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

FORM 10-Q

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

For the quarterly period ended September 30, 2020
or

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

For the transition period from to

Commission File Number: 1-35106

AMC Networks Inc.

(Exact name of registrant as specified in its charter)

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

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post such files). Yes ☑ No ☐

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

Large accelerated filer	☑	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of common stock outstanding as of October 23, 2020:

Class A Common Stock par value $0.01 per share	29,754,780
Class B Common Stock par value $0.01 per share	11,484,408

AMC NETWORKS INC. AND SUBSIDIARIES

FORM 10-Q

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

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

	September 30, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,071,860	$ 816,170
Accounts receivable, trade (less allowance for doubtful accounts of $9,345 and $5,733)	768,506	857,143
Current portion of program rights, net	17,933	426,624
Prepaid expenses and other current assets	174,682	230,360
Total current assets	2,032,981	2,330,297
Property and equipment, net of accumulated depreciation of $254,312 and $347,302	255,729	283,752
Program rights, net	1,336,612	1,038,060
Intangible assets, net	417,778	524,531
Goodwill	673,810	701,980
Deferred tax asset, net	39,778	51,545
Operating lease right-of-use asset	151,801	170,056
Other assets	477,938	496,465
Total assets	$ 5,386,427	$ 5,596,686
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 80,967	$ 94,306
Accrued liabilities	281,023	251,214
Current portion of program rights obligations	302,061	304,692
Deferred revenue	61,557	63,921
Current portion of long-term debt	76,000	56,250
Current portion of lease obligations	33,519	33,959
Total current liabilities	835,127	804,342
Program rights obligations	198,197	239,813
Long-term debt	2,791,091	3,039,979
Lease obligations	209,549	211,047
Deferred tax liability, net	135,476	136,911
Other liabilities	130,244	163,638
Total liabilities	4,299,684	4,595,730
Commitments and contingencies		
Redeemable noncontrolling interests	314,397	309,451
Stockholders' equity:		
Class A Common Stock, $0.01 par value, 360,000 shares authorized, 63,348 and 63,886 shares issued and 40,557 and 44,078 shares outstanding, respectively	643	639
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	320,681	286,491
Accumulated earnings	1,752,740	1,609,428
Treasury stock, at cost (23,790 and 19,808 shares Class A Common Stock, respectively)	(1,166,119)	(1,063,181)
Accumulated other comprehensive loss	(160,457)	(167,711)
Total AMC Networks stockholders' equity	747,603	665,781
Non-redeemable noncontrolling interests	24,743	25,724
Total stockholders' equity	772,346	691,505
Total liabilities and stockholders' equity	$ 5,386,427	$ 5,596,686

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	**2019**	**2020**	**2019**
Revenues, net	$ 654,015	$ 718,597	$ 2,034,681	$ 2,275,117
Operating expenses:				
Technical and operating (excluding depreciation and amortization)	333,816	354,992	960,379	1,080,763
Selling, general and administrative	148,769	159,357	488,581	505,233
Depreciation and amortization	27,547	25,619	80,182	75,568
Impairment charges	—	—	130,411	—
Restructuring and other related charges	4,406	10,191	13,879	29,995
Total operating expenses	514,538	550,159	1,673,432	1,691,559
Operating income	139,477	168,438	361,249	583,558
Other income (expense):				
Interest expense	(33,418)	(39,621)	(105,283)	(118,982)
Interest income	2,994	4,626	11,276	13,571
Loss on extinguishment of debt	—	—	(2,908)	—
Miscellaneous, net	11,138	(1,490)	(10,088)	(16,972)
Total other (expense) income	(19,286)	(36,485)	(107,003)	(122,383)
Income from operations before income taxes	120,191	131,953	254,246	461,175
Income tax expense	(52,195)	(8,727)	(95,490)	(53,807)
Net income including noncontrolling interests	67,996	123,226	158,756	407,368
Net income attributable to noncontrolling interests	(6,356)	(6,303)	(13,488)	(18,305)
Net income attributable to AMC Networks' stockholders	$ 61,640	$ 116,923	$ 145,268	$ 389,063
Net income per share attributable to AMC Networks' stockholders:				
Basic	$ 1.18	$ 2.09	$ 2.72	$ 6.91
Diluted	$ 1.17	$ 2.07	$ 2.69	$ 6.80
Weighted average common shares:				
Basic	52,346	55,847	53,374	56,339
Diluted	52,904	56,605	53,917	57,218

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income including noncontrolling interests	$ 67,996	$ 123,226	$ 158,756	$ 407,368
Other comprehensive income (loss):				
Foreign currency translation adjustment	21,475	(33,281)	7,383	(38,490)
Unrealized gain (loss) on interest rate swaps	615	(187)	(1,041)	(2,076)
Other comprehensive income (loss), before income taxes	22,090	(33,468)	6,342	(40,566)
Income tax (expense) benefit	(144)	335	242	483
Other comprehensive income (loss), net of income taxes	21,946	(33,133)	6,584	(40,083)
Comprehensive income	89,942	90,093	165,340	367,285
Comprehensive income attributable to noncontrolling interests	(6,648)	(5,217)	(12,818)	(17,048)
Comprehensive income attributable to AMC Networks' stockholders	$ 83,294	$ 84,876	$ 152,522	$ 350,237

See accompanying notes to condensed consolidated financial statements.

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

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2020	$ 643	$ 115	$ 308,288	$ 1,691,100	$ (1,166,119)	$ (182,111)	$ 651,916	$ 23,229	$ 675,145
Net income attributable to AMC Networks' stockholders	—	—	—	61,640	—	—	61,640	—	61,640
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,785	1,785
Distributions to noncontrolling member	—	—	—	—	—	—	—	(563)	(563)
Other comprehensive income	—	—	—	—	—	21,654	21,654	292	21,946
Share-based compensation expense	—	—	12,393	—	—	—	12,393	—	12,393
Balance, September 30, 2020	$ 643	$ 115	$ 320,681	$ 1,752,740	$ (1,166,119)	$ (160,457)	$ 747,603	$ 24,743	$ 772,346

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 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	—	—	—	145,268	—	—	145,268	—	145,268
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	700	700
Adoption of ASU 2016-13, credit losses	—	—	—	(1,956)	—	—	(1,956)	—	(1,956)
Distributions to noncontrolling member	—	—	—	—	—	—	—	(1,011)	(1,011)
Other comprehensive income (loss)	—	—	—	—	—	7,254	7,254	(670)	6,584
Share-based compensation expense	—	—	43,141	—	—	—	43,141	—	43,141
Treasury stock acquired	—	—	—	—	(102,938)	—	(102,938)	—	(102,938)
Restricted stock units converted to shares	4	—	(8,951)	—	—	—	(8,947)	—	(8,947)
Balance, September 30, 2020	$ 643	$ 115	$ 320,681	$ 1,752,740	$ (1,166,119)	$ (160,457)	$ 747,603	$ 24,743	$ 772,346

See accompanying notes to consolidated financial statements.

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

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, June 30, 2019	$ 639	$ 115	$ 258,150	$ 1,501,082	$ (1,051,022)	$ (167,144)	$ 541,820	$ 26,693	$ 568,513
Net income attributable to AMC Networks' stockholders	—	—	—	116,923	—	—	116,923	—	116,923
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	1,772	1,772
Distributions to noncontrolling member	—	—	—	—	—	—	—	(705)	(705)
Settlement of treasury stock	—	—	832	—	—	—	832	—	832
Other comprehensive loss	—	—	—	—	—	(33,133)	(33,133)	(1,085)	(34,218)
Share-based compensation expense	—	—	13,841	—	—	—	13,841	—	13,841
Treasury stock acquired	—	—	—	—	(12,159)	—	(12,159)	—	(12,159)
Balance, September 30, 2019	$ 639	$ 115	$ 272,823	$ 1,618,005	$ (1,063,181)	$ (200,277)	$ 628,124	$ 26,675	$ 654,799

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Earnings	Treasury Stock	Accumulated Other Comprehensive Loss	AMC Networks Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
Balance, December 31, 2018	$ 633	$ 115	$ 239,767	$ 1,228,942	$ (992,583)	$ (160,194)	$ 316,680	$ 28,528	$ 345,208
Net income attributable to AMC Networks' stockholders	—	—	—	389,063	—	—	389,063	—	389,063
Net income attributable to non-redeemable noncontrolling interests	—	—	—	—	—	—	—	2,842	2,842
Distributions to noncontrolling member	—	—	—	—	—	—	—	(3,439)	(3,439)
Other comprehensive loss	—	—	—	—	—	(40,083)	(40,083)	(1,256)	(41,339)
Share-based compensation expense	—	—	50,465	—	—	—	50,465	—	50,465
Proceeds from the exercise of stock options	—	—	4,630	—	—	—	4,630	—	4,630
Treasury stock acquired	—	—	985	—	(70,598)	—	(69,613)	—	(69,613)
Restricted stock units converted to shares	6	—	(23,024)	—	—	—	(23,018)	—	(23,018)
Balance, September 30, 2019	$ 639	$ 115	$ 272,823	$ 1,618,005	$ (1,063,181)	$ (200,277)	$ 628,124	$ 26,675	$ 654,799

See accompanying notes to consolidated financial statements.

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

	Nine Months Ended September 30,	
	2020	**2019**
Cash flows from operating activities:		
Net income including noncontrolling interests	$ 158,756	$ 407,368
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	80,182	75,568
Impairment charges	130,411	—
Share-based compensation expense related to equity classified awards	43,141	50,465
Non-cash restructuring and other related charges	6,126	14,026
Amortization and write-off of program rights	622,204	696,326
Amortization of deferred carriage fees	21,088	14,624
Unrealized foreign currency transaction loss	9,242	489
Amortization of deferred financing costs and discounts on indebtedness	6,039	5,970
Loss on extinguishment of debt	2,908	—
Bad debt expense	340	3,628
Deferred income taxes	12,403	(65,245)
Write-down of non-marketable equity securities and note receivable	5,103	20,206
Other, net	(10,696)	(8,481)
Changes in assets and liabilities:		
Accounts receivable, trade (including amounts due from related parties, net)	92,328	6,993
Prepaid expenses and other assets	79,098	(121,375)
Program rights and obligations, net	(565,267)	(676,718)
Income taxes payable	17,265	3,101
Deferred revenue	(2,234)	10,395
Deferred carriage fees, net	(15,057)	(14,409)
Accounts payable, accrued liabilities and other liabilities	(49,293)	(22,534)
Net cash provided by operating activities	644,087	400,397
Cash flows from investing activities:		
Capital expenditures	(34,990)	(69,096)
Return of capital from investees	924	9,232
Acquisition of investment securities	(4,111)	—
Principal payment received on loan to investee	3,750	—
Proceeds from sale of investments	10,000	—
Net cash used in investing activities	(24,427)	(59,864)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	6,000	1,521
Principal payments on long-term debt	(242,500)	(12,613)
Deemed repurchases of restricted stock units	(8,947)	(23,019)
Purchase of treasury stock	(102,938)	(70,598)
Proceeds from stock option exercises	—	4,630
Principal payments on finance lease obligations	(2,404)	(4,059)
Distributions to noncontrolling interests	(13,955)	(13,545)
Net cash used in financing activities	(364,744)	(117,683)
Net increase in cash and cash equivalents	254,916	222,850
Effect of exchange rate changes on cash and cash equivalents	774	(4,350)
Cash and cash equivalents at beginning of period	816,170	554,886
Cash and cash equivalents at end of period	$ 1,071,860	$ 773,386

See accompanying notes to condensed consolidated financial statements.

Note 1. Description of Business and Basis of Presentation

Description of Business

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

- *National Networks:* Includes activities of our five national programming networks, AMC Studios operations and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC and SundanceTV and also include our AMC Premiere service. Our AMC Studios operations produces original programming for our programming networks and also licenses such program rights worldwide. AMC Networks Broadcasting & Technology is our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world; AMC Networks SVOD, consisting of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, UMC), AMC+ and other subscription video on demand ("SVOD") initiatives; Levity, our production services and comedy venues business; and IFC Films, our independent film distribution business.

Basis of Presentation

Principles of Consolidation

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

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

Unaudited Interim Financial Statements

These condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2019 contained in the Company's Annual Report on Form 10-K ("2019 Form 10-K") filed with the SEC. The condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, such financial statements reflect all adjustments, consisting solely of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented.

The results of operations for interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2020.

