Risk Factors Comparison 2024-02-09 to 2023-02-17 Form: 10-K

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A wide range of risks may affect our business, financial condition and results of operations, now and in the future. We consider the risks described below to be the most significant. There may be other **economic, business, competitive, regulatory or other factors that are** currently unknown or unpredictable ~~economic, business, competitive, regulatory~~ or ~~other factors~~ **that we do not presently consider to be material** that could have material adverse effects on our future results. Risks Relating to Our Business Our business depends on the appeal of our programming to our U. S. and international viewers and our distributors, which is often unpredictable and volatile. Our business depends upon viewer preferences and audience acceptance in the United States and internationally of the programming on our networks. These factors are often unpredictable and volatile, and subject to influences that are beyond our control, such as the quality and appeal of competing programming, general economic conditions and the availability of other entertainment activities. We may not be able to anticipate and react effectively to shifts in viewer preferences and / or interests in our markets. A change in viewer preferences has caused, and could in the future continue to cause, the audience for certain of our programming to decline, which has resulted in, and could in the future continue to result in, a reduction of advertising revenues and jeopardize our bargaining position with distributors. In addition, certain of our competitors have more flexible programming arrangements, as well as greater amounts of available content, distribution and capital resources, and may react more quickly than we might to shifts in tastes and interests. The success of our business depends on original programming, and our ability to accurately predict how audiences will respond to our original programming is particularly important. Because our network branding strategies depend significantly on a relatively small number of original programs, a failure to anticipate viewer preferences for such programs could be especially detrimental to our business. We periodically review the programming usefulness of our program rights based on a series of factors, including ratings, type and quality of program material, standards and practices, and fitness for exhibition. We have incurred write- offs of program rights in the past, including $ 403. 8 million in the fourth quarter of 2022, and may incur future program rights write- offs if it is determined that program rights have limited, or no, future usefulness. In addition, ~~feature films constitute a significant portion of the programming on~~ our AMC, IFC and SundanceTV programming networks **broadcast feature films** . In general, the popularity of feature- film content on linear television has declined, and may continue to decline, due in part to the broad availability of such content through an increasing number of distribution platforms. If the popularity of feature- film programming further declines, we may lose viewership, which would decrease our revenues. If our programming does not gain the level of audience acceptance we expect, or if we are unable to maintain the popularity of our programming, our ratings would suffer, which will negatively affect advertising revenues, and we may have a diminished bargaining position with distributors, which could reduce our distribution revenues. Ratings have declined in recent years, which has had a negative effect on our advertising revenues and our financial results. We cannot assure you that we will be able to maintain the success of any of our current programming or generate sufficient demand and market acceptance for our new programming. The failure to develop popular new programming to replace programming that is older or ending can have adverse impacts on our business and results of operations. Our programming services' success depends upon the availability of programming that is adequate in quantity and quality, and we may be unable to secure or maintain such programming. The success of our programming services, consisting of linear networks and streaming services, depends upon the availability of quality programming, particularly original programming and films, that is suitable for our target markets. While we produce certain of our original programming through our studio operations, we obtain most of the programming on our services (including original programming, films and other acquired programming) through agreements with third parties that have produced or control the rights to such programming. These agreements expire at varying times and may be terminated by the other parties if we are not in compliance with their terms. Competition for programming has increased as the number of programming networks and streaming services has increased. ~~Other~~ **Certain** programming networks and streaming services that are affiliated with programming sources such as movie or television studios or film libraries ~~may~~ have a competitive advantage over us. In addition to other cable programming networks **, such as Paramount Global and Warner Bros. Discovery, Inc.** , we also compete for programming with national broadcast television networks, local broadcast television stations, video on demand services and subscription streaming services, such as Netflix, Hulu, Apple TV ~~, Google TV~~ and Amazon Prime. Some of these competitors have exclusive contracts with motion picture studios or independent motion picture distributors or own film libraries. We cannot assure you that we will ultimately be successful in producing or obtaining the quality programming our networks and streaming services need to be successful. Increased programming costs **have adversely affected and** may **continue to** adversely affect our profits. We produce original programming and other content and may continue to invest in this area, the costs of which are significant. We also acquire programming and television series, as well as a variety of digital content and other ancillary rights from other companies, and we pay license fees, royalties or contingent compensation in connection with these acquired rights. Our investments in original programming have been and ~~may~~ **are expected to** continue to be significant and involve complex negotiations with numerous third parties. These costs may not be recouped when the content is broadcast or distributed **,** and higher costs may lead to decreased profitability or potential write- downs. Increased competition from additional entrants into the market for development and production of original programming, such as Netflix, Hulu, Apple TV, ~~Google TV~~ and Amazon Prime, increases our programming content costs. We incur costs for the creative talent, including actors, writers and producers, who create our original programming. Some of our original programming has achieved significant popularity and critical acclaim, which has increased and could continue to increase the costs of such programming in the future. In addition, from time to time we have disputes with writers, producers and other creative talent over the amount of royalty and other payments (See Item 3. – Legal Proceedings for additional information). We believe that disputes of this type are endemic to our business and similar disputes may arise from time to time in the future. ~~An increase~~ **Increases** in the costs of programming **have led to and** may **in the future** lead to decreased profitability or otherwise adversely ~~affect~~ **impact** our business. Although in some cases the financial commitment for original programming is partially offset by foreign, state or local tax incentives, there is a risk that the tax incentives will not remain available for the duration of a series. If tax incentives are no longer available, reduced substantially, or cannot be utilized, we may incur higher costs in order to complete the production or produce additional seasons. If we are unable to produce original programming content on a cost effective basis **,** our business, financial condition and results of operations may be materially adversely affected. **Changes in the operating environment of multichannel distributors, including declines in the number of subscribers, could have a material negative effect on our business and results of operations.** Our ~~efforts to attract and retain streaming subscribers may not be successful, which may adversely affect our~~ business **derives a substantial portion of its revenues and income from cable television** ~~Our ability to continue to attract subscribers will depend in part on our ability to consistently provide~~ **providers and other MVPDs. Subscription** ~~compelling content choices, effectively market our~~ streaming services **and virtual** MVPDs have changed when,where and how audiences consume video content.These changes pose risks to the traditional U.S.television industry,including (i) the disruption of the traditional television content distribution model by subscription streaming services and virtual **MVPDs** ~~multichannel video programming services~~ ,which are increasing in number and some of which have a significant and growing subscriber base,and (ii) the disruption of the advertising supported television model resulting from increased video consumption through subscription streaming services and virtual **MVPDs** ~~multichannel video programming services~~ with no advertising or less advertising than on television networks,and time shifted viewing of television programming.In part as a result of these changes,over the past few years,the number of subscribers to traditional MVPDs in the United States has declined and the U.S.television industry has experienced declines in ratings for programming,which has negatively affected subscription and advertising revenues,including ours.Developments in technology and new content delivery products and services have also led to an increased **amount of video content** , as well as ~~provide a~~ **changes in