ (1,842) | $ (134,950) |
| Net current-period other comprehensive income (loss), before income taxes | (42,694) | 2,403 | (40,291) |
| Income tax expense (benefit) | (16) | (561) | (577) |
| Net current-period other comprehensive income (loss), net of income taxes | (42,710) | 1,842 | (40,868) |
| Ending Balance | $ (175,818) | $ — | $ (175,818) |

Amounts reclassified to net earnings for gains and losses on cash flow hedges designated as hedging instruments are included in interest expense in the consolidated statements of income.

**Note 23. 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.

| | Year Ended December 31, 2022 | | | |
|---|---|---|---|---|
| **(In thousands)** | **Domestic Operations** | **International and Other** | **Corporate / Inter-segment eliminations** | **Consolidated** |
| Revenues, net | | | | |
| Subscription | $ 1,395,026 | $ 223,515 | $ — | $ 1,618,541 |
| Content licensing and other | 491,870 | 135,406 | (21,122) | 606,154 |
| Distribution and other | 1,886,896 | 358,921 | (21,122) | 2,224,695 |
| Advertising | 788,246 | 83,604 | — | 871,850 |
| Consolidated revenues, net | $ 2,675,142 | $ 442,525 | $ (21,122) | $ 3,096,545 |
| Operating income (loss) | $ 286,517 | $ 3,031 | $ (202,632) | $ 86,916 |
| Share-based compensation expenses | 12,815 | 3,900 | 13,271 | 29,986 |
| Depreciation and amortization | 49,588 | 18,487 | 39,152 | 107,227 |
| Impairment and other charges | — | 40,717 | — | 40,717 |
| Restructuring and other related charges | 423,205 | 2,854 | 22,907 | 448,966 |
| Cloud computing amortization | 23 | — | 7,319 | 7,342 |
| Majority-owned equity investees AOI | 17,248 | — | — | 17,248 |
| Adjusted operating income | $ 789,396 | $ 68,989 | $ (119,983) | $ 738,402 |
| Capital expenditures | $ 4,572 | $ 6,039 | $ 33,661 | $ 44,272 |

| | Year Ended December 31, 2021 | | | |
|---|---|---|---|---|
| **(In thousands)** | **Domestic Operations** | **International and Other** | **Corporate / Inter-segment eliminations** | **Consolidated** |
| Revenues, net | | | | |
| Subscription | $ 1,318,732 | $ 249,844 | $ — | $ 1,568,576 |
| Content licensing and other | 416,898 | 155,805 | (14,325) | 558,378 |
| Distribution and other | 1,735,630 | 405,649 | (14,325) | 2,126,954 |
| Advertising | 844,986 | 105,668 | — | 950,654 |
| Consolidated revenues, net | $ 2,580,616 | $ 511,317 | $ (14,325) | $ 3,077,608 |
| Operating income (loss) | $ 617,875 | $ 37,167 | $ (165,120) | $ 489,922 |
| Share-based compensation expenses | 22,077 | 3,627 | 22,221 | 47,925 |
| Depreciation and amortization | 48,025 | 19,807 | 26,049 | 93,881 |
| Impairment and other charges | 143,000 | 16,610 | — | 159,610 |
| Restructuring and other related charges | 2,516 | 6,083 | 1,779 | 10,378 |
| Cloud computing amortization | — | — | 2,406 | 2,406 |
| Majority-owned equity investees AOI | 11,948 | — | — | 11,948 |
| Adjusted operating income | $ 845,441 | $ 83,294 | $ (112,665) | $ 816,070 |
| Capital expenditures | $ 9,635 | $ 6,009 | $ 26,928 | $ 42,572 |

| | Year Ended December 31, 2020 | | | |
|---|---|---|---|---|
| **(In thousands)** | **Domestic Operations** | **International and Other** | **Corporate / Inter-segment eliminations** | **Consolidated** |
| Revenues, net | | | | |
| Subscription | $ 1,145,970 | $ 239,145 | $ — | $ 1,385,115 |
| Content licensing and other | 433,954 | 139,746 | (19,675) | 554,025 |
| Distribution and other | 1,579,924 | 378,891 | (19,675) | 1,939,140 |
| Advertising | 801,477 | 74,339 | — | 875,816 |
| Consolidated revenues, net | $ 2,381,401 | $ 453,230 | $ (19,675) | $ 2,814,956 |
| Operating income (loss) | $ 734,871 | $ (109,365) | $ (182,862) | $ 442,644 |
| Share-based compensation expenses | 10,605 | 2,988 | 39,315 | 52,908 |
| Depreciation and amortization | 50,574 | 26,465 | 27,567 | 104,606 |
| Impairment and other charges | — | 122,227 | — | 122,227 |
| Restructuring and other related charges | 22,946 | 6,410 | 5,712 | 35,068 |
| Cloud computing amortization | — | — | 200 | 200 |
| Majority-owned equity investees AOI | 8,958 | — | — | 8,958 |
| Adjusted operating income | $ 827,954 | $ 48,725 | $ (110,068) | $ 766,611 |
| Capital expenditures | $ 12,301 | $ 9,057 | $ 25,237 | $ 46,595 |

Subscription revenues in the Domestic Operations segment, include revenues related to the Company's streaming services of approximately $501.9 million, $370.8 million and $185.6 million for the years ended December 31, 2022, 2021 and 2020 respectively.

