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DELTA REPORT

10-Q

MADISON SQUARE GARDEN ENT

10-Q - DECEMBER 31, 2023 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1061
CHANGES	187
DELETIONS	307
ADDITIONS	567

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 September 30, 2023 December 31, 2023

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: 001-41627

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MADISON SQUARE GARDEN ENTERTAINMENT CORP.

(Exact name of registrant as specified in its charter)

Delaware	**92-0318813**
(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) 465-6000

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	MSGE	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 October 31, 2023 January 31, 2024:

Class A Common Stock par value $0.01 per share	—	41,103,124 41,121,950
Class B Common Stock par value $0.01 per share	—	6,866,754

INDEX TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

MADISON SQUARE GARDEN ENTERTAINMENT CORP.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(in thousands, except per share data)

	As of		
	As of		
	September 30,	June 30,	
	As of		
	2023	2023	
	As of		
	December 31, 2023	December 31, 2023	June 30, 2023
ASSETS			
ASSETS			
ASSETS	ASSETS		
Current Assets:	Current Assets:		

Current Assets:					
Current Assets:					
Cash, cash equivalents, and restricted cash					
Cash, cash equivalents, and restricted cash					
Cash, cash equivalents, and restricted cash	Cash, cash equivalents, and restricted cash	$	39,516	$	84,355
Accounts receivable, net	Accounts receivable, net		100,203		63,898
Related party receivables, current	Related party receivables, current		47,445		69,466
Prepaid expenses and other current assets	Prepaid expenses and other current assets		96,415		77,562
Total current assets	Total current assets		283,579		295,281
Non-Current Assets:	**Non-Current Assets:**				
Property and equipment, net	Property and equipment, net		619,928		628,888
Property and equipment, net					
Property and equipment, net					
Right-of-use lease assets	Right-of-use lease assets		229,038		235,790
Goodwill	Goodwill		69,041		69,041
Intangible assets, net	Intangible assets, net		63,801		63,801
Other non-current assets	Other non-current assets		83,150		108,356
Total assets	Total assets	$	1,348,537		$1,401,157
LIABILITIES AND DEFICIT					
LIABILITIES AND RETAINED EARNINGS (DEFICIT)					
Current Liabilities:	**Current Liabilities:**				
Current Liabilities:					
Current Liabilities:					
Accounts payable, accrued and other current liabilities					
Accounts payable, accrued and other current liabilities					
Accounts payable, accrued and other current liabilities	Accounts payable, accrued and other current liabilities	$	187,187	$	214,725
Related party payables, current	Related party payables, current		69,914		47,281

Long-term debt, current	Long-term debt, current	20,313	16,250	
Operating lease liabilities, current	Operating lease liabilities, current	38,211	36,529	
Deferred revenue	Deferred revenue	289,027	225,855	
Total current liabilities	Total current liabilities	604,652	540,640	
Non-Current Liabilities:	**Non-Current Liabilities:**			
Long-term debt, net of deferred financing costs	Long-term debt, net of deferred financing costs	699,427	630,184	
Long-term debt, net of deferred financing costs				
Long-term debt, net of deferred financing costs				
Operating lease liabilities, non-current	Operating lease liabilities, non-current	213,020	219,955	
Deferred tax liabilities, net	Deferred tax liabilities, net	22,900	23,518	
Other non-current liabilities	Other non-current liabilities	43,739	56,332	
Total liabilities	Total liabilities	1,583,738	1,470,629	
Commitments and contingencies (see Note 8)				
Commitments and contingencies (see Note 9)				Commitments and contingencies (see Note 9)
Deficit:	**Deficit:**			
Class A Common Stock *(a)*				
Class A Common Stock *(a)*				
Class A Common Stock *(a)*	Class A Common Stock *(a)*	454	450	
Class B Common Stock *(b)*	Class B Common Stock *(b)*	69	69	
Additional paid-in-capital	Additional paid-in-capital	17,980	17,727	
Treasury stock at cost (4,365 and 840 shares outstanding as of September 30, 2023 and June 30, 2023, respectively)		(140,512)	(25,000)	
Accumulated deficit		(79,368)	(28,697)	

Treasury stock at cost (4,365 and 840 shares outstanding as of December 31, 2023 and June 30, 2023, respectively)			
Retained earnings (deficit)			
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(33,824)	(34,021)
Total deficit	Total deficit	(235,201)	(69,472)
Total liabilities and deficit	Total liabilities and deficit	$ 1,348,537	$1,401,157
Total liabilities and deficit			
Total liabilities and deficit			

(a) *Class A Common Stock, $0.01 par value per share, 120,000 shares authorized; 45,468 45,487 and 45,024 shares issued as of September 30, 2023 December 31, 2023 and June 30, 2023, respectively.*

(b) *Class B Common Stock, $0.01 par value per share, 30,000 shares authorized; 6,867 shares issued as of September 30, 2023 December 31, 2023 and June 30, 2023.*

See accompanying notes to the unaudited condensed consolidated and combined financial statements.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.

CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF OPERATIONS (Unaudited)

(in thousands, except per share data)

		Three Months Ended					
		Three Months Ended		Three Months Ended		Six Months Ended	
		September 30,		December 31,			
		2023	2022	2023	2022	2023	2022
Revenues (a)	Revenues (a)	$142,212	$146,452				
Direct operating expenses (a)	Direct operating expenses (a)	(101,677)	(101,662)				
Direct operating expenses (a)							
Direct operating expenses (a)							
Selling, general, and administrative expenses (a)	Selling, general, and administrative expenses (a)	(48,822)	(40,114)				
Depreciation and amortization	Depreciation and amortization	(13,585)	(15,985)				
Gains, net on dispositions							
Restructuring charges	Restructuring charges	(11,553)	—				
Operating loss		(33,425)	(11,309)				

Operating income			
Interest income (a)	Interest income (a)	851	1,510
Interest income (a)			
Interest income (a)			
Interest expense	Interest expense	(14,287)	(11,427)
Other (expense) income, net		(4,469)	886
Other income (expense), net			
Loss from operations before income taxes		(51,330)	(20,340)
Income tax benefit		659	2,066
Net loss		(50,671)	(18,274)
Income from operations before income taxes			
Income from operations before income taxes			
Income from operations before income taxes			
Income tax expense			
Net income			
Less: Net loss attributable to nonredeemable noncontrolling interest	Less: Net loss attributable to nonredeemable noncontrolling interest	—	(372)
Net loss attributable to MSG Entertainment's stockholders		$ (50,671)	$ (17,902)
Net income attributable to MSG Entertainment's stockholders			
Loss per share attributable to MSG Entertainment's stockholders:			
Basic and diluted		$ (1.00)	$ (0.35)
Income per share attributable to MSG Entertainment's stockholders:			
Income per share attributable to MSG Entertainment's stockholders:			
Income per share attributable to MSG Entertainment's stockholders:			
Basic			
Basic			
Basic			
Diluted			
Weighted-average number of shares of common stock:	**Weighted-average number of shares of common stock:**		

Basic and diluted (b)	50,437	51,768
Weighted-average number of shares of common stock:		
Weighted-average number of shares of common stock:		
Basic (b)		
Basic (b)		
Basic (b)		
Diluted (b)		

(a) See Note 13 14. Related Party Transactions for further information on related party arrangements.

(b) On April 20, 2023, 51,768 common shares were distributed to Sphere Entertainment Co. stockholders (the "MSGE in the MSGE Distribution" as (as defined in Note 1 1. Description of Business and Basis of Presentation). This share amount is being utilized for the calculation of basic and diluted loss per common share attributable to Madison Square Garden Entertainment Corp.'s stockholders for the three and six months ended September 30, 2022 December 31, 2022 because the Company was not a standalone public company prior to the MSGE Distribution.

See accompanying notes to the unaudited condensed consolidated and combined financial statements.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF COMPREHENSIVE LOSS INCOME (Unaudited)
(in thousands)

	Three Months Ended December 31,	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2023	2022	2023	2022
Net income					
Other comprehensive income, before income taxes:					
Amortization of net actuarial gain included in net periodic benefit cost					

	Three Months Ended September 30,	
	2023	2022
Net loss	$ (50,671)	$(18,274)
Other comprehensive income, before income taxes:		
Amortization of net actuarial gain included in net periodic benefit cost		
Amortization of net actuarial gain included in net periodic benefit cost		
Amortization of net actuarial gain included in net periodic benefit cost	238	371
Other comprehensive income, before income taxes		
Other comprehensive income, before income taxes	238	371

Income tax expense	Income tax expense	(41)	(66)
Other comprehensive income, net of income taxes	Other comprehensive income, net of income taxes	197	305
Comprehensive loss		(50,474)	(17,969)
Comprehensive income			
Less: Comprehensive loss attributable to nonredeemable noncontrolling interest	Less: Comprehensive loss attributable to nonredeemable noncontrolling interest	—	(372)
Comprehensive loss attributable to MSG Entertainment		$ (50,474)	$(17,597)
Comprehensive income attributable to MSG Entertainment			

See accompanying notes to the unaudited condensed consolidated and combined financial statements.

4

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

		Six Months Ended			
		Three Months Ended September 30,			
		Six Months Ended			
		2023	2022		
		Six Months Ended December 31,			December 31,
		2023		2023	2022
OPERATING ACTIVITIES:	**OPERATING ACTIVITIES:**				
Net loss		$ (50,671)	$ (18,274)		
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Net income					
Net income					
Net income					

Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization	Depreciation and amortization	13,585	15,985
Share-based compensation expense	Share-based compensation expense	12,965	7,410
Deferred income tax benefit		(659)	—
Deferred income tax expense			
Provision for doubtful accounts	Provision for doubtful accounts	305	15
Amortization of deferred financing costs	Amortization of deferred financing costs	812	805
Related party paid in kind interest	Related party paid in kind interest	—	(902)
Net unrealized and realized loss (gains) on equity investments with readily determinable fair value and loss (earnings) in nonconsolidated affiliates		3,901	(830)
Net unrealized and realized loss on equity investments with readily determinable fair value			
Non-cash lease expense	Non-cash lease expense	3,662	3,175
Gains, net on dispositions			
Change in assets and liabilities:			
Change in assets and liabilities:			
Change in assets and liabilities:			
Accounts receivable, net			
Accounts receivable, net			
Accounts receivable, net	Accounts receivable, net	(36,610)	9,934
Related party receivables and payables, net	Related party receivables and payables, net	44,654	(33,764)
Prepaid expenses and other current and non-current assets	Prepaid expenses and other current and non-current assets	(10,391)	(2,851)

Accounts payable, accrued and other current, and non-current liabilities	Accounts payable, accrued and other current, and non-current liabilities	(41,184)	(58,134)
Deferred revenue	Deferred revenue	63,172	24,182
Operating lease right-of-use assets and lease liabilities	Operating lease right-of-use assets and lease liabilities	(2,163)	(4,077)
Net cash provided by (used in) operating activities		$ 1,378	$ (57,326)
Net cash provided by operating activities			
INVESTING ACTIVITIES:	**INVESTING ACTIVITIES:**		
Capital expenditures	Capital expenditures	(3,334)	(4,855)
Capital expenditures			
Capital expenditures			
Proceeds from dispositions, net			
Proceeds from sale of investments	Proceeds from sale of investments	12,844	3,819
Loans to related parties	Loans to related parties	(65,000)	—
Net cash used in investing activities		$ (55,490)	$ (1,036)
Net cash (used in) provided by investing activities			
FINANCING ACTIVITIES:			
FINANCING ACTIVITIES:			
FINANCING ACTIVITIES:			
FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	Proceeds from revolving credit facility	73,000	—
Proceeds from related party loan		126	—
Proceeds from revolving credit facility			
Proceeds from revolving credit facility			
Principal repayments on long-term debt			
Repayments on related party loan, net			
Payments for debt financing costs	Payments for debt financing costs	(633)	—
Taxes paid in lieu of shares issued for equity-based compensation	Taxes paid in lieu of shares issued for equity-based compensation	(11,834)	—

Stock repurchases	Stock repurchases	(51,386)	—
Net transfers to Sphere Entertainment and Sphere Entertainment's subsidiaries	Net transfers to Sphere Entertainment and Sphere Entertainment's subsidiaries	—	102,096
Net cash provided by financing activities		$ 9,273	$102,096
Net cash used in financing activities			
Net (decrease) increase in cash, cash equivalents, and restricted cash	Net (decrease) increase in cash, cash equivalents, and restricted cash	(44,839)	43,734
Cash, cash equivalents, and restricted cash, beginning of period	Cash, cash equivalents, and restricted cash, beginning of period	84,355	62,573
Cash, cash equivalents, and restricted cash, end of period	Cash, cash equivalents, and restricted cash, end of period	$ 39,516	$106,307
Non-cash investing and financing activities:	**Non-cash investing and financing activities:**		
Capital expenditures incurred but not yet paid		$ 1,291	$ 445
Capital expenditures incurred but not yet paid or paid by landlord			
Capital expenditures incurred but not yet paid or paid by landlord			
Capital expenditures incurred but not yet paid or paid by landlord			
Non-cash stock repurchases in lieu of payment of loan due from related parties	Non-cash stock repurchases in lieu of payment of loan due from related parties	$ 65,512	$ —

See accompanying notes to the unaudited condensed consolidated and combined financial statements.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
CONDENSED CONSOLIDATED AND COMBINED STATEMENTS OF (DEFICIT) EQUITY (Unaudited)
(in thousands)

	Common Stock	Sphere Entertainment Co. Investment	Additional Paid-Capital	Treasury Stock	Accumulated deficit	Accumulated Other Comprehensive Loss	Total Madison Square Garden Entertainment Corp. Stockholders' (Deficit) Equity	Nonredeemable Noncontrolling Interest	Total (Deficit) Equity
Balance as of June 30, 2023	$ 519	$ —	$ 17,727	$ (25,000)	$ (28,697)	$ (34,021)	$ (69,472)	$ —	$ (69,472)
Net loss	—	—	—	—	(50,671)	—	(50,671)	—	(50,671)
Other comprehensive income	—	—	—	—	—	197	197	—	197

Comprehensive loss	—	—	—	—	—	—	(50,474)	—	(50,474)
Share-based compensation	—	—	12,965	—	—	—	12,965	—	12,965
Tax withholding associated with shares issued for share-based compensation	4	—	(11,838)	—	—	—	(11,834)	—	(11,834)
Stock repurchases, inclusive of tax	—	—	(874)	(115,512)	—	—	(116,386)	—	(116,386)
Balance as of September 30, 2023	$ 523	$ —	$ 17,980	$ (140,512)	$ (79,368)	$ (33,824)	$ (235,201)	$ —	$ (235,201)
Balance as of June 30, 2022	$ —	$ 33,265	$ —	$ —	$ —	$ (34,740)	$ (1,475)	$ (114)	$ (1,589)
Net loss	—	(17,902)	—	—	—	—	(17,902)	(372)	(18,274)
Other comprehensive income	—	—	—	—	—	305	305	—	305
Comprehensive loss	—	—	—	—	—	—	(17,597)	(372)	(17,969)
Net increase in Sphere Entertainment Co. Investment	—	109,383	—	—	—	—	109,383	—	109,383
Balance as of September 30, 2022	$ —	$ 124,746	$ —	$ —	$ —	$ (34,435)	$ 90,311	$ (486)	$ 89,825