Risks and Uncertainties

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had a negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. Beginning in mid-March, the Company has experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of substantially all of its programming, and the temporary closure of its comedy venues. In the third quarter of 2020, the Company commenced production activities, however substantially all Company employees continue to work remotely, and the Company continues to restrict business travel. 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 the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectability of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

Use of Estimates

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

Recently Adopted Accounting Standards

Effective January 1, 2020, the Company adopted Financial Accounting Standard Board (“FASB”) Accounting Standards Update (“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 Accounting Standards Codification (“ASC”) 926-20 and the impairment, presentation and disclosure requirements in ASC 920-350. The Company adopted the standard on a prospective basis. See Note 5 for further information.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 - Income Taxes. These changes are effective for the first quarter of 2021, with early adoption permitted. The Company is currently evaluating the impact the adoption and does not expect it to have material impact on its consolidated financial statements.

Note 2. Revenue Recognition

Transaction Price Allocated to Future Performance Obligations

As of September 30, 2020, other than contracts for which the Company has applied the practical expedients, the aggregate amount of transaction price allocated to future performance obligations was not material to our consolidated revenues.

Contract Balances from Contracts with Customers

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

(In thousands)	September 30, 2020	December 31, 2019
Balances from contracts with customers:		
Accounts receivable (including long-term, included in Other assets)	$ 1,014,956	$ 1,121,834
Contract assets, short-term (included in Other current assets)	4,373	7,283
Contract assets, long-term (included in Other assets)	3,225	9,964
Contract liabilities (Deferred revenue)	61,557	63,921

Revenue recognized for the nine months ended September 30, 2020 relating to the contract liability at December 31, 2019 was $37.0 million.

Note 3. Net Income per Share

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	2020	2019	2020	2019
Basic weighted average common shares outstanding	52,346	55,847	53,374	56,339
Effect of dilution:				
Stock options	—	7	—	18
Restricted stock units	558	751	543	861
Diluted weighted average common shares outstanding	52,904	56,605	53,917	57,218

Approximately 1.1 million and 1.5 million restricted stock units outstanding as of September 30, 2020 and September 30, 2019, respectively, have been excluded from diluted weighted average common shares outstanding since a performance condition for these awards had not been met in each of the respective periods. As of September 30, 2020 and September 30, 2019, 0.7 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.

Stock Repurchase Program

The Company's Board of Directors has authorized a program to repurchase up to $1.5 billion of its outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the nine months ended September 30, 2020, the Company repurchased 4.0 million shares of its Class A Common Stock at an average purchase price of approximately $25.85 per share. As of September 30, 2020, the Company had $385.9 million of authorization remaining 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, will be classified in Treasury stock in the consolidated balance sheet. The settlement of the Tender Offer reduced the availability under the Stock Repurchase Program to $135.3 million.

Note 4. Restructuring and Other Related Charges

Restructuring and other related charges of $4.4 million and $13.9 million for the three and nine months ended September 30, 2020, respectively, related to restructuring costs associated with termination of distribution in certain territories as well as severance and other personnel related costs associated with restructuring activities.

Restructuring and other related charges of $10.2 million and $30.0 million for the three and nine months ended September 30, 2019, respectively, primarily related to the AMC Networks SVOD re-organization as well as severance and other personnel related costs incurred at AMCNI associated with the termination of distribution in certain territories.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2020**	**2019**	**2020**	**2019**
National Networks	$ 5,991	$ 6,199	$ 8,714	$ 6,776
International & Other	(1,585)	3,992	5,165	23,915
Inter-segment eliminations	—	—	—	(696)
Total restructuring and other related charges	$ 4,406	$ 10,191	$ 13,879	$ 29,995

The following table summarizes the accrued restructuring costs:

(In thousands)	**Severance and employee-related costs**	**Other exit costs**	**Total**
December 31, 2019	$ 27,407	$ 221	$ 27,628
Charges	9,563	4,316	13,879
Cash payments	(26,763)	(191)	(26,954)
Non-cash adjustments	(1,810)	(4,316)	(6,126)
Currency translation	1	—	1
Balance, September 30, 2020	$ 8,398	$ 30	$ 8,428

Accrued restructuring costs of $8.4 million are included in accrued liabilities in the condensed consolidated balance sheet at September 30, 2020.

Note 5. 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 new 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 programming 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 AMC Networks SVOD).

The determination of the predominant monetization strategy is made at commencement of production and is based on the means by which we derive 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:

	September 30, 2020		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights, net:			
Completed	$ 288,705	$ 33,288	$ 321,993
In-production and in-development	145,228	14,209	159,437
Total owned original program rights, net	$ 433,933	$ 47,497	$ 481,430
Licensed program rights, net:			
Licensed film and acquired series	$ 8,080	$ 581,253	$ 589,333
Licensed originals	235,149	—	235,149
Advances and content versioning costs	—	48,633	48,633
Total licensed program rights, net	243,229	629,886	873,115
Program rights, net	**$ 677,162**	**$ 677,383**	**$ 1,354,545**
Current portion of program rights, net			$ 17,933
Program rights, net (long-term)			1,336,612
			$ 1,354,545

Amortization, including write-offs, of owned and licensed program rights is as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands)	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total	Predominantly Monetized Individually	Predominantly Monetized as a Group	Total
Owned original program rights	$ 74,597	$ 11,854	$ 86,451	$ 235,868	$ 27,831	$ 263,699
Licensed program rights	20,479	100,019	120,498	61,741	296,764	358,505
Program rights amortization	$ 95,076	$ 111,873	$ 206,949	$ 297,609	$ 324,595	$ 622,204

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 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.

Owned original programming costs, including estimated participation and residual costs, qualifying for capitalization as program rights 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, or ultimate revenue (individual-film-forecast-computation method). Projected attributable revenue is based on previously generated revenues for similar content in established markets, primarily consisting of distribution and advertising revenues, and projected program usage. Projected program usage is based on the Company's current expectation of future exhibitions taking into account historical usage of similar content. 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.

The Company periodically reviews the programming usefulness of its licensed and owned original program rights based on several factors, including expected future revenue generation from airings on the Company's networks and other exploitation opportunities, ratings, type and quality of program material, standards and practices, and fitness for exhibition through various forms of distribution. If it is determined that film or other program rights have limited, or no, future programming usefulness, the useful life is updated, which generally results in a write-off of the unamortized cost to technical and operating expense in the consolidated statements of income. Program rights write-offs, included in technical and operating expense, were $24.8 million and $36.9 million for the three and nine months ended September 30, 2020, respectively, and $1.6 million and $15.2 million for the three and nine months ended September 30, 2019, respectively.

Note 6. Investments

The Company holds several investments and loans in non-consolidated entities which are included in Other assets in the condensed consolidated balance sheet. Equity method investments were $69.6 million at September 30, 2020 and $69.1 million at December 31, 2019.

Marketable Equity Securities

The Company classifies publicly traded investments with readily determinable fair values that are not accounted for under the equity method as marketable equity securities. Marketable equity securities are recorded at cost and adjusted to fair value at each reporting period. The changes in fair value between measurement dates are recorded in miscellaneous, net in the condensed consolidated statement of income. In April 2020, one of our investments with a cost of $25.0 million, previously classified as a non-marketable equity security, became a publicly traded company. Accordingly, the investment is now classified within marketable equity securities. Investments in marketable equity securities were $39.7 million at September 30, 2020 and $4.4 million at December 31, 2019. For the three and nine months ended September 30, 2020, unrealized gains and losses on marketable equity securities were a loss of $3.7 million and a gain of $10.3 million, respectively, included in miscellaneous, net in the condensed 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 condensed consolidated statement of income.

Investments in non-marketable equity securities were $34.5 million at September 30, 2020 and $61.8 million at December 31, 2019. For the nine months ended September 30, 2020 and September 30, 2019, the Company recognized impairment charges of $20.0 million and $20.2 million, respectively, related to the write-down of certain non-marketable equity securities and a note receivable, included in miscellaneous, net in the condensed 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 7. Goodwill and Other Intangible Assets

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

(In thousands)	National Networks	International and Other	Total
December 31, 2019	$ 237,103	$ 464,877	$ 701,980
Impairment charge	—	(25,062)	(25,062)
Amortization of "second component" goodwill	(996)	—	(996)
Foreign currency translation	—	(2,112)	(2,112)
September 30, 2020	$ 236,107	$ 437,703	$ 673,810

As of September 30, 2020 and December 31, 2019, accumulated impairment charges in the International and Other segment totaled $123.1 million and $98.0 million, respectively.

The reduction of $1.0 million in the carrying amount of goodwill for National Networks 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 Company performs its annual goodwill impairment test as of December 1 each year. 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, 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 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. The fair value was determined using a combination of an income approach, using a discounted cash flow (DCF) model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Additionally, the market comparables approach is determined using guideline company financial 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, 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 charges in the condensed consolidated income statement.

No impairment charge was required for any of the Company's other reporting units.

The determination of fair value of the Company's AMCNI reporting unit 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 or the valuation of intangible assets. 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.

We are unable to predict how long the COVID-19 pandemic conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. If these estimates or related assumptions change in the future, we may be required to record additional impairment charges related to goodwill.

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

	September 30, 2020			
(In thousands)	**Gross**	**Accumulated Amortization**	**Net**	**Estimated Useful Lives**
Amortizable intangible assets:				
Affiliate and customer relationships	$ 617,178	$ (317,770)	$ 299,408	6 to 25 years
Advertiser relationships	46,282	(24,976)	21,306	11 years
Trade names and other amortizable intangible assets	114,869	(37,705)	77,164	3 to 20 years
Total amortizable intangible assets	778,329	(380,451)	397,878	
Indefinite-lived intangible assets:				
Trademarks	19,900	—	19,900	
Total intangible assets	$ 798,229	$ (380,451)	$ 417,778	

	December 31, 2019		
(In thousands)	**Gross**	**Accumulated Amortization**	**Net**
Amortizable intangible assets:			
Affiliate and customer relationships	$ 616,197	$ (232,193)	$ 384,004
Advertiser relationships	46,282	(21,820)	24,462
Trade names and other amortizable intangible assets	115,873	(19,708)	96,165
Total amortizable intangible assets	778,352	(273,721)	504,631
Indefinite-lived intangible assets:			
Trademarks	19,900	—	19,900
Total intangible assets	$ 798,252	$ (273,721)	$ 524,531

Aggregate amortization expense for amortizable intangible assets for the nine months ended September 30, 2020 and 2019 was $32.6 million and $34.2 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,	
2020	$ 42,325
2021	37,808
2022	37,763
2023	37,687
2024	37,618

Impairment Test of Long-Lived Assets

In June 2020, given the 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 $105.3 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 charges in the condensed consolidated statement of income.

Note 8. Accrued Liabilities

Accrued liabilities consist of the following:

(In thousands)	September 30, 2020	December 31, 2019
Employee related costs	81,830	$ 89,753
Participations and residuals	91,411	70,682
Interest	37,089	29,767
Other accrued expenses	70,693	61,012
Total accrued liabilities	$ 281,023	$ 251,214

Note 9. Long-term Debt

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

(In thousands)	September 30, 2020	December 31, 2019
Senior Secured Credit Facility: [(a)]		
Term Loan A Facility	$ 693,750	$ 731,250
Senior Notes:		
4.75% Notes due August 2025	800,000	800,000
5.00% Notes due April 2024	1,000,000	1,000,000
4.75% Notes due December 2022	400,000	600,000
Other debt [(b)]	1,000	—
Total long-term debt	2,894,750	3,131,250
Unamortized discount	(19,527)	(24,351)
Unamortized deferred financing costs	(8,132)	(10,670)
Long-term debt, net	2,867,091	3,096,229
Current portion of long-term debt	76,000	56,250
Noncurrent portion of long-term debt	$ 2,791,091	$ 3,039,979

(a) The Company's $500 million revolving credit facility remains undrawn at September 30, 2020. Total undrawn revolver commitments are available to be drawn for general corporate purposes of the Company.

(b) A majority owned subsidiary of the Company has credit facilities totaling $7.0 million, which bear interest at the greater of 3.5% or the prime rate plus 1% and mature on November 23, 2020. As of September 30, 2020, there was $1.0 million of outstanding borrowings on the credit facilities.

4.75% Notes due December 2022

In March 2020, the Company redeemed $200 million principal amount of the outstanding $600 million principal amount of its 4.75% Notes due December 2022. In connection with the redemption, the Company incurred a loss on extinguishment of debt for the nine months ended September 30, 2020 of $2.9 million representing the redemption premium and the write-off of a portion of the unamortized discount and deferred financing costs.

