REFINITIV

DELTA REPORT

10-Q

MADISON SQUARE GARDEN SPO

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	730
CHANGES	289
DELETIONS	196
ADDITIONS	245

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

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2023 March 31, 2024

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: 1-36900

msgslogoa01.jpg

MADISON SQUARE GARDEN SPORTS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**47-3373056**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
Two Penn Plaza , New York , NY	**10121**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (212) 465-4111

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	MSGS	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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
Number of shares of common stock outstanding as of February 2, 2024 April 26, 2024:

Class A Common Stock par value $0.01 per share	—	19,416,405
Class B Common Stock par value $0.01 per share	—	4,529,517

MADISON SQUARE GARDEN SPORTS CORP.
INDEX TO FORM 10-Q

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	December 31, 2023	June 30, 2023	
	March 31, 2024	June 30, 2023	
	(Unaudited)	(Unaudited)	(Unaudited)
ASSETS			
Current Assets:			
Current Assets:			
Current Assets:			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents			
Restricted cash			

Accounts receivable, net of allowance for doubtful accounts of $0 and $0 as of December 31, 2023 and June 30, 2023, respectively

Accounts receivable, net of allowance for doubtful accounts of $0 and $0 as of December 31, 2023 and June 30, 2023, respectively

Accounts receivable, net of allowance for doubtful accounts of $0 and $0 as of December 31, 2023 and June 30, 2023, respectively

Accounts receivable, net of allowance for doubtful accounts of $0 as of March 31, 2024 and June 30, 2023

Accounts receivable, net of allowance for doubtful accounts of $0 as of March 31, 2024 and June 30, 2023

Accounts receivable, net of allowance for doubtful accounts of $0 as of March 31, 2024 and June 30, 2023

Net related party receivables

Net related party receivables

Net related party receivables

Prepaid expenses

Other current assets

Other current assets

Other current assets

Total current assets

Property and equipment, net of accumulated depreciation and amortization of $50,701 and $49,117 as of December 31, 2023 and June 30, 2023, respectively

Property and equipment, net of accumulated depreciation and amortization of $50,701 and $49,117 as of December 31, 2023 and June 30, 2023, respectively

Property and equipment, net of accumulated depreciation and amortization of $50,701 and $49,117 as of December 31, 2023 and June 30, 2023, respectively

Property and equipment, net of accumulated depreciation and amortization of $51,490 and $49,117 as of March 31, 2024 and June 30, 2023, respectively

Property and equipment, net of accumulated depreciation and amortization of $51,490 and $49,117 as of March 31, 2024 and June 30, 2023, respectively

Property and equipment, net of accumulated depreciation and amortization of $51,490 and $49,117 as of March 31, 2024 and June 30, 2023, respectively

Right-of-use lease assets

Indefinite-lived intangible assets

Indefinite-lived intangible assets

Indefinite-lived intangible assets

Goodwill

Investments

Other assets

Other assets

Other assets

Total assets

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED BALANCE SHEETS (Continued)
(in thousands, except per share data)

	December 31, 2023	**June 30, 2023**	
	March 31, 2024	**June 30, 2023**	
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
LIABILITIES AND EQUITY			

Current Liabilities:
Current Liabilities:
Current Liabilities:
Accounts payable
Accounts payable
Accounts payable
Net related party payables
Debt
Accrued liabilities:
Accrued liabilities:
Accrued liabilities:
Employee related costs
Employee related costs
Employee related costs
League-related accruals
Other accrued liabilities
Operating lease liabilities, current
Deferred revenue
Deferred revenue
Deferred revenue
Total current liabilities
Long-term debt
Long-term debt
Long-term debt
Operating lease liabilities, noncurrent
Defined benefit obligations
Other employee related costs
Deferred tax liabilities, net
Deferred revenue, noncurrent
Total liabilities
Total liabilities
Total liabilities

Commitments and contingencies (see Note 11)	Commitments and contingencies (see Note 11)	Commitments and contingencies (see Note 11)

Madison Square Garden Sports Corp. Stockholders' Equity:
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,412 and 19,364 shares outstanding as of December 31, 2023 and June 30, 2023, respectively
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,412 and 19,364 shares outstanding as of December 31, 2023 and June 30, 2023, respectively
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,412 and 19,364 shares outstanding as of December 31, 2023 and June 30, 2023, respectively
Class B Common Stock, par value $0.01, 30,000 shares authorized; 4,530 shares outstanding as of December 31, 2023 and June 30, 2023
Preferred stock, par value $0.01, 15,000 shares authorized; none outstanding as of December 31, 2023 and June 30, 2023
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,416 and 19,364 shares outstanding as of March 31, 2024 and June 30, 2023, respectively
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,416 and 19,364 shares outstanding as of March 31, 2024 and June 30, 2023, respectively
Class A Common Stock, par value $0.01, 120,000 shares authorized; 19,416 and 19,364 shares outstanding as of March 31, 2024 and June 30, 2023, respectively
Class B Common Stock, par value $0.01, 30,000 shares authorized; 4,530 shares outstanding as of March 31, 2024 and June 30, 2023

Preferred stock, par value $0.01, 15,000 shares authorized; none outstanding as of March 31, 2024 and June 30, 2023	
Additional paid-in capital	
Treasury stock, at cost, 1,036 and 1,084 shares as of December 31, 2023 and June 30, 2023, respectively	
Treasury stock, at cost, 1,031 and 1,084 shares as of March 31, 2024 and June 30, 2023, respectively	
Accumulated deficit	
Accumulated other comprehensive loss	
Total equity	
Total equity	
Total equity	
Total liabilities and equity	

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(in thousands, except per share data)

	Three Months Ended December 31,		Six Months Ended		Three Months Ended March 31,		Nine Months Ended	
	2023	2022	2023	2022	2024	2023	2024	2023
Revenues (a)								
Operating expenses:								
Operating expenses:								
Operating expenses:								
Direct operating expenses (b)								
Direct operating expenses (b)								
Direct operating expenses (b)								
Selling, general and administrative expenses (c)								
Depreciation and amortization								
Operating income								
Other income (expense):								
Interest income								
Interest income								
Interest income								
Interest expense								
Miscellaneous income (expense), net								
	(3,809)							
Income (loss) before income taxes								
Income tax (expense) benefit								
Net income (loss)								
Miscellaneous (expense) income, net								
	(7,847)							
Income before income taxes								
Income tax expense								
Net income								
Less: Net loss attributable to nonredeemable noncontrolling interests								

Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders
Net income attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Diluted earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Diluted earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Weighted-average number of common shares outstanding:
Basic
Basic
Basic
Diluted

(a) *Includes revenues from related parties of $77,658 86,944 and $74,950 $84,024 for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $86,475 $173,419 and $83,124 $167,148 for the six nine months ended December March 31, 2023 2024 and 2022, 2023, respectively.*

(b) *Includes net charges from related parties of $35,683 $49,907 and $45,485 $43,595 for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $38,299 $88,206 and $47,669 $91,264 for the six nine months ended December March 31, 2023 2024 and 2022, 2023, respectively.*

(c) *Includes net charges from related parties of $16,630 $18,707 and $17,433 $18,875 for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, and $28,755 $47,462 and $30,741 $49,616 for the six nine months ended December March 31, 2023 2024 and 2022, 2023, respectively.*

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(in thousands)

	Three Months Ended		Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
	December 31,		December 31,			
	2023	2022	2023	2022		
Net income (loss)						
	March 31,		March 31,			
	2024	2023	2024	2023		
Net income						
Other comprehensive income, before income taxes:						
Pension plans:						
Pension plans:						
Pension plans:						
Amounts reclassified from accumulated other comprehensive loss:						
Amounts reclassified from accumulated other comprehensive loss:						
Amounts reclassified from accumulated other comprehensive loss:						

Amortization of actuarial loss included in net periodic benefit cost
Amortization of actuarial loss included in net periodic benefit cost
Amortization of actuarial loss included in net periodic benefit cost
Other comprehensive income, before income taxes
Other comprehensive income, before income taxes
Other comprehensive income, before income taxes
Income tax expense related to items of other comprehensive income
Other comprehensive income, net of income taxes
Comprehensive income (loss)
Comprehensive income
Less: Comprehensive loss attributable to nonredeemable noncontrolling interests
Comprehensive income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders
Comprehensive income attributable to Madison Square Garden Sports Corp.'s stockholders

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in thousands)

	Six Months Ended		December 31,
	2023	2022	
	Nine Months Ended		March 31,
	2024	2023	
Cash flows from operating activities:			
Net (loss) income			
Net (loss) income			
Net (loss) income			
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:			
Net income			
Net income			
Net income			
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Provision for deferred income taxes			
Provision for deferred income taxes			
Provision for deferred income taxes			
(Benefit from) provision for deferred income taxes			
(Benefit from) provision for deferred income taxes			
(Benefit from) provision for deferred income taxes			
Share-based compensation expense			
Unrealized loss (gain) on equity investments with readily determinable fair value and warrants			
Unrealized loss (gain) on equity investments with readily determinable fair value, warrants, and forward contract			
Unrealized loss (gain) on equity investments with readily determinable fair value and warrants			
Unrealized loss (gain) on equity investments with readily determinable fair value, warrants, and forward contract			
Unrealized loss (gain) on equity investments with readily determinable fair value and warrants			

Unrealized loss (gain) on equity investments with readily determinable fair value, warrants, and forward contract
Other non-cash adjustments
Other non-cash adjustments
Other non-cash adjustments
Change in assets and liabilities:
Accounts receivable, net
Accounts receivable, net
Accounts receivable, net
Net related party receivables
Prepaid expenses and other assets
Investments
Accounts payable
Net related party payables
Accrued and other liabilities
Deferred revenue
Deferred revenue
Deferred revenue
Operating lease right-of-use assets and lease liabilities
Net cash (used in) provided by operating activities
Cash flows from investing activities:
Capital expenditures
Capital expenditures
Capital expenditures
Purchases of investments
Net cash used in investing activities
Net cash used in investing activities
Net cash used in investing activities
Cash flows from financing activities:
Cash flows from financing activities:
Cash flows from financing activities:
Accelerated share repurchase
Accelerated share repurchase
Accelerated share repurchase
Dividends paid
Taxes paid in lieu of shares issued for equity-based compensation
Taxes paid in lieu of shares issued for equity-based compensation
Taxes paid in lieu of shares issued for equity-based compensation
Proceeds from revolving credit facilities
Proceeds from revolving credit facilities
Proceeds from revolving credit facilities
Repayment of revolving credit facilities
Repayment of revolving credit facilities
Repayment of revolving credit facilities
Other financing activities
Net cash provided by (used in) financing activities
Other financing activities
Net cash provided by (used in) financing activities
Other financing activities
Net cash provided by (used in) financing activities
Net increase (decrease) in cash, cash equivalents and restricted cash
Cash, cash equivalents and restricted cash at beginning of period

Cash, cash equivalents and restricted cash at end of period

Non-cash investing and financing activities:

Non-cash investing and financing activities:

Non-cash investing and financing activities:

Capital expenditures incurred but not yet paid

Capital expenditures incurred but not yet paid

Capital expenditures incurred but not yet paid

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(in thousands)

Three Months Ended December 31, 2023

Three Months Ended March 31, 2024

Three Months Ended December 31, 2023

Three Months Ended March 31, 2024

Three Months Ended December 31, 2023

Three Months Ended March 31, 2024

	Common Stock Issued	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity	Common Stock Issued	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Equity
Balance as of September 30, 2023													
Balance as of December 31, 2023													
Net income													
Other comprehensive income													
Comprehensive income													
Share-based compensation													
Tax withholding associated with shares issued for equity-based compensation													
Common stock issued under stock incentive plans													
Dividends declared ($7.00 per share)													
Common stock issued under stock incentive plans													

Common stock issued under stock incentive plans

Balance as of December 31, 2023

Balance as of March 31, 2024

Balance as of December 31, 2023

Balance as of March 31, 2024

Balance as of December 31, 2023

Balance as of March 31, 2024

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.

MADISON SQUARE GARDEN SPORTS CORP.

MADISON SQUARE GARDEN SPORTS CORP.

CONSOLIDATED STATEMENTS OF EQUITY (Continued) **(Unaudited)** **(in thousands)**

Three Months Ended December 31, 2022

Three Months Ended December 31, 2022

Three Months Ended December 31, 2022

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Three Months Ended March 31, 2023

Common Stock Issued

Balance as of September 30, 2022

Balance as of September 30, 2022

Balance as of September 30, 2022

Balance as of December 31, 2022

Balance as of December 31, 2022

Balance as of December 31, 2022

Net income (loss)

Net income (loss)

Net income (loss)

Other comprehensive income

Other comprehensive income

Other comprehensive income

Comprehensive income (loss)

Comprehensive income (loss)

Comprehensive income (loss)

Share-based compensation

Share-based compensation

Share-based compensation

Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Accelerated share repurchase
Accelerated share repurchase
Accelerated share repurchase
Adjustments to noncontrolling interests
Adjustments to noncontrolling interests
Adjustments to noncontrolling interests
Balance as of December 31, 2022
Balance as of March 31, 2023
Balance as of December 31, 2022
Balance as of March 31, 2023
Balance as of December 31, 2022
Balance as of March 31, 2023

See accompanying notes to consolidated financial statements.
See accompanying notes to consolidated financial statements.
See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
MADISON SQUARE GARDEN SPORTS CORP.
MADISON SQUARE GARDEN SPORTS CORP.