	Common Stock	Sphere Entertainment Co. Investment	Additional Paid-Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Madison Square Garden Entertainment Corp. Stockholders' (Deficit) Equity	Nonredeemable Noncontrolling Interest	Total (Deficit) Equity
Balance as of September 30, 2023	$ 523	$ —	$ 17,980	$ (140,512)	$ (79,368)	$ (33,824)	$ (235,201)	$ —	$ (235,201)
Net income	—	—	—	—	125,249	—	125,249	—	125,249
Other comprehensive income	—	—	—	—	—	545	545	—	545
Comprehensive income	—	—	—	—	—	—	125,794	—	125,794
Share-based compensation	—	—	7,773	—	—	—	7,773	—	7,773
Tax withholding associated with shares issued for share-based compensation	1	—	(414)	—	—	—	(413)	—	(413)
Balance as of December 31, 2023	$ 524	$ —	$ 25,339	$ (140,512)	$ 45,881	$ (33,279)	$ (102,047)	$ —	$ (102,047)
Balance as of September 30, 2022	$ —	$ 124,746	$ —	$ —	$ —	$ (34,435)	$ 90,311	$ (486)	$ 89,825
Net income	—	97,262	—	—	—	—	97,262	(181)	97,081
Other comprehensive income	—	—	—	—	—	306	306	—	306
BCE Disposition	—	—	—	—	—	—	—	667	667
Comprehensive income	—	—	—	—	—	—	97,568	486	98,054
Net decrease in Sphere Entertainment Co. Investment	—	(88,990)	—	—	—	—	(88,990)	—	(88,990)
Balance as of December 31, 2022	$ —	$ 133,018	$ —	$ —	$ —	$ (34,129)	$ 98,889	$ —	$ 98,889

	Common Stock	Sphere Entertainment Co. Investment	Additional Paid-Capital	Treasury Stock	Retained Earnings (Deficit)	Accumulated Other Comprehensive Loss	Total Madison Square Garden Entertainment Corp. Stockholders' (Deficit) Equity	Nonredeemable Noncontrolling Interest	Total (Deficit) Equity
Balance as of June 30, 2023	$ 519	$ —	$ 17,727	$ (25,000)	$ (28,697)	$ (34,021)	$ (69,472)	$ —	$ (69,472)
Net income	—	—	—	—	74,578	—	74,578	—	74,578
Other comprehensive income	—	—	—	—	—	742	742	—	742
Comprehensive income	—	—	—	—	—	—	75,320	—	75,320
Share-based compensation	—	—	20,738	—	—	—	20,738	—	20,738

Tax withholding associated with shares issued for share-based compensation	5	—	(12,252)	—	—	—	(12,247)	—	(12,247)
Stock repurchases, inclusive of tax	—	—	(874)	(115,512)	—	—	(116,386)	—	(116,386)
Balance as of December 31, 2023	$ 524	$ —	$ 25,339	$ (140,512)	$ 45,881	$ (33,279)	$ (102,047)	$ —	$ (102,047)
Balance as of June 30, 2022	$ —	$ 33,265	$ —	$ —	$ —	$ (34,740)	$ (1,475)	$ (114)	$ (1,589)
Net income	—	79,360	—	—	—	—	79,360	(553)	78,807
Other comprehensive income	—	—	—	—	—	611	611	—	611
BCE disposition	—	—	—	—	—	—	—	667	667
Comprehensive income	—	—	—	—	—	—	79,971	114	80,085
Net increase in Sphere Entertainment Co. Investment	—	20,393	—	—	—	—	20,393	—	20,393
Balance as of December 31, 2022	$ —	$ 133,018	$ —	$ —	$ —	$ (34,129)	$ 98,889	$ —	$ 98,889

See accompanying notes to the unaudited condensed consolidated and combined financial statements.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

All amounts included in the following Notes to Condensed Consolidated and Combined Financial Statements (unaudited) 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 Entertainment Corp., formerly MSGE Spinco, Inc. (together with its subsidiaries, as applicable, the “Company” or “MSG Entertainment”), is a live entertainment company comprised of iconic venues and marquee entertainment content. Utilizing the Company’s powerful brands and live entertainment expertise, the Company delivers unique experiences that set the standard for excellence and innovation while forging deep connections with diverse and passionate audiences. The Company operates and reports financial information in one reportable segment.

The Company’s portfolio of venues includes: Madison Square Garden (“The Garden”), The Theater at Madison Square Garden, Radio City Music Hall, the Beacon Theatre, and The Chicago Theatre. The Company also owns and produces the original production, the *Christmas Spectacular Starring the Radio City Rockettes* (the “*Christmas Spectacular*”). The Company also has an entertainment and sports bookings business, which showcases a broad array of compelling concerts, family shows and special events, as well as a diverse mix of sporting events, for millions of guests annually.

MSG Entertainment Distribution

On April 20, 2023 (the “MSGE Distribution Date”), Sphere Entertainment Co., formerly Madison Square Garden Entertainment Corp. (together with its subsidiaries, as applicable, “Sphere Entertainment”), distributed approximately 67% of the outstanding common stock of the Company to its stockholders (the “MSGE Distribution”), with Sphere Entertainment retaining approximately 33% of the outstanding common stock of the Company (in in the form of Class A common stock (“Class A Common Stock”)) immediately following the MSGE Distribution. As a result, the Company became an independent publicly traded company on April 21, 2023 through the MSGE Distribution. Following the completion of the secondary offering by Sphere Entertainment of the Company’s Class A Common Stock on September 22, 2023, Sphere Entertainment no longer owns any of the Company’s outstanding common stock. See Note 1 1. Description of Business and Basis of Presentation to the Company’s audited consolidated and combined financial statements and notes thereto as of June 30, 2023 and 2022 and for the three years ended June 30, 2023, 2022 and 2021 (the “Audited Consolidated and Combined Annual Financial Statements”) included in the Company’s Annual Report on Form 10-K for the year ended June 30, 2023 filed on August 18, 2023 (the “2023 Form 10-K”) for more information regarding the MSGE Distribution.

Basis of Presentation

The Company reports on a fiscal year basis ending on June 30th (“Fiscal Year”). In these unaudited condensed consolidated and combined financial statements, the years ending and ended on June 30, 2024 and 2023, respectively, are referred to as “Fiscal Year 2024” and “Fiscal Year 2023,” respectively.

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and Article 10 of Regulation S-X of the Securities and Exchange Commission (“SEC”), and should be read in conjunction with the Company’s Audited Consolidated and Combined Annual Financial Statements.

Subsequent to the MSGE Distribution, the Company’s balance sheets as of September 30, 2023 December 31, 2023 and June 30, 2023 and for the statement of operations for the three and six months ended September 30, 2023 December 31, 2023 are presented on a consolidated basis, as the Company became a standalone public company on April 21, 2023. The Company’s financial statements prior to April 21, 2023 that are included in the results of operations for the three and six months ended September 30, 2022 December 31, 2022 were prepared on a stand-alone basis derived from the consolidated financial statements and accounting records of Sphere Entertainment. These financial statements reflect the combined historical results of operations, financial position and cash flows of the Company in accordance with GAAP and SEC Staff Accounting Bulletin (SAB) Topic 1-B, *Allocation of Expenses and Related Disclosure in Financial Statements of Subsidiaries, Divisions or Lesser Business Components of Another Entity*, and Article 10 of Regulation S-X of the SEC for interim financial information. References to GAAP issued by the Financial Accounting Standards Board ("FASB") in these footnotes are to the *FASB Accounting Standards Codification,* also referred to as "ASC."

Management believes the assumptions underlying the combined financial statements, including the assumptions regarding allocating general corporate expenses, are reasonable. Nevertheless, the combined financial statements may not include all of the actual expenses that would have been incurred by the Company and may not reflect its combined results of operations, financial position and cash flows had it been a stand-alone company during the periods presented on a combined basis. Actual costs that would have been incurred if the Company had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. The Company is unable to quantify the amounts that it would have recorded during the historical periods on a stand-alone basis. See Note 17. Related Party Transactions to the 2023 Form 10-K for further details regarding allocations of certain costs from the Company to Sphere Entertainment.

In the opinion of the Company, the accompanying financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of September 30, 2023 December 31, 2023 and its results of operations for the three and six months ended December 31, 2023 and 2022 and cash flows for the three six months ended September 30, 2023 December 31, 2023, and 2022. The condensed consolidated balance sheets were derived from the Audited Consolidated and Combined Annual Financial Statements but do not contain all of the footnote disclosures from the Audited Consolidated and Combined Annual Financial Statements.

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. As a result of the production of the *Christmas Spectacular*, arena license fees in connection with the use of The Garden by the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA") and the New York Rangers (the "Rangers") of the National Hockey League (the "NHL"), the Company generally earns a disproportionate share of its annual revenues in the second and third quarters of its fiscal year.

Reclassifications

For purposes of comparability, certain prior period amounts have been reclassified to conform to the current year presentation in accordance with GAAP.

Note 2. Summary of Significant Accounting Policies

A. Principles of Consolidation and Combination

All significant intracompany accounts and balances within the Company's consolidated businesses have been eliminated.

For the periods prior to the MSGE Distribution Date, the combined financial statements include certain assets and liabilities that were historically held at Sphere Entertainment's corporate level but were specifically identifiable or otherwise attributable to the Company. Certain historical intercompany transactions between Sphere Entertainment and the Company have been included as components of Sphere Entertainment's investment in the condensed consolidated and combined financial statements, as they are considered to be effectively settled upon effectiveness of the MSGE Distribution and were not historically settled in cash. Certain other historical intercompany transactions between Sphere Entertainment and the Company have been classified as related party, rather than intercompany, in the condensed consolidated and combined financial statements as they were historically settled in cash. Expenses related to corporate allocations from the Company to Sphere Entertainment prior to the MSGE Distribution are considered to be effectively settled in the condensed consolidated and combined financial statements at the time the transaction is recorded, with the offset recorded against Sphere Entertainment's investment. See Note 13. 14. Related Party Transactions, for further information on related party arrangements.

The Company disposed of its controlling interest in Boston Calling Events, LLC ("BCE") on December 2, 2022 (the "BCE Disposition") and these condensed consolidated and combined financial statements reflect the results of operations of BCE until its disposition. the BCE Disposition. See Note 3. Dispositions infor further information on the Company's Audited Consolidated and Combined Annual Financial Statements for additional information regarding the disposal. BCE disposition.

B. Use of Estimates

The preparation of the accompanying condensed consolidated and combined 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 provision for credit losses, goodwill, intangible assets, other long-lived assets, deferred tax assets, pension and other postretirement benefit obligations and the related net periodic benefit cost, and other liabilities. In addition, estimates are used in revenue recognition, 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 condensed consolidated and combined financial statements in future periods.

C. Recently Issued and Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements
In November 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-07, *Improvement to Reportable Segment*

Disclosures. This ASU aims to improve segment disclosures through enhanced disclosures about significant segment expenses. The standard requires disclosure of significant expense categories and amounts for such expenses, including those segment expenses that are regularly provided to the chief operating decision maker, easily computable from information that is regularly provided, or significant expenses that are expressed in a form other than actual amounts. This standard will be effective for the Company in Fiscal Year 2025 and is required to be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of the additional disclosure requirements on the Company's condensed consolidated and combined financial statements.

In December 2023, the FASB issued ASU 2023-09,*Improvements to Income Tax Disclosures*, a final standard on improvements to income tax disclosures which applies to all entities subject to income taxes. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This standard will be effective for the Company in Fiscal Year 2026 and should be applied prospectively. The Company is currently evaluating the impact of the additional disclosure requirements on the Company's condensed consolidated and combined financial statements.

Note 3. Dispositions

The Company has not had any dispositions during Fiscal Year 2024.

Disposition of Our Interest in Boston Calling Events

The Company entered into an agreement on December 1, 2022 to sell its controlling interest in BCE. The transaction closed on December 2, 2022, resulting in a total gain on sale of $8,744, net of transaction costs. BCE meets the definition of a business under SEC Regulation S-X Rule 11-01(d)-1 and FASB ASC Topic 805 — *Business Combinations*. The BCE Disposition did not represent a strategic shift with a major effect on the Company's operations, and as such, has not been reflected as a discontinued operation under FASB ASC Subtopic 205-20 — *Discontinued Operations*. The gain on the BCE Disposition was recorded in Gains, net on dispositions in the condensed combined statements of operations.

Disposition of Corporate Aircraft

On December 30, 2022, the Company sold its owned aircraft for $20,375. In connection with the sale, the Company recognized a loss of $4,383, net of transaction costs. The loss on the aircraft disposition was recorded in Gains, net on dispositions in the condensed combined statements of operations.

Note 3. 4. Revenue Recognition

Contracts with Customers

See Note 2. Summary of Significant Accounting Policies and Note 4. Revenue Recognition, included in the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the details of the Company's revenue recognition policies. All revenue recognized in the condensed consolidated and combined statements of operations is considered to be revenue from contracts with customers in accordance with ASC Topic 606, *Revenue From Contracts with Customers*, except for

revenues from the arena license agreements that require the Knicks and the Rangers to play their home games at The Garden (the "Arena License Agreements"), leases and subleases that are accounted for in accordance with ASC Topic 842, *Leases*.

Disaggregation of Revenue

The following table disaggregates the Company's revenue by major source based upon the timing of transfer of goods or services to the customer for the three and six months ended September 30, 2023 December 31, 2023 and 2022:

	Three Months Ended September 30,	
	2023	2022

	Three Months Ended December 31,	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2023	2022	2023	2022

Event-related and entertainment offerings *(a)*	Event-related and entertainment offerings *(a)*	$ 95,764	$102,790
Sponsorship, signage and suite licenses *(b)*		43,494	38,393
Sponsorship, signage, and suite licenses *(b)*			
Other *(c)*	Other *(c)*	508	3,115
Total revenues from contracts with customers	Total revenues from contracts with customers	139,766	144,298
Revenues from Arena License Agreements, leases and subleases		2,446	2,154
Revenues from Arena License Agreements, leases, and subleases			
Total revenues	Total revenues	$ 142,212	$146,452

____

(a) Event-related and entertainment offerings revenues are recognized at a point in time.

(b) See Note 2. Summary of Significant Accounting Policies and Note 4. Revenue Recognition, included in the Company's Audited Consolidated and Combined Annual Financial Statements for further details on the pattern of recognition of sponsorship, signage, and suite license revenues.

(c) Primarily consists of (i) revenues from sponsorship sales and representation agreements with Madison Square Garden Sports Corp. (together with its subsidiaries, as applicable, "MSG Sports") and (ii) advertising commission revenues recognized under the advertising sales representation agreement (the "Networks Advertising Sales Representation Agreement") between the Company and Sphere Entertainment's subsidiary, MSGN Holdings, L.P. ("MSG Networks"). The Networks Advertising Sales Representation Agreement was terminated as of December 31, 2022.