Note 10. Leases

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

(In thousands)	Balance Sheet Location	September 30, 2020	December 31, 2019
Assets			
Operating	Operating lease right-of-use asset	$ 151,801	$ 170,056
Finance	Property and equipment, net	13,453	15,713
Total lease assets		$ 165,254	$ 185,769
Liabilities			
Current:			
Operating	Current portion of lease obligations	$ 30,011	$ 30,171
Finance	Current portion of lease obligations	3,508	3,788
		$ 33,519	33,959
Noncurrent:			
Operating	Lease obligations	$ 181,032	193,570
Finance	Lease obligations	28,517	17,477
		209,549	211,047
Total lease liabilities		$ 243,068	$ 245,006

For the nine months ended September 30, 2020, impairment charges were recorded related to certain operating lease right-of-use assets at the AMCNI business. See Note 7 for additional details regarding the impairment test of long-lived assets.

Note 11. Fair Value Measurement

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

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

The following table presents for each of these hierarchy levels, the Company's financial assets and liabilities that are measured at fair value on a recurring basis at September 30, 2020 and December 31, 2019:

(In thousands)	Level I	Level II	Level III	Total
At September 30, 2020:				
Assets				
Cash equivalents	$ 295,051	$ —	$ —	$ 295,051
Marketable securities	39,699	—	—	39,699
Foreign currency derivatives	—	1,366	—	1,366
Liabilities				
Interest rate swap contracts	$ —	$ 3,007	$ —	$ 3,007
Foreign currency derivatives	—	3,568	—	3,568
At December 31, 2019:				
Assets				
Cash equivalents	$ 191,214	$ —	$ —	$ 191,214
Marketable securities	4,448	—	—	4,448
Foreign currency derivatives	—	1,884	—	1,884
Liabilities				
Interest rate swap contracts	$ —	$ 1,966	$ —	$ 1,966
Foreign currency derivatives	—	1,888	—	1,888

The Company's cash equivalents and marketable securities are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

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

At September 30, 2020 and December 31, 2019, the Company did not have any 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 intangible assets and property and equipment. All of our nonrecurring valuations use significant unobservable inputs and therefore fall under Level III of the fair value hierarchy.

Credit Facility Debt and Senior Notes

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

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

	September 30, 2020	
(In thousands)	Carrying Amount	Estimated Fair Value
Debt instruments:		
Term loan A facility	$ 687,991	$ 679,875
4.75% Notes due August 2025	789,648	828,160
5.00% Notes due April 2024	990,436	1,019,700
4.75% Notes due December 2022	398,016	400,000
Other debt	1,000	1,000
	$ 2,867,091	$ 2,928,735

	December 31, 2019			
(In thousands)	Carrying Amount		Estimated Fair Value	
Debt instruments:				
Term loan A facility	$	723,560	$	724,303
4.75% Notes due August 2025		788,247		803,000
5.00% Notes due April 2024		988,609		1,020,000
4.75% Notes due December 2022		595,813		605,250
	$	3,096,229	$	3,152,553

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

Note 12. Derivative Financial Instruments

Interest Rate Risk

To manage interest rate risk, the Company enters into interest rate swap contracts to adjust the amount of total debt that is subject to variable interest rates.

As of September 30, 2020, the Company had interest rate swap contracts outstanding with notional amounts aggregating $100.0 million that are designated as hedging instruments. The Company's outstanding interest rate swap contracts mature in December 2021.

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 or our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain accounts payable and trade receivables (including intercompany amounts) that are denominated in a currency other than the applicable functional currency.

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

(In thousands)	Balance Sheet Location	September 30, 2020		December 31, 2019	
Derivatives designated as hedging instruments:					
Liabilities:					
Interest rate swap contracts	Accrued liabilities	$	3,007	$	1,966
Derivatives not designated as hedging instruments:					
Assets:					
Foreign currency derivatives	Prepaid expenses and other current assets	$	775	$	891
Foreign currency derivatives	Other assets		591		993
Liabilities:					
Foreign currency derivatives	Accrued liabilities	$	906	$	687
Foreign currency derivatives	Other liabilities		2,662		1,202

The amounts 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	
	Three Months Ended September 30,			Three Months Ended September 30,	
(In thousands)	2020	2019		2020	2019
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ 9	$ (265)	Interest expense	$ 606	$ 78

	Gain or (Loss) on Derivatives Recognized in OCI		Location of Gain or (Loss) in Earnings	Gain or (Loss) Reclassified from Accumulated OCI into Earnings	
	Nine Months Ended September 30,			Nine Months Ended September 30,	
(In thousands)	2020	2019		2020	2019
Derivatives in cash flow hedging relationships:					
Interest rate swap contracts	$ (2,401)	$ (2,190)	Interest expense	$ 1,360	$ 113

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

	Location of Gain or (Loss) Recognized in Earnings on Derivatives	Amount of Gain or (Loss) Recognized in Earnings on Derivatives			
		Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)		2020	2019	2020	2019
Foreign currency derivatives	Miscellaneous, net	$ (1,300)	$ 510	$ (2,018)	$ 556

Note 13. Income Taxes

For the three and nine months ended September 30, 2020, income tax expense was $52.2 million and $95.5 million, respectively, representing an effective tax rate of 43% and 38%, respectively, as compared to the federal statutory rate of 21%. For the three and nine months ended September 30, 2020, the effective tax rate differs from the federal statutory rate due primarily to tax expense of $20.0 million and $25.6 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations of $0.4 million and $9.8 million, state and local income tax expense of $3.5 million and $9.1 million, tax expense of $1.7 million and $4.7 million related to non-deductible compensation and tax expense of $2.7 million and tax benefit of $6.0 million relating to uncertain tax positions (including accrued interest), respectively. The tax benefit relating to uncertain tax positions for the nine months ended September 30, 2020 is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements. The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

For the three and nine months ended September 30, 2019, income tax expense was $8.7 million and $53.8 million, respectively, representing an effective tax rate of 7% and 12%, respectively, as compared to the federal statutory rate of 21%. For the three months ended September 30, 2019, the effective tax rate differs from the federal statutory rate due primarily to a tax benefit of $13.6 million from foreign operations and a tax benefit of $11.5 million from a deferred tax adjustment to record the impact of an investment tax credit under the deferral method of accounting, partially offset by state and local income tax expense of $4.3 million and tax expense of $2.0 million resulting from a net increase in valuation allowances for foreign tax assets. For the nine months ended September 30, 2019, the effective tax rate differs from the federal statutory rate primarily due to a tax benefit of $21.5 million resulting from a net decrease in valuation allowances for foreign tax assets, a tax benefit of

$15.6 million from foreign operations, a tax benefit of $11.5 million from a deferred tax adjustment to record the impact of an investment tax credit under the deferral method of accounting, and a tax benefit of $5.6 million relating to uncertain tax positions (including accrued interest), partially offset by state and local income tax expense of $11.6 million. The decrease in the valuation allowance is primarily due to the expected utilization of foreign net operating loss carryforwards and the benefit of foreign operations is due to a deferred tax benefit resulting from the reorganization of intellectual property amongst the Company's international subsidiaries in the nine months ended September 30, 2019. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

At September 30, 2020, the Company had foreign tax credit carry forwards of approximately $33.2 million, expiring on various dates from 2022 through 2030. These carryforwards have been reduced by a valuation allowance of $31.8 million as it is more likely than not that these carry forwards will not be realized. For the nine months ended September 30, 2020, $1.0 million relating to amortization of tax deductible second component goodwill was realized as a reduction in tax liability (as determined on a 'with-and-without' approach).

Note 14. Commitments and Contingencies

Commitments

As of September 30, 2020, the Company's contractual obligations not reflected on the Company's condensed consolidated balance sheet increased $129.1 million, as compared to December 31, 2019, to $1,063.0 million. The increase primarily relates to additional commitments for program rights and marketing commitments.

Legal Matters

On December 17, 2013, Frank Darabont ("Darabont"), Ferenc, Inc., Darkwoods Productions, Inc., and Creative Artists Agency, LLC (together, the "2013 Plaintiffs"), filed a complaint in New York Supreme Court 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 Plaintiffs asserted claims for breach of contract, breach of the covenant of good faith and fair dealing, for an accounting and for declaratory relief. On August 19, 2015, Plaintiffs filed their First Amended Complaint (the "Amended Complaint"), in which they retracted their claims for wrongful termination and failure to apply production tax credits in calculating Plaintiffs' contingent compensation. Plaintiffs also added a claim that Darabont is entitled to a larger share, on a percentage basis, of contingent compensation than he is currently being accorded. On September 26, 2016, Plaintiffs filed their note of issue and certificate of readiness for trial, which included a claim for damages of no less than $280 million. The parties each filed motions for summary judgment. Oral arguments of the summary judgment motions took place on September 15, 2017. On April 19, 2018, the Court granted the Company’s motion for leave to submit supplemental summary judgment briefing. A hearing on the supplemental summary judgment submissions was held on June 13, 2018. On December 10, 2018, the Court denied Plaintiffs' motion for partial summary judgment and granted in part Defendants' motion for summary judgment, dismissing four of Plaintiffs' causes of action. The Company believes that the remaining claims are without merit, denies the allegations and continues to defend the case vigorously. 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 January 18, 2018, the 2013 Plaintiffs filed a second action in New York Supreme Court in connection with Darabont’s services on *The Walking Dead* television series and agreements between the parties related thereto. The claims in the action allegedly arise from Plaintiffs' audit of their participation statements covering the accounting period from inception of *The Walking Dead* through September 30, 2014. Plaintiffs seek no less than $20 million in damages on claims for breach of contract, breach of the covenant of good faith and fair dealing, and declaratory relief. The Company filed an Answer to the Complaint on April 16, 2018. On August 30, 2018, Plaintiff's filed an Amended Complaint, and on September 19, 2018, the Company answered. The parties have agreed to consolidate this action for a joint trial with the action Plaintiffs filed in the New York Supreme Court on December 17, 2013. Following the conclusion of discovery, the Company filed a motion for summary judgment seeking the dismissal of the second action, which was denied on April 13, 2020. Due to the continued impact of the Coronavirus pandemic on the New York State courts, the joint trial, originally scheduled to begin on June 1, 2020, has been further delayed and is currently scheduled to begin on April 26, 2021. The Company believes that the asserted claims are without merit, denies the allegations and will defend the case vigorously. 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 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 "California Plaintiffs") filed a complaint in California Superior Court in connection with California 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 "California Action"). The California Plaintiffs asserted that the Company has been improperly underpaying the California Plaintiffs under their contracts with the Company and they assert claims for breach of contract, breach of the covenant of good faith and fair dealing, inducing breach of contract, and liability for violation of Cal. Bus. & Prof. Code § 17200. On August 15, 2017, two of the California Plaintiffs, Gale Anne Hurd and David Alpert (and their associated loan-out companies), along with Charles Eglee and his loan-out company, United Bongo Drum, Inc., filed a complaint in New York Supreme Court alleging nearly identical claims as the California Action (the "New York Action"). Hurd, Alpert, and Eglee filed the New York Action in connection with their contract claims involving *The Walking Dead* because their agreements contained exclusive New York jurisdiction provisions. On October 23, 2017, the parties stipulated to discontinuing the New York Action without prejudice and consolidating all of the claims in the California Action. The California Plaintiffs seek compensatory and punitive damages and restitution. The Company filed an Answer on April 30, 2018 and believes that the asserted claims are without merit and will vigorously defend against them. On August 8, 2019, the judge in the California Action ordered a trial to resolve certain issues of contract interpretation only. The trial commenced on February 10, 2020 and concluded on March 10, 2020 after eight days of trial. On July 22, 2020, the judge in the California Action 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 October 30, 2020, the judge in the California Action set a tentative trial date of September 8, 2021 with regard to claims not addressed in the first phase trial. 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 15. Equity Plans

In June 2020, AMC Networks granted 54,535 restricted stock units ("RSUs") under the 2011 Stock Plan for Non-Employee Directors to non-employee directors that vested on the date of grant.

In March 2020, AMC Networks granted 1,171,956 RSUs to certain executive officers and employees under the AMC Networks Inc. 2016 Employee Stock Plan. The RSUs vest ratably over a three-year period and the vesting criteria for 380,142 RSUs include the achievement of certain performance targets by the Company.

During the nine months ended September 30, 2020, 477,764 RSUs and 325,836 PRSUs of AMC Networks Class A Common Stock previously issued to employees of the Company vested. On the vesting date, 199,377 RSUs and 142,882 PRSUs were surrendered to the Company to cover the required statutory tax withholding obligations and 278,387 RSU and 182,954 PRSU new shares of AMC Networks Class A Common Stock were issued. The units surrendered to satisfy the employees' statutory minimum tax withholding obligations for the applicable income and other employment tax had an aggregate value of $8.9 million, which has been reflected as a financing activity in the condensed consolidated statement of cash flows for the nine months ended September 30, 2020.

Share-based compensation expense included in selling, general and administrative expense was $12.4 million and $43.1 million for the three and nine months ended September 30, 2020, respectively, and $13.8 million and $50.5 million the for three and nine months ended September 30, 2019, respectively.