consumers' expectations regarding the availability of video content, their willingness to pay for access to or ownership of such content, their perception of what** quality ~~experience~~ **entertainment is and their tolerance** for ~~subscribers~~ **commercial interruptions** . ~~Furthermore,~~ **We are engaged in efforts to respond to and mitigate the risks from** ~~the~~ **these changes** ~~relative service levels~~ , **but the success** ~~content offerings, pricing and related features~~ of **these initiatives depends in part on the cooperation of measurement companies** ~~competitors to our service may adversely impact our ability to attract and retain subscribers. For example~~ , ~~we~~ **advertisers and affiliates and, therefore, is not within our control. We** have ~~in~~ **incurred significant costs to implement our strategy and initiatives, and will continue to do so, and if** ~~the~~ **they** ~~past increased~~ **are not successful** , ~~and may in the future increase, prices for~~ our ~~streaming services~~ **competitive position** , ~~which~~ **businesses and results of operations** could ~~result in subscribers cancelling their subscriptions or potential subscribers not choosing to sign up for our services. We incur significant marketing expenditures to attract streaming subscribers, therefore retention of those subscribers is critical to our business model. We must continually add new subscriptions both to replace canceled subscriptions and to grow our streaming services beyond our current subscription base. While we permit multiple users within the same household to share a single account for noncommercial purposes, if account sharing is abused, our ability to add new subscribers may be hindered and our results of operations may be adversely impacted. If we do not grow as expected, given, in particular, that our content costs are largely fixed in nature and contracted over several years, we may not be able to adjust our expenditures or increase our (per subscription) revenues commensurate with the lowered growth rate, which could adversely impact our margins, liquidity and results of operations. If we are unable to successfully compete with current and new competitors in both retaining our existing subscriptions and attracting new subscriptions, our streaming services will~~ be adversely affected ~~. Further, if excessive numbers of subscribers cancel our services, we may be required to incur significantly higher marketing expenditures than we currently anticipate to replace these subscribers with new subscribers~~ . We are subject to intense competition, which may have a negative effect on our profitability or on our ability to expand our business. The programming industry is highly competitive. Our programming networks and streaming services compete with other programming networks and other types of video programming services for marketing and distribution by cable and other **MVPD** ~~multichannel video programming distribution~~ systems and ultimately for viewing by their subscribers. We compete with other providers of programming networks for the right to be carried by a particular cable or other **MVPD** ~~multichannel video programming distribution~~ system and for the right to be carried by such system on a particular" tier" of service. The increasing offerings by virtual MVPDs through alternative distribution methods creates competition for carriage on those platforms. Our programming networks and streaming services compete with other programming networks, streaming services, and other sources of video content to secure desired entertainment programming. Competition for content, audiences and advertising is intense and comes from broadcast television, other cable networks, distributors, including subscription streaming services and virtual **MVPDs** ~~multichannel video programming services~~ , social media content distributors, and other entertainment outlets and platforms, as well as from search **providers** , social networks, program guides and" second screen" applications. ~~Increased~~ **We face significant** competition ~~from additional entrants into the market~~ for **the** development and production of original programming, **including from, among others, cable programming networks such as Paramount Global and Warner Bros. Discovery, Inc., and subscription streaming services** such as Netflix, Hulu, Apple TV, ~~Google TV~~ and Amazon Prime, **which has increased and is expected to continue to** ~~increases~~ - **increase** our content costs as creating competing high quality, original content requires significant investment. **Additionally** ~~In addition~~ , ~~as~~ **new technological developments, including the development and use of generative artificial intelligence, are rapidly evolving. If our competitors gain an advantage by using such technologies, our ability to compete effectively and our results of operations could be adversely impacted. As** competition ~~with these entrants~~ for the creation and acquisition of quality programming continues to escalate, the complexity of negotiations over acquired rights to the content and the value of the rights we acquire or retain ~~may~~ **has increased and is expected to further** increase, leading to increased acquisition costs, and our ability to successfully acquire content of the highest quality may face greater uncertainty. Our ability to compete successfully depends on a number of factors, including our ability to create or acquire high quality and popular programs, adapt to new technologies and distribution platforms, and achieve widespread distribution for our content. More content consumption options increase competition for viewers as well as for programming and creative talent, which can decrease our audience ratings, and therefore potentially our advertising revenues. Certain programming networks affiliated with broadcast networks like ABC, CBS, Fox or NBC or other key free- to- air programming networks in countries where our networks are distributed may have a competitive advantage over our programming networks in obtaining distribution through the" bundling" of carriage agreements for such programming networks with a distributor' s right to carry the affiliated broadcasting network. In addition, our ability to compete with certain programming networks for distribution may be hampered because the cable television or other MVPDs through which we seek distribution may be affiliated with these programming networks. Because such distributors may have a substantial number of subscribers, the ability of such programming networks to obtain distribution on the systems of affiliated distributors may lead to increased distribution and advertising revenue for such programming networks because of their increased penetration compared to our programming networks. Even if the affiliated distributors carry our programming networks, they may place their affiliated programming network on a more desirable tier, thereby giving their affiliated programming network a competitive advantage over our own. Our competitors could also have preferential access to important technologies, customer data or other competitive information. There can be no assurance that we will be able to compete successfully in the future against existing or potential competitors, or that competition will not have a material adverse effect on our business, financial condition or results of operations. In addition, our competitors include market participants with interests in multiple media businesses that are often vertically integrated, whereas our businesses generally rely on distribution relationships with third parties. As more cable and satellite operators, Internet service providers, subscription streaming services, other content distributors, aggregators and search providers create or acquire their own content, some of them have significant competitive advantages, which could adversely affect our ability to negotiate favorable terms and distribution or otherwise compete effectively in the delivery marketplace. Certain of our competitors also have preferential access to important technologies, customer data or other competitive information. There can be no assurance that we will be able to compete successfully in the future against existing or new competitors, or that competition will not have a material adverse effect on our business, financial condition or results of operations. Changes in the operating environment of multichannel...... of operations could be adversely affected. Because a limited number of distributors account for a large portion of our business, failure to renew our programming networks' distribution agreements, renewal on less favorable terms, or the termination of those agreements, ~~both~~ **either** in the United States ~~and~~ **or** internationally, could have a material adverse effect on our business. Our programming networks depend upon agreements with a limited number of cable television system operators and other MVPDs. The loss of any significant distributor could have a material adverse effect on our consolidated results of operations. Currently our programming networks have distribution agreements with staggered expiration dates through ~~2028~~ **2029** . Failure to renew distribution agreements, or renewal on less favorable terms (including with respect to price, packaging, positioning and other marketing opportunities), or the termination of distribution agreements could have a material adverse effect on our results of operations. A reduced distribution of our programming networks would adversely affect our distribution revenues, and impact our ability to sell advertising or the rates we charge for such advertising. Even if distribution agreements are renewed, there is no assurance that the renewal rates will equal or exceed the rates that we currently charge these distributors. In addition, we have, in some instances, made upfront payments to distributors in exchange for additional subscribers or have agreed to waive or accept lower subscription fees if certain numbers of additional subscribers are provided. In certain cases, we also **support** ~~help fund~~ our distributors' efforts