In addition to the disaggregation of the Company's revenue by major source based upon the timing of transfer of goods or services to the customer disclosed above, the following table disaggregates the Company's revenues by type of goods or services in accordance with the required entity-wide disclosure requirements of ASC Subtopic 280-10-50-38 to 40, *Segment Reporting*, and the disaggregation of revenue required disclosures in accordance with ASC Subtopic 606-10-50-5, *Revenue From Contracts with Customers-Overall-Disclosures,* for the three and six months ended September 30, 2023 December 31, 2023 and 2022.

	Three Months Ended September 30,	
	2023	**2022**
Ticketing and venue license fee revenues *(a)*	$ 65,166	$ 72,132
Sponsorship and signage, suite, and advertising commission revenues *(b)*	46,565	45,134
Food, beverage and merchandise revenues	26,103	26,303
Other	1,932	729
Total revenues from contracts with customers	139,766	144,298
Revenues from Arena License Agreements, leases and subleases	2,446	2,154
Total revenues	$ 142,212	$ 146,452

	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	**2022**	**2023**	**2022**

Ticketing and venue license fee revenues *(a)*	$ 222,341	$ 173,725	$ 287,509	$ 245,857
Sponsorship and signage, suite, and advertising commission revenues *(b)*	87,441	92,174	134,004	137,308
Food, beverage, and merchandise revenues	63,797	55,387	89,900	81,690
Other	3,458	1,945	5,390	2,674
Total revenues from contracts with customers	377,037	323,231	516,803	467,529
Revenues from Arena License Agreements, leases, and subleases	25,629	32,649	28,075	34,803
Total revenues	$ 402,666	$ 355,880	$ 544,878	$ 502,332

(a) Amounts include ticket sales, including other ticket-related revenue, and venue license fees from the Company's events such as (i) concerts, (ii) the presentation of the Christmas Spectacular and (iii) other live entertainment and sporting events.

(b) Amounts include (i) revenues from sponsorship sales and representation agreements with MSG Sports and (ii) advertising commission revenues from MSG Networks until the termination of the Networks Advertising Sales Representation Agreement as of December 31, 2022.

Contract Balances

The following table provides information about the opening and closing contract balances from the Company's contracts with customers as of September 30, 2023 December 31, 2023 and June 30, 2023:

		As of	
		September 30, 2023	June 30, 2023
		As of As of As of	
		December 31, 2023 December 31, 2023 December 31, 2023	
Receivables from contracts with customers, net *(a)*			
Receivables from contracts with customers, net *(a)*			
Receivables from contracts with customers, net *(a)*	Receivables from contracts with customers, net *(a)*	$ 101,926	$ 69,295
Contract assets, current *(b)*	Contract assets, current *(b)*	$ 7,708	$ 11,254
Contract assets, current *(b)*			
Contract assets, current *(b)*			
Deferred revenue, including non-current portion *(c)*	Deferred revenue, including non-current portion *(c)*	$ 289,160	$ 226,029
Deferred revenue, including non-current portion *(c)*			
Deferred revenue, including non-current portion *(c)*			

(a) Receivables from contracts with customers, net, which are reported in Accounts receivable, net and Related party receivables, current in the Company's condensed consolidated balance sheets, represent the Company's unconditional rights to consideration under its contracts with customers. As of September 30, 2023 December 31, 2023 and June 30, 2023, the Company's receivables from contracts with customers above included

$1,723 $3,814 and $5,397, respectively, related to various related parties. See Note 13. 14. Related Party Transactions for further details on related party arrangements.

(b) *Contract assets, current, which are reported as Prepaid expenses and other current assets in the Company's condensed consolidated balance sheets, primarily relate to the Company's rights to consideration for goods or services transferred to customers, 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.*

(c) *Deferred revenue primarily relates to the Company's receipt of consideration from customers in advance of the Company's transfer of goods or services to the customers. Deferred revenue is reduced and the related revenue is recognized once the underlying goods or services are transferred to a customer. Revenue recognized for the three and six months ended September 30, 2023 December 31, 2023 relating to the deferred revenue balance as of June 30, 2023 was $69,729. $65,980 and $135,710, respectively.*

Transaction Price Allocated to the Remaining Performance Obligations

As of September 30, 2023 December 31, 2023, the Company's remaining performance obligations under contracts were approximately $615,000, $555,000, of which 55% 49% is expected to be recognized over the next two years and an additional 32% 36% of the balance is expected to be recognized in the following two years. This primarily relates to performance obligations under sponsorship and suite license agreements that have original expected durations longer than one year and for which the consideration is not variable. 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.

Note 4. 5. Restructuring Charges

During Fiscal Year 2024, the six months ended December 31, 2023, the Company recorded restructuring charges related to termination benefits for certain corporate executives and employees. The Company recorded restructuring charges of $11,553 $888 and $12,441 for the three and six months ended September 30, 2023 December 31, 2023, respectively, inclusive of $0 and $6,788, respectively, of share-based compensation expenses, which are accrued in accounts payable, accrued and other current liabilities and additional paid-in capital on the condensed consolidated balance sheet. The Company recorded restructuring charges of $7,359, net of contributory credits from the Company to Sphere Entertainment for the Company's corporate employees, during the three and six months ended December 31, 2022. Changes to the Company's restructuring liability through September 30, 2023 December 31, 2023 were as follows:

	Restructuring Liability
June 30, 2023	$ 2,530
Restructuring charges (excluding share-based compensation expense)	7,570 8,458
Payments	(1,243) (2,476)
September 30, December 31, 2023	$ 8,857 8,512

Note 5. 6. Equity Investments With Readily Determinable Fair Value

As of September 30, 2023 December 31, 2023, the Company held an investment in Townsquare Media, Inc. ("Townsquare") and as of June 30, 2023, also held an investment in DraftKings Inc. ("DraftKings"), which was subsequently sold during the first quarter of Fiscal Year 2024.

- Townsquare is a media, entertainment and digital marketing solutions company that is listed on the New York Stock Exchange ("NYSE") under the symbol "TSQ."
- DraftKings is a fantasy sports contest and sports gambling provider that is listed on the NASDAQ Stock Market ("NASDAQ") under the symbol "DKNG."

The fair value of the Company's investments in Class A common stock of Townsquare and Class A common stock of DraftKings is determined based on quoted market prices in active markets on the NYSE and NASDAQ, respectively, which are classified within Level I of the fair value hierarchy. As a holder of Class C common stock of Townsquare, the Company is entitled to convert at any time all or any part of the Company's shares into an equal number of shares of Class A common stock of Townsquare, subject to

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

restrictions set forth in Townsquare's certificate of incorporation. Therefore, the fair value of the Company's investment in Class C common stock of Townsquare is also determined based on the quoted market price in an active market on the NYSE, which is classified as Level I of the fair value hierarchy.

The carrying fair value of these investments, which is reported under Other non-current assets in the accompanying condensed consolidated balance sheets as of September 30, 2023 December 31, 2023 and June 30, 2023, is as follows:

	As of	
	September 30, 2023	June 30, 2023

	As of	As of

		December 31, 2023	December 31, 2023	June 30, 2023
Townsquare Class A common stock	Townsquare Class A common stock	$ 5,085	$ 6,945	
Townsquare Class C common stock	Townsquare Class C common stock	9,810	13,399	
DraftKings Class A common stock	DraftKings Class A common stock	—	11,297	
Total Equity Investments with Readily Determinable Fair Value	Total Equity Investments with Readily Determinable Fair Value	$ 14,895	$31,641	

The following table summarizes the realized and unrealized gain (loss) gain on equity investments with readily determinable fair value, which is reported in Other income (expenses), net for the three and six months ended September 30, 2023 December 31, 2023 and 2022:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
Unrealized loss — Townsquare	$ (5,449)	$(2,983)
Unrealized gain — DraftKings	—	2,324

		Three Months Ended December 31, 2023	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Unrealized gain (loss) — Townsquare						
Unrealized loss — DraftKings						
Gain from shares sold — DraftKings	Gain from shares sold — DraftKings	1,548	1,489			
Total realized and unrealized (loss) gain		$ (3,901)	$ 830			
Total realized and unrealized gain (loss)						
Supplemental information on realized gain:	Supplemental information on realized gain:					

Shares of common stock sold — DraftKings	Shares of common stock sold — DraftKings	425	200
Shares of common stock sold — DraftKings			
Shares of common stock sold — DraftKings			
Cash proceeds from common stock sold — DraftKings	Cash proceeds from common stock sold — DraftKings	$ 12,844	$ 3,819

Note 6. 7. Property and Equipment, Net

As of September 30, 2023 December 31, 2023 and June 30, 2023, property and equipment, net consisted of the following:

		As of September 30, 2023	June 30, 2023
		As of December 31, 2023	
		December 31, 2023	As of June 30, 2023
Land	Land	$ 62,768	$ 62,768
Buildings	Buildings	1,002,699	999,205
Equipment, furniture, and fixtures	Equipment, furniture, and fixtures	353,159	351,596
Leasehold improvements	Leasehold improvements	105,877	105,877
Construction in progress		2,396	2,828
Construction in progress (a)			
Total Property and equipment	Total Property and equipment	$ 1,526,899	$1,522,274
Less: accumulated depreciation and amortization	Less: accumulated depreciation and amortization	(906,971)	(893,386)
Property and equipment, net	Property and equipment, net	$ 619,928	$ 628,888

(a) In October 2023, the Company took possession of certain floors in the New York corporate office space and will be relocating from the space that the Company currently occupies to newly renovated office space within the same building. The Company was not involved in the design or construction of the new space for purposes of the Company's build out prior to obtaining possession. The increase in construction in progress primarily relates to these build out costs incurred after possession. Upon obtaining possession of the space, the Company recognized an additional lease obligation of $96,334 and a right-of-use lease asset of $88,602, net of tenant improvement incentives received on possession date. While lease payments under the new lease agreement will be recognized as a lease expense on a straight-line basis over the lease term, the Company will begin paying full rent starting in the second half of Fiscal Year 2026 due to certain tenant incentives included in the arrangement. Base rent payments will increase every five years beginning in Fiscal Year 2031 in accordance with the terms of the lease.

The Company recorded depreciation expense on property and equipment of $13,585 $13,205 and $15,536 $26,789 for the three and six months ended September 30, 2023 December 31, 2023 and 2022 $15,281 and $30,817 for the three and six months ended December 31, 2022, respectively, which is recognized in Depreciation and amortization.

amortization in the condensed consolidated and combined statements of operations.

Note 7. 8. Goodwill and Intangible Assets

As of September 30, 2023 December 31, 2023 and June 30, 2023, the carrying amount of goodwill was $69,041.

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

		As of September 30, 2023	June 30, 2023
		As of December 31, 2023	
		December 31, 2023	As of June 30, 2023
Trademarks	Trademarks	$ 61,881	$61,881
Photographic related rights	Photographic related rights	1,920	1,920
Total indefinite-lived intangible assets	Total indefinite-lived intangible assets	$ 63,801	$63,801

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

No amortization expense was recognized in the three and six months ended December 31, 2023 for definite lived intangible assets. The Company recorded amortization expense on definite lived intangible assets of $0 $305 and $449 $754 for the three and six months ended September 30, 2023 and 2022, December 31, 2022, respectively, which is recognized in Depreciation and amortization. amortization in the condensed consolidated and combined statements of operations.

Note 8. 9. Commitments and Contingencies

Commitments

See Note 11. Commitments and Contingencies, included in the Company's Audited Consolidated and Combined Annual Financial Statements for details on the Company's commitments. The Company's commitments as of June 30, 2023 included a total of $926,466 (primarily related to contractual obligations).

During the three six months ended September 30, 2023 December 31, 2023, the Company did not have any material changes in its non-cancelable contractual obligations (other than activities in the ordinary course of business). See Note 9. 10. Credit Facilities for details of the principal repayments required under the Company's credit facilities.

Delayed Draw Term Loan Facility

On April 20, 2023, a subsidiary of the Company, MSG Entertainment Holdings, LLC ("MSG Entertainment Holdings"), entered into a delayed draw term loan facility (the "DDTL Facility") with Sphere Entertainment. Pursuant to the DDTL Facility, MSG Entertainment Holdings committed to lend up to $65,000 in delayed draw term loans to Sphere Entertainment on an unsecured basis until October 20, 2024. See Note 11 11. Commitments and Contingencies to the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the DDTL Facility. On July 14, 2023, Sphere Entertainment drew down the full amount of $65,000 under the DDTL Facility. On August 9, 2023, Sphere Entertainment repaid the full principal amount of the DDTL Facility and accrued interest and commitment fees by delivering 1,923 shares of the Company's Class A Common Stock held by Sphere Entertainment, as permitted as payment under the DDTL Facility. Such shares have been classified by the Company pursuant to the Stock Repurchase Program (as defined and further explained in Note 12. 13. Stockholders' Equity) as treasury shares and are no longer outstanding on the date of repayment.

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, if any), management does not believe that resolution of these lawsuits will have a material adverse effect on the Company.

Note 9. 10. Credit Facilities

See Note 12. Credit Facilities, included in the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the Company's credit facilities. The following table summarizes the presentation of the outstanding balances under the Company's credit and other debt agreements as of September 30, 2023 December 31, 2023 and June 30, 2023:

	As of

	December 31, 2023	June 30, 2023
Current Portion		
National Properties Term Loan Facility	$ 16,250	$ 16,250
Current portion of long-term debt	$ 16,250	$ 16,250

	As of	
	September 30, 2023	June 30, 2023
Current Portion		
National Properties Term Loan Facility	$ 20,313	$ 16,250
Current portion of long-term debt	$ 20,313	$ 16,250

		As of					
		September 30, 2023			June 30, 2023		
		Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net

	As of					
	December 31, 2023			June 30, 2023		
	Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net

Non-current Portion	**Non-current Portion**						
National Properties Term Loan Facility							
National Properties Term Loan Facility							
National Properties Term Loan Facility	National Properties Term Loan Facility	$ 621,562	$ (12,036)	$609,526	$625,625	$ (12,845)	$612,780
National Properties Revolving Credit Facility	National Properties Revolving Credit Facility	90,100	(629)	89,471	17,100	—	17,100
Other debt	Other debt	430	—	430	304	—	304
Long-term debt, net of deferred financing costs	Long-term debt, net of deferred financing costs	$ 712,092	$ (12,665)	$699,427	$643,029	$ (12,845)	$630,184

National Properties Facilities

General. MSG National Properties, LLC ("MSG National Properties"), MSG Entertainment Holdings and certain subsidiaries of MSG National Properties are party to a credit agreement dated June 30, 2022 (as amended, the "National Properties Credit Agreement") with JP Morgan Chase Bank, N.A., as administrative agent and the lenders and L/C issuers party thereto, (as amended, the "National Properties Credit Agreement"), providing for a five-year, $650,000 senior secured term loan facility (the "National Properties Term

Loan Facility") and a five-year, $100,000 revolving credit facility (the "National Properties Revolving Credit Facility" and, together with the National Properties Term Loan Facility, the "National Properties Facilities"). On September 15, 2023, the National Properties Credit Agreement was amended to, among other things, increase the National Properties Revolving Credit Facility by $50,000 to $150,000. Up to $25,000 of the National Properties Revolving Credit Facility is available for the issuance of letters of credit. As of September 30, 2023 December 31, 2023, outstanding letters of credit were $15,646 $17,591 and the remaining balance available under the National Properties Revolving Credit Facility was $44,254. In October 2023, the Company made principal repayments of $35,000 under the National Properties Revolving Credit Facility. $132,409.