As of September 30, 2020, there was $47.4 million of total unrecognized share-based compensation cost related to outstanding unvested share-based awards. The unrecognized compensation cost is expected to be recognized over a weighted-average remaining period of approximately 1.7 years.

Note 16. Redeemable Noncontrolling Interests

The following table summarizes activity related to redeemable noncontrolling interest for the nine months ended September 30, 2020.

(In thousands)	**Nine Months Ended September 30, 2020**
December 31, 2019	$ 309,451
Net earnings	12,788
Distributions	(12,945)
Other	5,103
September 30, 2020	$ 314,397

Note 17. Related Party Transactions

The Company and its related parties routinely enter into transactions with each other in the ordinary course of business. Revenues, net from related parties amounted to $1.2 million and $1.2 million for the three months ended September 30, 2020 and 2019, respectively, and $3.6 million and $3.5 million for the nine months ended September 30, 2020 and 2019, respectively. Amounts charged to the Company, included in selling, general and administrative expenses, pursuant to transactions with its related parties amounted to $0.5 million and $0.2 million for the three months ended September 30, 2020 and 2019, respectively, and $0.6 million and $1.0 million for the nine months ended September 30, 2020 and 2019, respectively.

Note 18. Cash Flows

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

	Nine Months Ended September 30,	
(In thousands)	**2020**	**2019**
Non-Cash Investing and Financing Activities:		
Finance lease additions	$ 14,260	$ —
Capital expenditures incurred but not yet paid	2,105	1,659
Supplemental Data:		
Cash interest paid	91,940	104,698
Income taxes paid, net	60,335	121,110

Note 19. Segment Information

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

The Company generally allocates all corporate overhead costs within operating expenses to the Company's two operating segments based upon their proportionate estimated usage of services, including 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) as well as sales support functions and creative and production services.

The Company evaluates segment performance based on several factors, of which the primary financial measure is operating segment adjusted operating income ("AOI"), a non-GAAP measure. The Company defines AOI as operating income (loss) before depreciation and amortization, cloud computing amortization, share-based compensation expense or benefit, impairment 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, an accepted GAAP measure, and other information as to the continuing operations of the Company's operating segments below.

	Three Months Ended September 30, 2020			
(In thousands)	**National Networks**	**International and Other**	**Inter-segment eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 164,216	$ 18,923	$ (37)	$ 183,102
Distribution	297,933	180,369	(7,389)	470,913
Consolidated revenues, net	$ 462,149	$ 199,292	$ (7,426)	$ 654,015
Operating income (loss)	$ 129,842	$ 11,198	$ (1,563)	$ 139,477
Share-based compensation expense	9,922	2,472	—	12,394
Depreciation and amortization	13,422	14,125	—	27,547
Restructuring and other related charges	5,991	(1,585)	—	4,406
Majority-owned equity investees AOI	—	1,667	—	1,667
Adjusted operating income	$ 159,177	$ 27,877	$ (1,563)	$ 185,491

	Three Months Ended September 30, 2019			
(In thousands)	**National Networks**	**International and Other**	**Inter-segment eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 194,452	$ 18,872	$ (24)	213,300
Distribution	364,540	163,967	(23,210)	505,297
Consolidated revenues, net	$ 558,992	$ 182,839	$ (23,234)	$ 718,597
Operating income (loss)	$ 182,479	$ (11,501)	$ (2,540)	168,438
Share-based compensation expense	11,684	2,157	—	13,841
Depreciation and amortization	8,048	17,571	—	25,619
Restructuring and other related charges	6,199	3,992	—	10,191
Majority-owned equity investees AOI	—	1,246	—	1,246
Adjusted operating income	$ 208,410	$ 13,465	$ (2,540)	$ 219,335

	Nine Months Ended September 30, 2020			
(In thousands)	**National Networks**	**International and Other**	**Inter-segment eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 564,876	$ 53,097	$ (38)	$ 617,935
Distribution	960,062	477,668	(20,984)	1,416,746
Consolidated revenues, net	$ 1,524,938	$ 530,765	$ (21,022)	$ 2,034,681
Operating income (loss)	$ 512,598	$ (147,226)	$ (4,123)	$ 361,249
Share-based compensation expense	34,754	8,387	—	43,141
Depreciation and amortization	30,633	49,549	—	80,182
Impairment charges	—	130,411	—	130,411
Restructuring and other related charges	8,714	5,165	—	13,879
Majority-owned equity investees AOI	—	4,361	—	4,361
Adjusted operating income	$ 586,699	$ 50,647	$ (4,123)	$ 633,223

	Nine Months Ended September 30, 2019			
(In thousands)	**National Networks**	**International and Other**	**Inter-segment eliminations**	**Consolidated**
Revenues, net				
Advertising	$ 653,031	$ 63,613	$ (75)	$ 716,569
Distribution	1,126,819	469,841	(38,112)	1,558,548
Consolidated revenues, net	$ 1,779,850	$ 533,454	$ (38,187)	$ 2,275,117
Operating income (loss)	$ 648,180	$ (52,532)	$ (12,090)	$ 583,558
Share-based compensation expense	41,774	8,691	—	50,465
Depreciation and amortization	24,839	50,729	—	75,568
Restructuring and other related charges	6,776	23,915	(696)	29,995
Majority-owned equity investees AOI	—	4,434	—	4,434
Adjusted operating income	$ 721,569	$ 35,237	$ (12,786)	$ 744,020

Inter-segment eliminations are primarily licensing revenues recognized between the National Networks 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.

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Inter-segment revenues				
National Networks	$ (7,166)	$ (18,140)	$ (17,346)	$ (29,790)
International and Other	(260)	(5,094)	(3,676)	(8,397)
	$ (7,426)	$ (23,234)	$ (21,022)	$ (38,187)

The table below summarizes revenues based on customer location:

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Revenues				
United States	$ 497,677	$ 579,913	$ 1,646,065	$ 1,847,491
Europe	110,448	108,365	274,763	299,782
Other	45,890	30,319	113,853	127,844
	$ 654,015	$ 718,597	$ 2,034,681	$ 2,275,117

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

(In thousands)	September 30, 2020	December 31, 2019
Property and equipment, net		
United States	$ 241,541	$ 244,175
Europe	13,985	25,925
Other	203	13,652
	$ 255,729	$ 283,752

For the nine months ended September 30, 2020, impairment charges were recorded related to certain property and equipment in Europe and Other. See Note 7 for additional details regarding the impairment test of long-lived assets.

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

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

- the impact of COVID-19 on the economy and our business, including the measures taken by governmental authorities to address the pandemic, which may precipitate or exacerbate other risks and/or uncertainties;
- 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, SVOD and programming industries;
- our ability to maintain and renew distribution or affiliation agreements with distributors;
- the cost of, and our ability to obtain or produce, desirable programming content for our networks, other forms of distribution, including digital and licensing in international markets, as well as our independent film distribution businesses;
- market demand for our owned original programming and our independent film content;
- changes in consumer demand for our comedy venues;
- the security of our program rights and other electronic data;
- the loss of any of our key personnel and artistic talent;
- changes in domestic and foreign laws or regulations under which we operate;
- economic and business conditions and industry trends in the countries in which we operate;
- fluctuations in currency exchange rates and interest rates;
- changes in laws or treaties relating to taxation, or the interpretation thereof, in the U.S. or in the countries in which we operate, including the impact of the Tax Cuts and Jobs Act and the Bipartisan Budget Act of 2018;
- the impact of new and proposed federal, state and international laws and regulations relating to data protection, privacy and security, including the E.U. General Data Protection Regulation;
- the impact of Brexit, particularly in the event of the U.K.'s departure from the E.U. without an agreement on terms;
- our substantial debt and high leverage;
- reduced access to capital markets or significant increases in costs to borrow;
- the level of our expenses;
- the level of our capital expenditures;
- 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 businesses;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;

- events that are outside our control, such as political unrest in international markets, terrorist attacks, natural disasters and other similar events; and
- the factors described under Item 1A, "Risk Factors" in our 2019 Annual Report on Form 10-K (the "2019 Form 10-K"), as filed with the Securities and Exchange Commission ("SEC") and under 1A, "Risk Factors" in this Quarterly Report on Form 10-Q.

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

Introduction

Management's discussion and analysis, or MD&A, of our results of operations and financial condition is provided as a supplement to, and should be read in conjunction with, the unaudited condensed consolidated financial statements and notes thereto included elsewhere herein and our 2019 Form 10-K to enhance the understanding of our financial condition, changes in financial condition and results of our operations. Unless the context otherwise requires, all references to "we," "us," "our," "AMC Networks" or the "Company" refer to AMC Networks Inc., together with its subsidiaries. MD&A is organized as follows:

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

Consolidated Results of Operations. This section provides an analysis of our results of operations for the three and nine months ended September 30, 2020 compared to the three and nine months ended September 30, 2019. Our discussion is presented on both a consolidated and operating segment basis. Our two operating segments are: (i) National Networks and (ii) International and Other.

Liquidity and Capital Resources. This section provides a discussion of our financial condition as of September 30, 2020, as well as an analysis of our cash flows for the nine months ended September 30, 2020 and 2019. The discussion of our financial condition and liquidity includes summaries of (i) our primary sources of liquidity and (ii) our contractual obligations that existed at September 30, 2020 as compared to December 31, 2019.

Critical Accounting Policies and Estimates. This section provides an update, if any, to our significant accounting policies or critical accounting estimates since December 31, 2019.

Business Overview

We manage our business through the following two operating segments:

- *National Networks:* Includes activities of our five national programming networks, AMC Studios operations and AMC Broadcasting & Technology. Our national programming networks are AMC, WE tv, BBC AMERICA, IFC, and SundanceTV and also include our AMC Premiere service. Our AMC Studios operation produces original programming for our programming networks and also licenses such programming worldwide. AMC Networks Broadcasting & Technology is our technical services business, which primarily services most of the national programming networks.
- *International and Other*: Includes AMC Networks International ("AMCNI"), our international programming businesses consisting of a portfolio of channels around the world; AMC Networks SVOD, consisting of our targeted subscription streaming services (Acorn TV, Shudder, Sundance Now, UMC), AMC+ and other subscription video on demand ("SVOD") initiatives; Levity, our production services and comedy venues business; and IFC Films, our independent film distribution business.

Financial Results Overview

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

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Revenues, net				
National Networks	$ 462,149	$ 558,992	$ 1,524,938	$ 1,779,850
International and Other	199,292	182,839	530,765	533,454
Inter-segment eliminations	(7,426)	(23,234)	(21,022)	(38,187)
Consolidated revenues, net	$ 654,015	$ 718,597	$ 2,034,681	$ 2,275,117
Operating income (loss)				
National Networks	$ 129,842	$ 182,479	$ 512,598	$ 648,180
International and Other	11,198	(11,501)	(147,226)	(52,532)
Inter-segment eliminations	(1,563)	(2,540)	(4,123)	(12,090)
Consolidated operating income	$ 139,477	$ 168,438	$ 361,249	$ 583,558
AOI				
National Networks	$ 159,177	$ 208,410	$ 586,699	$ 721,569
International and Other	27,877	13,465	50,647	35,237
Inter-segment eliminations	(1,563)	(2,540)	(4,123)	(12,786)
Consolidated AOI	$ 185,491	$ 219,335	$ 633,223	$ 744,020

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 depreciation and amortization, cloud computing amortization, share-based compensation expense or benefit, impairment 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. 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 consolidated operating income to AOI for the periods indicated:

(In thousands)	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Operating income	$ 139,477	$ 168,438	$ 361,249	$ 583,558
Share-based compensation expense	12,394	13,841	43,141	50,465
Depreciation and amortization	27,547	25,619	80,182	75,568
Restructuring and other related charges	4,406	10,191	13,879	29,995
Impairment charges	—	—	130,411	—
Majority-owned equity investees AOI	1,667	1,246	4,361	4,434
AOI	$ 185,491	$ 219,335	$ 633,223	$ 744,020

Impact of COVID-19 on Our Business

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had a negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. Beginning in mid-March, we have experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of substantially all of our programming, and the temporary closure of our comedy venues. In the third quarter of 2020, the Company commenced production activities, however substantially all Company employees continue to work remotely, and the Company continues to restrict business travel. 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 the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectability of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The Company does not expect the COVID-19 pandemic and its related economic impact to affect its liquidity position or its ongoing ability to meet the covenants in its debt instruments.

National Networks

In our National Networks segment, we earn revenue principally from the distribution of our programming and the sale of advertising. Distribution revenue primarily includes subscription fees paid by distributors to carry our programming networks and content licensing revenue from the licensing of original programming for digital, foreign and home video distribution. Subscription fees paid by distributors represent the largest component of distribution revenue. Our subscription fee revenues 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 networks, but are generally based upon the number of each distributor's subscribers who receive our programming, referred to as viewing subscribers. Content licensing revenue from the licensing of original programming for digital and foreign distribution 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.