to market our programming networks or permit distributors to offer promotional periods without payment of subscriber fees. As we continue our efforts to add viewing subscribers, our net revenues may be negatively affected by these deferred carriage fee arrangements, discounted subscriber fees or other payments. **Our efforts to attract and retain streaming subscribers may not be successful, which may adversely affect our business Our ability to attract subscribers depends in part on our ability to consistently provide compelling content choices, effectively market our streaming services, as well as provide a quality experience for subscribers. Furthermore, the relative service levels, content offerings, pricing and related features of competitors to our service may adversely impact our ability to attract and retain subscribers. For example, we have in the past increased, and may in the future increase, prices for our streaming services, which could result in subscribers cancelling their subscriptions or potential subscribers not choosing to sign up for our services. We incur significant marketing expenditures to attract streaming subscribers, therefore retention of those subscribers is critical to our business model. We must continually add new subscriptions both to replace canceled subscriptions and to grow our streaming services beyond our current subscription base. While we permit multiple users within the same household to share a single account for noncommercial purposes, if account sharing is abused, our ability to add new subscribers may be hindered and our results of operations may be adversely impacted. If we are unable to successfully compete with current and new competitors in both retaining our existing subscriptions and attracting new subscriptions, our streaming services will be adversely affected.** We may not be able to adapt to new content distribution platforms and to changes in consumer behavior resulting from these new technologies, which may adversely affect our business. We must successfully adapt to technological advances in our industry, including alternative distribution platforms and viewing technologies. Our ability to exploit new distribution platforms and viewing technologies will affect our ability to maintain or grow our business. New forms of content distribution provide different economic models and compete with current distribution methods in ways that are not entirely predictable. Such competition has reduced and is likely to continue to reduce demand for our traditional television offerings and could reduce demand for the offerings of digital platforms and, in turn, reduce our revenue from these sources. Accordingly, we must adapt to changing consumer behavior driven by advances such as virtual MVPDs, video on demand, subscription streaming services, including services such as Netflix, Hulu, Apple TV ~~, Google TV~~ and Amazon Prime, and mobile devices. Gaming and other consoles such as Microsoft' s Xbox and Roku ~~are~~ **have** ~~establishing~~ **established** themselves as alternative providers of video services. Such changes ~~may~~ **have impacted and are expected to continue to** impact the revenues we are able to generate from our traditional distribution methods, ~~either~~ by decreasing the viewership of our programming networks on cable and other **MVPD** ~~multichannel video programming distribution~~ systems which are almost entirely directed at television video delivery ~~or~~ **and** by making advertising on our programming networks less valuable to advertisers. If we fail to adapt our distribution methods and content to new technologies, our appeal to our targeted audiences ~~might~~ **would likely** decline and there ~~could~~ **would** be a negative effect on our business. Consolidation among cable, satellite and telecommunications service providers has had, and could continue to have, an adverse effect on our revenue and profitability. Consolidation among cable and satellite distributors and telecommunications service providers has given the largest operators considerable leverage and market power in their relationships with programmers. We currently have agreements in place with the major U. S. cable and satellite operators and telecommunications service providers and this consolidation has affected, and could continue to affect, our ability to maximize the value of our content through those distributors. In addition, many of the countries and territories in which we distribute our networks also have a small number of dominant distributors. In connection with consolidation in the industry, in some cases, if a distributor is acquired, the agreement of the acquiring distributor will govern following the acquisition. In those circumstances, the acquisition of a distributor that is party to one or more distribution agreements with our programming networks on terms that are more favorable to us could adversely impact our financial condition and results of operations. Continued consolidation within the industry could reduce the number of distributors that carry our programming and further increase the negotiating leverage of the cable and satellite television system operators, which could have an adverse effect on our financial condition or results of operations. Advertising market conditions in specific markets have in the past caused and ~~could~~ **are expected** in the future **to** cause our revenues and operating results to decline significantly in any given period. We derive substantial revenues from the sale of advertising on a variety of platforms, and a decline in advertising expenditures could have a significant adverse effect on our revenues and operating results in any given period **. Our advertising revenues were $ 716 million for the year ended December 31, 2023 compared to $ 872 million for the year ended December 31, 2022, an 18 % decline** . The strength of the advertising market can fluctuate in response to the economic prospects of specific advertisers or industries, advertisers' current spending priorities and the economy in general, and this may adversely affect the growth rate of our advertising revenues. In addition, the pricing and volume of advertising has been affected by shifts in spending toward online and mobile offerings from more traditional media, ~~or~~ **and** toward new ways of purchasing advertising, such as through automated purchasing, dynamic advertising insertion, third parties selling local advertising spots and advertising exchanges, some or all of which is not as advantageous to us as current advertising methods. The increased number of entertainment choices available to consumers has intensified audience fragmentation and reduced the viewing of content through traditional and virtual **MVPDs** ~~multichannel video programming providers~~ , which has caused, and ~~may~~ **are expected to** continue to cause, audience ratings declines for our programming networks and has adversely affected the pricing and volume of advertising. Advertising revenues **are** ~~can be significantly~~ impacted by new technologies, **and that impact has been and could continue to be significant.** ~~since~~ **Since** advertising sales are dependent on audience measurement provided by third parties, and the results of audience measurement techniques can vary independent of the size of the audience for a variety of reasons, including variations in the employed statistical sampling methods, **there could be** difficulties related to the employed statistical sampling methods, new distribution platforms and viewing technologies, and the shifting of the marketplace to the use of measurement of different viewer behaviors, such as delayed viewing. While Nielsen' s statistical sampling method is the primary measurement technique used in our television advertising sales, we measure and monetize our campaign reach and frequency on and across digital platforms based on other third- party data using a variety of methods including the number of impressions served and demographics. In addition, multi- platform campaign verification is in its infancy, and viewership on tablets and smartphones, which is growing rapidly, is presently not measured by any one consistently applied method. These variations and changes could have a significant effect on advertising revenues. Theft of our content, including digital copyright theft and other unauthorized exhibitions of our content, may decrease revenue received from our programming and adversely affect our businesses and profitability. The success of our businesses depends in part on our ability to maintain and monetize our intellectual property rights to our entertainment content. We are fundamentally a content company and theft of our brands, programming, digital content and other intellectual property has the potential to significantly affect us and the value of our content. Copyright theft is particularly prevalent in many parts of the world that lack effective copyright and technical protective measures similar to those existing in the United States or that lack effective enforcement of such measures, including some of the jurisdictions in which we operate. The interpretation of copyright, privacy and other laws as applied to our content, and piracy detection and enforcement efforts, remain in flux. The failure to strengthen, or the weakening of, existing intellectual property laws could make it more difficult for us to adequately protect our intellectual property and negatively affect its value and our results of operations. Content theft has been made easier by the wide availability of higher bandwidth and reduced storage costs, as well as tools that undermine security features such as encryption and the ability of pirates to cloak their identities online. In addition, we and our numerous production and distribution partners operate various technology systems in connection with the production and distribution of our programming, and intentional, or unintentional, acts could result in unauthorized access to our content, a disruption of our services, or improper disclosure of confidential information. The prevalence of digital formats and technologies heightens