Interest Rates. Borrowings under the current National Properties Facilities bear interest at a floating rate, which at the option of MSG National Properties may be either (a) a base rate plus an applicable margin ranging from 1.50% to 2.50% per annum, determined based on the total leverage ratio of MSG National Properties and its restricted subsidiaries (the "National Properties Base Rate"), or (b) adjusted Term SOFR (i.e., Term SOFR plus 0.10%) plus an applicable margin ranging from 2.50% to 3.50% per annum, determined based on the total leverage ratio of MSG National Properties and its restricted subsidiaries (the "National Properties SOFR Rate"). As of September 30, 2023, the additional rate used in calculating the floating rate was (i) 2.50% per annum for borrowings bearing the National Properties Base Rate, and (ii) 5.42% per annum for borrowings bearing the National Properties SOFR Rate. The National Properties Credit Agreement requires MSG National Properties to pay a commitment fee ranging from 0.30% to 0.50% in respect of the daily unused commitments under the National Properties Revolving Credit Facility. MSG National Properties is also required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the National Properties Credit Agreement. The interest rate on the National Properties Facilities as of September 30, 2023 December 31, 2023 was 7.92% 8.46%.

Principal Repayments. Subject to customary notice and minimum amount conditions, the Company may voluntarily repay outstanding loans under the National Properties Facilities or terminate commitments under the National Properties Revolving Credit Facility, at any time, in whole or in part, subject only to customary breakage costs in the case of prepayment of Term SOFR loans. The National Properties Facilities will mature on June 30, 2027. The principal obligations under the National Properties Term Loan Facility are to be repaid in quarterly installments beginning with the fiscal quarter ending March 31, 2023, in an aggregate amount equal to 2.50% per annum (0.625% per quarter), stepping up to 5.0% per annum (1.25% per quarter) in the fiscal quarter ending September 30, 2025, with the balance due at the maturity of the facility. On October 3, 2023, MSG National Properties made principal repayments of $4,062 under the National Properties Term Loan Facility. The principal obligations under the National Properties Revolving Credit Facility are due at the maturity of the facility. Under certain circumstances, MSG National Properties is required to make mandatory prepayments on loans outstanding, including prepayments in an amount equal to the net cash proceeds of certain sales of assets or casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

Covenants. The National Properties Credit Agreement includes financial covenants requiring MSG National Properties and its restricted subsidiaries to maintain a specified minimum liquidity level, a specified minimum debt service coverage ratio and specified maximum total leverage ratio. The minimum liquidity level is set at $50,000, and is tested based on the level of average daily liquidity, consisting of cash and cash equivalents and available revolving commitments, over the last month of each quarter over the life of the National Properties Facilities. The debt service coverage ratio covenant began testing in the fiscal quarter ended December 31, 2022, and is set at a ratio of 2:1 before stepping up to 2.5:1 in the fiscal quarter ending September 30, 2024. The leverage ratio covenant began testing in the fiscal quarter ended June 30, 2023. It is tested based on the ratio of MSG National Properties and its restricted subsidiaries' consolidated total indebtedness to adjusted operating income, with an initial maximum ratio of 6:1, stepping down to 5.5:1 in the fiscal quarter ending June 30, 2024 and 4.5:1 in the fiscal quarter ending June 30, 2026. As of September 30, 2023 December 31, 2023, MSG National Properties and its restricted subsidiaries were in compliance with the covenants of the National Properties Credit Agreement.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

In addition to the financial covenants discussed above, the National Properties Credit Agreement and the related security agreement contain certain customary representations and warranties, affirmative and negative covenants and events of default. The National Properties Credit Agreement contains certain restrictions on the ability of MSG National Properties and its restricted subsidiaries to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the National Properties Credit Agreement, including the following: (i) incur additional indebtedness; (ii) create liens on certain assets; (iii) make investments, loans or advances in or to other persons; (iv) pay dividends and distributions or repurchase capital stock (which will restrict the ability of MSG National Properties to make cash distributions to the Company); (v) repay, redeem or repurchase certain indebtedness; (vi) change its lines of business; (vii) engage in certain transactions with affiliates; (viii) amend their respective organizational documents; (ix) merge or consolidate; and (x) make certain dispositions.

Guarantors and Collateral. All obligations under the National Properties Facilities are guaranteed by MSG Entertainment Holdings and MSG National Properties' existing and future direct and indirect domestic subsidiaries, other than the subsidiaries that own The Garden and certain other excluded subsidiaries (the "Subsidiary Guarantors").

All obligations under the National Properties Facilities, including the guarantees of those obligations, are secured by certain of the assets of MSG National Properties and the Subsidiary Guarantors (collectively, "Collateral") including, but not limited to, a pledge of some or all of the equity interests held directly or indirectly by MSG National Properties in each Subsidiary Guarantor. The Collateral does not include, among other things, any interests in The Garden or the leasehold interests in Radio City Music Hall and the Beacon Theatre.

Interest payments and loan principal repayments made by the Company under the National Properties Credit Agreement were as follows:

	Interest Payments		Loan Principal Repayments	
	Three Months Ended		Three Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
National Properties Facilities	$ 13,193	$ 2,804	$ —	$ —

	Interest Payments		Loan Principal Repayments	
	Six Months Ended		Six Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
National Properties Facilities	$ 27,424	$ 22,410	$ 98,225	$ —

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

		As of			
		September 30, 2023		June 30, 2023	
		Carrying Value (a)	Fair Value	Carrying Value (a)	Fair Value
		As of			
		December 31, 2023		June 30, 2023	
		Carrying Value (a)	Fair Value	Carrying Value (a)	Fair Value
Liabilities:	Liabilities:				
National Properties Facilities					
National Properties Facilities					
National Properties Facilities	National Properties Facilities	$ 731,975	$727,414	$658,975	$655,509
Other debt	Other debt	430	430	304	304
Total Long-term debt	Total Long-term debt	732,405	727,844	659,279	655,813

(a) *The total carrying value of the Company's financial instruments debt as of September 30, 2023 December 31, 2023 and June 30, 2023 is equal to the current and non-current principal payments for the Company's credit agreements excluding unamortized deferred financing costs of $12,665 $11,815 and $12,845, respectively.*

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 instruments for which the inputs are readily observable.

Note 10. 11. Pension Plans and Other Postretirement Benefit Plans

Prior to the MSGE Distribution, Sphere Entertainment sponsored both funded and unfunded and qualified and non-qualified defined benefit plans (the "Pension Plans"), as well as a postretirement benefit plan (the "Postretirement Plan"), covering certain full-time employees and retirees of the Company. In connection with the MSGE Distribution, the sponsorship of the Pension Plans and Postretirement Plan was transferred to the Company. See Note 13. Pension Plans and Other Postretirement Benefit Plans, included in the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the Pension Plans, Postretirement Plan, the Madison Square Garden 401(k) Savings Plans, together with associated excess savings plan, and the Madison Square Garden 401(k) Union Plan.

Defined Benefit Pension Plans and Other Postretirement Benefit Plans

The following table presents components of net periodic benefit cost (benefit) for the Pension Plans and Postretirement Plan included in the accompanying condensed consolidated and combined statements of operations for the three and six months ended September 30, 2023 December 31, 2023 and 2022. Service cost is recognized in direct operating expenses and selling, general and administrative expenses. All other components of net periodic benefit cost (benefit) are reported in Other income (expense), net.

	Pension Plans		Postretirement Plan	
	Three Months Ended September 30,		Three Months Ended September 30,	
	2023	2022	2023	2022
Service cost	$ 17	$ 30	$ 6	$ 8
Interest cost	1,469	927	24	11
Expected return on plan assets	(1,091)	(1,504)	—	—
Recognized actuarial loss	238	362	—	9
Net periodic (benefit) cost	$ 633	$ (185)	$ 30	$ 28

	Pension Plans		Postretirement Plan	
	Three Months Ended December 31,		Three Months Ended December 31,	
	2023	2022	2023	2022
Service cost	$ 17	$ 30	$ 6	$ 8
Interest cost	1,469	927	24	11
Expected return on plan assets	(1,091)	(1,504)	—	—
Recognized actuarial loss	662	330	—	9
Net periodic cost (benefit)	$ 1,057	$ (217)	$ 30	$ 28

	Pension Plans		Postretirement Plan	
	Six Months Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Service cost	$ 34	$ 60	$ 12	$ 16
Interest cost	2,938	1,854	48	22
Expected return on plan assets	(2,182)	(3,008)	—	—
Recognized actuarial loss	899	692	—	18
Net periodic cost (benefit)	$ 1,689	$ (402)	$ 60	$ 56

Contributions for Qualified Defined Benefit Pension Plans

During the three and six months ended September 30, 2023 December 31, 2023, the Company contributed $0 and $12,250 to the Cash Balance Pension Plan. Plan, which is reported under Non-current liabilities in the accompanying condensed consolidated balance sheets as of December 31, 2023.

Defined Contribution Plans

For the three and six months ended September 30, 2023 December 31, 2023 and 2022, expenses related to the Savings Plans and Union Savings Plan included in the accompanying condensed consolidated and combined statements of operations are as follows:

	Three Months Ended September 30,	
	2023	2022
Savings Plans	$ 2,034	$1,178

	Three Months Ended December 31,	Three Months Ended December 31,		Six Months Ended December 31,	
	2023	2023	2022	2023	2022
Savings Plans					

Union Savings Plan	Union Savings Plan	$ 50	$ 18

Executive Deferred Compensation

See Note 13. Pension Plans and Other Postretirement Benefit Plans, included in the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the Company's Executive Deferred Compensation Plan (the "Deferred Compensation Plan"). The Company recorded compensation income expense of $145 $343 and $154 $198 for the three and six months ended September 30, 2023 December 31, 2023, respectively, and 2022, $160 and $6 for the three and six months ended December 31, 2022, respectively, within Selling, general, and administrative expenses to reflect the remeasurement of the Deferred Compensation Plan liability. In addition, the Company recorded loss gains of $145 $343 and $154 $198 for the three and six months ended September 30, 2023 December 31, 2023 and 2022, $160 and $6 for the three and six months ended December 31, 2022, respectively, within Other income (expense) income, , net to reflect 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 condensed consolidated and combined balance sheets:

		As of September 30, 2023	June 30, 2023
		As of December 31, 2023	
		December 31, 2023	As of June 30, 2023
Non-current assets (included in Other non-current assets)	Non-current assets (included in Other non-current assets)	$ 3,871	$ 2,954
Non-current liabilities (included in Other non-current liabilities)	Non-current liabilities (included in Other non-current liabilities)	$ (3,914)	$(2,976)

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

Note 11. 12. Share-based Compensation

The Company has two share-based compensation plans: the 2023 Employee Stock Plan (the "Employee Stock Plan") and the 2023 Stock Plan for Non-Employee Directors (the "Non-Employee Director Plan"). Directors. See Note 14. Share Based Compensation, included in the Company's Audited Consolidated and Combined Annual Financial Statements for more information on these plans.

Share-based compensation expense for the Company's restricted stock units ("RSUs") and performance stock units ("PSUs") are recognized in the condensed consolidated and combined statements of operations as a component of direct operating expenses or selling, general, and administrative expenses. The share-based compensation expense recorded by the Company in Fiscal Year 2023 includes the expenses associated with the employees attributable to the Company, net of contributory credits from the Company to Sphere Entertainment for the Company's corporate employees. The following table summarizes the Company's share-based compensation expense:

		Three Months Ended September 30,					
		2023	2022				
		Three Months Ended December 31,		Three Months Ended December 31,		Six Months Ended December 31,	
		2023		2023	2022	2023	2022
Share-based compensation expense *(a)*	Share-based compensation expense *(a)*	$ 6,177	$7,410				
Fair value of awards vested *(b)*	Fair value of awards vested *(b)*	$ 26,400	$2,867				

(a) The expense shown excludes $0 and $6,788 for the three and six months ended December 31, 2023, respectively, and $2,293 for both the three and six months ended December 31, 2022, that was reclassified to Restructuring charges in the condensed consolidated and combined statements of operations for the athree months ended September 30, 2023, as s detailed in Note 4. 5. Restructuring Charges.

(b) To fulfill required statutory tax withholding obligations for the applicable income and other employment taxes, RSUs and PSUs with an aggregate value of $11,817 $412 and $12,229, and $0 and $1,147 were retained by the Company during the three and six months ended September 30December 31, 2023 and 2022, respectively.

For the three and six months ended December 31, 2023, weighted-average shares used in the calculation for diluted earnings per share ("EPS") consisted of 48,293 and 49,168 weighted-average shares of Class A Common Stock for basic EPS, respectively, and the dilutive effect of 264 and 213 shares of Class A Common Stock issuable, respectively, under share-based compensation plans. For the three and six months ended December 31, 2023, weighted-average anti-dilutive shares primarily consisted of approximately 727 and 740 RSUs and stock options, respectively, and were excluded in the calculation of diluted EPS because their effect would have been anti-dilutive.

On April 20, 2023, 51,768 shares of Class A Common Stock were distributed to Sphere Entertainment stockholders in the MSGE Distribution. This share amount is being utilized for the calculation of basic and diluted loss per share of Class A Common Stock attributable to the Company's stockholders for the three and six months ended December 31, 2022 because the Company was not a standalone public company prior to the MSGE Distribution.

As of September 30, 2023 December 31, 2023, there was $53,136 $46,564 of unrecognized compensation cost related to unvested RSUs and PSUs held by the Company's direct employees. The cost is expected to be recognized over a weighted-average period of approximately 2.4 2.1 years.

Award Activity

RSUs

During the three six months ended September 30, 2023 December 31, 2023 and and December 31, 2022 562, 620 and 66 RSUs were granted respectively, and 476 624 and 40 RSUs vested, respectively.

PSUs

During the three six months ended September 30, 2023 December 31, 2023 and and December 31, 2022, 506 and 60 PSUs were granted respectively, and 241 273 and 11 PSUs vested, respectively.

Note 12. 13. Stockholders' Equity

Stock Repurchase Program

On March 29, 2023, the Company's Board of Directors authorized a share repurchase program to repurchase up to $250,000 of the Company's Class A Common Stock (the "Stock Repurchase Program"). Pursuant to the Stock Repurchase Program, 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. For the three six months ended September 30, 2023 December 31, 2023, the Company repurchased 3,525 shares of Class A Common Stock for $115,512. As of September 30, 2023 December 31, 2023, the Company had approximately $110,000 remaining available for repurchases.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

Accumulated Other Comprehensive Loss

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

		Pension Plans and Postretirement Plan Three Months Ended September 30,					
		2023	2022				
	Pension Plans and Postretirement Plan					Pension Plans and Postretirement Plan	
	Three Months Ended December 31,			Three Months Ended		Six Months Ended December 31,	
	2023			2023	2022	2023	2022
Balance at beginning of period	Balance at beginning of period	$(34,021)	$(34,740)				
Other comprehensive income:	Other comprehensive income:						
Amounts reclassified from accumulated other comprehensive loss *(a)*							
Amounts reclassified from accumulated other comprehensive loss *(a)*							
Amounts reclassified from accumulated other comprehensive loss *(a)*	Amounts reclassified from accumulated other comprehensive loss *(a)*	238	371				
Income tax expense	Income tax expense	(41)	(66)				
Other comprehensive income, net of income taxes	Other comprehensive income, net of income taxes	197	305				
Balance at end of period	Balance at end of period	$(33,824)	$(34,435)				

(a) Amounts reclassified from accumulated other comprehensive loss represent the amortization of net actuarial loss included in net periodic benefit cost, which is reflected under Other income (expense), net in the accompanying condensed consolidated and combined statements of operations (see Note 10. 11. Pension Plans and Other Postretirement Benefit Plans).