On August 5, 2020, the Company filed a program carriage complaint with the Federal Communications Commission (the "FCC") alleging that, in connection with the negotiation of a new affiliation agreement between AT&T and the Company, AT&T has been engaging in discriminatory conduct that violates Section 616 of the Communications Act of 1934, as amended, and the FCC’s program carriage rules. On September 14, 2020, the FCC granted the Company's request to withdraw its complaint.

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

To an increasing extent, the success of our business depends on original programming, both scripted and unscripted, across all of our networks. In recent years, we have introduced a number of scripted original series. These series generally result in higher ratings for our networks. Among other things, higher audience ratings drive increased revenues through higher advertising revenues. The timing of exhibition and distribution of original programming varies from period to period, which results in greater variability in our revenues, earnings and cash flows from operating activities. We will continue to increase our investment in programming across all of our networks. There may be significant changes in the level of our technical and operating expenses due to the amortization of content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the individual-film-forecast-computation method.

Most original series require us to make up-front investments, which are often significant amounts. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense. Program rights write-offs, included in technical and operating expense, were $31.2 million and $14.7 million for the nine months ended September 30, 2020 and September 30, 2019, respectively.

International and Other

Our International and Other segment primarily includes the operations of AMCNI, AMC Networks SVOD, Levity, and IFC Films.

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 from; (i) production services from Levity, (ii) our subscription streaming services Acorn TV, Shudder, Sundance Now, UMC (Urban Movie Channel), and AMC+ from our AMC Networks SVOD business, (iii) the distribution of content of IFC Films and RLJE, and (iv) Levity's operation of comedy venues (all of which are temporarily closed as a result of the COVID-19 pandemic). For the nine months ended September 30, 2020, distribution revenues represented 90% of the revenues of the International and Other segment. Distribution revenue primarily includes subscription fees paid by distributors or consumers to carry our programming networks or subscription-based streaming services and production services revenue generated from Levity. 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, and a monthly fee paid by consumers for our subscription-based streaming services. 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 as well as from our owned subscription streaming services available in the United States, Canada, Latin America, parts of Europe, India, Australia and New Zealand.

Programming expense, program operating costs and production costs incurred to produce content for third parties are included in technical and operating expense, and represent the largest expense of the International and Other segment. Programming expense primarily consist of amortization of acquired content, costs of dubbing and sub-titling of programs, production costs, participation and residual costs. Program operating costs include costs such as origination, transmission, uplinking and encryption of our linear AMCNI channels as well as content hosting and delivery costs at our various on-line content distribution initiatives. Not all of our programming efforts are commercially successful, which could result in a write-off of program rights. If it is determined that programming rights have limited, or no, future programming usefulness based on actual demand or market conditions, a write-off of the unamortized cost is recorded in technical and operating expense.

We view our investments in international expansion and our various developing on-line content distribution initiatives as important long-term strategies. We may experience an adverse impact to the International and Other segment's operating results and cash flows in periods of increased investment by the Company in these aforementioned initiatives.

Corporate Expenses

We allocate corporate overhead within operating expenses to each segment based upon its proportionate estimated usage of services. The segment financial information set forth below, including the discussion related to individual line items, does not reflect inter-segment eliminations unless specifically indicated.

Impact of Economic Conditions

Our future performance is dependent, to a large extent, on general economic conditions including the impact of direct competition, our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers.

Capital and credit market disruptions, as well as other events such as the COVID-19 pandemic, 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 networks from our distributors. 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 a significant interest in such entity. The noncontrolling owner's interest in the operating results of majority-owned or controlled subsidiaries are reflected in net income attributable to noncontrolling interests in our consolidated statements of operations.

Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2019

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

	Three Months Ended September 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 654,015	100.0 %	$ 718,597	100.0 %	$ (64,582)	(9.0)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	333,816	51.0	354,992	49.4	(21,176)	(6.0)
Selling, general and administrative	148,769	22.7	159,357	22.2	(10,588)	(6.6)
Depreciation and amortization	27,547	4.2	25,619	3.6	1,928	7.5
Impairment charges	—	—	—	—	—	n/m
Restructuring and other related charges	4,406	0.7	10,191	1.4	(5,785)	(56.8)
Total operating expenses	514,538	78.7	550,159	76.6	(35,621)	(6.5)
Operating income	139,477	21.3	168,438	23.4	(28,961)	(17.2)
Other income (expense):						
Interest expense, net	(30,424)	(4.7)	(34,995)	(4.9)	4,571	(13.1)
Miscellaneous, net	11,138	1.7	(1,490)	(0.2)	12,628	n/m
Total other income (expense)	(19,286)	(2.9)	(36,485)	(5.1)	17,199	(47.1)
Net income from operations before income taxes	120,191	18.4	131,953	18.4	(11,762)	(8.9)
Income tax expense	(52,195)	(8.0)	(8,727)	(1.2)	(43,468)	n/m
Net income including noncontrolling interests	67,996	10.4	123,226	17.1	(55,230)	(44.8)
Net income attributable to noncontrolling interests	(6,356)	(1.0)	(6,303)	(0.9)	(53)	0.8 %
Net income attributable to AMC Networks' stockholders	$ 61,640	9.4 %	$ 116,923	16.3 %	$ (55,283)	(47.3)%

National Networks Segment Results

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

(In thousands)	Three Months Ended September 30, 2020 Amount	2020 % of Revenues, net	2019 Amount	2019 % of Revenues, net	$ change	% change
Revenues, net	$ 462,149	100.0 %	$ 558,992	100.0 %	$ (96,843)	(17.3)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	222,589	48.2	260,400	46.6	(37,811)	(14.5)
Selling, general and administrative	90,305	19.5	101,866	18.2	(11,561)	(11.3)
Depreciation and amortization	13,422	2.9	8,048	1.4	5,374	66.8
Restructuring and other related charges	5,991	1.3	6,199	1.1	(208)	n/m
Operating income	$ 129,842	28.1 %	$ 182,479	32.6 %	$ (52,637)	(28.8)%
Share-based compensation expense	9,922	2.1	11,684	2.1	(1,762)	(15.1)
Depreciation and amortization	13,422	2.9	8,048	1.4	5,374	66.8
Restructuring and other related charges	5,991	1.3	6,199	1.1 %	$ (208)	n/m
AOI	$ 159,177	34.4 %	$ 208,410	37.3 %	$ (49,233)	(23.6)%

International and Other Segment Results

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

(In thousands)	Three Months Ended September 30, 2020 Amount	2020 % of Revenues, net	2019 Amount	2019 % of Revenues, net	$ change	% change
Revenues, net	$ 199,292	100.0 %	$ 182,839	100.0 %	$ 16,453	9.0 %
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	117,041	58.7	115,250	63.0	1,791	1.6
Selling, general and administrative	58,513	29.4	57,527	31.5	986	1.7
Depreciation and amortization	14,125	7.1	17,571	9.6	(3,446)	(19.6)
Restructuring and other related charges	(1,585)	(0.8)	3,992	2.2	(5,577)	n/m
Operating loss	$ 11,198	5.6 %	$ (11,501)	(6.3)%	$ 22,699	n/m
Share-based compensation expense	2,472	1.2	2,157	1.2	315	14.6
Depreciation and amortization	14,125	7.1	17,571	9.6	(3,446)	(19.6)
Restructuring and other related charges	(1,585)	(0.8)	3,992	2.2	(5,577)	n/m
Majority-owned equity investees AOI	1,667	0.8	1,246	0.7	421	33.8
AOI	$ 27,877	14.0 %	$ 13,465	7.4 %	$ 14,412	107.0 %

Revenues, net

Revenues, net decreased $64.6 million to $654.0 million for the three months ended September 30, 2020 as compared to the three months ended September 30, 2019. The net change by segment was as follows:

	Three Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
National Networks	$ 462,149	70.7 %	$ 558,992	77.8 %	$ (96,843)	(17.3)%
International and Other	199,292	30.5	182,839	25.4	16,453	9.0
Inter-segment eliminations	(7,426)	(1.1)	(23,234)	(3.2)	15,808	(68.0)
Consolidated revenues, net	$ 654,015	100.0 %	$ 718,597	100.0 %	$ (64,582)	(9.0)%

National Networks

The decrease in National Networks revenues, net was attributable to the following:

	Three Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 164,216	35.5 %	$ 194,452	34.8 %	$ (30,236)	(15.5)%
Distribution	297,933	64.5	364,540	65.2	(66,607)	(18.3)
	$ 462,149	100.0 %	$ 558,992	100.0 %	$ (96,843)	(17.3)%

- The decrease of $30.2 million in advertising revenues was primarily attributable to a reduction in the number of episodes of our original programming primarily related to the impact of the COVID-19 pandemic, and lower ratings. 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. Due to these factors, we expect advertising revenues to vary from quarter to quarter.
- Distribution revenues decreased $66.6 million due to a decrease of $41.1 million in content licensing revenues due to a decrease in the number of original programs we distributed. Subscription revenues decreased $25.5 million primarily due to lower subscribers. Distribution revenues may vary based on the impact of renewals of affiliation agreements and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The increase in International and Other revenues, net was attributable to the following:

	Three Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 18,923	9.5 %	$ 18,872	10.3 %	$ 51	0.3 %
Distribution	180,369	90.5	163,967	89.7	16,402	10.0
	$ 199,292	100.0 %	$ 182,839	100.0 %	$ 16,453	9.0 %

Advertising revenues were consistent with the prior comparable period. Distribution revenues increased $23.7 million at AMC Networks SVOD driven by additional subscribers and $6.4 million at IFC Films. These increases were partially offset by a decrease of $11.7 million at Levity, due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues, as well as a decrease of $5.4 million at AMCNI.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and impairments or write-offs 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 operating costs, such as origination, transmission, uplinking and encryption.

Technical and operating expense (excluding depreciation and amortization) decreased $21.2 million to $333.8 million for the three months ended September 30, 2020 as compared to the three months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 222,589	$ 260,400	$ (37,811)	(14.5)%
International and Other	117,041	115,250	1,791	1.6 %
Inter-segment eliminations	(5,814)	(20,658)	14,844	n/m
Total	$ 333,816	$ 354,992	$ (21,176)	(6.0)%
Percentage of revenues, net	51.0 %	49.4 %		

National Networks

The decrease in technical and operating expense of $37.8 million was due to a decrease in program rights amortization of $25.2 million primarily attributable to the mix of original programming as compared to the prior comparable period, which was impacted by the production stoppages resulting from the COVID-19 pandemic. In addition, other direct programming costs decreased $12.6 million. Program rights amortization expense includes write-offs of $19.6 million and $1.3 million for the three months ended September 30, 2020 and September 30, 2019, respectively. Program rights 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 content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

Technical and operating expense increased $1.8 million primarily related to $3.5 million increase in program amortization at IFC Films. This increase was partially offset by a decrease at Levity of $2.4 million due to the impact of the COVID-19 pandemic on its operations, which resulted in productions stoppages and closure of comedy venues.

Selling, general and administrative expense

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

Selling, general and administrative expense decreased $10.6 million to $148.8 million for the three months ended September 30, 2020, as compared to the three months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 90,305	$ 101,866	$ (11,561)	(11.3)%
International and Other	58,513	57,527	986	1.7
Inter-segment eliminations	(49)	(36)	(13)	36.1
Total	$ 148,769	$ 159,357	$ (10,588)	(6.6)%
Percentage of revenues, net	22.7 %	22.2 %		

National Networks

Selling, general and administrative expense decreased $11.6 million principally due to a decrease in advertising and marketing expenses of $5.9 million related to the mix of original programming, which was impacted by the COVID-19 pandemic, as well as an overall decrease in corporate related expenses.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotion and marketing of original programming series and subscriber retention marketing efforts.

International and Other

Selling, general and administrative expense increased $1.0 million, resulting from an increase of $7.8 million at AMC Networks SVOD primarily related to advertising and marketing expenses, partially offset by a decrease of $5.2 million at Levity primarily related to the impact of the COVID-19 pandemic.

Depreciation and amortization

Depreciation and amortization expense increased $1.9 million to $27.5 million for the three months ended September 30, 2020 as compared to the three months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 13,422	$ 8,048	$ 5,374	66.8 %
International and Other	14,125	17,571	(3,446)	(19.6)
	$ 27,547	$ 25,619	$ 1,928	7.5 %

The increase in depreciation and amortization expense in the National Networks segment was primarily due to depreciation of equipment at our AMC Networks Broadcasting and Technology facilities. The decrease in depreciation and amortization expense in the International and Other segment was primarily due to the lower carrying values of long-lived assets resulting from the impairment charges recognized in June 2020.