this risk. Unauthorized access to our content could result in the premature release of our programming, which may have a significant adverse effect on the value of the affected programming. Copyright theft has an adverse effect on our business because it reduces the revenue that we are able to receive from the legitimate sale and distribution of our content, undermines lawful distribution channels and inhibits our ability to recoup or profit from the costs incurred to create such content. A change in the laws of one jurisdiction may also have an impact on our ability to protect our intellectual property rights across other jurisdictions. In addition, many parts of the world where piracy is prevalent lack effective copyright and other legal protections or enforcement measures. Efforts to prevent the unauthorized distribution, performance and copying of our content may affect our profitability and may not be successful in preventing harm to our business. Litigation may be necessary to enforce our intellectual property rights, protect trade secrets or to determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition and results of operations. Our failure to protect our intellectual property rights, particularly our brand, in a meaningful manner or challenges to related contractual rights could result in erosion of our brand and limit our ability to control marketing of our networks, which could have a materially adverse effect on our business, financial condition and results of operations **. We are, and may in the future become, subject to litigation and other legal proceedings, which could negatively impact our business, financial condition and results of operations. From time to time, we are subject to various legal proceedings (including class action lawsuits), claims, regulatory investigations and arbitration proceedings in the U. S. and in foreign countries, including claims relating to intellectual property, employment, wage and hour, consumer privacy, contractual and commercial disputes, and the production, distribution, and licensing of our content. Any proceedings, actions, claims or inquiries initiated by or against us, whether successful or not, may be time consuming, result in costly litigation, damage awards, consent decrees, injunctive relief or increased costs of business, require us to change our business practices or products, result in negative publicity, require significant amounts of management time, result in the diversion of significant operational resources or otherwise harm our business and financial results. In addition, our insurance may not be adequate to protect us from all material expenses related to pending and future claims. Any of these factors could materially adversely affect our business, financial condition and results of operations. For further information about specific litigation and proceedings, see the section titled " Legal Proceedings " contained in Part I, Item 3 of this Annual Report on Form 10- K** . Economic and Operational Risks We face risks from doing business internationally. We have operations through which we distribute programming outside the United States. As a result, our business is subject to certain risks inherent in international business, many of which are beyond our control. These risks include: • laws and policies affecting trade and taxes, including laws and policies relating to the repatriation of funds and withholding taxes, and changes in these laws; • changes in local regulatory requirements, including restrictions on content, imposition of local content quotas and restrictions on foreign ownership; • exchange controls, tariffs and other trade barriers; • differing degrees of protection for intellectual property and varying attitudes towards the piracy of intellectual property; • foreign privacy and data protection laws and regulations, as well as data localization requirements, and changes in these laws and requirements; • the instability of foreign economies and governments; • war and acts of terrorism; and • anti- corruption laws and regulations such as the Foreign Corrupt Practices Act and the U. K. Bribery Act that impose stringent requirements on how we conduct our foreign operations and changes in these laws and regulations. Events or developments related to the risks described above as well as other risks associated with international trade could adversely affect our revenues from non- U. S. sources, which could have a material adverse effect on our business, financial condition, operating results, liquidity and prospects. Economic problems in the United States or in other parts of the world could adversely affect our results of operations. Our business is affected by prevailing economic and financial conditions in the United States and other countries. We derive substantial revenues from advertisers, and these expenditures are sensitive to general economic conditions and consumer buying patterns. Financial instability, a general decline in economic conditions, including as a result of the COVID- 19 pandemic, disruptions to financial markets, inflation, recession, high unemployment or geopolitical events (including the war between Russia and Ukraine), or fears about such events occurring, in the United States and other countries where our networks are distributed, have in the past adversely affected advertising rates and volume, which has resulted in a decrease in our advertising revenues. Decreases in consumer discretionary spending in the U. S and other countries where our networks are distributed **have in the past affected and** may **in the future** affect cable television and other video service subscriptions, in particular with respect to digital service tiers on which certain of our programming networks are carried. This could lead to a decrease in the number of subscribers receiving our programming from MVPDs, which could, in turn, have a negative impact on our viewing subscribers and subscription ~~fee~~ revenues. Similarly, a decrease in viewing subscribers could have a negative impact on the number of viewers actually watching the programs on our programming networks, thereby impacting the rates we are able to charge advertisers. Economic conditions affect a number of aspects of our businesses worldwide and impact the businesses of advertisers on our networks. Adverse economic conditions have resulted in and could in the future result in advertisers reducing their spending on advertising and negatively affect the ability of those with whom we do business to satisfy their obligations to us. The worsening of current global economic conditions has in the past adversely affected, and could in the future **,** adversely affect our business, financial condition or results of operations, and worsening of economic conditions in certain specific parts of the world could impact the expansion and success of our businesses in such areas. Furthermore, some foreign markets in which we operate may be more adversely affected by worsening economic conditions than the United States or other countries. Fluctuations in foreign exchange rates have had and could have in the future an adverse effect on our results of operations. We have significant operations in a number of foreign jurisdictions and certain of our operations are conducted in foreign currencies. The value of these currencies fluctuates relative to the U. S. dollar. As a result, we are exposed to exchange rate fluctuations, which have had, and may in the future have, an adverse effect on our results of operations in a given period. Specifically, we are exposed to foreign currency exchange rate risk to the extent that we enter into transactions denominated in currencies other than ours or our subsidiaries' respective functional currencies, such as trade receivables, programming contracts, notes payable and notes receivable (including intercompany amounts) that are denominated in a currency other than the applicable functional currency. Changes in exchange rates with respect to amounts recorded in our consolidated balance sheets related to these items will result in unrealized or realized (based upon period- end exchange rates) foreign currency transaction gains or losses upon settlement of the transactions. Moreover, to the extent that our revenue, costs and expenses are denominated in currencies other than our or our subsidiaries' respective functional currencies, we will experience fluctuations in our revenue, costs and expenses solely as a result of changes in foreign currency exchange rates. We also are exposed to unfavorable and potentially volatile fluctuations of the U. S. dollar (our reporting currency) against the currencies of our non- U. S. dollar functional currency operating subsidiaries when their respective financial statements are translated into U. S. dollars for inclusion in our consolidated financial statements. Cumulative translation adjustments are recorded in accumulated other comprehensive income (loss) as a separate component of equity. Any increase (decrease) in the value of the U. S. dollar against any foreign currency that is the functional currency of one of our operating subsidiaries will cause us to experience unrealized foreign currency translation losses (gains) with respect to amounts already invested in such foreign currencies. Accordingly, we may experience a negative impact on our comprehensive income (loss) and equity with respect to our holdings solely as a result of foreign currency translation. Our primary exposure to foreign currency risk from a foreign currency translation perspective is to the euro, British pound and, to a lesser extent, other local currencies in Europe. We generally do not hedge against the risk that we may incur non- cash losses upon the translation of the financial statements of our non- U. S. dollar functional currency operating subsidiaries and affiliates into U. S. dollars. Our business is limited by United States regulatory constraints which may adversely impact our operations. Although most aspects of our business generally are not directly regulated by the FCC, there are certain FCC regulations that govern our business either directly or indirectly. See Item 1," Business — Regulation" in this Annual Report. Furthermore, to the extent that regulations and laws, either presently in force or proposed, hinder or stimulate the growth of the cable television, satellite or other MVPD industries, our business could be affected. The United States Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters that could, directly or indirectly, affect our operations. The regulation of cable television operators, satellite carriers, and other video programming distributors is subject to the political process and has been in constant flux over the past two decades. Further changes in the law and regulatory requirements, including material ones, may be proposed or adopted in the future. We cannot assure you that our business will not be adversely affected by future legislation, new regulation or deregulation of us or of our competitors. Our businesses are subject to risks of adverse regulation by foreign governments. Programming businesses are subject to the regulations of **regulators in** the countries in which they operate as well as international bodies, such as the European Union (" E. U."). These regulations may include restrictions on the types of advertisements that can be sold on our networks, programming content requirements, requirements to make programming available on non- discriminatory terms, local levies or taxes applied to our networks and local content quotas. Consequently, our businesses must adapt their ownership and organizational structures as well as their pricing and service offerings to satisfy the rules and regulations to which they are subject. A failure to comply with applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse conditions. Existing or proposed legislation and regulations could also significantly affect our business. For example, the E. U. ~~adopted~~ GDPR **imposes** , **among** ~~which expands the~~ **other** ~~regulation~~ **things, stringent operational requirements for processors and controllers** of personal data ~~processing throughout the E. U.~~ **, including expansive disclosures about how personal information is to be used,** and ~~significantly~~ -- **significant fines** ~~increases penalties~~ for non- compliance. Complying with these laws and regulations **has been and** could **continue to** be costly, **could** require us to change our business practices, or **could** limit or restrict aspects of our business in a manner adverse to our business operations. In particular, certain data privacy laws have required monitoring of, and changes to, our practices related to the collection, use, disclosure and storage of personal information. Many of these laws and regulations continue to evolve, and sometimes conflict among the countries in which we operate, and substantial uncertainty surrounds their scope and application. Our failure to comply with these law and regulations could result in exposure to enforcement actions by foreign governments, as well as significant negative publicity and reputational damage. Adverse changes in foreign rules and regulations could have a significant adverse impact on our profitability. We face continually evolving cybersecurity risks, which could result in the disclosure, theft or destruction of confidential information, disruption of our programming, damage to our brands and reputation, legal exposure and financial losses. We maintain information, including confidential and proprietary information regarding our content, distributors, advertisers, viewers and employees, in digital form as necessary to conduct our business. We also rely on third- party vendors to provide certain services in connection with the storage, processing and transmission of digital information. Data maintained in digital form is subject to the risk of cybersecurity attacks, tampering and theft. We develop and maintain systems to monitor and prevent this from occurring, but the development and maintenance of these systems is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite our efforts, the risks of a data breach cannot be entirely eliminated and our third- party vendors' information technology and other systems that maintain and transmit consumer, distributor, advertiser, company, employee and other confidential information may be compromised by a malicious penetration of our network security, or that of a third party provider due to employee error, computer malware or ransomware, viruses, hacking and phishing attacks, or otherwise. Hybrid work arrangements increase the risk of cyber incidents, including data breaches. Additionally, outside parties from time to time attempt to fraudulently induce employees or users to disclose sensitive or confidential information in order to gain access to data. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If our or our third- party providers' data systems are compromised, our ability to conduct our business may be impaired, we may lose profitable opportunities or the value of those opportunities may be diminished and, as described above, we may lose revenue as a result of unlicensed use of our intellectual property. Further, a penetration of our or our third- party providers' network security or other misappropriation or misuse of personal consumer or employee information could subject us to business, regulatory, litigation and reputation risk, which could have a negative effect on our business, financial condition and results of operations. We rely upon cloud computing services to operate certain aspects of our business and any disruption of or interference with our use of these services would impact our operations and our business would be adversely impacted. Cloud computing services, such as Amazon Web Services (" AWS "), provide a distributed computing infrastructure platform for business operations. We have architected our software and computer systems so as to utilize data processing, storage capabilities and other services provided by AWS or other third parties. Such third parties' facilities are vulnerable to damage or interruption from natural disasters, cybersecurity attacks, terrorist attacks, power outages and similar events or acts of misconduct. Currently, we run the vast majority of our computing on AWS. We have experienced, and we expect that in the future we will experience, interruptions, delays and outages in service and availability from AWS and other third- party service providers from time to time due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions and capacity constraints. Given this, along with the fact that we cannot easily switch our AWS operations to another cloud provider, without significant costs, or at all, any disruption of or interference with our use of AWS would impact our operations and our business. If our technology facilities fail or their operations are disrupted, or if we lose access to third party satellites, our performance could be hindered. Our programming is transmitted using technology facilities at certain of our subsidiaries. These technology facilities are used for a variety of purposes, including signal processing, program editing, promotions, creation of programming segments to fill short gaps between featured programs, quality control, and live and recorded playback. These facilities are subject to interruption from fire, lightning, adverse weather conditions and other natural causes. Equipment failure, employee misconduct or outside interference could also disrupt the facilities' services. We maintain a full time disaster recovery site in Chandler, Arizona, which is capable of providing simultaneous playout of AMC, **BBC AMERICA ("** BBCA **")** , SundanceTV, IFC and WEtv in the event of a disruption of operations at our main facility in Bethpage, NY. In the event of a catastrophic failure of the Bethpage facility, the disaster recovery site can be operational on the satellite within one to two hours. In addition, we rely on third- party satellites in order to transmit our programming signals to our distributors. As with all satellites, there is a risk that the satellites we use will be damaged as a result of natural or man- made causes, or will otherwise fail to operate properly. Although we maintain in- orbit protection providing us with back- up satellite transmission facilities should our primary satellites fail, there can be no assurance that such back- up transmission facilities will be effective or will not themselves fail. Further, there are a limited number of communications satellites available for the transmission of programming, and, in the event of a disruption, we may not be able to secure an alternate distribution source in a timely manner. Any significant interruption at any of our technology facilities affecting the distribution of our programming, or any failure in satellite transmission of our programming signals, could have an adverse effect on our operating results and financial condition. The loss of any of our key personnel and artistic talent could adversely affect our business. We believe that our success depends to a significant extent upon the performance of our senior executives and other key employees and on our ability to identify, attract, hire train and retain such personnel. We generally do not maintain" key man" insurance, and there is no assurance of the continued services of our senior executives or other key employees. In addition, we depend on the availability of third- party production companies to create some of our original programming. For certain of our productions, through in- house and third party production service companies, we engage the services of writers, directors, actors and various crew members who are subject to certain specially negotiated collective bargaining agreements. ~~Any~~ **While the Company was not significantly impacted by the 2023 Writers Guild of America and SAG- AFTRA strikes, any future** labor disputes or a strike by one or more unions representing any of these parties who are essential to our original programming could have a material adverse effect on our original programming, disrupt our operations and reduce our revenues. We may also be impacted by perceptions relating to reductions in force that we have