AMC investors will go APE, company announces

You may remember our friends at AMC, the theater chain with the pantless CEO, who've leaned *all the way in* on the meme stock thing. Hordes of enthusiastic retail investors maybe rescued AMC from crushing debt. Now AMC is hoping to tap them again to create more shares of the company.

This quarter, AMC announced a dividend for shareholders: AMC Preferred Equity units, which will trade as APE on the New York Stock Exchange. One of these babies will exist for every common share, and can be converted to common stock if the company and investors vote for that to happen.

That "if" is kind of sticky though. See, AMC wanted to sell more shares and was shot down by investors. Maybe those investors didn't want to be further diluted – AMC sold a lot of shares during the pandemic. Maybe something else was at play. But APE, the solution, isn't just a nice marketing ploy to keep retail's attention. It's an end run around the investors who voted against more shares. After giving about 500 million shares of APE to investors, AMC can sell 4.5 *billion* units to the broader market, *The Wall Street Journal* reports.

The news was released after market. AMC shares closed at $18.66 today, and after market shares plunged almost 8 percent to $17.16 at 5PM ET, suggesting investors are not exactly excited about the plan. Or maybe they just didn't like the company's earnings numbers, also released today: AMC revenue hasn't recovered from the pandemic.

Correction 6:44PM ET: *Corrects number of APE shares that will*

be given to current AMC investors. We regret the error.

https://www.theverge.com/2022/8/4/23292680/amc-ape-preferred-equity-shares