Restructuring and other related charges

Restructuring and other related charges of $4.4 million for the three months ended September 30, 2020 primarily related to severance associated with restructuring activities.

Restructuring and other related charges of $10.2 million for the three months ended September 30, 2019 related to the management reorganization commenced in September 2019. In connection with this reorganization, a number of roles were eliminated to improve the effectiveness of management while reducing the cost structure of the Company. As a result, we incurred restructuring charges of $10.2 million, of which $6.2 million was attributable to the National Networks segment and $4.0 million was attributable to the International and Other segment.

Operating Income (Loss)

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 129,842	$ 182,479	$ (52,637)	(28.8)%
International and Other	11,198	(11,501)	22,699	n/m
Inter-segment Eliminations	(1,563)	(2,540)	977	n/m
	$ 139,477	$ 168,438	$ (28,961)	(17.2)%

The decrease in operating income at the National Networks segment was primarily attributable to a decrease in revenue of $96.8 million, partially offset by a decrease in technical and operating expense of $37.8 million and a decrease in selling, general and administrative expense of $11.6 million.

The increase in operating income at the International and Other segment was primarily attributable an increase in revenues of $16.5 million, a decrease in restructuring and other related charges of $5.6 million, and a decrease in depreciation and amortization of $3.4 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
Operating income	$ 139,477	$ 168,438	$ (28,961)	(17.2)%
Share-based compensation expense	12,394	13,841	(1,447)	(10.5)
Depreciation and amortization	27,547	25,619	1,928	7.5
Restructuring and other related charges	4,406	10,191	(5,785)	(56.8)
Majority-owned equity investees AOI	1,667	1,246	421	33.8
AOI	$ 185,491	$ 219,335	$ (33,844)	(15.4)%

AOI decreased $33.8 million for the three months ended September 30, 2020 as compared to the three months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Three Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 159,177	$ 208,410	$ (49,233)	(23.6)%
International and Other	27,877	13,465	14,412	107.0
Inter-segment eliminations	(1,563)	(2,540)	977	n/m
AOI	$ 185,491	$ 219,335	$ (33,844)	(15.4)%

The change in AOI at both the National Networks and International and Other segments is principally due to the change in operating income.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $4.6 million is primarily due to lower average outstanding balances.

Miscellaneous, net

Miscellaneous, net was income of $11.1 million for the three months ended September 30, 2020 as compared to expense of $1.5 million for the three months ended September 30, 2019. The increase in miscellaneous, net income of $12.6 million was primarily related to net unrealized gains of $6.0 million from certain marketable equity securities and investments, and a favorable variance of $7.0 million 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.

Income tax expense

For the three months ended September 30, 2020, income tax expense was $52.2 million representing an effective tax rate of 43%. The effective tax rate differs from the federal statutory rate of 21% primarily due to tax expense of $20.0 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations of $0.4 million, state and local income tax expense of $3.5 million, tax expense of $1.7 million related to non-deductible compensation and tax expense of $2.7 million relating to uncertain tax positions (including accrued interest). The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

For the three months ended September 30, 2019, income tax expense was $8.7 million representing an effective tax rate of 7%. The effective tax rate differs from the federal statutory rate of 21% primarily due to a tax benefit of $13.6 million from foreign operations and a tax benefit of $11.5 million from a deferred tax adjustment to record the impact of an investment tax credit under the deferral method of accounting, partially offset by state and local income tax expense of $4.3 million and tax expense of $2.0 million resulting from a net increase in valuation allowances for foreign tax assets. The decrease in foreign operations is primarily due to a deferred tax benefit resulting from the reorganization of intellectual property amongst the Company's international subsidiaries.

Nine Months Ended September 30, 2020 Compared to Nine Months Ended September 30, 2019

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

	Nine Months Ended September 30,					
	2020		2019			
(In thousands)	Amount	% of Revenues, net	Amount	% of Revenues, net	$ change	% change
Revenues, net	$ 2,034,681	100.0 %	$ 2,275,117	100.0 %	$ (240,436)	(10.6)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	960,379	47.2	1,080,763	47.5	(120,384)	(11.1)
Selling, general and administrative	488,581	24.0	505,233	22.2	(16,652)	(3.3)
Depreciation and amortization	80,182	3.9	75,568	3.3	4,614	6.1
Impairment charges	130,411	6.4	—	—	130,411	n/m
Restructuring and other related charges	13,879	0.7	29,995	1.3	(16,116)	(53.7)
Total operating expenses	1,673,432	82.2	1,691,559	74.4	(18,127)	(1.1)
Operating income	361,249	17.8	583,558	25.6	(222,309)	(38.1)
Other income (expense):						
Interest expense, net	(94,007)	(4.6)	(105,411)	(4.6)	11,404	(10.8)
Loss on extinguishment of debt	(2,908)	(0.1)	—	—	(2,908)	n/m
Miscellaneous, net	(10,088)	(0.5)	(16,972)	(0.7)	6,884	(40.6)
Total other income (expense)	(107,003)	(5.3)	(122,383)	(5.4)	15,380	(12.6)
Net income from operations before income taxes	254,246	12.5	461,175	20.3	(206,929)	(44.9)
Income tax expense	(95,490)	(4.7)	(53,807)	(2.4)	(41,683)	77.5
Net income including noncontrolling interests	158,756	7.8	407,368	17.9	(248,612)	(61.0)
Net income attributable to noncontrolling interests	(13,488)	(0.7)	(18,305)	(0.8)	4,817	(26.3)
Net income attributable to AMC Networks' stockholders	$ 145,268	7.1 %	$ 389,063	17.1 %	$ (243,795)	(62.7)%

National Networks Segment Results

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

(In thousands)	Nine Months Ended September 30, 2020 Amount	2020 % of Revenues, net	2019 Amount	2019 % of Revenues, net	$ change	% change
Revenues, net	$ 1,524,938	100.0 %	$ 1,779,850	100.0 %	$ (254,912)	(14.3)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	663,334	43.5	770,807	43.3	(107,473)	(13.9)
Selling, general and administrative	309,659	20.3	329,248	18.5	(19,589)	(5.9)
Depreciation and amortization	30,633	2.0	24,839	1.4	5,794	23.3
Restructuring and other related charges	8,714	0.6	6,776	0.4	1,938	n/m
Operating income	$ 512,598	33.6 %	$ 648,180	36.4 %	$ (135,582)	(20.9)%
Share-based compensation expense	34,754	2.3	41,774	2.3	(7,020)	(16.8)
Depreciation and amortization	30,633	2.0	24,839	1.4	5,794	23.3
Restructuring and other related charges	8,714	0.6	6,776	0.4	1,938	n/m
AOI	$ 586,699	38.5 %	$ 721,569	40.5 %	$ (134,870)	(18.7)%

International and Other Segment Results

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

(In thousands)	Nine Months Ended September 30, 2020 Amount	2020 % of Revenues, net	2019 Amount	2019 % of Revenues, net	$ change	% change
Revenues, net	$ 530,765	100.0 %	$ 533,454	100.0 %	$ (2,689)	(0.5)%
Operating expenses:						
Technical and operating (excluding depreciation and amortization)	313,867	59.1	335,244	62.8	(21,377)	(6.4)
Selling, general and administrative	178,999	33.7	176,098	33.0	2,901	1.6
Depreciation and amortization	49,549	9.3	50,729	9.5	(1,180)	(2.3)
Impairment charges	130,411	24.6	—	—	130,411	n/m
Restructuring and other related charges	5,165	1.0	23,915	4.5	(18,750)	(78.4)
Operating loss	$ (147,226)	(27.7)%	$ (52,532)	(9.8)%	$ (94,694)	n/m
Share-based compensation expense	8,387	1.6	8,691	1.6	(304)	(3.5)
Depreciation and amortization	49,549	9.3	50,729	9.5	(1,180)	(2.3)
Impairment charges	130,411	24.6	—	—	130,411	n/m
Restructuring and other related charges	5,165	1.0	23,915	4.5	(18,750)	(78.4)
Majority-owned equity investees AOI	4,361	0.8	4,434	0.8	(73)	(1.6)
AOI	$ 50,647	9.5 %	$ 35,237	6.6 %	$ 15,410	43.7 %

Revenues, net

Revenues, net decreased $240.4 million to $2,034.7 million for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. The net change by segment was as follows:

	Nine Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
National Networks	$ 1,524,938	75.0 %	$ 1,779,850	78.3 %	$ (254,912)	(14.3)%
International and Other	530,765	26.1	533,454	23.4	(2,689)	(0.5)
Inter-segment eliminations	(21,022)	(1.0)	(38,187)	(1.7)	17,165	(44.9)
Consolidated revenues, net	$ 2,034,681	100.1 %	$ 2,275,117	100.0 %	$ (240,436)	(10.6)%

National Networks

The decrease in National Networks revenues, net was attributable to the following:

	Nine Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 564,876	37.0 %	$ 653,031	36.7 %	$ (88,155)	(13.5)%
Distribution	960,062	63.0	1,126,819	63.3	(166,757)	(14.8)
	$ 1,524,938	100.0 %	$ 1,779,850	100.0 %	$ (254,912)	(14.3)%

- The decrease of $88.2 million in advertising revenues was primarily attributable to a reduction in the number of episodes of our original programming primarily related to the impact of the COVID-19 pandemic, and lower ratings. 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. Due to these factors, we expect advertising revenues to vary from quarter to quarter.
- Distribution revenues decreased $166.8 million due to a decrease in content licensing revenues of $91.3 million due to a decrease in the number of original programs we distributed and a decrease of $75.4 million in subscription revenues as compared to the prior comparable period primarily due to lower subscribers. Subscription revenues may vary based on the impact of renewals of affiliation agreements and content licensing revenues vary based on the timing of availability of our programming to distributors. Because of these factors, we expect distribution revenues to vary from quarter to quarter.

International and Other

The decrease in International and Other revenues, net was attributable to the following:

	Nine Months Ended September 30,					
(In thousands)	**2020**	**% of total**	**2019**	**% of total**	**$ change**	**% change**
Advertising	$ 53,097	10.0 %	$ 63,613	11.9 %	$ (10,516)	(16.5)%
Distribution	477,668	90.0	469,841	88.1	7,827	1.7
	$ 530,765	100.0 %	$ 533,454	100.0 %	$ (2,689)	(0.5)%

Advertising revenues decreased $9.5 million at AMCNI, excluding the impact of foreign currency fluctuations, primarily related to lower demand resulting from the impact of the COVID-19 pandemic. Foreign currency translation had an unfavorable impact to advertising revenues of $1.0 million. Distribution revenues increased $54.8 million at AMC Networks SVOD. This increase was partially offset by a decrease of $39.0 million at Levity, due to the impact of the COVID-19 pandemic on its operations, which resulted in a temporary halt in production activities and closure of comedy venues, as well as a decrease of $11.3 million at AMCNI, excluding the impact of foreign currency fluctuations. Foreign currency translation had an unfavorable impact to distribution revenues of $2.8 million.

Technical and operating expense (excluding depreciation and amortization)

The components of technical and operating expense primarily include the amortization and write-offs 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 expense (excluding depreciation and amortization) decreased $120.4 million to $960.4 million for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Nine Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 663,334	$ 770,807	$ (107,473)	(13.9)%
International and Other	313,867	335,244	(21,377)	(6.4)
Inter-segment eliminations	(16,822)	(25,288)	8,466	(33.5)
Total	$ 960,379	$ 1,080,763	$ (120,384)	(11.1)%
Percentage of revenues, net	47.2 %	47.5 %		

National Networks

The decrease in technical and operating expense of $107.5 million was due to a decrease in program amortization of $92.2 million primarily attributable to the mix of original programming as compared to the prior comparable period, which was impacted by the production stoppages resulting from the COVID-19 pandemic. In addition, other direct programming costs decreased $15.2 million. Program rights amortization expense includes write-offs of $31.2 million for the nine months ended September 30, 2020 as compared to program rights write-offs of $14.7 million for the nine months ended September 30, 2019. 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 content acquisition and/or original programming costs and/or the impact of management's periodic assessment of programming usefulness. Such costs will also fluctuate with the level of revenues derived from owned original programming in each period as these costs are amortized based on the film-forecast-computation method. As additional competition for programming increases and alternate distribution technologies continue to develop in the industry, costs for content acquisition and original programming may increase.

International and Other

Technical and operating expense decreased $18.3 million related to Levity, $7.3 million at AMCNI and $1.3 million at IFC Films. The decrease at Levity is due to the impact of the COVID-19 pandemic on its operations, which resulted in production stoppages and temporary closure of comedy venues. These decreases were partially offset by an increase of $7.0 million at AMC Networks SVOD. Foreign currency translation had a favorable impact to the change in technical and operating expense of $2.7 million.