conducted in the past in order to optimize our organizational structure and reduce costs and the departure of certain senior personnel for various reasons. The loss of any significant personnel or artistic talent, or our artistic talent losing their audience base, could also have a material adverse effect on our business. Our operations and business have in the past been, and could in the future be, materially adversely impacted by a pandemic or other health emergency. Pandemics, such as the COVID- 19 pandemic, and public health emergencies have affected and may, in the future, adversely affect our businesses. We experienced adverse advertising sales impacts and suspended content production as a result of the COVID- 19 pandemic, which led to delays in the creation and availability of substantially all of our programming. If significant portions of our workforce, including key personnel, are unable to work effectively because of illness, government actions or other restrictions in connection with a pandemic or other public health emergency, the impact on our businesses could be exacerbated. In addition, remote work arrangements heighten the operational risks, including cybersecurity risks, to which we are subject. We cannot reasonably predict the ultimate impact of any pandemic or public health emergency, including the extent of any adverse impact on our business, results of operations and financial condition, which will depend on, among other things, the duration and spread of the pandemic or public health emergency, the impact of governmental regulations that have been, and may continue to be, imposed in response, the effectiveness of actions taken to contain or mitigate the outbreak, the availability, safety and efficacy of vaccines, including against emerging variants of the infectious disease, and global economic conditions. In addition to the risks described above, to the extent that a pandemic or other public health emergency adversely affects our operations and financial condition, it may also heighten other risks described in this section. We may not be successful in achieving sustaining or improving operating expense reductions, and might experience business disruptions associated with restructuring and cost reduction activities. Our business has been, and may in the future be, the subject of restructuring and cost reduction initiatives ~~. For example, we recently announced our plans to implement a restructuring plan designed to achieve significant cost reductions~~ . We may not be successful in achieving the full cost reduction benefits we expect over the timeframe we expect, or at all, and the ongoing costs of implementing cost reduction and restructuring measures might be greater than anticipated. If these measures are not successful or sustainable, we may undertake additional restructuring and cost reduction efforts, which could result in future restructuring charges. Moreover, our ability to achieve our other strategic goals and business plans might be adversely affected, and we could experience business disruptions, if our restructuring efforts and cost reduction activities prove ineffective. These actions may also distract management from other business opportunities and adversely impact employee productivity and morale. Our inability to successfully make investments in, and / or acquire and integrate, other businesses, assets, products or technologies could harm our business, financial condition or operating results. Our success may depend on opportunities to buy other businesses or technologies that could complement, enhance or expand our current business or products or that might otherwise offer us growth opportunities. We have acquired, and have made strategic investments in, a number of companies (including through joint ventures) in the past, and we expect to make additional acquisitions and strategic investments in the future. Such transactions may result in dilutive issuances of our equity securities, use of our cash resources, and incurrence of debt and amortization expenses related to intangible assets. Any acquisitions and strategic investments that we are able to identify and complete may be accompanied by a number of risks, including: • the difficulty of assimilating the operations and personnel of acquired companies into our operations; • the potential disruption of our ongoing business and distraction of management; • the incurrence of additional operating losses and operating expenses of the businesses we acquired or in which we invested; • the difficulty of integrating acquired technology and rights into our services and unanticipated expenses related to such integration; • the failure to successfully further develop an acquired business or technology and any resulting impairment of amounts currently capitalized as intangible assets; • the failure of strategic investments to perform as expected or to meet financial projections; • the potential for patent and trademark infringement and data privacy and security claims against the acquired companies, or companies in which we have invested; • litigation or other claims in connection with acquisitions, acquired companies, or companies in which we have invested; • the impairment or loss of relationships with customers and partners of the companies we acquired or in which we invested or with our customers and partners as a result of the integration of acquired operations; • the impairment of relationships with, or failure to retain, employees of acquired companies or our existing employees as a result of integration of new personnel; • the difficulty of integrating operations, systems, and controls as a result of cultural, regulatory, systems, and operational differences; • the performance of management of companies in which we invest but do not control; • in the case of foreign acquisitions and investments, the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries; and • the impact of known potential liabilities or liabilities that may be unknown, including as a result of inadequate internal controls, associated with the companies we acquired or in which we invested. Our failure to be successful in addressing these risks or other problems encountered in connection with our past or future acquisitions and strategic investments could cause us to fail to realize the anticipated benefits of such acquisitions or investments, incur unanticipated liabilities, and harm our business, financial condition and results of operations. We may have exposure to additional tax liabilities. We are subject to income taxes as well as non- income based taxes, such as payroll, sales, use, value- added, net worth, property and goods and services taxes, in both the United States and various foreign jurisdictions. Judgment is required in determining our worldwide provision for income taxes and other tax liabilities. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We are regularly under audit by tax authorities in both the United States and various foreign jurisdictions. Although we believe that our tax estimates are reasonable, (1) there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions, expense amounts for non- income based taxes and accruals and (2) any material differences could have an adverse effect on our financial position and results of operations in the period or periods for which determination is made. Although a portion of our revenue and operating income is generated outside the United States, we are subject to potential current U. S. income tax on this income due to our being a U. S. corporation, resulting in a potentially higher effective tax rate for the Company. This includes (i) what is referred to as" Subpart F Income," which generally includes, but is not limited to, such items as interest, dividends, royalties, gains from the disposition of certain property, certain currency exchange gains in excess of currency exchange losses, and certain related party sales and services income and (ii) what is referred to as “ global intangible low- taxed income, ” which generally equals certain foreign earnings in excess of 10 percent of the foreign subsidiaries’ tangible business assets. While we may mitigate any potential negative impacts of the aforementioned regimes through claiming a foreign tax credit against our U. S. federal income taxes or potentially have foreign or U. S. taxes reduced under applicable income tax treaties, we are subject to various limitations on claiming foreign tax credits or we may lack treaty protections in certain jurisdictions that will potentially limit any reduction of the increased effective tax rate. A higher effective tax rate may also result to the extent that losses are incurred in non- U. S. subsidiaries that do not reduce our U. S. taxable income. We are subject to changing tax laws, treaties and regulations in and between countries in which we operate, including treaties between the United States and other nations. A change in these tax laws, treaties or regulations, including those in and involving the United States, or in the interpretation thereof, could result in a materially higher or lower income or non- income tax expense. Also, various income tax proposals in the countries in which we operate and measures in response to the economic uncertainty in certain European jurisdictions in which we operate, could result in changes to the existing tax laws under which our taxes are calculated. We are unable to predict whether any of these or other proposals in the United States or foreign jurisdictions will ultimately be enacted. Any such changes could negatively impact our business. **In December 2021, the Organization for Economic Co- operation and Development (OECD) released the Pillar Two Model Rules which aim to reform international corporate taxation rules, including the implementation of a global minimum tax rate. The Pillar Two Model Rules will be implemented in a phased approach beginning January 1, 2024. While the Company does not anticipate a significant impact to our financial statements as a result, compliance with the Pillar Two Model Rules could give rise to additional taxation in certain jurisdictions.