CONSOLIDATED STATEMENTS OF EQUITY (Continued)
CONSOLIDATED STATEMENTS OF EQUITY (Continued)
CONSOLIDATED STATEMENTS OF EQUITY (Continued)

(Unaudited)

(in thousands)
(in thousands)
(in thousands)

	Six Months Ended December 31, 2023
	Nine Months Ended March 31, 2024
	Six Months Ended December 31, 2023
	Nine Months Ended March 31, 2024
	Six Months Ended December 31, 2023
	Nine Months Ended March 31, 2024
	Common Stock Issued
	Common Stock Issued
	Common Stock Issued
Balance as of June 30, 2023	

Balance as of June 30, 2023
Balance as of June 30, 2023
Net loss
Net loss
Net loss
Net income
Net income
Net income
Other comprehensive income
Other comprehensive income
Other comprehensive income
Comprehensive loss
Comprehensive loss
Comprehensive loss
Comprehensive income
Comprehensive income
Comprehensive income
Share-based compensation
Share-based compensation
Share-based compensation
Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Balance as of December 31, 2023
Balance as of March 31, 2024
Balance as of December 31, 2023
Balance as of March 31, 2024
Balance as of December 31, 2023
Balance as of March 31, 2024

See accompanying notes to consolidated financial statements.
See accompanying notes to consolidated financial statements.
See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
MADISON SQUARE GARDEN SPORTS CORP.
MADISON SQUARE GARDEN SPORTS CORP.

CONSOLIDATED STATEMENTS OF EQUITY (Continued) **(Unaudited)** **(in thousands)**

Six Months Ended December 31, 2022
Six Months Ended December 31, 2022
Six Months Ended December 31, 2022
Nine Months Ended March 31, 2023
Nine Months Ended March 31, 2023
Nine Months Ended March 31, 2023

Common Stock Issued

Balance as of June 30, 2022
Balance as of June 30, 2022
Balance as of June 30, 2022
Net income (loss)
Net income (loss)
Net income (loss)
Other comprehensive income
Other comprehensive income
Other comprehensive income
Comprehensive income (loss)
Comprehensive income (loss)
Comprehensive income (loss)
Share-based compensation
Share-based compensation
Share-based compensation
Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Tax withholding associated with shares issued for equity-based compensation
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Common stock issued under stock incentive plans
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Dividends declared ($7.00 per share)
Accelerated share repurchase
Accelerated share repurchase
Accelerated share repurchase
Adjustments to noncontrolling interests
Adjustments to noncontrolling interests
Adjustments to noncontrolling interests
Balance as of December 31, 2022
Balance as of March 31, 2023
Balance as of December 31, 2022
Balance as of March 31, 2023
Balance as of December 31, 2022
Balance as of March 31, 2023

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

See accompanying notes to consolidated financial statements.

MADISON SQUARE GARDEN SPORTS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

All amounts included in the following Notes to Consolidated Financial Statements are presented in thousands, except per share data or as otherwise noted.

Note 1. Description of Business and Basis of Presentation

Description of Business

Madison Square Garden Sports Corp. (together with its subsidiaries, collectively, “we,” “us,” “our,” “MSG Sports,” or the “Company”) owns and operates a portfolio of assets featuring some of the most recognized teams in all of sports, including the New York Knickerbockers (“Knicks”) of the National Basketball Association (“NBA”) and the New York Rangers (“Rangers”) of the National Hockey League (“NHL”). Both the Knicks and the Rangers play their home games in Madison Square Garden Arena (“The Garden”). The Company’s other professional sports franchises include two development league teams — the Hartford Wolf Pack of the American Hockey League and the Westchester Knicks of the NBA G League. These professional sports franchises are collectively referred to herein as the “sports teams.” In addition, the Company previously owned a controlling interest in Counter Logic Gaming (“CLG”), a North American esports organization. In April 2023, the Company sold its controlling interest in CLG to Hard Carry Gaming Inc. (“NRG”), a professional gaming and entertainment company in exchange for a noncontrolling equity interest in the combined NRG/CLG company. CLG and the sports teams are collectively referred to herein as the “teams.” The Company also operates a professional sports team performance center — the Madison Square Garden Training Center in Greenburgh, NY.

The Company operates and reports financial information in one segment. The Company’s decision to organize as one operating segment and report in one segment is based upon its internal organizational structure; the manner in which its operations are managed; and the criteria used by the Company’s Executive Chairman, its Chief Operating Decision Maker (“CODM”), to evaluate segment performance. The Company’s CODM reviews total company operating results to assess overall performance and allocate resources.

The Company was incorporated on March 4, 2015 as an indirect, wholly-owned subsidiary of MSG Networks Inc. (“MSG Networks”). All of the outstanding common stock of the Company was distributed to MSG Networks shareholders (the “MSGS Distribution”) on September 30, 2015.

On April 17, 2020, the Company distributed all of the outstanding common stock of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp. and referred to herein as “Sphere Entertainment”) to its stockholders (the “Sphere Distribution”).

On April 20, 2023 (the “MSGE Distribution Date”), Sphere Entertainment distributed to its stockholders approximately 67% of the issued and outstanding shares of common stock of Madison Square Garden Entertainment Corp. (referred to herein as “MSG Entertainment”) to its stockholders (the “MSGE Distribution”). All agreements between the Company and MSG Entertainment described herein were between the Company and Sphere Entertainment prior to the MSGE Distribution (except agreements entered into after the MSGE Distribution Date).

Unless the context otherwise requires, all references to MSG Entertainment, Sphere Entertainment and MSG Networks refer to such entity, together with its direct and indirect subsidiaries.

Basis of Presentation

The accompanying unaudited consolidated interim financial statements (referred to as the “Financial Statements” herein) have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and Article 10 of Regulation S-X of the Securities and Exchange Commission (the “SEC”) for interim financial information, and should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended June 30, 2023 (“fiscal year 2023”). The Financial Statements presented in this Quarterly Report on Form 10-Q are unaudited; however, in the opinion of management, the 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 the periods presented are not necessarily indicative of the results that might be expected for future interim periods or for the full year. The dependence of MSG Sports on revenues from its NBA and NHL sports teams generally means it earns a disproportionate share of its revenues in the second and third quarters of the Company’s fiscal year, which is when the majority of the sports teams’ games are played.

Reclassifications

Certain reclassifications have been made in order to conform to the current period’s presentation and relate to the separation of Investments and unrealized loss (gain) on equity investments with readily determinable fair value and warrants on the consolidated statements of cash flows for the six nine months ended December 31, 2022 March 31, 2023.

Note 2. Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Madison Square Garden Sports Corp. and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation. For consolidated subsidiaries where the Company’s ownership is less than 100%, the relevant amounts attributable to investors other than the Company are reflected under “Nonredeemable noncontrolling interests,” “Net income (loss) attributable to nonredeemable noncontrolling interests” and “Comprehensive income (loss) attributable to nonredeemable noncontrolling interests” in the accompanying consolidated balance sheets, the accompanying consolidated statements of operations and consolidated statements of comprehensive income (loss), respectively.

Use of Estimates

The preparation of the accompanying Financial Statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates include the valuation of accounts receivable, goodwill, intangible assets, other long-lived assets, fair value of investments, deferred tax valuation allowance, tax accruals, and other liabilities. In addition, estimates are used in revenue recognition, revenue sharing expense (net of escrow and excluding playoffs), luxury tax expense, income tax expense, performance and share-based compensation, depreciation and amortization, litigation matters and other matters. Management believes its use of estimates in the Financial Statements to be reasonable.

Management evaluates its estimates on an ongoing basis using historical experience and other factors, including the general economic environment and actions it may take in the future. The Company adjusts such estimates when facts and circumstances dictate. However, these estimates may involve significant uncertainties and judgments and cannot be determined with precision. In addition, these estimates are based on management’s best judgment at a point in time and, as such, these estimates may ultimately differ from actual results. Changes in estimates resulting from weakness in the economic environment or other factors beyond the Company’s control could be material and would be reflected in the Company’s financial statements in future periods.

Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements Not Yet Adopted

In March 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2023-01, *Leases (Topic 842): Common Control Arrangements.* This ASU amends certain provisions of Accounting Standards Codification ("ASC") 842, *Leases* that apply to arrangements between related parties under common control. The new guidance is effective for the Company in the first quarter of fiscal year 2025. The Company is currently evaluating the impact this standard will have on its consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures.* The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ending June 30, 2025 and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact this standard will have on its segment disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures.* The ASU enhances annual disclosures related to the effective income tax rate reconciliation and income taxes paid. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ending June 30, 2026 and subsequent interim periods, with early adoption permitted. The Company is currently evaluating the impact this standard will have on its income tax disclosures.

Note 3. Revenue Recognition

Contracts with Customers

All revenue recognized in the consolidated statements of operations is considered to be revenue from contracts with customers. For the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, the Company did not have any material impairment losses on receivables or contract assets arising from contracts with customers.

Disaggregation of Revenue

The following table disaggregates the Company's revenues by type of goods or services in accordance with the required entity-wide disclosure requirements set forth in ASC Subtopic 280-10-50-38 to 40 and the disaggregation of revenue required disclosures in accordance with ASC Subtopic 606-10-50-5 for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended		Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended
	December 31,		December 31,			
	2023	2022	2023	2022		
	March 31,		March 31,			
	2024	2023	2024	2023		
Event-related (a)						
Media rights (b)						
Sponsorship, signage and suite licenses						
League distributions and other						
Total revenues from contracts with customers						

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(a) *Consists of (i) ticket sales and other ticket-related revenues, and (ii) food, beverage and merchandise sales at The Garden.*

(b) *Consists of (i) local media rights fees, (ii) revenue from the distribution through league-wide national television contracts, and (iii) other local radio rights fees.*

The timing of revenue recognition, billings and cash collections results in billed receivables, contract assets and contract liabilities on the consolidated balance sheet. The following table provides information about contract balances from the Company's contracts with customers as of December 31, 2023 March 31, 2024 and June 30, 2023.

	December 31,	June 30,
	2023	2023
	March 31,	June 30,
	2024	2023
Receivables from contracts with customers, net (a)		
Contract assets, current (b)		

Deferred revenue, including non-current portion (c), (d)	

(a) *Receivables from contracts with customers, net, which are reported in Accounts receivable, net and Net related party receivables in the accompanying consolidated balance sheets, represent the Company's unconditional rights to consideration under its contracts with customers. As of December 31, 2023 March 31, 2024 and June 30, 2023, the Company's receivables reported above included $2,012 $1,970 and $0, respectively, related to contracts with customers who are related parties. See Note 16 for further details on related party arrangements. Receivables from contracts with customers, net, excludes amounts recorded in Accounts receivable, net, associated with amounts due from the NBA and NHL related to escrow and player compensation recoveries and luxury tax payments. As of December 31, 2023 March 31, 2024 and June 30, 2023, the Company had receivable balances related to escrow and player compensation recoveries of $7,058$2,197 and $1,544, respectively, recorded in Accounts receivable, net.*

(b) *Contract assets, current, which are reported as Other current assets in the accompanying consolidated balance sheets, primarily relate to the Company's rights to consideration for goods or services transferred to the customer, for which the Company does not have an unconditional right to bill as of the reporting date. Contract assets are transferred to accounts receivable once the Company's right to consideration becomes unconditional. The Company had contract asset balances related to local media rights of $25,642 and $0 as of March 31, 2024 and June 30, 2023, respectively. See Note 16for further details on these related party arrangements.*

(c) *Deferred revenue, including non-current portion, primarily relates to the Company's receipt of consideration from customers or billing customers in advance of the Company's transfer of goods or services to those customers. Deferred revenue is reduced and the related revenue is recognized once the underlying goods or services are transferred to a customer. The Company's deferred revenue related to local media rights was $10,013 and $0 as of December 31, 2023 March 31, 2024 and June 30, 2023, respectively. . See Note 16 for further details on these related party arrangements.*

(d) *Revenue recognized for the six nine months ended December 31, 2023 March 31, 2024 relating to the deferred revenue balance as of June 30, 2023 was $77,945. $141,372.*

<u>Transaction Price Allocated to the Remaining Performance Obligations</u>

The following table depicts the estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023 March 31, 2024 and is based on current projections. In developing the estimated revenue, the Company applies the allowable practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less. Additionally, the Company has elected to exclude variable consideration from its disclosure related to the remaining performance obligations under its local media rights arrangements, league-wide national and international television contracts, and certain other arrangements with variable consideration.

Fiscal Year 2024 (remainder)	$	112,924 23,113
Fiscal Year 2025		123,978 124,822
Fiscal Year 2026		77,120 77,696
Fiscal Year 2027		38,711 39,157
Fiscal Year 2028		19,697 19,647
Thereafter		16,936 17,186
	$	389,366 301,621

MADISON SQUARE GARDEN SPORTS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Continued)

Note 4. Computation of Earnings (Loss) per Common Share

The following table presents a reconciliation of earnings (loss) allocated to common shares and a reconciliation of weighted-average shares used in the calculations of basic and diluted earnings (loss) per common share attributable to the Company's stockholders ("EPS") and the number of shares excluded from diluted earnings (loss) per common share, as they were anti-dilutive.