Note 13. 14. Related Party Transactions

As of September 30, December 31, 2023, members of the Dolan family, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, members of the Dolan family including trusts for the benefit of members of the Dolan family (collectively, the “Dolan Family Group”) collectively beneficially owned 100% of the Company’s outstanding Class B Common Stock and approximately 4.8% of the Company’s outstanding Class A Common Stock (inclusive of options exercisable within 60 days of September 30, 2023).December 31, 2023). Such shares of Class A Common Stock and Class B Common Stock, collectively, represent approximately 64% 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 Sports, and AMC Networks Inc. (“AMC Networks”).

See Note 17. Related Party Transactions, included in the Company’s Audited Consolidated and Combined Audited Annual Financial Statements for a description of the Company’s current related party arrangements. There have been no material changes in such related party arrangements except as described below.

From time to time the Company enters into arrangements with 605, LLC (“605”). James L. Dolan, the Company’s Executive Chairman, Chief Executive Officer and a director, and his spouse, Kristin A. Dolan, owned 605 until September 13, 2023. Kristin A. Dolan is also the founder and was the Chief Executive Officer of 605. 605 provides audience measurement and data analytics services to the Company and its subsidiaries in the ordinary course of business. In August 2022, a subsidiary of Sphere Entertainment entered into a three-year agreement with 605, valued at $750, covering several customer analysis projects per year in connection with events held at our venues, which was assigned to the Company in connection with the MSGE Distribution. Pursuant to this arrangement, the Company recognized $0 and $34 and $70of expense for the three and six months ended September 30, 2023 December 31, 2023, respectively, and $65 and 2022, respectively. As $135 of September 30, 2023 expense for the three and June 30, 2023, $102 and six months ended

December 31, 2022$0 has been recognized in Prepaid expenses and other current assets. , respectively. On September 13, 2023, 605 was sold to iSpot.tv, and James L. Dolan and Kristin A. Dolan now hold a minority interest in iSpot.tv. As a result, as of September 13, 2023, 605 is no longer considered to be a related party.

During Fiscal Year 2023 and the first quarter of Fiscal Year 2024, MSG Sports has made market rate interest-bearing advances to the Company in connection with the construction of new premium hospitality suites at The Garden. The advances will be were fully repaid (including interest) through cash receipts from in the licenses for each new suite. second quarter of Fiscal Year 2024. As of September 30, December 31, 2023 and June 30, 2023, MSG Sports had advanced $430 the other debt balance was $0 and $304, respectively, to the Company in connection with the arrangement. This advance has been recognized in Long-term debt, net of deferred financing costs in the accompanying condensed consolidated balance sheets. respectively.

Subsequent to June 30, 2023, the Company entered into arrangements with (i) MSG Sports, pursuant to which MSG Sports provides certain sponsorship, premium hospitality and other business operations services to the Company in exchange for service fees, (ii) Sphere Entertainment, pursuant to which the Company provides certain sponsorship account management services to Sphere Entertainment in exchange for service fees, and (iii) MSG Sports 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 Sports.

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

Revenues and Operating Expenses

The following table summarizes the composition and amounts of the transactions with the Company's affiliates. The significant components of these amounts are discussed below. These amounts are reflected in revenues and operating expenses in the accompanying condensed consolidated and combined statements of operations for the three and six months ended September 30, 2023 December 31, 2023 and 2022:

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
		Three Months December 31, 2023	
		Three Months December 31, 2023	**Three Months December 31, 2022**
		Six Months Ended December 31, 2023	**Six Months Ended December 31, 2022**
Revenues	Revenues	$ 5,159	$ 5,558
Operating expenses (credits):	Operating expenses (credits):		
Revenue sharing expenses			
Revenue sharing expenses			
Revenue sharing expenses	Revenue sharing expenses	$ 1,152	$ 1,187
Reimbursement under Arena License Arrangements	Reimbursement under Arena License Arrangements	(429)	(493)
Cost reimbursement from MSG Sports	Cost reimbursement from MSG Sports	(9,861)	(9,517)

Cost reimbursement from Sphere Entertainment (after April 20, 2023) and Corporate allocations to Sphere Entertainment (before April 20, 2023)	Cost reimbursement from Sphere Entertainment (after April 20, 2023) and Corporate allocations to Sphere Entertainment (before April 20, 2023)	(30,336)	(35,748)
Other operating expenses, net	Other operating expenses, net	553	895
Total operating expenses (credits), net (a)	Total operating expenses (credits), net (a)	$ (38,921)	$(43,676)

(a) Of the total operating expenses (credits), net, $1,310 $1,246 and $376 $2,556 for the three and six months ended September 30, 2023 December 31, 2023 and $(901) and $(525) for the three and six months ended December 31, 2022, respectively, are included in direct operating expenses in the accompanying condensed consolidated and combined statements of operations, and $(40,231) $(36,535) and $(44,052) $(76,766) for the three and six months ended September 30, 2023 December 31, 2023 and $(46,591) and $(90,643) for the three and six months ended December 31, 2022, respectively, are included in selling, general, and administrative expenses.

Revenues

The Company recorded $1,324 $24,529 and $25,853 of revenues under the Arena License Agreements for the three and six months ended September 30, 2023 December 31, 2023. In addition to the Arena License Agreements, during the three and six months ended September 30, December 31, 2023, the Company's revenues from related parties primarily reflected sponsorship sales and service representation agreements of $2,763, $5,506 and $8,269, and merchandise sharing revenues of $196 $2,102 and $2,298, respectively, with MSG Sports. The Company also earned sublease revenue from related parties of $759 $738 and $1,497 during the three and six months ended September 30, 2023 December 31, 2023, respectively.

The Company recorded $1,324 $31,825 and $33,149 of revenues under the Arena License Agreements for the three and six months ended September 30, 2022 December 31, 2022. In addition, during the three and six months ended September 30, December 31, 2022 the Company recorded revenues under sponsorship sales and service representation agreements of $2,533 $6,031 and $8,564, and merchandise sharing revenues of $115 $2,176 and $2,291, respectively, with MSG Sports. The Company recorded revenues under the Networks Advertising Sales Representation Agreement of $378 $8,424 and $8,802 for the three and six months ended September 30, 2022 December 31, 2022, respectively. The Networks Advertising Sales Representation Agreement was terminated effective as of December 31, 2022. As a result, after December 31, 2022, the Company no longer recognizes advertising sales commission revenue or the employee costs related to the Networks Advertising Sales Representation Agreement. The Company also earned sublease revenue from related parties of $695 $527 and $1,222 during the three and six months ended September 30, 2022 December 31, 2022.

Other Related Party Matters

Loans Receivable from Sphere Entertainment

Prior to the MSGE Distribution, the Company's captive insurance entity, Eden Insurance Company, Inc. ("Eden"), entered into a loan agreement with Sphere Entertainment (the "Eden Loan Agreement"), under which Eden granted Sphere Entertainment an unsecured loan bearing interest at a rate of SOFR plus 350 basis points with a principal amount not exceeding $60,000. This loan was in the form of a demand promissory note, payable immediately upon order from Eden. The loan payable to the Company held by Sphere Entertainment under the Eden Loan Agreement was assigned by Sphere Entertainment to the Company in connection with the MSGE Distribution, and has been eliminated in consolidation by the Company for periods subsequent to the MSGE Distribution.

During Fiscal Year 2023, Eden declared and paid dividends to Sphere Entertainment through a reduction of the loan receivable from Sphere Entertainment. During Fiscal Year 2023, no interest or principal payments were received by Eden. Instead, the accrued but unpaid interest was added to the outstanding principal amount of the loan. The cash flows related to this loan receivable for periods prior to the MSGE Distribution are reflected as investing activities, as these balances represent amounts loaned by the Company to Sphere Entertainment. The Company recorded related party interest income of $0, and $902 $0 related to the Eden Loan Agreement in the three and six months ended September 30, 2023 December 31, 2023 and 2022, $902 and $1,804 in the three and six months ended December 31, 2022, respectively.

Note 14. 15. Additional Financial Information

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

		As of September 30, 2023	June 30, 2023		
		As of December 31, 2023		December 31, 2023	As of June 30, 2023
Cash and cash equivalents	Cash and cash equivalents	$ 37,179	$76,089		
Restricted cash	Restricted cash	2,337	8,266		
Total cash, cash equivalents and restricted cash		$ 39,516	$84,355		
Total cash, cash equivalents, and restricted cash					

The Company's cash, cash equivalents, and restricted cash are classified within Level I of the fair value hierarchy as it is valued using observable inputs that reflect quoted prices for identical assets in active markets. The Company's restricted cash includes cash deposited in escrow accounts. The Company has deposited cash in an interest-bearing escrow account related to credit support, debt facilities, and collateral to workers compensation and general liability insurance obligations.

Prepaid expenses and other current assets consisted of the following:

		As of September 30, 2023	June 30, 2023		
		As of December 31, 2023		December 31, 2023	As of June 30, 2023
Prepaid expenses	Prepaid expenses	$ 77,458	$58,588		
Current contract assets	Current contract assets	7,708	11,254		
Inventory (a)	Inventory (a)	3,361	2,557		
Other	Other	7,888	5,163		
Other					
Other					
Total prepaid expenses and other current assets	Total prepaid expenses and other current assets	$ 96,415	$77,562		

(a) Inventory is mostly comprised of food and liquor for venues.

Other non-current assets consisted of the following:

		As of	
		September 30, 2023	June 30, 2023
		As of	
		As of	
		As of	
		December 31, 2023	
		December 31, 2023	
		December 31, 2023	
Unbilled lease receivable *(a)*			
Unbilled lease receivable *(a)*			
Unbilled lease receivable *(a)*	Unbilled lease receivable *(a)*	$ 57,957	$ 67,325
Equity investments with readily determinable fair value *(b)*	Equity investments with readily determinable fair value *(b)*	14,895	31,641
Equity investments with readily determinable fair value *(b)*			
Equity investments with readily determinable fair value *(b)*			
Deferred costs			
Deferred costs			
Deferred costs	Deferred costs	4,111	4,120
Other	Other	6,187	5,270
Other			
Other			
Total other non-current assets	Total other non-current assets	$ 83,150	$ 108,356
Total other non-current assets			
Total other non-current assets			

(a) Unbilled lease receivable relates to the amounts recorded under the Arena License Agreement.

(b) See Note 5. 6. Equity investments with readily determinable fair value for more information on long-term investments.

Accounts payable, accrued and other current liabilities consisted of the following:

	As of	
	September 30, 2023	June 30, 2023
Accounts payable	$ 18,715	$ 15,628
Accrued payroll and employee related liabilities	35,959	64,532
Cash due to promoters	89,453	90,538
Accrued expenses	43,060	44,027
Total accounts payable, accrued and other current liabilities	$ 187,187	$ 214,725

MADISON SQUARE GARDEN ENTERTAINMENT CORP.
NOTES TO CONDENSED CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS (UNAUDITED)

	As of	
	December 31, 2023	June 30, 2023
Accounts payable	$ 34,676	$ 15,628
Accrued payroll and employee related liabilities	50,566	64,532
Cash due to promoters	56,862	90,538
Accrued expenses	55,152	44,027
Total accounts payable, accrued and other current liabilities	$ 197,256	$ 214,725

Other income (expense) income, , net includes the following:

		Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
		Three Months Ended December 31, 2023	
		Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
		Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Gains from shares sold — DraftKings	Gains from shares sold — DraftKings	$ 1,548	$1,489
Net unrealized loss on equity investments with readily determinable fair value		(5,449)	(659)
Net unrealized gains (loss) on equity investments with readily determinable fair value			
Other	Other	(568)	56
Total other (expense) income, net		$ (4,469)	$ 886
Total other income (expense), net			

Income Taxes

During the three six months ended September 30, 2023 and 2022 December 31, 2023, the Company made income tax payments of $58. During the six months ended December 31, 2022, the Company received income tax refunds, net of payments, of $0 and $2,071, respectively. $2,031.

Note 15. Subsequent Events

In October 2023, the Company paid down $35,000 under the National Properties Revolving Credit Facility.

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 Entertainment Corp., (formerly MSGE Spinco, Inc.) ("MSG Entertainment") and its direct and indirect subsidiaries (collectively, "we," "us," "our," "MSG Entertainment," or the "Company"). 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 expenses, including our corporate expenses;
- the level of our revenues, which depends in part on the popularity of the *Christmas Spectacular Starring the Radio City Rockettes (*the *"Christmas Spectacular")*, the sports teams whose games are played at Madison Square Garden ("The Garden"), and other events which are presented in our venues, and our ability to attract such events;
- the on-ice and on-court performance of the professional sports teams whose games we host in our venues;
- the level of our capital expenditures and other investments;
- general economic conditions, especially in the New York City and Chicago metropolitan areas where we have business activities;
- the demand for sponsorship and suite arrangements;
- competition, for example, from other venues and sports and entertainment options, including of new competing venues;
- our ability to effectively manage any impacts of a pandemic or other public health emergency (including COVID-19 variants) as well as renewed actions taken in response by governmental authorities or certain professional sports leagues, including ensuring compliance with rules and regulations imposed upon our venues, to the extent applicable;
- the effect of any postponements or cancellations by third-parties or the Company as a result of a pandemic or other public health emergency due to operational challenges and other health and safety concerns (such as the partial cancellation of the 2021 production of the *Christmas Spectacular*);
- the extent to which attendance at our venues may be impacted by government actions, renewed health concerns by potential attendees and reduced tourism;
- the impact on the payments we receive under the arena license agreements (the "Arena License Agreements") that require the New York Knicks (the "Knicks") of the National Basketball Association (the "NBA") and the New York Rangers (the "Rangers") of the National Hockey League (the "NHL") to play their home games at The Garden as a result of government-mandated capacity restrictions, league restrictions and/or social-distancing or vaccination requirements, if any, at Knicks and Rangers games;
- changes in laws, guidelines, bulletins, directives, policies and agreements, and regulations under which we operate;
- any economic, social or political actions, such as boycotts, protests, work stoppages or campaigns by labor organizations, including the unions representing players and officials of the NBA and NHL, or other work stoppage;
- seasonal fluctuations and other variations in our operating results and cash flow from period to period;
- enhancements or changes to existing productions and the investments associated with such enhancements or changes;
- business, reputational and litigation risk if there is a cyber or other security incident resulting in loss, disclosure or misappropriation of stored personal information, or disclosure of confidential information or other breaches of our information security;
- activities or other developments (such as pandemics, including the COVID-19 pandemic) that discourage or may discourage congregation at prominent places of public assembly, including our venues;
- 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, new venues or new businesses into our operations;
- our internal control environment and our ability to identify and remedy any future material weaknesses;
- the costs associated with, and the outcome of, litigation, including any negative publicity, and other proceedings to the extent uninsured, including litigation or other claims against companies we invest in or acquire;
- the impact of governmental regulations or laws, changes in how those regulations and laws are interpreted, as well as the continued benefit of certain tax exemptions and the ability to maintain necessary permits or licenses;
- the impact of any government plans to redesign New York City's Penn Station;
- the impact of sports league rules, regulations and/or agreements and changes thereto;
- the substantial amount of debt incurred, the ability of our subsidiaries to make payments on, or repay or refinance, such debt under the National Properties Credit Agreement and our ability to obtain additional financing, to the extent required;

- financial community perceptions of our business, operations, financial condition and the industries in which we operate;
- the performance by Madison Square Garden Sports Corp. (together with its subsidiaries, as applicable, “MSG Sports”) of its obligations under various agreements with the Company and ongoing commercial arrangements, including the Arena License Agreements;
- the tax-free treatment of the MSGE Distribution (as defined below);
- our ability to achieve the intended benefits of the MSGE Distribution;
- failure of the Company or Sphere Entertainment Co. (together with its subsidiaries, as applicable, “Sphere Entertainment”) to satisfy its obligations under transition services agreements, or other agreements entered into in connection with the MSGE Distribution;
- lack of operating history as a stand-alone public company and costs associated with being an independent public company;
- our status as an emerging growth company; and
- the additional factors described under “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended June 30, 2023 filed on August 18, 2023 (the “2023 Form 10-K”).