** A significant amount of our book value consists of intangible assets that may not generate cash in the event of a voluntary or involuntary sale. At December 31, ~~2022~~ **2023** , our consolidated financial statements included approximately $ 5. ~~6~~ **0** billion of consolidated total assets, of which approximately $ ~~1.~~ 0 **. 9** billion were classified as intangible assets. Intangible assets primarily include affiliation agreements and affiliate relationships, advertiser relationships, trademarks and goodwill. While we believe that the carrying values of our intangible assets are recoverable, there is no assurance that we would receive any cash from the voluntary or involuntary sale of these intangible assets, particularly if we were not continuing as an operating business. Risks Relating to Our Debt Our substantial long- term debt and high leverage could adversely affect our business. We have a significant amount of long- term debt. As of December 31, ~~2022~~ **2023** , we had $ 2. ~~8~~ **4** billion principal amount of total long- term debt (excluding finance leases), $ ~~641~~ **607** . ~~3~~ **5** million of which is senior secured debt under our Credit Facility and $ ~~2~~ **1** . ~~2~~ **8** billion of which is senior unsecured debt. Our ability to make payments on, or repay or refinance, our debt, and to fund planned distributions and capital expenditures, will depend largely upon our future operating performance and our ability to borrow additional funds in the future. Our future performance, to a certain extent, is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control **. Our leverage may make our results of operations more susceptible to adverse economic and industry conditions by limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate and may place us at a competitive disadvantage as compared to our competitors that have less debt** . In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in the Credit Facility and our other debt agreements, including the indentures governing our notes and other agreements we may enter into in the future. Our substantial amount of debt could have important consequences. For example, it could: • increase our vulnerability to general adverse economic and industry conditions; • require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future programming investments, capital expenditures, working capital, business activities and other general corporate requirements; • limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; • place us at a competitive disadvantage compared with our competitors; and • limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity. We will need to refinance our existing indebtedness as it matures, and we do not expect to generate sufficient cash from operations to repay at maturity our outstanding debt obligations. **For example, we have $ 774. 7 million of senior unsecured debt due in August 2025 that we will need to repay and / or refinance.** As a result, we will be dependent upon our ability to access the capital and credit markets. Market conditions, including further changes in interest rates, may increase the risk that the terms of any refinancing will not be as favorable as the terms of the existing debt (including agreeing to more restrictive covenants on our business or needing to provide collateral securing the debt), or that we may not be able to refinance the existing debt at all. Failure to raise significant amounts of funding to repay these obligations at maturity on terms favorable to us, or at all, could adversely affect our business. If we are unable to raise such amounts, we would need to take other actions including reducing investments in new programming, selling assets, seeking strategic investments from third parties or reducing other discretionary uses of cash, any of which could adversely impact our business and financial condition. The Credit Facility and indentures governing our notes restrict, and market or business conditions may limit, our ability to do some of these things. **See " The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business. "** Although a significant amount of our outstanding debt has fixed interest rates, borrowings under our Credit Facility bear interest at variable rates. For example, our interest expense increased from approximately $ ~~129~~ **133** . ~~1~~ **8** million in ~~2021~~ **2022** to approximately $ ~~133~~ **152** . ~~8~~ **7** million in ~~2022~~ **2023** despite a **reduction in the** ~~relative constant amount of~~ outstanding principal amount of total debt. As a result, increases in market interest rates have increased our interest expense and our debt service obligations. If interest rates were to continue rising, this would further increase the amount of interest expense that we would have to pay for borrowings under the Credit Facility **, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease** . While we have in the past entered into hedging agreements limiting our exposure to higher interest rates, we did not have any interest rate swap contracts outstanding at December 31, ~~2022~~ **2023** . We may enter into hedging agreements in the future ~~,~~ **;** however **,** any such agreements do not offer complete protection from this risk ~~. The agreements governing our debt contain various covenants that impose restrictions on us that may affect our ability to operate our business~~ . The agreements governing the Credit Facility and the indentures governing our notes contain covenants that, among other things, limit our ability to: • borrow money or guarantee debt; • create liens; • pay dividends on or redeem or repurchase stock; • make investments; • enter into transactions with affiliates; • enter into strategic transactions; and • sell assets or merge with other companies. The Credit Facility requires us to comply with a Cash Flow Ratio and an Interest Coverage Ratio, each as defined in the Credit Facility. Compliance with these covenants may limit our ability to take actions, including repurchasing our common stock or making investments, that might be to our advantage or to the advantage of our stockholders. **The terms of any future indebtedness we may incur could include more restrictive covenants.** Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial ratios **, and we cannot assure you that we will be able to maintain compliance with these covenants and financial ratios in the future. For example, higher programming expenditures, higher operating costs or lower revenues could lead to a default under certain financial covenants contained in the Credit Facility. In addition, because the calculations of the financial ratios are made as of certain dates, the financial ratios can fluctuate significantly from period to period as the amounts outstanding under the Credit Facility are dependent on the timing of cash flows related to operations, capital expenditures and securities offerings. If we fail to comply with these covenants, we cannot assure you that we will be able to obtain waivers from the lenders and / or amend the covenants, which could, among other things, impact our liquidity. Moreover, in connection with any future waivers or amendments to our indebtedness that we may obtain, our lenders may modify the terms of our such indebtedness or impose additional operating and financial restrictions on us** . Failure to comply with any of the covenants in our existing or future financing agreements could result in a default under those agreements and under other agreements containing cross- default provisions. A default would permit lenders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt. Under these circumstances, we might not have sufficient funds or other resources to satisfy all of our obligations. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing. **Any of these events could have a material adverse effect on our business, financial condition and results of operations.** Despite our current levels of debt, we may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial debt. We may be able to incur additional debt in the future. The terms of the Credit Facility and indentures governing our notes allow us to incur substantial amounts of additional debt, subject to certain limitations. In addition, as we have in the past, we may in the future refinance all or a portion of our debt, including **our senior notes or** borrowings under the Credit Facility, and obtain the ability to incur more debt as a result. If new debt is added to our current debt levels, the related risks we could face would be magnified. A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future debt issuance costs and reduce our access to capital. The debt ratings for our notes are below the" investment grade" category, which results in higher interest costs as well as a reduced pool of potential purchasers of our debt as some investors will not purchase debt securities that are not rated" investment grade". In addition, there can be no assurance that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency, if in that rating agency' s judgment, future circumstances, such as adverse changes to economic conditions that could impact an issuer' s ability to meet its financial commitments, so warrant. A lowering or withdrawal of the ratings assigned to our debt securities may further increase our future debt issuance costs and reduce our access to capital. Risks Relating to Our Controlled Ownership We are controlled by the Dolan family and trusts for their benefit, which may create certain conflicts of interest. In addition, as a result of their control, the Dolan family has the ability to prevent or cause a change in control or approve, prevent or influence certain actions by the Company. We have two classes of common stock: • Class A Common Stock, which is entitled to one vote per share and is entitled collectively to elect 25 % of our Board of Directors. • Class B Common Stock, which is generally entitled to ten votes per share and is entitled collectively to elect the remaining 75 % of our Board of Directors. As of December 31, ~~2022~~ **2023** , the Dolan family, including trusts for the benefit of members of the Dolan family (collectively" the