	Three Months Ended Three Months Ended Three Months Ended	December 31,	Six Months Ended		March 31, Nine Months Ended			
	2023	**2022**	**2023**	**2022**	**2024**	**2023**	**2024**	**2023**
Net earnings (loss) allocable to common shares, basic and diluted (numerator):								
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders								
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders								
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders								

Net earnings allocable to common shares, basic and diluted (numerator):
Net income attributable to Madison Square Garden Sports Corp.'s stockholders
Net income attributable to Madison Square Garden Sports Corp.'s stockholders
Net income attributable to Madison Square Garden Sports Corp.'s stockholders
Less: Dividends to other-than-common stockholders (a)
Net earnings (loss) allocable to common shares, basic and diluted (numerator):
Net earnings allocable to common shares, basic and diluted (numerator):
Weighted-average shares (denominator):
Weighted-average shares (denominator):
Weighted-average shares (denominator):
Weighted-average shares for basic EPS
Weighted-average shares for basic EPS
Weighted-average shares for basic EPS
Dilutive effect of shares issuable under share-based compensation plans
Weighted-average shares for diluted EPS
Weighted-average shares excluded from diluted EPS
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Diluted earnings (loss) per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Basic earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders
Diluted earnings per common share attributable to Madison Square Garden Sports Corp.'s stockholders

(a) *Dividends to other-than-common stockholders consists of forfeitable rights to dividends declared and payable to holders of the Company's unvested restricted stock units and performance restricted stock units.*

Note 5. Team Personnel Transactions

Direct operating and selling, general and administrative expenses in the accompanying consolidated statements of operations include a net provision or credit for transactions relating to the Company's teams for waiver/contract termination costs, player trades and season-ending injuries ("Team personnel transactions"). There were no Team personnel transactions for the three and six months ended December 31, 2023. Team personnel transactions were a net provision of $29 $2,170 and $81 for the three months ended December 31, 2022 March 31, 2024 and 2023, respectively, and a net provision of $2,170 and a net credit of $300 $219 for the six nine months ended December 31, 2022. March 31, 2024 and 2023, respectively.

MADISON SQUARE GARDEN SPORTS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Continued)

Note 6. Cash, Cash Equivalents and Restricted Cash

The following table provides a summary of the amounts recorded as cash, cash equivalents and restricted cash.

	As of			
	December 31, 2023	June 30, 2023	December 31, 2022	June 30, 2022
	March 31, 2024	June 30, 2023	March 31, 2023	June 30, 2022
Captions on the consolidated balance sheets:				
Cash and cash equivalents				
Cash and cash equivalents				
Cash and cash equivalents				
Restricted cash *(a)*				
Cash, cash equivalents and restricted cash on the consolidated statements of cash flows				

(a) *Restricted cash as of December 31, 2023 March 31, 2024, June 30, 2023 and December 31, 2022 March 31, 2023 included cash deposited in an escrow account (see Note 2 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended June 30, 2023 for more information).*

Note 7. Leases

As of December 31, 2023 March 31, 2024, the Company's leases primarily consist of the lease of the Company's principal executive offices under the Sublease Agreement with MSG Entertainment (the "Sublease Agreement") and a lease agreement for an aircraft. Prior to the MSGE Distribution Date, the Sublease Agreement was between the Company and Sphere Entertainment. In addition, the Company accounts for the rights of use of The Garden pursuant to the Arena License Agreements (as defined below) as leases under the ASC Topic 842, Leases. See Note 7 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended June 30, 2023 for more information regarding the Company's accounting policies associated with its leases.

As of December 31, 2023 March 31, 2024, the Company's existing operating leases, which are recorded in the accompanying financial statements, have remaining lease terms ranging from 10 7 months to 32 31 years. In certain instances, leases include options to renew, with varying option terms. The exercise of lease renewals, if available under the lease options, is generally at the Company's discretion and is considered in the Company's assessment of the respective lease term. The Company's lease agreements do not contain material residual value guarantees or material restrictive covenants.

The following table summarizes the right-of-use assets and lease liabilities recorded in the accompanying consolidated balance sheets as of December 31, 2023 March 31, 2024 and June 30, 2023:

	Line Item in the Company's Consolidated Balance Sheet
	Line Item in the Company's Consolidated Balance Sheet
	Line Item in the Company's Consolidated Balance Sheet
Right-of-use assets:	
Right-of-use assets:	
Right-of-use assets:	
Operating leases	
Operating leases	
Operating leases	
Lease liabilities:	
Lease liabilities:	
Lease liabilities:	
Operating leases, current *(a)*	
Operating leases, current *(a)*	
Operating leases, current *(a)*	
Operating leases, noncurrent *(a)*	
Operating leases, noncurrent *(a)*	
Operating leases, noncurrent *(a)*	
Total lease liabilities	
Total lease liabilities	
Total lease liabilities	

(a) As of December 31, 2023 March 31, 2024, Operating lease liabilities, current and Operating lease liabilities, noncurrent included balances of $44,104 $43,798 and $704,361, $721,320, respectively, that are payable to MSG Entertainment. As of June 30, 2023, Operating lease liabilities, current and Operating lease liabilities, noncurrent included balances of $43,700 and $707,124, respectively, that are payable to MSG Entertainment.

The following table summarizes the activity recorded within the accompanying consolidated statements of operations for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022: 2023:

	Line Item in the Company's Consolidated Statement of Operations	Line Item in the Company's Consolidated Statement of Operations	Three Months Ended December 31,		Six Months Ended December 31,		Line Item in the Company's Consolidated Statement of Operations	Three Months Ended March 31,	Nine Months Ended March 31,
			2023	2022	2023	2022			
		2024	2023		2024	2023			
Operating lease cost									
Operating lease cost									
Short-term lease cost									
Total lease cost									
Total lease cost									
Total lease cost									

Supplemental Information

For the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, cash paid for amounts included in the measurement of lease liabilities was $26,095 $39,119 and $22,526, $33,791, respectively.

The weighted average remaining lease term for operating leases recorded in the accompanying consolidated balance sheet as of December 31, 2023 March 31, 2024 was 30.2 30.0 years. The weighted average discount rate was 7.1% as of December 31, 2023 March 31, 2024 and represented the Company's estimated incremental borrowing rate, assuming a secured borrowing, based on the remaining lease term at the time of either (i) adoption of the standard or (ii) the period in which the lease term expectation commenced or was modified.

Maturities of operating lease liabilities as of December 31, 2023 March 31, 2024 are as follows:

Fiscal Year 2024 (remainder)	$	26,047 13,023
Fiscal Year 2025		51,681
Fiscal Year 2026		52,155
Fiscal Year 2027		53,516
Fiscal Year 2028		54,919
Thereafter		2,041,609
Total lease payments		2,279,927 2,266,903
Less imputed interest		(1,488,241) (1,459,656)
Total lease liabilities	$	791,686 807,247

Note 8. Goodwill and Intangible Assets

During the first quarter of fiscal year 2024, the Company performed its annual impairment test of goodwill and determined that there were no impairments identified as of the impairment test date. The carrying amount of goodwill as of December 31, 2023 March 31, 2024 and June 30, 2023 was $226,523.

The Company's indefinite-lived intangible assets as of December 31, 2023 March 31, 2024 and June 30, 2023 are as follows:

Sports franchises	$	102,564
Photographic related rights		1,080
	$	103,644

During the first quarter of fiscal year 2024, the Company performed its annual impairment test of identifiable indefinite-lived intangible assets and determined that there were no impairments identified as of the impairment test date.

For the three and six nine months ended December 31, 2022 March 31, 2023, amortization expense of intangible assets was $30 $29 and $138, $167, respectively. There was no amortization expense for the three and six nine months endedDecemberMarch 31, 2023 2024 as a result of the disposal of CLG in April 2023.

Note 9. Investments

The Company's investments in nonconsolidated affiliates which are accounted for under the equity method of accounting, equity investments with readily determinable fair values, equity investments without readily determinable fair values, and derivative instruments, which are Investments reported within Investments in the accompanying consolidated balance sheets, consisted of the following:

	December 31, 2023	June 30, 2023
	March 31, 2024	**June 30, 2023**
Equity method investments:		
NRG		
NRG		
NRG		
Other equity method investments		
Equity investments with readily determinable fair values:		
Xtract One Technologies Inc. ("Xtract One") common stock		
Xtract One Technologies Inc. ("Xtract One") common stock		
Xtract One Technologies Inc. ("Xtract One") common stock		
Other equity investments with readily determinable fair values held in trust under the Company's Executive Deferred Compensation Plan		
Equity investments without readily determinable fair values *(a)*		
Derivative instruments:		
Xtract One warrants		
Xtract One warrants		
Xtract One warrants		
Total investments		

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(a) For the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, the Company did not record any impairment charges or changes in carrying value of its equity securities without readily determinable fair values in the accompanying consolidated statements of operations.

Equity Method Investments

The Company determined that it has the ability to exert significant influence over the investee and therefore accounts for this investment under the equity method of accounting.

NRG

In April 2023, the Company sold its controlling interest in CLG to NRG, a professional gaming and entertainment company, in exchange for a noncontrolling equity interest in the combined NRG/CLG company. The Company received preferred shares representing approximately 25% of the capital stock of NRG. The Company deconsolidated the CLG business and recorded the investment in NRG at fair value as an equity method investment in the fourth quarter of fiscal year 2023. During the three and six nine months ended December 31, 2023 March 31, 2024, the Company recognized its net share of income of $140 and losses of $442 and $857, $718, respectively, in Miscellaneous (expense) income, (expense), net within the Company's consolidated statement of operations. As of December 31, 2023 March 31, 2024 and June 30, 2023, the Company's ownership in NRG was approximately 25%.

Equity Investments with Readily Determinable Fair Values

The Company holds investments in equity instruments with readily determinable fair value:

- Xtract One, a technology-driven threat detection and security solution company that is listed on the Toronto Stock Exchange under the symbol "XTRA". The Company holds common stock of Xtract One and holds warrants entitling the Company to acquire additional shares of common stock of Xtract One which are considered derivative instruments. Refer to Note 10 for further details regarding the Company's warrants, including the inputs used in determining the fair value of the warrants.
- Other equity investments held in trust under the Company's Executive Deferred Compensation Plan. Refer to Note 13 for further details regarding the plan.

The fair value of the Company's investments in common stock of Xtract One and other investments held in trust are determined based on quoted market prices in active markets, which are classified within Level I of the fair value hierarchy.

MADISON SQUARE GARDEN SPORTS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
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The cost basis and carrying value of equity investments with readily determinable fair values are as follows:

		December 31, 2023	**June 30, 2023**						
		March 31, 2024	**June 30, 2023**						
	Cost Basis	**Cost Basis**	**Carrying Value/Fair Value**	**Cost Basis**	**Carrying Value/Fair Value**	**Cost Basis**	**Carrying Value/Fair Value**	**Cost Basis**	**Carrying Value/Fair Value**
Xtract One common stock									
Other equity investments with readily determinable fair values									
	$								

The following table summarizes the realized and unrealized gains (losses) on equity investments with readily determinable fair values, recorded within Miscellaneous (expense) income, (expense), net within the Company's consolidated statement of operations, for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023.

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Unrealized gain (loss) - Xtract One common stock	$ 1,761	$ —	$ (4,792)	$ —
Unrealized gain - other equity investments with readily determinable fair values	821	449	691	346
Realized gain - other equity investments with readily determinable fair values	18	—	44	—
	$ 2,600	$ 449	$ (4,057)	$ 346

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Unrealized (loss) gain - Xtract One common stock	$ (853)	$ 7,337	$ (5,645)	$ 7,337
Unrealized gain - other equity investments with readily determinable fair values	809	372	1,501	718
Realized gain (loss) - other equity investments with readily determinable fair values	12	(4)	55	(4)
	$ (32)	$ 7,705	$ (4,089)	$ 8,051

Note 10. Fair Value Measurements

The following table presents the Company's assets that are measured at fair value on a recurring basis, which include cash equivalents:

	Fair Value Hierarchy	Fair Value Hierarchy	December 31, 2023	June 30, 2023	Fair Value Hierarchy	March 31, 2024	June 30, 2023
Assets:							
Money market accounts							
Money market accounts							
Money market accounts							
Time deposit							
Equity investments							
Equity investments							
Equity investments							
Warrants							
Total assets measured at fair value							
Total assets measured at fair value							
Total assets measured at fair value							

Level I Inputs

Assets that are classified within Level I of the fair value hierarchy are valued using observable inputs that reflect quoted prices for identical assets in active markets. The carrying amount of the Company's money market accounts and time deposit approximates fair value due to their short-term maturities. Refer to Note 9 for further details regarding equity investments.

Level III Inputs

The Company's level III assets consist of warrants entitling the Company to acquire additional common stock of Xtract One. The Company's warrants are included within Investments in the accompanying consolidated balance sheets. Changes in the fair value of derivative instruments are measured at each reporting date and are recorded within Miscellaneous (expense) income, (expense), net in the accompanying consolidated statements of operations. The fair value of the Company's warrants in Xtract One were

determined using the Black-Scholes option pricing model. The following are key assumptions used to calculate the fair value of the warrants as of December 31, 2023 March 31, 2024 and June 30, 2023:

		December 31, 2023		June 30, 2023						
		March 31, 2024		June 30, 2023						
Expected term	Expected term	2.09 years		2.34 years		Expected term	1.96 years		2.34 years	
Expected volatility	Expected volatility	75.87	%	74.43	%	Expected volatility	64.34	%	74.43	%
Risk-free interest rate	Risk-free interest rate	4.23	%	4.68	%	Risk-free interest rate	4.59	%	4.68	%

The following table presents additional information about our assets for which we utilize Level III inputs to determine fair value:

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Balance at beginning of period	$ 8,802	$ —	$ 13,098	$ —
Purchase of warrants	—	1,959	—	1,959
Unrealized (loss) gain on warrants	(1,529)	4,543	(5,825)	4,543
Unrealized gain on forward contract *(a)*	—	7,140	—	7,140
Balance at end of period	$ 7,273	$ 13,642	$ 7,273	$ 13,642

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	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023
Balance at beginning of period	$ 7,680	$ 13,098
Unrealized gain (loss) on warrants	1,122	(4,296)
Balance at end of period	$ 8,802	$ 8,802

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(a) *During the three months ended March 31, 2023, the Company recorded an unrealized gain on a forward contract to acquire additional common stock and warrants of Xtract One. The Company's forward contract was included within Other current assets in the accompanying consolidated balance sheets. The fair value of the Company's forward contract was determined using the number of additional common shares and warrants in the forward contract, the contractual price of the forward contract, the quoted prices of Xtract One, and the fair value of the Xtract One warrants as of March 31, 2023.*

The carrying value and fair value of the Company's debt reported in the accompanying consolidated balance sheets are as follows:

		December 31, 2023		June 30, 2023					
		March 31, 2024		June 30, 2023					
	Carrying Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities									
Liabilities									
Liabilities									
Debt, current (a)									
Debt, current (a)									
Debt, current (a)									
Long-term debt (b)									

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(a) *The Company's debt, current is classified within Level II of the fair value hierarchy as it is valued using quoted indices of similar securities for which the inputs are readily observable. The fair value of the Company's debt, current is the same as its carrying amount based on valuation of similar securities. See Note 12 for further details.*

(b) *The Company's long-term debt is classified within Level II of the fair value hierarchy as it is valued using quoted indices of similar securities for which the inputs are readily observable. The fair value of the Company's long-term debt is the same as its carrying amount as the debt bears interest at a variable rate indexed to current market conditions. See Note 12 for further details.*

Note 11. Commitments and Contingencies

Commitments

As more fully described in Note 12 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended June 30, 2023, the Company's commitments consist primarily of the Company's obligations under employment agreements that the Company has with its professional sports teams' personnel that are generally guaranteed regardless of employee injury or termination. In addition, see Note 7 for more information on the contractual obligations related to future lease payments. The Company did not have any material changes in its contractual obligations, including off-balance sheet commitments, since the end of fiscal year 2023 other than activities in the ordinary course of business.