Selling, general and administrative expense

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

Selling, general and administrative expense decreased $16.7 million to $488.6 million for the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Nine Months Ended September 30, 2020	2019	$ change	% change
National Networks	$ 309,659	$ 329,248	$ (19,589)	(5.9)%
International and Other	178,999	176,098	2,901	1.6
Inter-segment eliminations	(77)	(113)	36	(31.9)
Total	$ 488,581	$ 505,233	$ (16,652)	(3.3)%
Percentage of revenues, net	24.0 %	22.2 %		

National Networks

Selling, general and administrative expense decreased $19.6 million principally due to a decrease in advertising and marketing expenses of $18.7 million related to the mix of original programming, which was impacted by the COVID-19 pandemic.

There may be significant changes in the level of our selling, general and administrative expense from quarter to quarter and year to year due to the timing of promotion and marketing of original programming series and subscriber retention marketing efforts.

International and Other

Selling, general and administrative expense increased $2.9 million. The increase in selling, general and administrative expense related to $25.2 million at AMC Networks SVOD primarily related to advertising and marketing expenses, which was partially offset by decreases of $11.6 million at Levity primarily related to the impact of the COVID-19 pandemic and $7.7

million at AMCNI primarily related to advertising and marketing expenses. Foreign currency translation had a favorable impact to the change in selling, general and administrative expense of $2.1 million.

Depreciation and amortization

Depreciation and amortization expense increased $4.6 million to $80.2 million for the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019. The net change by segment was as follows:

	Nine Months Ended September 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
National Networks	$ 30,633	$ 24,839	$ 5,794	23.3 %
International and Other	49,549	50,729	(1,180)	(2.3)
	$ 80,182	$ 75,568	$ 4,614	6.1 %

The increase in depreciation and amortization expense in the National Networks segment was primarily due to depreciation of equipment at our AMC Networks Broadcasting and Technology facilities. The decrease in depreciation and amortization expense in the International and Other segment was primarily due to the lower carrying values of long-lived assets resulting from the impairment charge recognized in June 2020.

Impairment charges

In June 2020, as a result of the continuing impact of the COVID-19 pandemic, we qualitatively assessed whether it was more likely than not that goodwill and long-lived assets were impaired. Based on our current projections and updated forecasts, we determined that sufficient indicators of potential impairment of long-lived assets existed and, in connection with the preparation of the Company's second quarter financial information, the Company performed a recoverability test of certain long-lived asset groups within the AMCNI reporting unit. This resulted in an impairment charge of $105.3 million primarily related to certain identifiable intangible assets, as well as property and equipment, and operating lease right-of-use assets. The Company then performed a goodwill impairment test and determined that the carrying value of the AMCNI reporting unit exceeded its fair value, resulting in an impairment charge of $25.1 million.

Restructuring and other related charges

Restructuring and other related charges of $13.9 million for the nine months ended September 30, 2020 primarily consisted of charges at AMCNI of $6.2 million related to costs associated with termination of distribution in certain territories and charges of $7.6 million related to severance associated with restructuring activities.

Restructuring expense of $30.0 million for the nine months ended September 30, 2019 primarily related to the management re-organization commenced in September 2019. In connection with this re-organization, a number of roles were eliminated to improve the effectiveness of management while reducing the cost structure of the Company. As a result, we incurred restructuring charges of $10.2 million. In addition, charges associated with the AMC Networks SVOD re-organization consisted of severance and other personnel related costs of $1.3 million and programming write-offs of $13.0 million related to a change in programming strategy. In connection with restructuring activities announced in 2018, we incurred additional severance and personnel related costs of $5.5 million for the nine months ended September 30, 2019.

Operating Income (Loss)

	Nine Months Ended September 30,			
(In thousands)	**2020**	**2019**	**$ change**	**% change**
National Networks	$ 512,598	$ 648,180	$ (135,582)	(20.9)%
International and Other	(147,226)	(52,532)	(94,694)	n/m
Inter-segment Eliminations	(4,123)	(12,090)	7,967	n/m
	$ 361,249	$ 583,558	$ (222,309)	(38.1)%

The decrease in operating income at the National Networks segment was primarily attributable to a decrease in revenue of $254.9 million and an increase in restructuring and other related charges of 1.9 million, partially offset by a decrease in technical and operating expense of 107.5 million and a decrease in selling, general and administrative expense of $19.6 million.

The increase in operating losses at the International and Other segment was primarily attributable to the impairment charges of $130.4 million and a decrease in revenues of $2.7 million, partially offset by a decrease in technical and operating expense of $21.4 million and a decrease in restructuring and other related charges of $18.8 million.

AOI

The following is a reconciliation of our consolidated operating income to AOI:

(In thousands)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ change	% change
Operating income	$ 361,249	$ 583,558	$ (222,309)	(38.1)%
Share-based compensation expense	43,141	50,465	(7,324)	(14.5)
Depreciation and amortization	80,182	75,568	4,614	6.1
Impairment charges	130,411	—	130,411	n/m
Restructuring and other related charges	13,879	29,995	(16,116)	(53.7)
Majority-owned equity investees AOI	4,361	4,434	(73)	(1.6)
AOI	$ 633,223	$ 744,020	$ (110,797)	(14.9)%

AOI decreased $110.8 million for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019. The net change by segment was as follows:

(In thousands)	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	$ change	% change
National Networks	$ 586,699	$ 721,569	$ (134,870)	(18.7)%
International and Other	50,647	35,237	15,410	43.7
Inter-segment eliminations	(4,123)	(12,786)	8,663	n/m
AOI	$ 633,223	$ 744,020	$ (110,797)	(14.9)%

AOI decreased at the National Networks segment principally due to a decrease in operating income. The increase in AOI at the International and Other segment principally due to the decrease in operating income, offset by adjustments for the change in impairment charges and restructuring and other charges.

As a result of the factors discussed above impacting the variability in revenues and operating expenses, we expect AOI to vary from quarter to quarter.

Interest expense, net

The decrease in interest expense, net of $11.4 million is primarily due to lower average outstanding balances.

Loss on extinguishment of debt

In March 2020, we redeemed $200 million principal amount of the outstanding $600 million principal amount of our 4.75% Notes due 2022. The loss on extinguishment of debt for the nine months ended September 30, 2020 of $2.9 million represents the redemption premium, the write-off of a portion of the unamortized discount and deferred financing costs.

Miscellaneous, net

The decrease in miscellaneous expense, net of $6.9 million for the nine months ended September 30, 2020 as compared to the nine months ended September 30, 2019 was primarily related to net unrealized gains of $19.6 million from certain marketable equity securities and investments, partially offset by an unfavorable variance of $11.1 million 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.

Income tax expense

For the nine months ended September 30, 2020, income tax expense was $95.5 million representing an effective tax rate of 38%. The effective tax rate differs from the federal statutory rate of 21% primarily due to tax expense of $25.6 million resulting from an increase in valuation allowances for foreign taxes and U.S. foreign tax credits, tax expense from foreign operations of $9.8 million, state and local income tax expense $9.1 million, tax expense of $4.7 million related to non-deductible compensation, partially offset by a tax benefit of $6.0 million relating to uncertain tax positions (including accrued interest). The tax benefit relating to uncertain tax positions is primarily due to audit settlements and the filing of state income tax returns under voluntary disclosure agreements. The increase in valuation allowance is primarily due to a change in judgement about the realizability of foreign net operating losses and other deferred tax assets. Management considers the scheduled reversal of deferred tax liabilities (including the effect in available carryback and carryforward periods), projected taxable income, and tax-planning strategies in making this assessment.

For the nine months ended September 30, 2019, income tax expense was $53.8 million representing an effective tax rate of 12%. The effective tax rate differs from the federal statutory rate of 21% primarily due to a tax benefit of $21.5 million resulting from a net decrease in valuation allowances for foreign tax assets, a tax benefit of $15.6 million from foreign operations, a tax benefit of $11.5 million from a deferred tax adjustment to record the impact of an investment tax credit under the deferral method of accounting, and a tax benefit of $5.6 million relating to uncertain tax positions (including accrued interest), partially offset by state and local income tax expense of $11.6 million. The decrease in the valuation allowance is primarily due to the expected utilization of foreign net operating loss carryforwards and the benefit of foreign operations is due to a deferred tax benefit resulting from the reorganization of intellectual property amongst the Company's international subsidiaries. The tax benefit relating to uncertain tax positions is primarily due to an audit settlement and the filing of state income tax returns under a voluntary disclosure agreement.

Liquidity and Capital Resources

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

Sources of cash primarily include cash flow from operations, amounts available under our revolving credit facility and access to capital markets. Although we currently believe that amounts available under our revolving credit facility will be available when and if needed, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets. The obligations of the financial institutions under our revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. As a public company, we may have access to other sources of capital such as the public bond markets.

Our Board of Directors has authorized a program to repurchase up to $1.5 billion of our outstanding shares of common stock (the "Stock Repurchase Program"). The Stock Repurchase Program has no pre-established closing date and may be suspended or discontinued at any time. For the three months ended September 30, 2020, we did not repurchase any of our Class A common stock. As of September 30, 2020, we had $385.9 million of authorization remaining for repurchase under the Stock Repurchase Program.

On September 16, 2020, we commenced a modified "Dutch auction" tender offer (the "Tender Offer") to purchase up to $250 million in value of shares of our 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, we accepted for purchase 10.8 million shares of our 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, will be classified in Treasury stock in the consolidated balance sheet. The settlement of the Tender Offer reduced the availability under the Stock Repurchase Program to $135.3 million.

Our principal uses of cash include the acquisition and production of programming, investments and acquisitions, repurchases of outstanding debt and common stock, debt service, and payments for income taxes. Although impacted by the COVID-19 pandemic, we continue to increase our investment in original programming, the funding of which generally occurs six to nine months in advance of a program's airing. In March 2020, we redeemed $200 million principal amount of the outstanding $600 million principal amount of our 4.75% Notes due 2022.

As of September 30, 2020, our consolidated cash and cash equivalents balance includes approximately $182.3 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 and availability under our revolving credit facility will provide sufficient liquidity to service the principal and interest payments on our indebtedness, along with our other funding and investment requirements over the next twelve months and over the longer term. However, we do not expect to generate sufficient cash from operations to repay at maturity the entirety of the then outstanding balances of our debt. As a result, we will then be dependent upon our ability to access the capital and credit markets in order to repay or refinance the outstanding balances of our indebtedness. Failure to raise significant amounts of funding to repay these obligations at maturity would adversely affect our business. In such a circumstance, we would need to take other actions including selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash.

Our level of debt could have important consequences on our business including, but not limited to, increasing our vulnerability to general adverse economic and industry conditions, limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements and limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate. For information relating to our outstanding debt obligations, refer to Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations - Debt Financing Agreements" of our 2019 Form 10-K.

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

The revolving credit facility was not drawn upon at September 30, 2020. The total undrawn revolver commitment is available to be drawn for our general corporate purposes.

AMC Networks was in compliance with all of its debt covenants as of September 30, 2020.

Cash Flow Discussion

The following table is a summary of cash flows provided by (used in) operating, investing and financing activities for the nine months ended September 30,:

	Nine Months Ended September 30,	
(In thousands)	**2020**	**2019**
Cash provided by operating activities	$ 644,087	$ 400,397
Cash used in investing activities	(24,427)	(59,864)
Cash used in financing activities	(364,744)	(117,683)
Net increase in cash and cash equivalents	254,916	222,850

Operating Activities

Net cash provided by operating activities amounted to $644.1 million for the nine months ended September 30, 2020 as compared to $400.4 million for the nine months ended September 30, 2019. Net cash provided by operating activities for the nine months ended September 30, 2020 primarily resulted from $1,087.2 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $565.3 million, a decrease in accounts payable, accrued expenses and other liabilities of $49.3 million primarily related to lower employee related liabilities and an increase in deferred carriage fees payable of $15.1 million. In addition, net cash provided by operating activities increased as a result of a decrease in accounts receivable of $92.3 million, a decrease in prepaid expense and other assets of $79.1 million primarily related to a decrease in long-term receivables and an increase of $17.3 million in income taxes payable. Changes in all other assets and liabilities resulted in a decrease of $2.2 million.