Dolan Family Group"), own all of our Class B Common Stock, approximately ~~3~~ **4** % of our outstanding Class A Common Stock and approximately 79 % of the total voting power of all our outstanding common stock. The members of the Dolan Family Group have executed a voting agreement (the" Stockholders Agreement") that has the effect of causing the voting power of the holders of our Class B Common Stock to be cast as provided therein with respect to all matters to be voted on by holders of Class B Common Stock. Under the Stockholders Agreement, the shares of Class B Common Stock owned by members of the Dolan Family Group are to be voted on all matters in accordance with the determination of the Dolan Family Committee, except that the decisions of the Dolan Family Committee are non- binding with respect to the Class B Common Stock owned by certain Dolan family trusts (the" Excluded Trusts") that collectively own 48 % of the outstanding Class B Common Stock. The Dolan Family Committee consists of Charles F. Dolan and his six children, James L. Dolan, Thomas C. Dolan, Patrick F. Dolan, Kathleen M. Dolan, Marianne E. Dolan and Deborah A. Dolan- Sweeney (collectively, the" Dolan Siblings"). The Dolan Family Committee generally acts by vote of a majority of the Dolan Siblings, except that a vote on a going- private transaction must be approved by a two- thirds vote of the Dolan Siblings and a vote on a change- in- control transaction must be approved by not less than all but one of the Dolan Siblings. The Dolan Family Group is able to prevent a change in control of our Company and no person interested in acquiring us would be able to do so without obtaining the consent of the Dolan Family Group. Shares of Class B Common Stock owned by Excluded Trusts are to be voted on all matters in accordance with the determination of the Excluded Trusts holding a majority of the Class B Common Stock held by all Excluded Trusts, except in the case of a vote on a going- private transaction or a change in control transaction, in which case a vote of trusts holding two- thirds of the Class B Common Stock owned by Excluded Trusts is required. The Dolan Family Group by virtue of their stock ownership, have the power to elect all of our directors subject to election by holders of Class B Common Stock and are able collectively to control stockholder decisions on matters on which holders of all classes of our common stock vote together as a single class. These matters could include the amendment of some provisions of our certificate of incorporation and the approval of fundamental corporate transactions. In addition, the affirmative vote or consent of the holders of at least 66 2 / 3 % of the outstanding shares of the Class B Common Stock, voting separately as a class, is required to approve: • the authorization or issuance of any additional shares of Class B Common Stock, and • any amendment, alteration or repeal of any of the provisions of our certificate of incorporation that adversely affects the powers, preferences or rights of the Class B Common Stock. As a result, the Dolan Family Group has the power to prevent such issuance or amendment. We have adopted a written policy whereby an independent committee of our Board of Directors will review and approve or take such other action as it may deem appropriate with respect to certain transactions involving the Company and its subsidiaries, on the one hand, and certain related parties, including Charles F. Dolan and certain of his family members and related entities on the other hand. This policy does not address all possible conflicts which may arise, and there can be no assurance that this policy will be effective in dealing with conflict scenarios. We are a" controlled company" for the purposes of The NASDAQ Stock Market LLC (" NASDAQ"), which allows us not to comply with certain of the corporate governance rules of NASDAQ. Members of the Dolan Family Group have entered into the Stockholders Agreement, which relates to, among other things, the voting and transfer of their shares of our Class B Common Stock. As a result, we are a" controlled company" under the corporate governance rules of NASDAQ. As a controlled company, we have the right to elect not to comply with the corporate governance rules of NASDAQ requiring: (i) a majority of independent directors on our Board of Directors, (ii) an independent compensation committee and (iii) an independent corporate governance and nominating committee. Our Board of Directors has elected for the Company to be treated as a" controlled company" under NASDAQ corporate governance rules and not to comply with the NASDAQ requirement for a majority independent board of directors and an independent corporate governance and nominating committee because of our status as a controlled company. Future stock sales, including as a result of the exercise of registration rights by certain of our shareholders, could adversely affect the trading price of our Class A Common Stock. Certain parties have registration rights covering a portion of our shares. We have entered into registration rights agreements with Charles F. Dolan, members of his family, certain Dolan family interests and the Dolan Family Foundation that provide them with" demand" and" piggyback" registration rights with respect to approximately 12. ~~3~~ **4** million shares of Class A Common Stock, including shares issuable upon conversion of shares of Class B Common Stock. Sales of a substantial number of shares of Class A Common Stock, including sales pursuant to these registration rights agreements, could adversely affect the market price of the Class A Common Stock and could impair our future ability to raise capital through an offering of our equity securities. We share certain executives and directors with **Sphere Entertainment Co. (" Sphere Entertainment"),** Madison Square Garden Sports Corp. (" MSGS") and Madison Square Garden Entertainment Corp. (" MSGE"), which may give rise to conflicts. ~~One of our~~ **We share two** executives **with** ~~, Gregg G. Seibert, serves as a Vice Chairman of the Company and as a Vice Chairman of~~ MSGS ~~and~~ **,** MSGE **and Sphere Entertainment** (each, an" Other Entity" and, collectively the" Other Entities") **: Gregg G. Seibert, serves as a Vice Chairman of the Company and as a Vice Chairman of the Other Entities, and David Granville- Smith, serves as an Executive Vice President of the Company and as an Executive Vice President of MSGS and Sphere Entertainment** . Each of the Other Entities and the Company are affiliates by virtue of being under common control of the Dolan family. As a result, he will not be devoting his full time and attention to the Company' s affairs. Seven members of our Board of Directors, including our Chairman, are directors of MSGS **, five members of our Board of Directors, including our Chairman, are directors of MSGE** and seven members of our Board of Directors, including our Chairman, are directors of ~~MSGE~~ **Sphere Entertainment** . These directors may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, the potential for a conflict of interest exists when we, on one hand, and an Other Entity, on the other hand, consider acquisitions and other corporate opportunities that may be suitable for us and for the Other Entity. Also, conflicts may arise if there are issues or disputes under the commercial arrangements that exist between the Other Entities and us. In addition, certain of our directors and officers own stock, restricted stock units and options to purchase stock in one or more of the Other Entities, as well as cash performance awards with any payout based on the performance of one or more of the Other Entities. These ownership interests could create actual, apparent or potential conflicts of interest when these individuals are faced with decisions that could have different implications for our Company and one or more of the Other Entities. See" Certain Relationships and Related Party Transactions — Certain Relationships and Potential Conflicts of Interest" in our **latest** proxy statement filed with the SEC ~~on April 29, 2022~~ for a description of our related party transaction approval policy that we have adopted to help address such potential conflicts that may arise. Our overlapping directors and executives with the Other Entities may result in the diversion of corporate opportunities to and other conflicts with the Other Entities and provisions in our governance documents may provide us no remedy in that circumstance. Our amended and restated certificate of incorporation acknowledges that directors and officers of the Company may also be serving as directors, officers, employees, consultants or agents of MSGS, MSGE, ~~and its~~ **Sphere Entertainment or their respective** subsidiaries and that we may engage in material business transactions with such entities (the applicable provisions of the amended and restated certificate of incorporation, the" Overlap Provisions"). The Company has renounced its rights to certain business opportunities and the Overlap Provisions provide that no director or officer of the Company who is also serving as a director, officer, employee, consultant or agent of an Other Entity or any subsidiary of an Other Entity will be liable to the Company or its stockholders for breach of any fiduciary duty that would otherwise exist by reason of the fact that such individual directs a corporate opportunity (other than certain limited types of opportunities set forth in our amended and restated certificate of incorporation) to the Other Entity or any of its subsidiaries, or does not refer or communicate information regarding such corporate opportunities to the Company. The Overlap Provisions also expressly validate certain contracts, agreements, assignments and transactions (and amendments, modifications or terminations thereof) between the Company and the Other Entities and their subsidiaries and, to the fullest extent permitted by law, provide that the actions of the overlapping directors or officers in connection therewith are not breaches of fiduciary duties owed to the Company, any of its subsidiaries or their respective stockholders.