Legal Matters

The Company is a defendant in various lawsuits. Although the outcome of these lawsuits cannot be predicted with certainty (including the extent of available insurance), management does not believe that resolution of these lawsuits will have a material adverse effect on the Company.

Note 12. Debt

Knicks Revolving Credit Facility

On September 30, 2016, New York Knicks, LLC ("Knicks LLC"), a wholly owned subsidiary of the Company, entered into a credit agreement (the "2016 Knicks Credit Agreement") with a syndicate of lenders providing for a senior secured revolving credit facility of up to $200,000 with a term of five years to fund working capital needs and for general corporate purposes.

On November 6, 2020, the Company amended and restated the 2016 Knicks Credit Agreement in its entirety (the "2020 Knicks Credit Agreement"). On December 14, 2021, Knicks LLC entered into Amendment No. 2 to the 2020 Knicks Credit Agreement, which amended and restated the 2020 Knicks Credit Agreement (as amended and restated, the "Knicks Credit Agreement").

The Knicks Credit Agreement provides for a senior secured revolving credit facility of up to $275,000 (the "Knicks Revolving Credit Facility") to fund working capital needs and for general corporate purposes. The maturity date of the Knicks Credit Agreement is December 14, 2026. Amounts borrowed may be distributed to the Company except during an event of default.

All borrowings under the Knicks Revolving Credit Facility are subject to the satisfaction of certain customary conditions. Borrowings under the Knicks Credit Agreement bear interest at a floating rate, which at the option of Knicks LLC may be either (i) a base rate plus a margin ranging from 0.250% to 0.500% per annum or (ii) term Secured Overnight Financing Rate ("SOFR") plus a credit spread adjustment of 0.100% per annum plus a margin ranging from 1.250% to 1.500% per annum depending on the credit rating applicable to the NBA's league-wide credit facility. Knicks LLC is required to pay a commitment fee ranging from 0.250% to 0.300% per annum in respect of the average daily unused commitments under the Knicks Revolving Credit Facility. During the six nine months ended December 31, 2023 March 31, 2024, the Company borrowed an additional $40,000under the Knicks Revolving Credit Facility. The outstanding balance under the Knicks Revolving Credit Facility was $275,000 as of December 31, 2023 March 31, 2024, which was recorded as Long-term debt in the accompanying consolidated balance sheet. The interest rate on the Knicks Revolving Credit Facility as of December 31, 2023 March 31, 2024 was 6.71% 6.68%. During the six nine months ended December 31, 2023 March 31, 2024 the Company made interest payments of $9,073 13,778 in respect of the Knicks Revolving Credit Facility.

All obligations under the Knicks Revolving Credit Facility are secured by a first lien security interest in certain of Knicks LLC's assets, including, but not limited to, (i) the Knicks LLC's membership rights in the NBA, (ii) revenues to be paid to Knicks LLC by the NBA pursuant to certain U.S. national broadcast agreements, and (iii) revenues to be paid to Knicks LLC pursuant to local media contracts.

Subject to customary notice and minimum amount conditions, Knicks LLC may voluntarily prepay outstanding loans under the Knicks Revolving Credit Facility at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to SOFR-based loans). Knicks LLC is required to make mandatory prepayments in certain circumstances, including without limitation if the maximum available amount under the Knicks Revolving Credit Facility is greater than 350% of qualified revenues.

In addition to the financial covenant described above, the Knicks Credit Agreement and related security agreement contain certain customary representations and warranties, affirmative covenants and events of default. The Knicks Revolving Credit Facility contains certain restrictions on the ability of Knicks LLC to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the Knicks Revolving Credit Facility, including the following: (i) incurring additional indebtedness and contingent liabilities; (ii) creating liens on certain assets; (iii) making restricted payments during the continuance of an event of default under the Knicks Revolving Credit Facility; (iv) engaging in sale and leaseback transactions; (v) merging or consolidating; and (vi) taking certain actions that would invalidate the secured lenders' liens on any Knicks LLC's collateral.

The Knicks Revolving Credit Facility requires Knicks LLC to comply with a debt service ratio of at least 1.5:1.0 over a trailing four quarter period. As of December 31, 2023 March 31, 2024, Knicks LLC was in compliance with this financial covenant.

Rangers Revolving Credit Facility

On January 25, 2017, New York Rangers, LLC ("Rangers LLC"), a wholly owned subsidiary of the Company, entered into a credit agreement (the "2017 Rangers Credit Agreement") with a syndicate of lenders providing for a senior secured revolving credit facility of up to $150,000 with a term of five years to fund working capital needs and for general corporate purposes.

On November 6, 2020, the Company amended and restated the 2017 Rangers Credit Agreement in its entirety (the "2020 Rangers Credit Agreement"). On December 14, 2021, Rangers LLC entered into Amendment No. 3 to the 2020 Rangers Credit Agreement, which amended and restated the 2020 Rangers Credit Agreement (as amended and restated, the "Rangers Credit Agreement").

The Rangers Credit Agreement provides for a senior secured revolving credit facility of up to $250,000 (the "Rangers Revolving Credit Facility") to fund working capital needs and for general corporate purposes. The maturity date of the Rangers Credit Agreement is December 14, 2026. Amounts borrowed may be distributed to the Company except during an event of default.

All borrowings under the Rangers Revolving Credit Facility are subject to the satisfaction of certain customary conditions. Borrowings under the Rangers Revolving Credit Facility bear interest at a floating rate, which at the option of Rangers LLC may be either (i) a base rate plus a margin ranging from 0.500% to 1.000% per annum or (ii) term SOFR plus a credit spread adjustment of 0.100% per annum plus a margin ranging from 1.500% to 2.000% per annum depending on the credit rating applicable to the NHL's league-wide credit facility. Rangers LLC is required to pay a commitment fee ranging from 0.375% to 0.625% per annum in respect of the average daily unused commitments under the Rangers Revolving Credit Facility. During the six nine months ended December 31, 2023 March 31, 2024, the Company borrowed an additional $35,000 and made principal repayments of $40,000$40,000 under the Rangers Revolving Credit Facility. The outstanding balance under the Rangers Revolving Credit Facility was $55,000 as of December 31, 2023 March 31, 2024, which was recorded as Long-term debt in the accompanying consolidated balance sheet. The interest rate on the Rangers Revolving Credit Facility as of December 31, 2023 March 31, 2024 was 7.21% 7.18%. During the six nine months ended December 31, 2023 March 31, 2024 the Company made interest payments of $2,815 $3,804 in respect of the Rangers Revolving Credit Facility. In addition, on April 22, 2024, the Company made an additional principal repayment of $40,000 under the Rangers Revolving Credit Facility.

All obligations under the Rangers Revolving Credit Facility are, subject to the Rangers NHL Advance Agreement (as defined below), secured by a first lien security interest in certain of Rangers LLC's assets, including, but not limited to, (i) Rangers LLC's membership rights in the NHL, (ii) revenues to be paid to Rangers LLC by the NHL pursuant to certain U.S. and Canadian national broadcast agreements, and (iii) revenues to be paid to Rangers LLC pursuant to local media contracts.

Subject to customary notice and minimum amount conditions, Rangers LLC may voluntarily prepay outstanding loans under the Rangers Revolving Credit Facility at any time, in whole or in part, without premium or penalty (except for customary breakage costs with respect to SOFR-based loans). Rangers LLC is required to make mandatory prepayments in certain circumstances, including without limitation if qualified revenues are less than 17% of the maximum available amount under the Rangers Revolving Credit Facility.

In addition to the financial covenant described above, the Rangers Credit Agreement and related security agreement contain certain customary representations and warranties, affirmative covenants and events of default. The Rangers Revolving Credit Facility contains certain restrictions on the ability of Rangers LLC to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the Rangers Revolving Credit Facility, including the following: (i) incurring additional indebtedness and contingent liabilities; (ii) creating liens on certain assets; (iii) making restricted payments during the continuance of an event of default under the Rangers Revolving Credit Facility; (iv) engaging in sale and leaseback transactions; (v) merging or consolidating; and (vi) taking certain actions that would invalidate the secured lenders' liens on any of Rangers LLC's assets securing the obligations under the Rangers Revolving Credit Facility.

The Rangers Revolving Credit Facility requires Rangers LLC to comply with a debt service ratio of at least 1.5:1.0 over a trailing four quarter period. As of December 31, 2023 March 31, 2024, Rangers LLC was in compliance with this financial covenant.

Rangers NHL Advance Agreement

On March 19, 2021, Rangers LLC, Rangers Holdings, LLC and MSG NYR Holdings LLC entered into an advance agreement with the NHL (the "Rangers NHL Advance Agreement") pursuant to which the NHL advanced $30,000 to Rangers LLC. The advance is required to be utilized solely and exclusively to pay for Rangers LLC operating expenses.

All obligations under the Rangers NHL Advance Agreement are senior to and shall have priority over all secured and other indebtedness of Rangers LLC, Rangers Holdings, LLC and MSG NYR Holdings LLC. All borrowings under the Rangers NHL

Advance Agreement were made on a non-revolving basis and bear interest at 3.00% per annum, ending on the date any such advances are fully repaid. Advances received under the Rangers NHL Advance Agreement are payable upon demand by the

MADISON SQUARE GARDEN SPORTS CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Continued)

NHL. It is expected that the advanced amount will be set off against funds that would otherwise be paid, distributed or transferred by the NHL to Rangers LLC. The outstanding balance under the Rangers NHL Advance Agreement was $30,000 as of December 31, 2023 March 31, 2024 and was recorded as Debt in the accompanying consolidated balance sheet. During the six nine months ended December 31, 2023 March 31, 2024 the Company made interest payments of $675. $900.

Deferred Financing Costs

The following table summarizes deferred financing costs, net of amortization, related to the Company's credit facilities as reported in the accompanying consolidated balance sheets:

	December 31, 2023	June 30, 2023
	March 31, 2024	June 30, 2023
Other current assets		
Other assets		

Note 13. Benefit Plans

Defined Benefit Pension Plans

The Company sponsors the MSG Sports, LLC Excess Cash Balance Plan (the "Excess Cash Balance Plan"), an unfunded non-contributory, non-qualified excess cash balance plan and the MSG Sports, LLC Excess Retirement Plan, an unfunded non-contributory, non-qualified defined benefit pension plan for the benefit of certain employees (collectively referred to as the "Pension Plans"). All benefits in the Pension Plans are frozen and participants are not able to earn benefits for future service under these plans, and no employee of the Company who was not already a participant as of the date the respective plan was frozen may become a participant in the Pension Plans. Existing account balances under the Excess Cash Balance Plan are credited with monthly interest in accordance with the terms of the plan.

The following table presents components of net periodic benefit cost for the Pension Plans included in the accompanying consolidated statements of operations for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022. 2023. Components of net periodic benefit cost are reported in Miscellaneous (expense) income, (expense), net.

	Three Months Ended Three Months Ended Three Months Ended		Six Months Ended	Nine Months Ended
	December 31, 2023	2022	December 31, 2023	2022
	March 31, 2024	2023	March 31, 2024	2023
Interest cost Interest cost Interest cost				
Recognized actuarial loss				

Recognized actuarial loss

Recognized actuarial loss

Net periodic benefit cost

Net periodic benefit cost

Net periodic benefit cost

Defined Contribution Plans

MSG Sports employees participate in The Madison Square Garden 401(k) Savings Plan (the “401(k) Plan”), which is a multiple employer plan sponsored by MSG Entertainment Holdings, LLC, a wholly owned subsidiary of MSG Entertainment. In addition, the Company sponsors the MSG Sports LLC, Excess Savings Plan (the “Excess Savings Plan”), which provides non-qualified retirement benefits to eligible MSG Sports employees.

Expense related to the 401(k) Plan and Excess Savings Plan for the three and six nine months ended December 31, 2023 March 31, 2024 was $1,314 1,261 and $2,608, $3,869, respectively, and $1,072 $1,465 and $2,137 $3,602 for the three and six nine months ended December 31, 2022 March 31, 2023, respectively.