We disclaim any obligation to update or revise the forward-looking statements contained herein, except as otherwise required by applicable federal securities laws. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this document Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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 audited consolidated and combined financial statements and notes thereto as of June 30, 2023 and 2022 and for the three years ended June 30, 2023, 2022 and 2021 (“Audited Consolidated and Combined Annual Financial Statements”) included in the 2023 Form 10-K, to help provide an understanding of our financial condition, changes in financial condition and results of operations.

Business Overview

We are a live entertainment company comprised of iconic venues and marquee entertainment content. Utilizing the Company’s powerful brands and live entertainment expertise, the Company delivers unique experiences that set the standard for excellence and innovation while forging deep connections with diverse and passionate audiences.

We manage our business through one reportable segment. The Company’s portfolio of venues includes: The Garden, The Theater at Madison Square Garden, Radio City Music Hall, the Beacon Theatre, and The Chicago Theatre. The Company’s business also includes the original production, the *Christmas Spectacular.* The Company also has an entertainment and sports bookings business, which showcases a broad array of compelling concerts, family shows and special events, as well as a diverse mix of sporting events, for millions of guests annually.

The Company conducts a significant portion of its operations at venues that it either owns or operates under long-term leases. The Company owns The Garden, The Theater at Madison Square Garden, and The Chicago Theatre, and leases Radio City Music Hall and the Beacon Theatre.

All of the Company’s revenues and assets are attributed to or located in the United States and are primarily concentrated in the New York City metropolitan area.

MSG Entertainment Distribution

On April 20, 2023 (the “MSGE Distribution Date”), Sphere Entertainment distributed approximately 67% of the outstanding common stock of the Company to its stockholders (the “MSGE Distribution”), with Sphere Entertainment retaining approximately 33% of the outstanding common stock of MSG Entertainment (in in the form of Class A common stock “Class (“Class A Common Stock”) immediately following the MSGE Distribution (the “Retained Interest”). As a result, the Company became an independent publicly traded company on April 21, 2023 through the MSGE Distribution. Following the completion of the secondary offering by Sphere Entertainment of the Company’s Class A Common Stock on September 22, 2023, Sphere Entertainment no longer owns any of the Company’s outstanding common stock. See Note 1 1. Description of Business and Basis of Presentation to the Company’s Audited Consolidated and Combined Annual Financial Statements for more information regarding the MSGE Distribution.

Our 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 months ended September 30, 2023 December 31, 2023 and 2022.

Liquidity and Capital Resources. This section provides a discussion of our financial condition and liquidity, an analysis of our cash flows for the three six months ended September 30, 2023 December 31, 2023 and 2022, as well as certain contractual obligations and off-balance sheet arrangements. obligations.

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

Recently Issued Accounting Pronouncements and Critical Accounting Estimates. This section discusses accounting pronouncements that have been adopted by the Company and recently issued accounting pronouncements not yet adopted by the Company. This section should be read together with our critical accounting policies, estimates, which are discussed in the 2023 Form 10-K under “Management's Discussion and Analysis of Financial Condition and Results of Operations — Recently Issued Accounting Pronouncements and Critical Accounting Estimates — Critical Accounting Estimates" and in the notes to the Audited Consolidated and Combined Annual Financial Statements of the Company included therein.

Factors Affecting Results of Operations

The consolidated statement of operations for the three and six months ended September 30, 2023 December 31, 2023 is presented on a consolidated basis, as the Company became a standalone public company on April 21, 2023. The Company's combined statement of operations for the three and six months ended September 30, 2022 December 31, 2022 was prepared on a stand-alone basis derived from the consolidated financial statements and accounting records of Sphere Entertainment, and is presented as a carve-out financial statement, because the Company was not a standalone public company prior to the MSGE Distribution. See Note 1 1. Description of Business and Basis of Presentation to the consolidated and combined financial statements included in "Part I — Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for additional information.

Our operating results are largely dependent on our ability to attract concerts and other events to our venues, revenues under various agreements entered into with MSG Sports, and the continuing popularity of the *Christmas Spectacular*. Certain of these factors in turn depend on the popularity and/or performance of the professional sports teams whose games we host at The Garden.

In addition, Fiscal Year 2024 has been and will continue to be impacted by increased rent expenses expense relative to Fiscal Year 2023 due to our new corporate office lease, which runs through 2046. Our Company's future performance is dependent in part on general economic conditions and the effect of these conditions on our customers. Weak economic conditions may lead to lower demand for suite licenses and tickets to our live productions, concerts, family shows and other events, which would also negatively affect concession and merchandise sales, and lower levels of sponsorship and venue signage. These conditions may also affect the number of concerts, family shows and other events that take place in the future. An economic downturn could adversely affect our business and results of operations.

Factors Affecting Comparability

MSGE Distribution

The condensed combined statement statements of operations for the three and six months ended September 30, 2022 December 31, 2022 includes allocations for certain support functions that were provided on a centralized basis and not historically recorded at the business unit level by Sphere Entertainment, such as expenses related to executive management, finance, legal, human resources, government affairs, information technology, and venue operations among others. As part of the MSGE Distribution, certain corporate and operational support functions were transferred to the Company and therefore, charges were reflected in order to burden all business units comprising Sphere Entertainment's historical operations. These expenses were allocated on the basis of direct usage when identifiable, with the remainder allocated on a pro-rata basis of combined assets, headcount or other measures of the Company and Sphere Entertainment, which are recorded as a reduction of either direct operating expenses or selling, general, and administrative expenses.

Management believes the assumptions underlying the combined financial statements, including the assumptions regarding allocating general corporate expenses, are reasonable. Nevertheless, the combined financial statements do not include all of the actual expenses that would have been incurred by the Company and may not reflect its combined results of operations, financial position and cash flows had it been a separate, standalone company during the periods presented. Actual costs that would have been incurred if the Company had been a separate, standalone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas, including information technology and infrastructure. See Note 1. Description of Business and Basis of Presentation to the condensed consolidated and combined financial statements included elsewhere in this document Quarterly Report on Form 10-Q for additional information.

The costs to operate our business as an independent, publicly-traded company, including pursuant to terms of the transition services agreement, are expected to vary from those historical allocations. Such costs principally relate to areas that include, but are not limited to:

- corporate personnel overhead expenses as a result of the Company operating on a stand-alone basis;
- professional fees associated with internal and external audits including compliance with Sarbanes-Oxley Act, tax, legal and other services;
- anticipated executive compensation costs related to existing and new executive management and excluding future share-based compensation expense; and
- fees for preparing and distributing periodic filings with the SEC. Securities and Exchange Commission.

These costs will not be fully reflected in a complete year of the Company's financial statements until the year ending June 30, 2024, Fiscal 2024, because, for periods prior to April 20, 2023, the Company's financial statements were presented on a carve-out basis.

Advertising Sales Representation Agreement Termination

Prior to December 31, 2022, the Company was a party to an advertising sales representation agreement (the "Networks Advertising Sales Representation Agreement") with Sphere Entertainment's subsidiary, MSGN Holdings, L.P. ("MSG Networks"), pursuant to which the Company had the exclusive right and obligation to sell MSG Networks advertising availabilities for a commission. The Networks Advertising Sales Representation Agreement was terminated effective as of December 31, 2022. As a result, after December 31, 2022, the Company no longer recognizes advertising sales commission revenue or the employee costs related to the Networks Advertising Sales Representation Agreement. For the three and six months ended September 30, 2022 December 31, 2022, the Company recognized $378 $8,424 and $8,802, respectively, of revenues under the Networks Advertising Sales Representation Agreement.

The termination of the Networks Advertising Sales Representation Agreement impacted the operating results of the Company for Fiscal Year 2023 and will impact the operating results of the Company on a go forward basis.

Results of Operations

Comparison of the three and sixmonths ended September 30, 2023 December 31, 2023 versus the three and six months ended September 30, 2022 December 31, 2022.

	Three Months Ended

	September 30, 2023	September 30, 2022	Change Amount	Change Percentage
Revenues	$142,212	$146,452	$ (4,240)	(3) %
Direct operating expenses	(101,677)	(101,662)	(15)	— %
Selling, general, and administrative expenses	(48,822)	(40,114)	(8,708)	22 %
Depreciation and amortization	(13,585)	(15,985)	2,400	(15) %
Restructuring charges	(11,553)	—	(11,553)	NM
Operating loss	(33,425)	(11,309)	(22,116)	(196) %
Interest income	851	1,510	(659)	(44) %
Interest expense	(14,287)	(11,427)	(2,860)	25 %
Other (expense) income, net	(4,469)	886	(5,355)	NM
Loss from operations before income taxes	(51,330)	(20,340)	(30,990)	(152) %
Income tax benefit	659	2,066	(1,407)	NM
Net loss	(50,671)	(18,274)	(32,397)	(177) %
Less: Net loss attributable to nonredeemable noncontrolling interest	—	(372)	372	NM
Net loss attributable to MSG Entertainment's stockholders	$ (50,671)	$ (17,902)	$(32,769)	(183) %

	December 31, 2023		2022		Change Amount		Per
Revenues	$402,666	$	$ 355,880	$	$46,786		13
Direct operating expenses	(202,761)	(180,603)	(180,603)	(22,158)		(22,158)	(12)
Selling, general, and administrative expenses	(48,389)	(43,301)	(43,301)	(5,088)		(5,088)	(12)
Depreciation and amortization	(13,205)	(15,586)	(15,586)	2,381		2,381	15
Gains, net on dispositions	—		4,412		(4,412)		
Restructuring charges	(888)	(7,359)	(7,359)	6,471		6,471	88
Operating income	137,423		113,443		23,980		
Interest income	1,083	1,812	1,812	(729)		(729)	(40)
Interest expense	(15,049)	(13,205)	(13,205)	(1,844)		(1,844)	(14)
Other income (expense), net	2,846		(2,172)		5,018		
Income from operations before income taxes	126,303		99,878		26,425		
Income tax expense	(1,054)		(2,797)		1,743		
Net income	125,249		97,081		28,168		
Less: Net loss attributable to nonredeemable noncontrolling interest	—		(181)		181		
Net income attributable to MSG Entertainment's stockholders	$125,249		$ 97,262		$27,987		

	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022	Change Amount	Change Percentage
Revenues	$ 544,878	$ 502,332	$ 42,546	8 %
Direct operating expenses	(304,438)	(282,265)	(22,173)	(8)%
Selling, general, and administrative expenses	(97,211)	(83,415)	(13,796)	(17)%

Depreciation and amortization	(26,789)	(31,571)	4,782	15 %
Gains, net on dispositions	—	4,412	(4,412)	NM
Restructuring charges	(12,441)	(7,359)	(5,082)	(69)%
Operating income	103,999	102,134	1,865	2 %
Interest income	1,935	3,322	(1,387)	(42)%
Interest expense	(29,336)	(24,632)	(4,704)	(19)%
Other expense, net	(1,625)	(1,286)	(339)	(26)%
Income from operations before income taxes	74,973	79,538	(4,565)	(6)%
Income tax expense	(395)	(731)	336	46 %
Net income	74,578	78,807	(4,229)	(5)%
Less: Net loss attributable to nonredeemable noncontrolling interest	—	(553)	553	NM
Net income attributable to MSG Entertainment's stockholders	$ 74,578	$ 79,360	$ (4,782)	(6)%

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Revenues

Revenues for the three and six months ended September 30, 2023 decreased $4,240 December 31, 2023 increased $46,786 and $42,546, respectively, as compared to the prior year period. The changes in revenues were attributable to the following:

	Three Months Ended September 30, 2023
Decrease in event-related revenues	$ (8,270)
Increase in revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements	2,716
Other net increases	1,314
	$ (4,240)

	Three Months Ended December 31, 2023	Six Months Ended December 31, 2023
Increase in event-related revenues	$ 44,263	$ 35,993
Increase in revenues from the presentation of the *Christmas Spectacular*	17,880	17,822
Decrease in commissions due to termination of the Networks Advertising Sales Representation Agreement	(8,424)	(8,802)
Decrease in arena license fees from MSG Sports pursuant to the Arena License Agreements	(7,296)	(7,296)
(Decrease) increase in revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements	(2,479)	228
Other net increases	2,842	4,601
	$ 46,786	$ 42,546

For the three and six months ended September 30, 2023 December 31, 2023, the decrease increase in event-related revenues primarily reflects (i) lower higher revenues from concerts of $7,317 $28,851 and $21,534, respectively, and (ii) lower higher revenues from other live entertainment and sporting events of $953. $15,412 and $14,458, respectively. The decrease increase in event-related revenues from concerts was due to a decrease an increase in the number of events at the Company's venues as compared to the prior year period partially offset by and, to a lesser extent, higher per-concert per-event revenues in the current year period.

The Company had 193 Christmas Spectacular performances during this year's holiday season, of which 183 took place in the second quarter of Fiscal Year 2024, as compared to 181 performances in the prior year's holiday season, of which 174 took place in the second quarter of Fiscal Year 2023. For this year's holiday season, more than 1,000,000 tickets were sold, as compared to more than 930,000 tickets sold in the prior year.

For the three and six months ended December 31, 2023, the increase in revenues from the presentation of the *Christmas Spectacular* production, as compared to the prior year periods, was primarily due to higher ticket-related revenues. This reflected higher per-show revenue and, to a lesser extent, an increase in the number of performances as compared to the prior year periods. The increase in per-show ticket-related revenues was due to higher average ticket yield and higher average per-show attendance as compared to the prior year periods.

For the three and six months ended December 31, 2023, the decrease in arena license fees was due to nine fewer Knicks and Rangers games played at The Garden in the current year period. In the three and six months ended December 31, 2023, the Knicks and Rangers played a combined 32 and 34 pre/regular season games at The Garden, respectively, as compared to 41 and 43 combined pre/regular season games, respectively, in the prior year periods.