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 as well as revenues recognized by AMC Networks Broadcasting & Technology for transmission revenues recognized from the International and Other operating segment.

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| **Inter-segment revenues** | | | |
| Domestic Operations | $ (17,643) | $ (10,584) | $ (15,852) |
| International and Other | (3,479) | (3,741) | (3,823) |
| | $ (21,122) | $ (14,325) | $ (19,675) |

One customer within the Domestic Operations segment accounted for approximately 10% of consolidated revenues, net for the year ended December 31, 2022. For the years ended December 31, 2021 and 2020, no customer accounted for 10% of consolidated revenues, net.

The table below summarizes revenue based on customer location:

| | Years Ended December 31, | | |
|---|---|---|---|
| **(In thousands)** | **2022** | **2021** | **2020** |
| **Revenue** | | | |
| United States | $ 2,574,504 | $ 2,462,210 | $ 2,267,754 |
| Europe | 354,492 | 432,682 | 385,787 |
| Other | 167,549 | 182,716 | 161,415 |
| | $ 3,096,545 | $ 3,077,608 | $ 2,814,956 |

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

| | Years Ended December 31, | |
|---|---|---|
| **(In thousands)** | **2022** | **2021** |
| **Property and equipment, net** | | |
| United States | $ 187,833 | $ 210,252 |
| Europe | 12,520 | 14,510 |
| Other | 1,681 | 1,029 |
| | $ 202,034 | $ 225,791 |

**AMC NETWORKS INC. AND SUBSIDIARIES**

**SCHEDULE II**
**VALUATION AND QUALIFYING ACCOUNTS**
**(Dollars in thousands)**

| (In thousands) | Balance at Beginning of Period | Provision for (Recovery of) Bad Debt | Deductions/ Write-Offs and Other Charges, Net | Balance at End of Period |
|---|---|---|---|---|
| Year Ended December 31, 2022 | | | | |
| Allowance for doubtful accounts | $ 8,030 | $ 2,202 | $ (1,507) | $ 8,725 |
| Year Ended December 31, 2021 | | | | |
| Allowance for doubtful accounts | $ 11,234 | $ 5,337 | $ (8,541) | $ 8,030 |
| Year Ended December 31, 2020 | | | | |
| Allowance for doubtful accounts | $ 5,733 | $ (2,843) | $ 8,344 | $ 11,234 |

**Material Subsidiaries of the Registrant**

**AMC Networks Inc.**

| Subsidiary | Jurisdiction of Formation | Percent Owned |
|---|---|---|
| AMC Network Entertainment LLC | New York | 100% |
| AMC Networks International LLC | Delaware | 100% |
| American Movie Classics IV Holding Corporation | Delaware | 100% |
| IFC TV LLC | Delaware | 100% |
| New Video Channel America LLC | Delaware | 49.9% |
| Rainbow Media Holdings LLC | Delaware | 100% |
| Rainbow Programming Holdings LLC | Delaware | 100% |
| SundanceTV LLC | Delaware | 100% |
| WE tv LLC | Delaware | 100% |

**List of Guarantor Subsidiaries**

As of December 31, 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 |

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements (No.333-214083 and No. 333-250143) on Form S-8 of our reports dated February 17, 2023, with respect to the consolidated financial statements of AMC Networks, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

New York, New York
February 17, 2023

I, James L. Dolan, certify that:

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

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

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

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

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

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

c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

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

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: February 17, 2023

By: /s/ James L. Dolan
James L. Dolan
Interim Executive Chairman

Exhibit 31.2

I, Patrick O'Connell, certify that:

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

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

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

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

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

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

c) evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

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

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

| | | | |
|---|---|---|---|
| Date: | February 17, 2023 | By: | /s/ Patrick O'Connell |
| | | | Patrick O'Connell |
| | | | Executive Vice President 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’ Annual Report on Form 10-K for the period ended December 31, 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: | February 17, 2023 | By: | /s/ James L. Dolan |
| | | | James L. Dolan |
| | | | Interim Executive Chairman |
| Date: | February 17, 2023 | By: | /s/ Patrick O'Connell |
| | | | Patrick O'Connell |
| | | | Executive Vice President and Chief Financial Officer |