Executive Deferred Compensation Plan

See Note 14 to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2023 for more information regarding the Company’s Executive Deferred Compensation Plan (the “Deferred Compensation Plan”). The Company recorded compensation expense of $839$821 and $735 $1,556 for the three and six nine months ended December 31, 2023 March 31, 2024, respectively, and $449 $368 and $346 $714 for the three and six nine months ended December 31, 2022 March 31, 2023, respectively, within Selling, general and administrative expenses to reflect the remeasurement of the Deferred Compensation Plan liability. In addition, the Company recorded gains of $839$821 and $735 $1,556 for the three and six nine months ended December 31, 2023 March 31, 2024, respectively, and $449 $368 and $346 $714 for the three and six nine months ended December 31, 2022 March 31, 2023, respectively, within Miscellaneous (expense) income, (expense), net to reflect the remeasurement of the fair value of assets under the Deferred Compensation Plan.

The following table summarizes amounts recognized related to the Deferred Compensation Plan in the consolidated balance sheets:

	December 31, 2023	June 30, 2023
	March 31, 2024	**June 30, 2023**
Non-current assets (included in investments)		
Current liabilities (included in accrued employee related costs)		
Non-current liabilities (included in other employee related costs)		

Note 14. Share-based Compensation

See Note 15 to the consolidated financial statements included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2023 for more information regarding the Company’s 2015 Employee Stock Plan (the “Employee Stock Plan”) and its 2015 Stock Plan for Non-Employee Directors.

Share-based compensation expense is recognized in the consolidated statements of operations as a component of Selling, general and administrative expenses. Share-based compensation expense was $6,570 $7,350 and $10,719 $18,069 for the three and six nine months ended December 31, 2023 March 31, 2024, respectively and $11,619 $3,220 and $18,839 $22,059 for the three and six nine months ended December 31, 2022 March 31, 2023, respectively. There were no costs related to share-based compensation that were capitalized for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

Restricted Stock Units Award Activity

The following table summarizes activity related to the Company’s restricted stock units and performance restricted stock units, collectively referred to as “RSUs,” held by current and former employees of the Company and non-employee directors, for the six nine months ended December 31, 2023 March 31, 2024:

	Number of	Weighted-Average Fair Value Per Share at Date of Grant (a)	Number of	Weighted-Average Fair Value Per Share at Date of Grant (a)
Unvested award balance, June 30, 2023				
Unvested award balance, June 30, 2023				
Unvested award balance, June 30, 2023				
Granted				
Vested				
Forfeited / Cancelled				
Unvested award balance, December 31, 2023				
Unvested award balance, March 31, 2024				

(a) *Weighted-average fair value per share at date of grant does not reflect any adjustments to awards granted prior to the Sphere Distribution.*

The fair value of RSUs that vested during the six nine months ended December 31, 2023 March 31, 2024 was $19,195. $21,192. Upon delivery, RSUs granted under the Employee Stock Plan were net share-settled to cover the required statutory tax withholding obligations. To fulfill the Company's current and former employees' required statutory tax withholding obligations for the applicable income and other employment taxes, 46 50 of these RSUs, with an aggregate value of $8,084, inclusive of $4 related to the Company's former employees (who vested in the Company's RSUs), were retained by the Company and the taxes paid are reflected as a financing activity in the accompanying consolidated statement of cash flows for the six nine months ended December 31, 2023 March 31, 2024.

The fair value of RSUs that vested during the six nine months ended December 31, 2022 March 31, 2023 was $34,233. $40,795. The weighted-average fair value per share at grant date of RSUs granted during the six nine months ended December 31, 2022 March 31, 2023 was $161.41. $161.70.

Stock Options Award Activity

The following table summarizes activity related to the Company's stock options for the six nine months ended December 31, 2023 March 31, 2024:

	Number of Time Vesting Options	Number of Time Vesting Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value	Number of Time Vesting Options	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term (In Years)	Aggregate Intrinsic Value
Balance as of June 30, 2023									
Balance as of June 30, 2023									
Balance as of June 30, 2023									
Granted									
Granted									
Granted									
Cancelled									
Cancelled									
Cancelled									
Balance as of December 31, 2023									
Balance as of December 31, 2023									
Balance as of December 31, 2023									
Exercisable as of December 31, 2023									
Balance as of March 31, 2024									
Balance as of March 31, 2024									
Balance as of March 31, 2024									
Exercisable as of March 31, 2024									

Note 15. Stock Repurchase Program

Amounts in this footnote are in thousands, except for the number of shares repurchased and per share data.

Effective as of October 1, 2015, the Company's board of directors authorized the repurchase of up to $525,000 of the Company's Class A Common Stock ("Class A Common Stock"). Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market or private transactions, block trades or such other manner as the Company may determine, in accordance with applicable insider trading and other securities laws and regulations. The timing and amount of purchases will depend on market conditions and other factors.

On October 6, 2022, the Company's Board of Directors authorized a $75,000 accelerated share repurchase ("ASR") program under the Company's existing share repurchase authorization. On October 28, 2022, the Company entered into a $75,000 ASR agreement with JPMorgan Chase Bank, National Association ("JP Morgan"). Pursuant to the ASR agreement, the Company made a payment of $75,000 to JP Morgan and JP Morgan delivered 388,777 initial shares of Class A Common Stock to the Company on November 1, 2022, representing 80% of the total shares expected to be repurchased under the ASR (determined based on the closing price of the Company's Class A Common Stock of $154.33 on October 28, 2022). The ASR was completed on January 31, 2023 with JP Morgan delivering 67,681 additional shares of Class A Common Stock to the Company upon final settlement. The average purchase price per share for shares of Class A Common Stock purchased by the Company pursuant to the ASR was $164.31.

The ASR was accounted for as a repurchase of shares and as an equity forward contract indexed to the Company's Class A Common Stock. The equity forward contract was classified as an equity instrument under ASC Subtopic 815-40. The Company has treated the initial and final shares of Class A Common Stock delivered as treasury shares as of the date the shares were physically delivered in computing the weighted average shares of outstanding Class A Common Stock for both basic and diluted earnings per share.

During the six nine months ended December 31, 2023 March 31, 2024, the Company did not make any share repurchases under its share repurchase program. As of December 31, 2023 March 31, 2024, the Company had $184,639 of availability remaining under its stock repurchase authorization.

Note 16. Related Party Transactions

As of December 31, 2023 March 31, 2024, certain members of the Dolan family, including certain trusts for members of the Dolan family (collectively, the "Dolan Family Group"), for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, members of the Dolan family, including trusts for members of the Dolan family (collectively, the "Dolan Family Group"), collectively beneficially own 100% of the Company's outstanding Class B Common Stock and own approximately 3.3% 3.0% of the Company's outstanding Class A Common Stock. Such shares of the Company's Class A Common Stock and Class B Common Stock, collectively, represent approximately 71.0% 70.9% of the aggregate voting power of the Company's outstanding common stock. Members of the Dolan Family Group are also the controlling stockholders of Sphere Entertainment, MSG Entertainment and AMC Networks Inc. ("AMC Networks").

The Company was party to the following agreements and/or arrangements with MSG Entertainment as of December 31, 2023 March 31, 2024:

- Arena license agreements, entered into in April 2020 (the "Arena License Agreements"), pursuant to which MSG Entertainment (i) provides the right to use The Garden for games of the Knicks and the Rangers for a 35-year term in exchange for arena license fees, (ii) shares revenues collected for suite and club licenses, (iii) operates and manages

the sale of the sports teams' merchandise at The Garden for a commission, (iv) operates and manages the sales of food and beverage concessions in exchange for 50% of net profits from sales and catering services during Knicks and Rangers home games, (v) shares revenues collected for the sale of venue indoor signage space and sponsorship rights at The Garden that are not specific to our teams, (vi) provides day of game services, and (vii) provides other general services within The Garden;

- Sponsorship sales and service representation agreements pursuant to which MSG Entertainment has the exclusive right and obligation to sell the Company's sponsorships for an initial stated term of 10 years for a commission. In addition, under this agreement, the Company is charged by MSG Entertainment for sales and service staff and overhead associated with the sales of sponsorship assets;
- Team sponsorship allocation agreement with MSG Entertainment, pursuant to which the teams receive an allocation of sponsorship and signage revenues associated with sponsorship agreements that include the assets of both the Company and MSG Entertainment;
- Services agreement (the "Services Agreement") pursuant to which the Company (i) receives certain services from MSG Entertainment, such as information technology, accounts payable, payroll, human resources, and other corporate functions and executive support services, in exchange for service fees and (ii) provides certain services to MSG Entertainment, such as certain communications, legal and ticketing services, in exchange for service fees;
- Arrangements pursuant to which the Company provides certain sponsorship, premium hospitality and other business operations services;
- The Sublease Agreement, pursuant to which the Company leases office space from MSG Entertainment;
- Group ticket sales representation agreement, pursuant to which MSG Entertainment appointed the Company as its sales and service representative to sell group ticket packages related to MSG Entertainment events in exchange for a commission;
- Single night rental commission agreement, pursuant to which the Company may, from time to time, sell (or make referrals for sales of) licenses for the use of suites at The Garden for individual MSG Entertainment events in exchange for a commission and reimbursement for sales and service staff and overhead associated with the ticket sales on behalf of MSG Entertainment; and
- Other agreements with MSG Entertainment entered into in connection with the Sphere Distribution, including a trademark license agreement and certain other arrangements.

The Company is also party to the following agreements and/or arrangements with Sphere Entertainment (including through its subsidiary MSG Networks) as of December March 31, 2023 2024:

- Media rights agreements between the Company and MSG Networks, entered into in July 2015, with stated terms of 20 years providing MSG Networks with local telecast rights for Knicks and Rangers games in exchange for media rights fees;
- Arrangements with MSG Networks pursuant to which the Knicks and the Rangers have allocated revenues with MSG Networks related to virtual advertising inventory;

- Arrangements pursuant to which the Company provides Sphere Entertainment with certain sponsorship and other business operations services;
- Arrangements pursuant to which the Company provides sponsorship rights to Sphere Entertainment;
- Other agreements with Sphere Entertainment in connection with the Sphere Distribution, including a distribution agreement, a tax disaffiliation agreement and an employee matters agreement and certain other arrangements; and
- Other agreements with MSG Networks entered into in connection with the MSGS Distribution, including an employee matters agreement, agreements related to audio-only distribution rights for Knicks and Rangers games, and certain other arrangements.

The Company is also party to arrangements with MSG Entertainment and Sphere Entertainment pursuant to which the three companies have agreed to allocate expenses in connection with the use by each company of aircraft owned or leased by the Company and MSG Entertainment.

In addition, the Company shares certain executive support costs, including office space, executive assistants, security and transportation costs for: (i) the Company's Executive Chairman with Sphere Entertainment and, following the MSGE Distribution, with MSG Entertainment as well; (ii) the Company's Vice Chairman with AMC Networks, Sphere Entertainment and following the MSGE Distribution, with MSG Entertainment as well, and (iii) the Company's Executive Vice President with Sphere Entertainment and AMC Networks. Additionally, the Company, Sphere Entertainment, AMC Networks, and, following the MSGE Distribution, MSG Entertainment, allocate the costs of certain personal aircraft and helicopter usage by their shared executives.

Revenues and Operating Expenses

The following table summarizes the composition and amounts of the transactions with the Company's affiliates. These amounts are reflected in revenues and operating expenses in the accompanying consolidated statements of operations for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
	Three Months Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Revenues (a)				
Operating expenses:				
Expense pursuant to the Services Agreement				
Expense pursuant to the Services Agreement				
Expense pursuant to the Services Agreement				
Rent expense pursuant to Sublease agreement with MSG Entertainment				
Costs associated with the Sponsorship sales and service representation agreements				
Operating lease expense associated with the Arena License Agreements				
Other costs associated with the Arena License Agreements				
Other operating (credits) expenses, net				

(a) *Primarily consist of local media rights recognized from the licensing of team-related programming under the media rights agreements covering the Knicks and the Rangers.*

Note 17. Income Taxes

In general, the Company is required to use an estimated annual effective tax rate to measure the tax benefit or tax expense recognized in an interim period. The estimated annual effective tax rate exceeds the statutory federal tax rate of 21% primarily due to state taxes, nondeductible officers' compensation, and players' disability insurance premiums expense. The estimated annual effective tax rate is revised on a quarterly basis.

Income tax expense for the three and nine months ended December 31, 2023 March 31, 2024 of $10,784 34,018 and $29,658, respectively, reflects an effective tax rate of 43%. Income tax benefit 47% for the six months ended December 31, 2023 of $4,360 reflects an effective tax rate of 49%. both periods.

Income tax expense for the three and six nine months ended December 31, 2022 March 31, 2023 of $24,555 $42,962 and $4,062, $47,024, respectively, reflects an effective tax rate of 53% 45% and 55% 46%, respectively.

The Company was notified in April 2020 that the City of New York was commencing an audit of the local income tax returns for the fiscal years ended June 30, 2016 and 2017. The audit was finalized in January 2024 and resulted in no material changes.

During the six nine months ended December 31, 2023 March 31, 2024, the Company made income tax payments, net of refunds, of $14,259. $14,319.

The Company had $35,115 and $10,633 of accrued federal and state income tax, recorded within other accrued liabilities in the accompanying consolidated balance sheets as of March 31, 2024 and June 30, 2023, respectively.