For the three months ended September 30, 2023 December 31, 2023, the decrease in revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements primarily reflects lower food, beverage and merchandise sales at Knicks and Rangers games, which mainly reflects fewer Knicks and Rangers games played at The

Garden as compared to the prior year period, partially offset by higher average per-game revenue. For the six months ended December 31, 2023, the increase in revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements primarily reflects higher suite license fee revenues. revenues, partially offset by lower food, beverage and merchandise sales at Knicks and Rangers games.

Direct operating expenses

Direct operating expenses for the three and six months ended September 30, 2023 December 31, 2023 increased $15 $22,158 and $22,173 as compared to the prior year period. The changes in direct operating expenses were attributable to the following:

		Three Months Ended September 30, 2023
Increase in expenses associated with the sharing of economics with MSG Sports pursuant to the Arena License Agreements	$	2,380
Increase in direct operating expenses associated with the Arena License Agreements		507
Decrease in event-related direct operating expenses		(4,737)
Other net increases		1,865
	$	15

		Three Months Ended		Six Months Ended
		December 31, 2023		
Increase in event-related direct operating expenses	$	19,843	$	15,107
Increase in direct operating expenses associated with the *Christmas Spectacular*		3,602		4,055
(Decrease) increase in expenses associated with the sharing of economics with MSG Sports pursuant to the Arena License Agreements		(319)		2,060
Other net (decreases) increases		(968)		951
	$	22,158	$	22,173

For the three and six months ended September 30, 2023 December 31, 2023, the increase in event-related direct operating expenses reflects (i) higher direct operating expenses from concerts of $12,697 and $8,478, respectively, and (ii) higher direct operating expenses from other live entertainment and sporting events of $7,148 and $6,629, respectively. The increase in event-related direct operating expenses was due to an increase in the number of events at the Company's venues as compared to the prior year periods and, to a lesser extent, higher per-event expenses in the current year periods.

For the three and six months ended December 31, 2023, the increase in direct operating expenses associated with the *Christmas Spectacular* production was primarily due to the increase in the number of performances as compared to the prior year periods, partially offset by lower average per-show expenses.

For the three months ended December 31, 2023, the decrease in direct operating expenses subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements primarily reflects lower food, beverage and merchandise sales at Knicks and Rangers games. For the six months ended December 31, 2023, the increase in direct operating expenses subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements primarily reflects direct operating expenses incurred as a result of the increase in suite license fee revenues.

For the three months ended September 30, 2023, the decrease in event-related direct operating expenses reflects (i) lower direct operating expenses from concerts of $4,219, and (ii) lower direct operating expenses from other live entertainment and sporting events of $518. The decrease in event-related direct operating expenses from concerts was due to a decrease in the number of events at the Company's venues as compared to the prior year period, partially offset by higher per-concert expenses in the current year period.

Selling, general, and administrative expenses

For the three and six months ended September 30, 2023 December 31, 2023, selling, general, and administrative expenses increased $8,708 to $48,822 $5,088 and $13,796, respectively, as compared to the prior year period. periods. Results for the Fiscal Year 2024 first quarter reflect MSG Entertainment on a fully standalone basis. Results for the first six months of Fiscal Year 2023 first quarter reflect the allocation of corporate and administrative costs based on the accounting requirements for the preparation of carve-out financial statements. These results do not include all of the expenses that would have been incurred by MSG Entertainment had it been a standalone public company for the prior year period. periods. This was the primary driver of the overall increase in selling, general and administrative expenses, partially offset by the impact of the Company's transition services agreement with Sphere Entertainment.

Depreciation and amortization

For the three and six months ended September 30, 2023 December 31, 2023, depreciation and amortization decreased $2,400, or 15%, to $13,585 $2,381 and $4,782, respectively, as compared to the prior year period primarily due to certain intangible assets being fully amortized in the current year as well as the disposal of a corporate aircraft during Fiscal Year 2023.

Gains, net on dispositions

Gains, net on dispositions for the three and six months ended December 31, 2023 were $0 as compared to a net gain of $4,412 in the three and six months ended December 31, 2022. The net gain in the prior year periods was due to the gain on sale of the Company's controlling interest in Boston Calling Events, LLC (the "BCE Disposition"), partially offset by the net loss on the disposal of a corporate aircraft during Fiscal Year 2023.

Restructuring charges

For the three and six months ended September 30, 2023 December 31, 2023, the Company recorded restructuring charges of $11,553 $888 and $12,441, respectively, which related to termination benefits for certain corporate executives and employees. No amounts were For the three and six months ended December 31, 2022, the Company recorded as restructuring charges during of $7,359 which related to the comparative prior year period. termination benefits provided due to a

workforce reduction of certain executives and employees as part of Sphere Entertainment's cost reduction program implemented in Fiscal Year 2023.

Operating loss income

For the three and six months ended September 30, 2023 December 31, 2023, operating loss was $33,425 as compared to $11,309 in the prior year period, an increase of $22,116. income increased by $23,980 and $1,865, respectively. The increase in operating loss income for the three months ended December 31, 2023 was primarily due to restructuring charges, an increase in revenues and lower restructuring charges, partially offset by an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses, as compared to the prior year period. The increase in operating income for the six months ended December 31, 2023 was primarily due to an increase in revenues, partially offset by an increase in direct operating expenses and, to a lesser extent, higher selling, general and administrative expenses and a decrease in revenues restructuring charges, as compared to the prior year period.

Interest income

For the three and six months ended September 30, 2023 December 31, 2023, interest income decreased $659, $729 and $1,387, respectively, as compared to the prior year period primarily due to (i) the impact of the MSGE Distribution, which impacted the year over year year-over-year comparability of results since the prior year period included carve-out allocation costs and due to (ii) lower average balances in the Company's cash, cash equivalents and restricted cash, partially offset by higher interest rates.

Interest expense

For the three and six months ended September 30, 2023 December 31, 2023, interest expense increased $2,860, $1,844 and $4,704, respectively, as compared to the prior year period primarily due to higher interest expense incurred rates on borrowings and higher revolver borrowings under the National Properties Credit Facilities.

Other (expense) income, net

For the three months ended September 30, 2023 December 31, 2023, other expense, income, net was $4,469 $2,846 as compared to other income, expenses, net of $886 $2,172 for the three months ended September 30, 2022 December 30, 2022, a decline an increase of $5,355. $5,018. The change was primarily due to (i) an increase in unrealized loss gains of $2,466 $3,175 associated with the investment in Townsquare Media, Inc., (ii) lower gains the absence of $2,265 a $2,512 unrealized loss associated with the investment in DraftKings Inc., and recognized in the prior period, partially offset by (iii) higher net periodic benefit costs of $1,026 $1,244 associated with the Cash Balance Company's funded and unfunded and qualified and non-qualified defined benefit plans (the "Pension Plans").

For the six months ended December 31, 2023, other expense, net increased $339 as compared to the prior year period. The change was primarily due to (i) higher net periodic benefit costs of $2,096 associated with the Pension Plan. Plans, partially offset by (ii) a decrease in unrealized loss of $709 associated with the investment in Townsquare Media, Inc., and (iii) an increase in gains of $247 associated with the investment in DraftKings Inc.

Income tax expense

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. Income tax benefit expense for the three and six months ended September 30, 2023 and 2022 December 31, 2023 of $659 $1,054 and $2,066, $395, respectively reflects an effective tax rate of 1%.

Income tax expense for the three and 10% six months ended December 31, 2022 of $2,797 and $731, respectively, reflects an effective tax rate of 3% and 1%, respectively.

The estimated annual effective tax rate is lower than the statutory federal tax rate of 21% primarily due to the offset of the valuation allowance. The estimated annual effective tax rate is revised on a quarterly basis.

Adjusted operating income ("AOI")

The Company evaluates its performance based on several factors, of which the key financial measure is adjusted operating income (loss), a non-GAAP financial measure. We define adjusted operating income (loss) as operating income (loss) excluding:

(i) the impact of non-cash straight-line leasing revenue associated with the Arena License Agreements with MSG Sports,

(ii) depreciation, amortization and impairments of property and equipment, goodwill and intangible assets,

(iii) share-based compensation expense,

(iv) restructuring charges or credits,

(v) merger, spin-off, and acquisition-related costs, including merger-related litigation expenses,

(vi) gains or losses on sales or dispositions of businesses and associated settlements,

(vii) the impact of purchase accounting adjustments related to business acquisitions,

(viii) gains and losses related to the remeasurement of liabilities under the executive deferred compensation plan, and

(ix) amortization for capitalized cloud computing arrangement costs.

The Company believes that given the length of the Arena License Agreements and resulting magnitude of the difference in leasing revenue recognized and cash revenue received, the exclusion of non-cash leasing revenue provides investors with a clearer picture of the Company's operating performance. Management believes that this adjustment is beneficial for other incremental reasons as well. This adjustment provides senior management, investors and analysts with important information regarding a long-term related party agreement with MSG Sports. In addition, this adjustment is included under the Company's debt covenant compliance calculations and is a component of the performance measures used to evaluate, and compensate, senior management of the Company. The Company 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. The Company eliminates merger, spin-off, and acquisition-related costs, when applicable, because the Company does not consider such costs to be indicative of the ongoing operating performance of the Company as they result from an event that is of a non-recurring nature, thereby enhancing comparability. In addition, management believes that the exclusion of gains and losses related to the remeasurement of liabilities under the 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 executive deferred compensation plan are recognized in Operating (income) loss whereas gains and losses related to the remeasurement of the assets under the 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 Other income (expense), net, which is not reflected in Operating income (loss).

The Company believes AOI is an appropriate measure for evaluating the operating performance of the Company on a consolidated and combined basis. AOI 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 AOI measures as the most important indicators of its business performance and evaluates management's effectiveness with specific reference to these indicators.

AOI should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), cash flows from operating activities, and other measures of performance and/or liquidity presented in accordance with GAAP. Since AOI is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies. The Company has presented the components that reconcile operating income (loss), the most directly comparable GAAP financial measure, to AOI.

The following is a reconciliation of operating loss income to adjusted operating income (loss) for the three and six months ended September 30, 2023 December 31, 2023 as compared to the prior year period: periods:

	Three Months Ended September 30,		Change	
	2023	2022	Amount	Percentage
Operating loss	$ (33,425)	$(11,309)	$(22,116)	(196) %
Non-cash portion of arena license fees from MSG Sports *(a)*	(495)	(519)	24	(5) %
Depreciation and amortization	13,585	15,985	(2,400)	(15) %
Share-based compensation (excluding share-based compensation in restructuring charges)	6,177	7,410	(1,233)	(17) %
Restructuring charges	11,553	—	11,553	NM
Merger, spin-off, and acquisition-related costs *(b)*	2,035	—	2,035	NM
Amortization for capitalized cloud computing arrangement costs	—	75	(75)	(100) %

	Three Months Ended Three Months Ended Three Months Ended December 31, December 31, December 31,			Change			
	2023		2023	2022		Amount	
Operating income	$137,423		$ 113,443		$ 23,980		21 %
Non-cash portion of arena license fees from MSG Sports *(a)*	(9,120)	(12,410)	(12,410)	3,290	3,290	27	27 %
Depreciation and amortization	13,205	15,586	15,586	(2,381)	(2,381)	(15)	(15)%
Share-based compensation (excluding share-based compensation in restructuring charges)	7,773	6,555	6,555	1,218	1,218	19	19 %
Gains, net on dispositions	—		(4,412)		4,412		NM
Restructuring charges	888	7,359	7,359	(6,471)	(6,471)	(88)	(88)%

Amortization for capitalized cloud computing arrangement costs									
Amortization for capitalized cloud computing arrangement costs						448	29	419	NM
Remeasurement of deferred compensation plan liabilities Remeasurement of deferred compensation plan liabilities	(145)	(154)	9	NM	Remeasurement of deferred compensation plan liabilities	343 160	160 183	183 114	114 %
Adjusted operating (loss) income	$ (715)	$ 11,488	$(12,203)	NM					
Adjusted operating income					Adjusted operating income	$150,960	$ 126,310	$ 24,650	20 %

	Six Months Ended December 31,		Change	
	2023	2022	Amount	Percentage
Operating income	$ 103,999	$ 102,134	$ 1,865	2 %
Non-cash portion of arena license fees from MSG Sports (a)	(9,615)	(12,929)	3,314	26 %
Depreciation and amortization	26,790	31,571	(4,781)	(15)%
Share-based compensation (excluding share-based compensation in restructuring charges)	13,950	13,965	(15)	NM
Gains, net on dispositions	—	(4,412)	4,412	NM
Restructuring charges	12,441	7,359	5,082	69 %
Merger, spin-off, and acquisition-related costs (b)	2,035	—	2,035	NM
Amortization for capitalized cloud computing arrangement costs	448	104	344	NM
Remeasurement of deferred compensation plan liabilities	198	6	192	NM
Adjusted operating income	$ 150,246	$ 137,798	$ 12,448	9 %

(a) *This adjustment represents the non-cash portion of operating lease revenue related to the Company's Arena License Agreements with MSG Sports. Pursuant to GAAP, recognition of operating lease revenue 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 revenue is comprised of a contractual cash component plus or minus a non-cash component for each period presented. Operating income on a GAAP basis includes lease income of (i) $829 $15,409 and $16,238 of revenue collected in cash for the three and six months ended September 30, 2023 December 31, 2023, respectively, and $805 $19,416 and $20,220 of revenue collected in cash for the three and six months ended September 30, 2022 December 31, 2022, respectively, and (ii) a non-cash portion of $495 $9,120 and $9,615 for the three and six months ended September 30, 2023 December 31, 2023, respectively, and $519 $12,410 and $12,929 for the three and six months ended September 30, 2022. December 31, 2022, respectively.*

(b) *This adjustment represents non-recurring costs incurred and paid by the Company for the sale of the Retained Interest by Sphere Entertainment.*

NM — Absolute percentages greater than 200% and comparisons from positive to negative values or to zero values are considered not meaningful.

Net loss attributable to nonredeemable noncontrolling interests

For the three and six months ended September 30, 2023 December 31, 2023, the Company recorded $0 of net loss attributable to nonredeemable noncontrolling interests as compared to $372 $181 and $553 of net loss attributable to nonredeemable noncontrolling interests for the three and six months ended September 30, 2022 December 31, 2022. These amounts represent the share of net loss of BCE that were not attributable to the Company. The Company disposed of its controlling interest in BCE on December 2, 2022.

Liquidity and Capital Resources

Sources and Uses of Liquidity

Our primary sources of liquidity are cash and cash equivalents, cash flows from our business operations and available borrowing capacity under the National Properties Revolving Credit Facility (as defined below). Our principal uses of cash include working capital-related items (including funding our operations), capital spending, debt service, investments and related loans and advances that we may fund from time to time. We may also use cash to continue to repurchase shares of our Class Common A Stock pursuant to the share repurchase program authorized by our Board of Directors on March 29, 2023, of which there was approximately $110,000 remaining as of September 30, 2023 December 31, 2023. Our decisions as to the use of our available liquidity will be based upon the ongoing review of the funding needs of the business, the optimal allocation of cash resources, and the timing of cash flow generation. To the extent that we desire to access alternative sources of funding through the capital and credit markets, challenging U.S. and global economic and market conditions could adversely impact our ability to do so at that time.