Net cash provided by operating activities amounted to $400.4 million for the nine months ended September 30, 2019. Net cash provided by operating activities for the nine months ended September 30, 2019 primarily resulted from $1,214.9 million of net income before amortization of program rights, depreciation and amortization, and other non-cash items, which was partially offset by payments for program rights of $676.7 million, an increase in prepaid expense and other assets of $121.4 million primarily related to an increase in long-term receivables and a decrease in accounts payable, accrued expenses and other liabilities of $22.5 million primarily related to lower employee related liabilities. Changes in all other assets and liabilities resulted in a decrease of $8.5 million.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2020 and 2019 was $24.4 million and $59.9 million, respectively. For the nine months ended September 30, 2020, cash used in investing activities included capital expenditures of $35.0 million, partially offset by partial proceeds received from the sale of an investment of $10.0 million. All other changes in investing activities resulted in an increase of $0.6 million. For the nine months ended September 30, 2019, cash used in investing activities included capital expenditures of $69.1 million, partially offset by a return of capital from investees of $9.2 million.

Financing Activities

Net cash used in financing activities amounted to $364.7 million for the nine months ended September 30, 2020 and primarily consisted of principal payments, net of proceeds, on long-term debt (including the redemption of $200 million of 4.75% Notes due 2022), of $236.5 million, purchases of our common stock of $102.9 million, taxes paid in lieu of shares issued for equity-based compensation of $8.9 million, distributions to noncontrolling interests of $14.0 million, and payments on finance leases of $2.4 million.

Net cash used in financing activities amounted to $117.7 million for the nine months ended September 30, 2019 and primarily consisted of purchases of our common stock of $70.6 million, taxes paid in lieu of shares issued for equity-based compensation of $23.0 million, distributions to noncontrolling interests of $13.5 million, and net payments on debt and finance leases of $15.2 million, partially offset by proceeds from stock option exercises of $4.6 million.

Contractual Obligations

As of September 30, 2020, our contractual obligations not reflected on the condensed consolidated balance sheet increased $129.1 million, as compared to December 31, 2019, to $1,063.0 million. The increase primarily relates to additional commitments for program rights and marketing commitments.

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 September 30, 2020 includes $400.0 million of 4.75% Notes due December 2022, $1.0 billion of 5.00% Notes due April 2024 and $800.0 million of 4.75% Notes due August 2025 (collectively, the “notes”). The notes were issued by AMC Networks and are unconditionally guaranteed, jointly and severally, on an unsecured basis, by each of AMC Networks’ existing and future domestic restricted subsidiaries, subject to certain exceptions (each, a “Guarantor Subsidiary,” and collectively, the “Guarantor Subsidiaries”). The obligations of each Guarantor Subsidiary under its note guarantee are limited as necessary to prevent such note guarantee from constituting a fraudulent conveyance under applicable law. A guarantee of the notes by a Guarantor Subsidiary is subject to release in the following circumstances: (i) any sale or other disposition of all of the capital stock of a Guarantor Subsidiary to a person that is not (either before or after giving effect to such transaction) a restricted subsidiary, in compliance with the terms of the applicable indenture; (ii) the designation of a restricted subsidiary as an “Unrestricted Subsidiary” under the applicable indenture; or (iii) the release or discharge of the guarantee (including the guarantee under the AMC Networks’ credit agreement) which resulted in the creation of the note guarantee (provided that such Guarantor Subsidiary does not have any preferred stock outstanding at such time that is not held by AMC Networks or another Guarantor Subsidiary).

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

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

Summarized Financial Information

Income Statement

(In thousands)	Nine Months Ended September 30, 2020 Parent Company	Guarantor Subsidiaries
Revenues	$ —	$ 1,403,731
Operating expenses	—	976,117
Operating income	—	427,614
Income before income taxes	228,499	341,365
Net income	$ 145,268	$ 334,838

Balance Sheet	September 30, 2020		December 31, 2019	
(In thousands)	Parent Company	Guarantor Subsidiaries	Parent Company	Guarantor Subsidiaries
Assets				
Amounts due from subsidiaries	$ 5	$ 70.977	$ 1,760	$ 100,485
Current assets	7,329	1,478,636	28,768	1,590,932
Non-current assets	3,937,137	3,117,403	4,050,648	3,044,865
Liabilities and equity:				
Amounts due to subsidiaries	2,038	1,370	—	—
Current liabilities	148,025	461,012	100,081	470,027
Non-current liabilities	3,048,838	332,106	3,315,314	361,324

Critical Accounting Policies and Estimates

We describe our significant accounting policies in Note 2 to the Company's Consolidated Financial Statements included in our 2019 Form 10-K. Other than the adoption of ASU 2019-02 described in Note 5 to the accompanying condensed consolidated financial statements of the Company included herein, there have been no significant changes in our significant accounting policies since December 31, 2019.

We discuss our critical accounting estimates in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," in the same 2019 Form 10-K. There have been no significant changes in our critical accounting estimates since December 31, 2019.

The Company performs its annual goodwill impairment test as of December 1 each year. 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. 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 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. The fair value was determined using a combination of an income approach, using a discounted cash flow (DCF) model, and a market comparables approach. The DCF model includes significant assumptions about revenue growth rates, long-term growth rates and enterprise specific discount rates. Additionally, the market comparables approach is determined using guideline company financial 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, 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 charges in the condensed consolidated income statement.

No impairment charge was required for any of the Company's other reporting units.

As we are unable to predict how long the COVID-19 pandemic conditions will persist, what additional measures may be introduced by governments or private parties or what effect any such additional measures may have on our business. If these estimates or related assumptions change in the future, we may be required to record additional impairment charges related to goodwill.

Recently Issued Accounting Pronouncements

See Note 1 to the accompanying Condensed Consolidated Financial Statements of the Company for a discussion of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Fair Value of Debt

Based on the level of interest rates prevailing at September 30, 2020, the carrying value of our fixed rate debt of $2.18 billion was less than its fair value of $2.25 billion by approximately $69.8 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 September 30, 2020 would decrease the estimated fair value of our fixed rate debt by approximately $17.9 million to approximately $2.23 billion.

Managing our Interest Rate Risk

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

As of September 30, 2020, we had $2.9 billion of debt outstanding (excluding finance leases), of which $0.7 billion is outstanding under our loan facility and is subject to variable interest rates (before consideration of the interest rate swaps contracts described below).

As of September 30, 2020, we had interest rate swap contracts outstanding with notional amounts aggregating $100 million. The aggregate fair value of interest rate swap contracts at September 30, 2020 was a net liability of $3.0 million. As a result of these transactions, the interest rate paid on approximately 79% of our debt (excluding finance leases) as of September 30, 2020 is effectively fixed (76% being fixed rate obligations and 3% effectively fixed through utilization of these interest rate swap contracts).

A hypothetical 100 basis point increase in interest rates prevailing at September 30, 2020 would not have a material impact on our annual interest expense.

Managing our Foreign Currency Exchange Rate Risk

We are exposed to foreign currency risk to the extent that we enter into transactions denominated in currencies other than our subsidiaries' respective functional currencies (non-functional currency risk), such as affiliation agreements, programming contracts, certain trade receivables and accounts payable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized (based upon period-end exchange rates) or realized foreign currency transaction gains and losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. The Company recognized a $5.8 million gain and $10.6 million loss net, for the three and nine months ended September 30, 2020, respectively, related to foreign currency transactions. Such amounts are included in miscellaneous, net in the condensed consolidated statement of income.

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

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

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation as of September 30, 2020, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2020, there were no changes in the Company's internal control over financial reporting, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Since our 2019 Form 10-K, there have been no material developments in legal proceedings in which we are involved. See Note 14, Commitments and Contingencies to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

In addition to the other information set forth in this Form 10-Q, you should carefully consider the risk factors disclosed under the caption "Risk Factors" in our 2019 Form 10-K, as well as the following additional risk factor.

General Risks

The COVID-19 pandemic has significantly impacted worldwide economic conditions and could have a material adverse effect on our operations and business

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The rapid spread of the pandemic and the continuously evolving responses to combat it have had a negative impact on the global economy.

The impact of COVID-19 and measures to prevent its spread are affecting our businesses in a number of ways. To date, we have experienced adverse advertising sales impacts, suspended content production, which has led to delays in the creation and availability of some of our television programming, and the temporary closure of our comedy venues. In the third quarter of 2020, the Company recommenced production activities on most of its programming. However, there is no assurance that the Company will be able to continue its production activities uninterrupted, and the Company could be subject to temporary or longer-term shutdowns in production if there were to be an outbreak among cast members or crew.

Operationally, substantially all of our employees continue to work remotely, and we continue to restrict business travel. 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 the COVID-19 pandemic, the impact of the pandemic on our businesses could be exacerbated. In addition, the remote work environment has placed additional strain on our resources and the effects of the COVID-19 pandemic will heighten the other risks described in the section entitled "Risk Factors" in our 2019 Form 10-K, including 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.

The Company has evaluated and continues to evaluate the potential impact of the COVID-19 pandemic on its consolidated financial statements, including the impairment of goodwill (see Note 7) and indefinite-lived intangible assets and the fair value and collectability of receivables. The COVID-19 pandemic has had a material impact on the Company's operations since mid-March 2020. The Company cannot reasonably predict the ultimate impact of the COVID-19 pandemic, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic, the impact of governmental regulations that have been, and may continue to be, imposed in response to the pandemic, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of a vaccine, and global economic conditions. The COVID-19 pandemic may also affect our business, operations or financial condition in a manner that is not presently known to us or that we currently do not consider to present significant risks. In addition, the COVID-19 pandemic may also exacerbate other risks described in Item 1A, "Risk Factors" in our 2019 Form 10-K.

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

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

For the three months ended September 30, 2020, the Company did not repurchase any of its Class A common stock. As of September 30, 2020, the Company had $385.9 million of authorization remaining 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, will be classified in Treasury stock in the consolidated balance sheet. The settlement of the Tender Offer reduced the availability under the Stock Repurchase Program to $135.3 million.

Item 6. Exhibits.

(a) Index to Exhibits.

10.1	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)
22	Guarantor Subsidiaries of the Registrant
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMC Networks Inc.

Date: November 2, 2020

By: /s/ Christian Wymbs

Christian Wymbs

Executive Vice President and Chief Accounting Officer

List of Guarantor Subsidiaries

As of September 30, 2020, 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
AMC Film Holdings LLC	Delaware
AMC Network Entertainment LLC	New York
AMC Networks Broadcasting & Technology	New York
AMC Networks International Asia-Pacific LLC	Delaware
AMC Networks International LLC	Delaware
AMC Networks Productions 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
Anthem Productions LLC	Delaware
Badlands Productions I LLC	Louisiana
Badlands Productions II LLC	Delaware
Benders Productions I LLC	Delaware
Brockmire Productions I LLC	Delaware
Cobalt Productions LLC	Delaware
Comic Scribe LLC	Delaware
Crossed Pens Development 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 I LLC	Louisiana
Hap and Leonard Productions II LLC	Delaware
Hap and Leonard Productions III LLC	Delaware
IFC Entertainment Holdings LLC	Delaware
IFC Entertainment LLC	Delaware
IFC Films LLC	Delaware
IFC In Theaters LLC	Delaware

Guarantor	Jurisdiction of Formation
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
IPTV LLC	Delaware
Kindred Spirit Productions LLC	Delaware
Kopus Productions II LLC	Delaware
Kopus Productions LLC	Delaware
Living With Yourself Productions I LLC	Delaware
Lodge Productions I LLC	Delaware
Lodge Productions II LLC	Delaware
Making Waves Studio Productions LLC	Delaware
Monument Productions I LLC	Delaware
Newfound Lake Productions I LLC	Delaware
NOS4A2 Productions I LLC	Rhode Island
Peach Pit Properties 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
Rainbow Programming 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
Shudder LLC	Delaware
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
The Son Productions I LLC	Delaware
Turn Productions II LLC	Delaware

Guarantor	Jurisdiction of Formation
Turn Productions III LLC	Delaware
Turn Productions IV LLC	Delaware
Turn Productions 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
Universe Productions LLC	Delaware
Voom HD Holdings LLC	Delaware
WE tv Asia LLC	Delaware
WE TV Holdings LLC	Delaware
WE tv LLC	Delaware
We TV Studios LLC	Delaware
Woodbury Studios LLC	Delaware

I, Joshua W. Sapan, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date:	November 2, 2020	By:	/s/ Joshua W. Sapan
			Joshua W. Sapan
			President and Chief Executive Officer

I, Donna Coleman, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: November 2, 2020

By: /s/ Donna Coleman
Donna Coleman
Interim Chief Financial Officer

Certifications

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of AMC Networks Inc. ("AMC Networks") hereby certifies, to such officer's knowledge, that AMC Networks' Quarterly Report on Form 10-Q for the quarter ended September 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of AMC Networks.

Date:	November 2, 2020	By:	/s/ Joshua W. Sapan
			Joshua W. Sapan President and Chief Executive Officer
Date:	November 2, 2020	By:	/s/ Donna Coleman
			Donna Coleman Interim Chief Financial Officer