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 ("MD&A") contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In this MD&A, there are statements concerning the future operating and future financial performance of Madison Square Garden Sports Corp. and its direct and indirect subsidiaries (collectively, "we," "us," "our," "MSG Sports," or the "Company") on our future operations. 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 and future financial performance identify forward-looking statements. Investors are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors. Factors that may cause such differences to occur include, but are not limited to:

- the level of our revenues, which depends in part on the popularity and competitiveness of our sports teams;
- costs associated with player injuries, waivers or contract terminations of players and other team personnel;
- changes in professional sports teams' compensation, including the impact of signing free agents and executing trades, subject to league salary caps and the impact of luxury tax;
- general economic conditions, especially in the New York City metropolitan area;
- the demand for sponsorship arrangements and for advertising;
- competition, for example, from other teams, and other sports and entertainment options;
- changes in laws, National Basketball Association ("NBA") or National Hockey League ("NHL") rules, regulations, guidelines, bulletins, directives, policies and agreements, including the leagues' respective collective bargaining agreements (each, a "CBA") with their players' associations, salary caps, escrow requirements, revenue sharing, NBA luxury tax thresholds and media rights, or other regulations under which we operate;
- the performance by our affiliates of their obligations under various agreements with the Company, including the potential for financial difficulties that may impact MSG Networks Inc.'s ("MSG Networks") ability to perform its obligations;
- a resurgence of the COVID-19 pandemic or another pandemic or public health emergency, and our ability to effectively manage the impacts, including labor market disruptions;
- any NBA, NHL or other work stoppage;
- any economic, political or other actions, such as boycotts, protests, work stoppages or campaigns by labor organizations;
- seasonal fluctuations and other variation in our operating results and cash flow from period to period;
- the level of our expenses, including our corporate expenses;
- business, reputational and litigation risk if there is a security incident resulting in loss, disclosure or misappropriation of stored personal information or other breaches of our information security;
- activities or other developments that discourage or may discourage congregation at prominent places of public assembly, including Madison Square Garden Arena ("The Garden") where the home games of the New York Knickerbockers (the "Knicks") and the New York Rangers (the "Rangers") are played;
- a default by our subsidiaries under their respective credit facilities;
- the acquisition or disposition of assets or businesses and/or the impact of, and our ability to successfully pursue, acquisitions or other strategic transactions;
- our ability to successfully integrate acquisitions or new businesses into our operations;
- the operating and financial performance of our strategic acquisitions and investments, including those we may not control;
- the impact of governmental regulations or laws, including changes in how those regulations and laws are interpreted and the continued benefit of certain tax exemptions (including for The Garden) and the ability for us and Madison Square Garden Entertainment Corp. ("MSG Entertainment") to maintain necessary permits or licenses;
- the impact of any government plans to redesign New York City's Pennsylvania Station;
- business, economic, reputational and other risks associated with, and the outcome of, litigation and other proceedings;
- financial community and rating agency perceptions of our business, operations, financial condition and the industry in which we operate;
- certain restrictions on transfer and ownership of our common stock related to our ownership of professional sports franchises in the NBA and NHL;
- the tax-free treatment of the distribution of all of the outstanding common stock of Sphere Entertainment Co. (formerly Madison Square Garden Entertainment Corp. and referred herein as "Sphere Entertainment") to its stockholders, which was completed on April 17, 2020 (the "Sphere Distribution"); and
- the factors described under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

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

All dollar amounts included in the following MD&A are presented in thousands, except as otherwise noted.

Introduction

This MD&A is provided as a supplement to, and should be read in conjunction with, the Company's unaudited financial statements and accompanying notes thereto included in this Quarterly Report on Form 10-Q, as well as the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023, to help provide an understanding of our financial condition, changes in financial condition and results of operations. Unless the context otherwise requires, all references to "we," "us," "our," "MSG Sports," or the "Company" refer collectively to Madison Square Garden Sports Corp., a holding company, and its direct and indirect subsidiaries through which substantially all of our operations are conducted.

The Company operates and reports financial information in one segment.

This MD&A is organized as follows:

Results of Operations. This section provides an analysis of our unaudited results of operations for the three and six nine months ended December 31, 2023 March 31, 2024 compared to the three and six nine months ended December 31, 2022 March 31, 2023.

Liquidity and Capital Resources. This section focuses primarily on (i) the liquidity and capital resources of the Company, (ii) an analysis of the Company's cash flows for the six nine months ended December 31, 2023 March 31, 2024 compared to the six nine months ended December 31, 2022 March 31, 2023, and (iii) certain contractual obligations.

Seasonality of Our Business. This section discusses the seasonal performance of our business.

Critical Accounting Policies. This section discusses accounting pronouncements that have been adopted by the Company, if any, as well as the results of the Company's annual impairment testing of goodwill and identifiable indefinite-lived intangible assets performed during the first quarter of fiscal year 2024. This section should be read together with our critical accounting policies, which are discussed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023 under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Recently Issued Accounting Pronouncements and Critical Accounting Policies — Critical Accounting Policies" and in the notes to the consolidated financial statements of the Company included therein.

Results of Operations

Comparison of the three and six nine months ended December 31, 2023 March 31, 2024 versus the three and six nine months ended December 31, 2022 March 31, 2023

The table below sets forth, for the periods presented, certain historical financial information.

		Three Months Ended												
		December 31, December 31,												
		December 31,				Change			December 31,				Change	
			2023		2022			$	%		2023			
		March 31, March 31,												
		March 31,				Change			March 31,				Change	
			2024		2023			$	%		2024			
Revenues	Revenues	$326,898	$	$353,694	$	$(26,796)		(8)	(8) %	$ 369,944		$	$ 377,783	
Direct operating expenses	Direct operating expenses	232,225	225,702	225,702	6,523		6,523	3	3 %		235,745	229,383		2
Selling, general and administrative expenses	Selling, general and administrative expenses	65,066	75,636	75,636	(10,570)		(10,570)	(14)	(14)%		118,622	130,917		1
Depreciation and amortization	Depreciation and amortization	790	838	838	(48)		(48)	(6)	(6)%		1,584	1,863		
Operating income	Operating income	28,817	51,518	51,518	(22,701)		(22,701)	(44)	(44)%		13,993	15,620		1
Other income (expense):														
Interest expense, net Interest expense, net Interest expense, net		(6,800)	(5,512)	(5,512)	(1,288)		(1,288)	(23)	(23)%		(13,276)	(8,468)		
Miscellaneous income (expense), net		2,991		385		2,606			NM	(9,674)			219	
Income (loss) before income taxes		25,008		46,391		(21,383)			(46) %	(8,957)			7,371	
Income tax (expense) benefit		(10,784)		(24,555)		13,771			56 %	4,360			(4,062)	
Net income (loss)		14,224		21,836		(7,612)			(35) %	(4,597)			3,309	

Miscellaneous (expense) income, net	(1,403)	19,324	(20,727)	NM	(11,077)	19,543
Income before income taxes	71,895	94,775	(22,880)	(24) %	62,938	102,146
Income tax expense	(34,018)	(42,962)	8,944	21 %	(29,658)	(47,024)
Net income	37,877	51,813	(13,936)	(27) %	33,280	55,122
Less: Net loss attributable to nonredeemable noncontrolling interests Less: Net loss attributable to nonredeemable noncontrolling interests	— (655)	(655)	655 655	100 100 %	—	(1,362)
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders						
Net income attributable to Madison Square Garden Sports Corp.'s stockholders						
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders						
Net income attributable to Madison Square Garden Sports Corp.'s stockholders						
Net income (loss) attributable to Madison Square Garden Sports Corp.'s stockholders	$ 14,224	$ 22,491	$ (8,267)	(37) %	$ (4,597)	$ 4,671
Net income attributable to Madison Square Garden Sports Corp.'s stockholders	$ 37,877	$ 52,379	$(14,502)	(28) %	$33,280	$57,050

NM - Percentage is not meaningful

Revenues

Revenues decreased $26,796, increased $47,210, or 8% 12%, to $326,898 $429,954 for the three months ended December 31, 2023 March 31, 2024 as compared to the prior year period. Revenues decreased $7,839, increased $39,371, or 2% 5%, to $799,898 for the sixnine months ended December 31, 2023 March 31, 2024 as compared to the prior year period. The net decreases increases were attributable to the following:

	Three Months	Three Months	Six Months	Three Months	Nine Months
Decrease in pre/regular season ticket-related revenues					
Decrease in suite revenues					
Decrease in sponsorship and signage revenues					
Increase in revenues from local media rights fees					
Increase in revenues from local media rights fees					
Increase in pre/regular season ticket-related revenues					
Increase in suite revenues					
Increase in pre/regular season food, beverage, and merchandise sales					
Increase in revenues from local media rights fees					
Increase in revenues from league distributions					
Increase (decrease) in sponsorship and signage revenues					
Other net increases					
	$				

The decreases increase in pre/regular season ticket-related revenues for the three and six months ended December 31, 2023 were March 31, 2024 was primarily due to the Knicks playing additional home games at The Garden during the current year period as compared to the prior year period and higher average Knicks and Rangers per-game revenue. The Knicks played 26 games at The Garden during the three months ended March 31, 2024 as compared to 21 games at The Garden during the prior year period. The increase in pre/regular season ticket-related revenues for the nine months ended March 31, 2024 was primarily due to higher average Knicks and Rangers per-game revenue, partially offset by the Knicks and the Rangers playing fewer home games at The Garden during the current year periods period as compared to the prior year periods, partially offset by higher average per-game revenue. period. The Knicks played 15 41 games at The Garden during the nine months ended

March 31, 2024 as compared to 42 games at The Garden during the three and six months ended December 31, 2023 as compared to 21 games during the prior year periods. period. The Rangers played 1738 games at The Garden during the threenine months endedDecemberMarch 31, 2023 and 19 2024 as compared to 41 games at The Garden during the six months ended December 31, 2023 as compared to 20 and 22 games, respectively, during the prior year periods. period.

The decreases increase in suite revenues for the three and six months ended December 31, 2023 were March 31, 2024 was primarily due to the Knicks and the Rangers playing fewer additional home games at The Garden during the current year periods period as compared to the prior year periods, partially offset by period and higher net sales of suites products, including revenue related to new premium hospitality offerings which were made available at the start of the 2023-24 seasons.

The decreases increase in sponsorship and signage suite revenues for the three and six nine months ended December 31, 2023 were March 31, 2024 was primarily due to higher net sales of suites products, including revenue related to new premium hospitality offerings which were made available at the start of the 2023-24 seasons, partially offset by the Knicks and the Rangers playing fewer home games at The Garden during the current year periods period as compared to the prior year periods. period.

The increase in pre/regular season food, beverage, and merchandise sales for thethree months ended March 31, 2024 was primarily due to higher average per-game revenue, the Knicks playing additional home games at The Garden during the current year period as compared to the prior year period, and higher online sales of merchandise. The increase in pre/regular season food, beverage, and merchandise sales for thenine months ended March 31, 2024 was primarily due to higher average per-game revenue and higher online sales of merchandise, partially offset by the Knicks and the Rangers playing fewer home games at The Garden during the current year period as compared to the prior year period.

The increases in revenues from local media rights fees for the three and six nine months ended December 31, 2023 March 31, 2024 were primarily due to contractual rate increases. increases, partially offset by a reduction in rights fees due to a decrease in the number of events exclusively available to MSG Networks during the current year as compared to the prior year.

The increase in revenues from league distributions for the three months ended December 31, 2023 March 31, 2024 was primarily due to increased national media rights fees in the current year period, partially offset by lower other league distributions in the current year period. period and the absence of league distributions related to Counter Logic Gaming ("CLG") in the current year period following the Company's sale of its controlling interest in CLG in April 2023. The increase in revenues from league distributions for the six nine months ended December 31, 2023 March 31, 2024 was primarily due to an increase in and the timing of recognition of certain league distributions unrelated to national media rights fees and, to a lesser extent, increased national media rights fees in the current year period, partially offset by lower other league distributions in the current year period and the absence of league distributions related to CLG in the current year period.

The increase in sponsorship and signage revenues for three months ended March 31, 2024 was primarily due the Knicks playing additional home games at The Garden during the current year period as compared to the prior year period, partially offset by the absence of sponsorship and signage revenues related to CLG in the current year period. The decrease in sponsorship and signage revenues for nine months ended March 31, 2024 was primarily due to the Knicks and the Rangers playing fewer home games at The Garden during the current year period as compared to the prior year period and the absence of sponsorship and signage revenues related to CLG in the current year period.

Direct operating expenses

Direct operating expenses increased $6,523, $33,975, or 3% 14%, to $232,225 $273,026 for the three months ended December 31, 2023 March 31, 2024 as compared to the prior year period. Direct operating expenses increased $6,362, $40,337, or 3% 9%, to $235,745 $508,771 for the sixnine months ended December 31, 2023 March 31, 2024 as compared to the prior year period. The net increases were attributable to the following:

	Three Months	Three Months	Six Months	Three Months	Nine Months
Increase in team personnel compensation					
Increase in net provisions for league revenue sharing expense (net of escrow and excluding playoffs) and NBA luxury tax					
Decrease in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden					
Decrease in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden					
Decrease in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden					
Other net decreases					
Increase in other team operating expenses					
Increase (decrease) in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden					
Increase in pre/regular season expense associated with merchandise sales					
Increase in net provisions for certain team personnel transactions					
	$				

The increases in team personnel compensation for the three and six nine months ended December 31, 2023 March 31, 2024 were primarily due to roster changes for the Knicks and the Rangers, partially offset by the absence of expenses related to Counter Logic Gaming ("CLG") CLG in the current year periods following the Company's sale of its controlling interest in CLG in April 2023.

Net provisions for league revenue sharing expense (net of escrow and excluding playoffs) and NBA luxury tax were as follows:

	Three Months Ended December 31,	Six Months Ended December 31,

	2023	2022	Increase	2023	2022	Increase
Net provisions for league revenue sharing expense (net of escrow and excluding playoffs) and NBA luxury tax	$ 23,584	$ 20,958	$ 2,626	$ 22,418	$ 18,784	$ 3,634

	Three Months Ended March 31,			Nine Months Ended March 31,		
	2024	2023	Increase	2024	2023	Increase
Net provisions for league revenue sharing expense (net of escrow and excluding playoffs) and NBA luxury tax	$ 20,103	$ 11,720	$ 8,383	$ 42,521	$ 30,505	$ 12,016

The increases in net provisions for league revenue sharing expense (net of escrow and excluding playoffs) and NBA luxury tax for the three and six nine months ended December 31, 2023 March 31, 2024 were primarily related to higher provisions for league revenue sharing expense (net of escrow and excluding playoffs) of $2,276 $6,600 and $2,276, respectively. In addition, the increase in net provisions for league revenue sharing expense (net $8,875, respectively, and, to a lesser extent, lower estimated recoveries of escrow and excluding playoffs) and NBA luxury tax for in the six months ended December 31, 2023 was partially due to the net impact of adjustments to prior seasons' revenue sharing expense (net of escrow). current year periods.

The Knicks were not a luxury tax payer for the 2022-23 season and, therefore, received an equal share of the portion of luxury tax receipts that were distributed to non-tax paying teams. The Knicks' roster as of December 31, 2023March 31, 2024 would not result in the team being a luxury tax payer for the 2023-24 season.

The actual amounts for the 2023-24 seasons may vary significantly from the recorded provisions based on actual operating results for each league and all teams within each league for the season and other factors.

Other team operating expenses primarily consist of expenses associated with day-to-day operations, including variable day-of-event costs incurred at The decreases Garden, team travel, player insurance, and league assessments. The increase in other team operating expenses for the three months ended March 31, 2024 was primarily due to higher average per-game expenses and the Knicks playing additional home games at The Garden during the current year period as compared to the prior year period. The increase in other team operating expenses for the nine months ended March 31, 2024 was primarily due to higher average per-game expenses, partially offset by the Knicks and the Rangers playing fewer home games at The Garden during the current year period as compared to the prior year period.

The increase in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden for the three and six months ended December 31, 2023 were March 31, 2024was a result of the Knicks playing additional home games at The Garden during the current year period as compared to the prior year period. The decrease in operating lease costs associated with the Knicks and the Rangers playing home games at The Garden for the nine months ended March 31, 2024 was a result of the Knicks and the Rangers playing fewer home games at The Garden during the current year periods period as compared to the prior year periods. period.

The increases in pre/regular season expense associated with merchandise sales for the three and nine months ended March 31, 2024 were primarily related to higher merchandise sales.

Net provisions for certain team personnel transactions were as follows:

	Three Months Ended March 31,			Nine Months Ended March 31,		
	2024	2023	Increase (Decrease)	2024	2023	Increase (Decrease)
Season-ending player injuries	$ 2,170	$ —	$ 2,170	$ 2,170	$ —	$ 2,170
Player trades	—	51	(51)	—	1,143	(1,143)
Waivers/contract terminations	—	30	(30)	—	(1,362)	1,362
Net provisions for certain team personnel transactions	$ 2,170	$ 81	$ 2,089	$ 2,170	$ (219)	$ 2,389

Selling, general and administrative expenses

Selling, general and administrative expenses primarily consist of (i) administrative costs, including compensation, costs under the Company's Services Agreement, and professional fees, and operating lease costs, (ii) fees related to the Company's sponsorship sales and service representation agreements, and (iii) sales and marketing costs. Selling, general and administrative expenses generally do not fluctuate in line with changes in the Company's revenues and direct operating expenses.

Selling, general and administrative expenses for the three months ended December 31, 2023 decreased $10,570, March 31, 2024 increased $15,296, or 14% 25%, to $65,066 $76,398 as compared to the prior year period driven by lower higher employee compensation and related benefits of $7,821, $12,187, primarily due to executive management transition costs recognized in the prior current year period, and lower higher other general and administrative expenses.

Selling, general and administrative expenses for the six nine months ended December 31, 2023 decreased $12,295, March 31, 2024 increased $3,001, or 9% 2%, to $118,622 $195,020 as compared to the prior year period driven by lower primarily due to higher operating lease costs of $5,121 and higher employee compensation and related benefits of $10,527, primarily due to executive management transition costs recognized in the prior year period, and $1,417, partially offset by lower other general and administrative expenses.

Depreciation and amortization

Depreciation and amortization for the three months ended December 31, 2023 March 31, 2024 decreased $48, $52, or 6%, to $790 $788 as compared to the prior year period. Depreciation and amortization for the sixnine months ended December 31, 2023 March 31, 2024 decreased $279, $331, or 15% 12%, to $1,584 $2,372 as compared to the prior year period.

Operating income

Operating income for the three months ended December 31, 2023 March 31, 2024 decreased $22,701, $2,009, or 44% 2%, to $28,817 $79,742 as compared to the prior year period primarily due to lower revenues higher direct operating expenses and, to a lesser extent, higher direct operating selling, general and administrative expenses, partially offset by lower selling, general and administrative expenses. higher revenues.

Operating income for the sixnine months ended December 31, 2023 March 31, 2024 decreased $1,627, $3,636, or 10% 4%, to $13,993 $93,735 as compared to the prior year period primarily due to lower revenues and higher direct operating expenses partially offset by lower and, to a lesser extent, higher selling, general and administrative expenses. expenses, partially offset by higher revenues.

Interest expense, net

Net interest expense for the three months ended December 31, 2023 March 31, 2024 increased $1,288, $144, or 23% 2%, to $6,800 $6,444 as compared to the prior year period primarily due to lower interest income caused by lower cash balances, partially offset by decreased interest expense in the current year period. This decrease in interest expense was primarily due to lower average borrowings under the Rangers Revolving Credit Facility in the current year period, partially offset by higher average interest rates and higher average borrowings under the Knicks Revolving Credit Facility in the current year period.

Net interest expense for the nine months ended March 31, 2024 increased $4,952, or 34%, to $19,720 as compared to the prior year period primarily due to increased interest expense caused by higher average interest rates in the current year period and higher average borrowings under the Knicks Revolving Credit Facility in the current year period. The increase was partially offset by lower average borrowings under the Rangers Revolving Credit Facility in the current year period.

Net interest expense for the six months ended December 31, 2023 increased $4,808, or 57%, to $13,276 as compared to the prior year period primarily due to increased interest expense caused by higher average interest rates in the current year period and higher average borrowings under the Rangers Revolving Credit Facility and the Knicks Revolving Credit Facility in the current year period.

Miscellaneous (expense) income, (expense), net

Miscellaneous (expense) income, net for the three months ended December 31, 2023 increased $2,606 to $2,991 as compared to the prior year period primarily due to the recognition of unrealized gains in the current year period related to the Company’s investments in Xtract One common stock and warrants which were made in the third and fourth quarters of fiscal year 2023. Miscellaneous income (expense), net for the six months ended December 31, 2023 March 31, 2024 decreased $9,893 $20,727 to a net expense of $9,674 $1,403 as compared to the prior year period primarily due to the recognition of unrealized losses in the current year period related to the Company’s investments in Xtract One common stock and warrants as compared to unrecognized gains in the prior year period related to the Company’s investments in Xtract One common stock, warrants and forward contracts. Miscellaneous (expense) income, net for the nine months ended March 31, 2024 decreased $30,620 to a net expense of $11,077 as compared to the prior year period primarily due to the recognition of unrealized losses in the current year period related to the Company’s investments in Xtract One common stock and warrants as compared to unrecognized gains in the prior year period related to the Company’s investments in Xtract One common stock and warrants.

Income taxes

See Note 17 to the consolidated financial statements included in “Part I — Item 1. Financial Statements” of this Quarterly Report on Form 10-Q for a discussion of the Company’s income taxes.

Adjusted operating income

During the fourth quarter of fiscal year 2023, the Company amended the definition of adjusted operating income (loss) so that the impact of the non-cash portion of operating lease costs related to the Company’s Arena License Agreements with MSG Entertainment is no longer excluded in the calculation of adjusted operating income (loss) in all periods presented.

The Company evaluates performance based on several factors, of which the key financial measure is operating income (loss) excluding (i) depreciation, amortization and impairments of property and equipment, goodwill and other intangible assets, (ii) share-based compensation expense or benefit, (iii) restructuring charges or credits, (iv) gains or losses on sales or dispositions of businesses, (v) the impact of purchase accounting adjustments related to business acquisitions, and (vi) gains and losses related to the remeasurement of liabilities under the Company’s Executive Deferred Compensation Plan, which is referred to as adjusted operating income (loss), a non-GAAP measure.

Management believes that the exclusion of share-based compensation expense or benefit allows investors to better track the performance of the Company’s business without regard to the settlement of an obligation that is not expected to be made in cash. In addition, management believes that the exclusion of gains and losses related to the remeasurement of liabilities under the Company’s Executive Deferred Compensation Plan provides investors with a clearer picture of the Company’s operating performance given that, in accordance with GAAP, gains and losses related to the remeasurement of liabilities under the Company’s Executive Deferred Compensation Plan are recognized in Operating income (loss) whereas gains and losses related to the remeasurement of the assets under the Company’s Executive Deferred Compensation Plan, which are equal to and therefore fully offset the gains and losses related to the remeasurement of liabilities, are recognized in Miscellaneous income (expense), net, which is not reflected in Operating income (loss).

The Company believes adjusted operating income (loss) is an appropriate measure for evaluating the operating performance of the Company. Adjusted operating income (loss) and similar measures with similar titles are common performance measures used by investors and analysts to analyze the Company's performance. The Company uses revenues and adjusted operating income (loss) measures as the most important indicators of its business performance and evaluates management's effectiveness with specific reference to these indicators.

Adjusted operating income (loss) 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 adjusted operating income (loss) 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 Company has presented the components that reconcile operating income (loss), the most directly comparable GAAP financial measure, to adjusted operating income (loss).

The following are the reconciliations of operating income to adjusted operating income for the three and six nine months ended December 31, 2023 March 31, 2024 and 2022:

	Three Months Ended December 31,		Change		Six Months Ended December 31,		Change	
	2023	2022	$	%	2023	2022	$	%
Operating income	$ 28,817	$ 51,518	$ (22,701)	(44)%	$ 13,993	$ 15,620	$ (1,627)	(10)%
Depreciation and amortization	790	838			1,584	1,863		
Share-based compensation	6,570	11,619			10,719	18,839		
Remeasurement of deferred compensation plan liabilities	839	449			735	346		
Adjusted operating income *(a)*	$ 37,016	$ 64,424	$ (27,408)	(43)%	$ 27,031	$ 36,668	$ (9,637)	(26)%

2023:

	Three Months Ended March 31,		Change		Nine Months Ended March 31,		Change	
	2024	2023	$	%	2024	2023	$	%
Operating income	$ 79,742	$ 81,751	$ (2,009)	(2)%	$ 93,735	$ 97,371	$ (3,636)	(4)%
Depreciation and amortization	788	840			2,372	2,703		
Share-based compensation	7,350	3,220			18,069	22,059		
Remeasurement of deferred compensation plan liabilities	821	368			1,556	714		
Adjusted operating income *(a)*	$ 88,701	$ 86,179	$ 2,522	3 %	$ 115,732	$ 122,847	$ (7,115)	(6)%

(a) During the fourth quarter of fiscal year 2023, the Company amended the definition of adjusted operating income (loss) so that the impact of the non-cash portion of operating lease costs related to the Company's Arena License Agreements with MSG Entertainment is no longer excluded. Pursuant to GAAP, recognition of operating lease costs is recorded on a straight-line basis over the term of the agreement based upon the value of total future payments under the arrangement. As a result, operating lease costs is comprised of a contractual cash component plus or minus a non-cash component for each period presented. Adjusted operating income includes operating lease costs of (i) $15,409 $22,372 and $16,238 $38,610 of expense paid in cash for the three and six nine months ended December 31, 2023 March 31, 2024, respectively, and $19,416 $19,013 and $20,221 $39,234 of expense paid in cash for the three and six nine months ended December 31, 2022 March 31, 2023, respectively, and (ii) a non-cash expense of $8,953 $12,998 and $9,435, $22,433, for the three and six nine months ended December 31, 2023 March 31, 2024, respectively, and $12,202 $11,949 and $12,708 $24,657 for the three and six nine months ended December 31, 2022 March 31, 2023, respectively.

For the three months ended December 31, 2023 March 31, 2024, adjusted operating income increased $2,522, or 3%, to $88,701 as compared to the prior year period. The increase in adjusted operating income was primarily due to higher revenues, partially offset by higher direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses.

For the nine months ended March 31, 2024, adjusted operating income decreased $27,408, $7,115, or 43% 6%, to $37,016 $115,732 as compared to the prior year period. The decrease in adjusted operating income was primarily due to lower revenues higher direct operating expenses and, to a lesser extent, higher direct operating selling, general and administrative expenses, partially offset by lower selling, general and administrative expenses.

For the six months ended December 31, 2023, adjusted operating income decreased $9,637, or 26%, to $27,031 as compared to the prior year period. The decrease in adjusted operating income was primarily due to lower revenues and higher direct operating expenses, partially offset by lower selling, general and administrative expenses.

revenues.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash and cash equivalents, cash flow from operations and available borrowing capacity under our credit facilities. See Note 12 to the consolidated financial statements included in “Part I - Item 1. Financial Statements” of this Quarterly Report on Form 10-Q for a discussion of the Knicks Credit Agreement, the Rangers Credit Agreement, and the Rangers NHL Advance Agreement (each as defined therein).

Our principal uses of cash include the operation of our businesses, working capital-related items, the repayment of outstanding debt, repurchases of shares of the Company’s Class A Common Stock, dividends, if declared, and investments.

As of December 31, 2023 March 31, 2024, we had $37,880 40,033 in Cash and cash equivalents. In addition, as of December 31, 2023 March 31, 2024, the Company’s deferred revenue obligations were $218,450, $88,452, net of billed, but not yet collected deferred revenue. This balance is primarily comprised of obligations in connection with tickets suites and local media rights. suites. In addition, the Company’s deferred revenue obligations included $11,033 from the NBA, which the league provided to each team.

We regularly monitor and assess our ability to meet our net funding and investing requirements. The decisions of the Company as to the use of its available liquidity will be based upon the ongoing review of the funding needs of the business, management’s view of a favorable allocation of cash resources, and the timing of cash flow generation. To the extent the Company desires to access alternative sources of funding through the capital and credit markets, restrictions imposed by the NBA and NHL and potentially challenging U.S. and global economic and market conditions could adversely impact its ability to do so at that time.

We believe we have sufficient liquidity, including approximately $37,880 $40,033 in Cash and cash equivalents as of December 31, 2023 March 31, 2024, along with $195,000 of additional available borrowing capacity under existing credit facilities, to fund our operations and satisfy any obligations for the foreseeable future. In addition, on April 22, 2024, the Company made an additional principal repayment of $40,000 under the Rangers Revolving Credit Facility.

Financing Agreements and Stock Repurchases

See Note 12 and Note 15 to the consolidated financial statements included in “Part I — Item 1. Financial Statements” of this Quarterly Report on Form 10-Q for discussions of the Company’s debt obligations and various financing agreements, and the Company’s stock repurchases, respectively.

Contractual Obligations

The Company did not have any material changes in its contractual obligations since the end of fiscal year 2023 other than activities in the ordinary course of business.

Cash Flow Discussion

The following table summarizes the Company’s cash flow activities for the six nine months ended December 31, 2023 March 31, 2024 and 2022: 2023:

	Six Months Ended December 31,	
	2023	2022
Net (loss) income		
Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities:		
	Nine Months Ended March 31,	
	2024	**2023**
Net income		
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Changes in working capital assets and liabilities		
Changes in working capital assets and liabilities		
Changes in working capital assets and liabilities		
Net cash (used in) provided by operating activities		
Net cash used in investing activities		
Net cash provided by (used in) financing activities		
Net increase (decrease) in cash, cash equivalents and restricted cash		

Operating Activities

Net cash used in operating activities for the six nine months ended December 31, 2023 March 31, 2024 was $20,257 $16,220 as compared to net cash provided by operating activities in the prior period of $31,577. $114,801. This was primarily due to the decrease in net (loss) income adjusted for non-cash items in addition to changes in working capital assets and liabilities. The changes in working capital assets and liabilities were primarily driven by (i) a decrease in deferred revenue of $52,369 primarily due to the timing of collections related to pre/regular season ticket sales and the recognition of certain league distributions unrelated to national media rights fees, (ii) a lower decrease in accrued and other liabilities of $60,478 $37,191 primarily due to higher payments related to employee compensation and league revenue sharing and income taxes in the current year period, (ii) (iii) a higher increase in prepaid expenses and other assets of $10,236 $14,114 primarily due to higher payments for income taxes in the current year period contract assets as a result of timing of revenue recognition and lower receipts related to escrow and player compensation recoveries in the current year period, (iii) $7,586 related to operating lease right-of-use assets and lease liabilities due to the timing of recognition of operating lease costs and higher lease payments, (iv) higher an increase in net related party

receivables of $6,114 $8,671 primarily due to the timing of collections related to the Company's sponsorship sales and service representation agreements and Arena License Agreements, (v) higher accounts receivable, net of $4,793 due to the timing of collections related to sponsorship and ticket sales. agreements. These changes are were partially offset by (i) higher deferred revenue of $33,592 primarily due to the higher collections of ticket sales a lower decrease in advance of recognition of pre/regular season ticket-related revenues, (ii) lower net related party payables of $11,592 $11,157 primarily due to the timing of payments related to the Services Agreement, and (iii) (ii) a lower increase in investments of $7,344 $7,669 primarily related to the Company's Executive Deferred Compensation Plan.

Investing Activities

Net cash used in investing activities for the six nine months ended December 31, 2023 increased March 31, 2024 decreased by $3,924 $4,677 to $5,238 $5,689 as compared to the prior year period primarily due to higher lower purchases of investments in the current year period.

Financing Activities

Net cash provided by financing activities for the six nine months ended December 31, 2023 March 31, 2024 was $26,268 $26,234 as compared to net cash used in financing activities for the six nine months ended December 31, 2022 March 31, 2023 of $76,123. $129,618. This was primarily due to the impact of dividends paid and the accelerated share repurchase in the prior year period, lower principal repayments under the Knicks Revolving Credit Facility and the Rangers Revolving Credit Facility in the current year period and, to a lesser extent, lower taxes paid in lieu of shares issued for equity-based compensation in the current year period. These impacts were partially offset by additional borrowings under the Knicks Revolving Credit Facility and the Rangers Revolving Credit Facility in the prior year period and higher principal repayments under the Company's credit facilities in the current prior year period.

Seasonality of Our Business

The Company's dependence on revenues from its NBA and NHL sports teams generally means that it earns a disproportionate share of its revenues in the second and third quarters of the Company's fiscal year, which is when the majority of the sports teams' games are played.

Critical Accounting Policies

Recently Issued Accounting Pronouncements

See Note 2 to the consolidated financial statements included in "Part I — Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for discussion of recently issued accounting pronouncements.

Critical Accounting Policies

The following discussion has been included to provide the results of our annual impairment testing of goodwill and identifiable indefinite-lived intangible assets performed during the first quarter of fiscal year 2024. There have been no material changes to the Company's critical accounting policies from those set forth in our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

Goodwill

The carrying amount of goodwill as of December 31, 2023 March 31, 2024 was $226,523. Goodwill is tested annually for impairment as of August 31st and at any time upon the occurrence of certain events or changes in circumstances. The Company performs its goodwill impairment test at the reporting unit level, which is the same as or one level below the operating segment level. The Company has one operating and reportable segment, and one reporting unit for goodwill impairment testing purposes.

The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. If the Company can support the conclusion that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the Company would not need to perform a quantitative impairment test for that reporting unit. If the Company cannot support such a conclusion or the Company does not elect to perform the qualitative assessment, the first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The estimates of the fair value of the Company's reporting units are primarily determined using discounted cash flows and comparable market transactions. These valuations are based on estimates and assumptions including projected future cash flows, discount rates, determination of appropriate market comparables and the determination of whether a premium or discount should be applied to comparables. Significant judgments inherent in a discounted cash flow analysis include the selection of the appropriate discount rate, the estimate of the amount and timing of projected future cash flows and identification of appropriate continuing growth rate assumptions. The discount rates used in the analysis are intended to reflect the risk inherent in the projected future cash flows. The amount of an impairment loss is measured as the amount by which a reporting unit's carrying value exceeds its fair value determined in step one, not to exceed the carrying amount of goodwill.

The Company elected to perform the qualitative assessment of impairment for the Company's reporting unit for the fiscal year 2024 impairment test. These assessments considered factors such as:

- macroeconomic conditions;
- industry and market considerations;
- market capitalization;
- cost factors;
- overall financial performance of the reporting unit;

- other relevant company-specific factors such as changes in management, strategy or customers; and
- relevant reporting unit specific events such as changes in the carrying amount of net assets.

The Company performed its most recent annual impairment test of goodwill during the first quarter of fiscal year 2024, and there was no impairment of goodwill. Based on this impairment test, the Company concluded it was not more likely than not that the fair value of the reporting unit was less than its carrying amount.

Identifiable Indefinite-Lived Intangible Assets

Identifiable indefinite-lived intangible assets are tested annually for impairment as of August 31st and at any time upon the occurrence of certain events or substantive changes in circumstances. The following table sets forth the amount of identifiable indefinite-lived intangible assets reported in the Company's consolidated balance sheet as of December 31, 2023 March 31, 2024:

Sports franchises	$	102,564
Photographic related rights		1,080
	$	103,644

The Company has the option to perform a qualitative assessment to determine if an impairment is more likely than not to have occurred. In the qualitative assessment, the Company must evaluate the totality of qualitative factors, including any recent fair value measurements, that impact whether an indefinite-lived intangible asset other than goodwill has a carrying amount that more likely than not exceeds its fair value. The Company must proceed to conducting a quantitative analysis, if the Company (i) determines that such an impairment is more likely than not to exist, or (ii) forgoes the qualitative assessment entirely. Under the quantitative assessment, the impairment test for identifiable indefinite-lived intangible assets consists of a comparison of the estimated fair value of the intangible asset with its carrying value. If the carrying value of the intangible asset exceeds its fair value, an impairment loss is recognized in an amount equal to that excess. For all periods presented, the Company elected to perform a qualitative assessment of impairment for the indefinite-lived intangible assets. These assessments considered the events and circumstances that could affect the significant inputs used to determine the fair value of the intangible asset. Examples of such events and circumstances include:

- cost factors;
- financial performance;
- legal, regulatory, contractual, business or other factors;
- other relevant company-specific factors such as changes in management, strategy or customers;
- industry and market considerations; and
- macroeconomic conditions.

The Company performed its most recent annual impairment test of identifiable indefinite-lived intangible assets during the first quarter of fiscal year 2024, and there were no impairments identified. Based on this impairment test, the Company concluded it was not more likely than not that the fair value of the indefinite-lived intangible assets was less than their carrying amount.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the disclosures regarding market risks in connection with our interest rate risk exposure. See Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of our Annual Report on Form 10-K for the fiscal year ended June 30, 2023.

Potential interest rate risk exposure:

We have potential interest rate risk exposure related to outstanding borrowings incurred under our credit facilities. Changes in interest rates may increase interest expense payments with respect to any borrowings incurred under the credit facilities.

Borrowings under our credit facilities incur interest, depending on our election, at a floating rate based upon SOFR plus a credit spread adjustment, the U.S. Federal Funds Rate or the U.S. Prime Rate, plus, in each case, a fixed spread. If appropriate, we may seek to reduce such exposure through the use of interest rate swaps or similar instruments. As of December 31, 2023 March 31, 2024, we had a total of $330 million of borrowings outstanding under our credit facilities. The effect of a hypothetical 100 basis point increase in floating interest rates prevailing as of December 31, 2023 March 31, 2024 and continuing for a full year would increase interest expense by approximately $3.3 million.

Item 4. Controls and Procedures

An evaluation was carried out under the supervision and with the participation of the Company's management, including our Executive Chairman (our principal 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) of the Securities Exchange Act of 1934). Based on that evaluation, the Company's Executive Chairman and Chief Financial Officer concluded that as of December 31, 2023 March 31, 2024 the Company's disclosure controls and procedures were effective.

There were no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Securities Exchange Act of 1934) during the quarter ended December 31, 2023 March 31, 2024 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

The Company is a defendant in various lawsuits. Although the outcome of these lawsuits cannot be predicted with certainty (including the extent of available insurance, if any), management does not believe that resolution of these lawsuits will have a material adverse effect on the Company.

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

As of December March 31, 2023 2024, the Company had approximately $185 million remaining under the $525 million Class A Common Stock share repurchase program authorized by the Company's Board of Directors on September 11, 2015. Under the authorization, shares of Class A Common Stock may be purchased from time to time in open market or private transactions, block trades or such other manner as the Company may determine, in accordance with applicable insider trading and other securities laws and regulations, with the timing and amount of purchases depending on market conditions and other factors. The Company has been funding and expects to continue to fund stock repurchases, if any, through a combination of cash on hand, cash generated by operations and available borrowing capacity under its existing credit facilities. During the three months ended December 31, 2023 March 31, 2024, the Company did not make any share repurchases under its share repurchase program.

Item 6. Exhibits

(a) Index to Exhibits

EXHIBIT NO.	DESCRIPTION
31.1	Certification by the Executive Chairman Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification by the Executive Chairman Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification by the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following materials from Madison Square Garden Sports Corp. Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 formatted in Inline Extensible Business Reporting Language (iXBRL): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Equity, and (vi) Notes to Consolidated Financial Statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 formatted in Inline XBRL and contained in Exhibit 101.

* *Furnished herewith. These exhibits shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.*

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 6 2th nd day of February May 2024.

Madison Square Garden Sports Corp.

By: /s/ VICTORIA M. MINK

Name: Victoria M. Mink

Title: Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 31.1

Certification

I, James L. Dolan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Madison Square Garden Sports Corp.;

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

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

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

Date: February 6, 2024 May 2, 2024

/s/ James L. Dolan

James L. Dolan

Executive Chairman

Exhibit 31.2

Certification

I, Victoria M. Mink, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Madison Square Garden Sports Corp.;

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

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

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

Date: February 6, 2024 May 2, 2024

/s/ Victoria M. Mink

Victoria M. Mink

Executive Vice President, Chief Financial Officer and Treasurer

Exhibit 32.1

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Madison Square Garden Sports Corp. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the Quarter ended December 31, 2023 March 31, 2024 (the "Report") fully complies with the requirements of §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 the Company.

Date: February 6, 2024 May 2, 2024

/s/ James L. Dolan

James L. Dolan

Executive Chairman

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Madison Square Garden Sports Corp. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the Quarter ended December 31, 2023 March 31, 2024 (the "Report") fully complies with the requirements of §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 the Company.

Date: February 6, 2024 May 2, 2024

/s/ Victoria M. Mink

Victoria M. Mink

Executive Vice President, Chief Financial Officer and Treasurer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. §1350 and is not being filed as part of the Report or as a separate disclosure document.

DISCLAIMER