We regularly monitor and assess our ability to meet our net funding and investing requirements. As of September 30, 2023 December 31, 2023, the Company's unrestricted cash and cash equivalents balance was $37,179. $35,229. The principal balance of the Company's total debt outstanding as of September 30, 2023 December 31, 2023 was $732,405 $633,750 and the Company had $44,254 $132,409 of available borrowing capacity under its revolving credit facility. The principal balance of the Company's total debt outstanding was reduced to $728,343 on October 2, 2023, upon completion of the required quarterly principal payment under the Company's National Properties Term Loan Facility (as defined below). Revolving Credit Facility. We believe we have sufficient liquidity from cash and cash equivalents, available borrowing capacity under our credit facilities and cash flows from operations to fund our operations and satisfy any obligations for the foreseeable future.

In October 2023, the Company repaid $35,000 under the National Properties Revolving Credit Facility, as further discussed below.

Financing Agreements

See Note 9. 10. Credit Facilities, to the financial statements included in "— Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for discussions of the Company's debt obligations and various financing agreements.

National Properties Facilities

General. MSG National Properties, LLC ("MSG National Properties"), MSG Entertainment Holdings, LLC ("MSG Entertainment Holdings") and certain subsidiaries of MSG National Properties are party to a credit agreement dated June 30, 2022 with JP Morgan Chase Bank, N.A., as administrative agent and the lenders and L/C issuers party thereto (as amended, the "National Properties Credit Agreement"), providing for a five-year, $650,000 senior secured term loan facility (the "National Properties Term Loan Facility") and a five-year, $100,000 revolving credit facility (the "National Properties Revolving Credit Facility" and, together with the National Properties Term Loan Facility, the "National Properties Facilities"). On September 15, 2023, the National Properties Credit Agreement was amended to, among other things, increase the National Properties Revolving Credit Facility by $50,000 to $150,000. Up to $25,000 of the National Properties Revolving Credit Facility is available for the issuance of letters of credit. As of September 30, 2023 December 31, 2023 outstanding letters of credit were $15,646 $17,591 and the remaining balance available under the National Properties Revolving Credit Facility was $44,254 $132,409. In October 2023, the Company made a principal repayment of $35,000 under the National Properties Revolving Credit Facility.

Interest Rates. Borrowings under the current National Properties Facilities bear interest at a floating rate, which at the option of MSG National Properties may be either (a) a base rate plus an applicable margin ranging from 1.50% to 2.50% per annum, determined based on the total leverage ratio of MSG National Properties and its restricted subsidiaries (the "National Properties Base Rate"), or (b) adjusted Term SOFR (i.e., Term SOFR plus 0.10%) plus an applicable margin ranging from 2.50% to 3.50% per annum, determined based on the total leverage ratio of MSG National Properties and its restricted subsidiaries (the "National Properties SOFR Rate"). As of September 30, 2023, the additional rate used in calculating the floating rate was (i) 2.50% per annum for borrowings bearing the National Properties Base Rate, and (ii) 5.42% per annum for borrowings bearing the National Properties SOFR Rate. The National Properties Credit Agreement requires MSG National Properties to pay a commitment fee ranging from 0.30% to 0.50% in respect of the daily unused commitments under the National Properties Revolving Credit Facility. MSG National Properties is also required to pay customary letter of credit fees, as well as fronting fees, to banks that issue letters of credit pursuant to the National Properties Credit Agreement. The interest rate on the National Properties Facilities as of September 30, 2023 December 31, 2023 was 7.92% 8.46%.

Principal Repayments. Subject to customary notice and minimum amount conditions, the Company may voluntarily repay outstanding loans under the National Properties Facilities or terminate commitments under the National Properties Revolving Credit Facility, at any time, in whole or in part, subject only to customary breakage costs in the case of prepayment of Term SOFR loans. The National Properties Facilities will mature on June 30, 2027. The principal obligations under the National Properties Term Loan Facility are to be repaid in quarterly installments beginning with the fiscal quarter ended March 31, 2023, in an aggregate amount equal to 2.50% per

annum (0.625% per quarter), stepping up to 5.0% per annum (1.25% per quarter) in the fiscal quarter ending September 30, 2025, with the balance due at the maturity of the facility. On October 2, 2023, MSG National Properties made principal repayments of $4,062 under the National Properties Term Loan Facility. The principal obligations under the National Properties Revolving Credit Facility are due at the maturity of the facility. Under certain circumstances, MSG National Properties is required to make mandatory prepayments on loans outstanding, including prepayments in an amount equal to the net cash proceeds of certain sales of assets or casualty insurance and/or condemnation recoveries (subject to certain reinvestment, repair or replacement rights), subject to certain exceptions.

Covenants. The National Properties Credit Agreement includes financial covenants requiring MSG National Properties and its restricted subsidiaries to maintain a specified minimum liquidity level, a specified minimum debt service coverage ratio and specified maximum total leverage ratio. The minimum liquidity level is set at $50,000, and is tested based on the level of average daily liquidity, consisting of cash and cash equivalents and available revolving commitments, over the last month of each quarter over the life of the National Properties Facilities. The debt service coverage ratio covenant began testing in the fiscal quarter ended December 31, 2022, and is set at a ratio of 2:1 before stepping up to 2.5:1 in the fiscal quarter ending September 30, 2024. The leverage ratio covenant began testing in the fiscal quarter ended June 30, 2023. It is tested based on the ratio of MSG National Properties and its restricted subsidiaries' consolidated total indebtedness to adjusted operating income, with an initial maximum ratio of 6:1, stepping down to 5.5:1 in the fiscal quarter ending June 30, 2024 and 4.5:1 in the fiscal quarter ending June 30, 2026. As of September 30, 2023 December 31, 2023, MSG National Properties and its restricted subsidiaries were in compliance with the covenants of the National Properties Credit Agreement.

In addition to the financial covenants discussed above, the National Properties Credit Agreement and the related security agreement contain certain customary representations and warranties, affirmative and negative covenants and events of default. The National Properties Credit Agreement contains certain restrictions on the ability of MSG National Properties and its restricted subsidiaries to take certain actions as provided in (and subject to various exceptions and baskets set forth in) the National Properties Credit Agreement, including the following: (i) incur additional indebtedness; (ii) create liens on certain assets; (iii) make investments, loans or advances in or to other persons; (iv) pay dividends and distributions or repurchase capital stock (which will restrict the ability of MSG National Properties to make cash distributions to the Company); (v) repay, redeem or repurchase certain indebtedness; (vi) change its lines of business; (vii) engage in certain transactions with affiliates; (viii) amend their respective organizational documents; (ix) merge or consolidate; and (x) make certain dispositions.

Guarantors and Collateral. All obligations under the National Properties Facilities are guaranteed by MSG Entertainment Holdings and MSG National Properties' existing and future direct and indirect domestic subsidiaries, other than the subsidiaries that own The Garden and certain other excluded subsidiaries (the "Subsidiary Guarantors"). All obligations under the National Properties Facilities, including the guarantees of those obligations, are secured by certain of the assets of MSG National Properties and the Subsidiary

Guarantors (collectively, "Collateral") including, but not limited to, a pledge of some or all of the equity interests held directly or indirectly by MSG National Properties in each Subsidiary Guarantor. The Collateral does not include, among other things, any interests in The Garden or the leasehold interests in Radio City Music Hall and the Beacon Theatre.

Contractual Obligations

During the three six months ended September 30, 2023 December 31, 2023, the Company did not have any material changes in its non-cancelable contractual obligations (other other than the recognition of an additional lease obligation and right-of-use lease asset and activities in the ordinary course of business). business. See Note 8. 7. Property and Equipment, Net and Note 9. Commitments and Contingencies, to the financial statements included in "— Item 1. Financial Statements" of this Quarterly Report on Form 10-Q for further details on the Company's contractual obligations.

Cash Flow Discussion

As of September 30, 2023 December 31, 2023, cash, cash equivalents and restricted cash totaled $39,516, $37,572, as compared to $84,355 as of June 30, 2023. The following table summarizes the Company's cash flow activities for the three six months ended September 30, 2023 December 31, 2023 and 2022:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022
Net cash provided by (used in) operating activities	$ 1,378	$ (57,326)
Net cash used in investing activities	(55,490)	(1,036)
Net cash provided by financing activities	9,273	102,096
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (44,839)	$ 43,734

	Six Months Ended December 31, 2023	Six Months Ended December 31, 2022
Net cash provided by operating activities	$ 105,232	$ 69,336
Net cash (used in) provided by investing activities	(62,731)	22,390
Net cash used in financing activities	(89,284)	(553)
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (46,783)	$ 91,173

Operating Activities

Net cash provided by operating activities for the three six months ended September 30, 2023 December 31, 2023 improved by $58,704 $35,896 to $1,378 $105,232 as compared to the prior year period, primarily due to (i) increase in related parties receivables and payables net, and (ii) increase in deferred revenue, partially offset by (i) increase in accounts receivable, net, and (ii) a decrease in accounts payable, accrued and other current and non-current liabilities.

Investing Activities

Net cash used in investing activities for the three six months ended September 30, 2023 December 31, 2023 increased by $54,454 $85,121 to $55,490 $62,731 as compared to the prior year period primarily due (i) to a loan to a related party under the DDTL facility, and (ii) the absence of proceeds received from the dispositions of BCE and the corporate aircraft recognized in the prior year period, partially offset by additional proceeds received from the sale of investments in the current year period as compared to the prior year period.

Financing Activities

Net cash provided by used in financing activities for the three six months ended September 30, 2023 decreased December 31, 2023 increased by $92,823 $88,731 to $9,273 $89,284 as compared to the prior year period primarily due to (i) a decrease an increase in net transfers from Sphere Entertainment and Sphere Entertainment's subsidiaries under carve-out accounting principles, principal debt repayments, (ii) increase in stock repurchases, and (iii) increase in taxes paid in lieu of shares for equity based compensation in the current period, partially offset by proceeds received from revolving credit facility the National Properties Revolving Credit Facility and a decrease in net transfers from Sphere Entertainment and Sphere Entertainment's subsidiaries under carve-out accounting principles in the current period.

Seasonality of Our Business

The revenues the Company earns from the *Christmas Spectacular* and arena license fees from MSG Sports in connection with the Knicks' and Rangers' use of The Garden generally means the Company earns a disproportionate share of its revenues and operating income in the second and third quarters of the Company's fiscal year, with the first and fourth fiscal quarters being disproportionately lower.

Recently Issued Accounting Pronouncements and Critical Accounting Estimates

Recently Issued and Adopted Accounting Pronouncements

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

Critical Accounting Estimates

There have been no material changes to the Company's critical accounting estimates. In addition to the critical accounting estimates disclosed below, see Note 17. Related Party Transactions to the 2023 from those set forth in our Annual Report on Form 10-K for further details on corporate allocations recorded in the consolidated and combined financial statements.

The preparation of the Company's consolidated and combined 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. Management believes its use of estimates in the consolidated and combined financial statements to be reasonable. The significant accounting policies which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include the following:

Revenue Recognition – Arrangements with Multiple Performance Obligations

The Company enters into arrangements with multiple performance obligations, such as multi-year sponsorship agreements which may derive revenues for both the Company as well as MSG Sports within a single arrangement. The Company also derives revenue from similar types of arrangements which are entered into by MSG Sports. Payment terms for such arrangements can vary by contract, but payments are generally due in installments throughout the contractual term. The performance obligations included in each sponsorship agreement vary and may include advertising and other benefits such as, but not limited to, signage at The Garden and the Company's other venues, digital advertising, and event or property specific advertising, as well as non-advertising benefits such as suite licenses and event tickets. To the extent the Company's multi-year arrangements provide for performance obligations that are consistent over the multi-year contractual term, such performance obligations generally meet the definition of a series as provided for under the accounting guidance. If performance obligations are concluded to meet the definition of a series, the contractual fees for all years during the contract term are aggregated and the related revenue is recognized proportionately as the underlying performance obligations are satisfied.

The timing of revenue recognition for each performance obligation is dependent upon the facts and circumstances surrounding the Company's satisfaction of its respective performance obligation. The Company allocates the transaction price for such arrangements to each performance obligation within the arrangement based on the estimated relative standalone selling price of the performance obligation. The Company's process for determining its estimated standalone selling prices involves management's judgment and considers multiple factors including company specific and market specific factors that may vary depending upon the unique facts and circumstances related to each performance obligation. Key factors considered by the Company in developing an estimated standalone selling price for its performance obligations include, but are not limited to, prices charged for similar performance obligations, the Company's ongoing pricing strategy and policies, and consideration of pricing of similar performance obligations sold in other arrangements with multiple performance obligations.

The Company incurs costs such as commissions to obtain its multi-year sponsorship agreements. The Company assesses such costs for capitalization on a contract by contract basis. To the extent costs are capitalized, the Company estimates the useful life of the related contract asset which may be the underlying contract term or the estimated customer life depending on the facts and circumstances surrounding the contract. The contract asset is amortized over the estimated useful life. fiscal year ended June 30, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There were no material changes to the disclosures regarding market risks in connection with our pension and postretirement plans. See Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of the 2023 Form 10-K.

Potential Interest Rate Risk Exposure

The Company, through its subsidiary, MSG National Properties, is subject to potential interest rate risk exposure related to borrowings incurred under its credit facilities. Changes in interest rates may increase interest expense payments with respect to any borrowings incurred under these credit facilities. The effect of a hypothetical 200 basis point increase in floating interest rate prevailing as of September 30, 2023 December 31, 2023 and continuing for a full year would increase the Company's interest expense on the outstanding amounts under the credit facilities by $14,648. $12,675.

Item 4. Controls and Procedures

Our management, with the participation of our Executive Chairman and Chief Executive Officer and Chief Financial Officer, our Executive Vice President and Treasurer (functioning as our principal financial officer) evaluated the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act. Based on that evaluation, our Executive Chairman and Chief Executive Officer and Chief Financial Officer Executive Vice President and Treasurer (functioning as our principal financial officer) concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 December 31, 2023.

Changes in Internal Control over Financial Reporting

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) under the Securities Exchange Act of 1934) during the fiscal quarter ended September 30, 2023 December 31, 2023, 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 and Issuer Purchases of Equity Securities

On March 29, 2023, the Company's Board of Directors authorized a share repurchase program to repurchase up to $250 million of the Company's Class A Common Stock (the "Stock Repurchase Program"). Pursuant to the Stock Repurchase Program, 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. For the three six months ended September 30, 2023 December 31, 2023, the Company repurchased 3,525,314 shares of Class A Common Stock for approximately $115 million. As of September 30, 2023 December 31, 2023, the Company had approximately $110 million remaining available for repurchases.

The following table provides information with respect to For the Company's purchases three months ended December 31, 2023, the Company did not repurchase any shares of its Class A Common Stock during the quarter ended September 30, 2023:

Period	Total Number of Shares Purchased		Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program		Maximum Fair Value of Shares that May Yet Be Purchased Under the Program
July 2023	—	$	—	—	$	225,000,023
August 2023	1,922,750		34.07	1,922,750		159,488,470
September 2023	1,602,564		31.20	1,602,564		109,488,473
	3,525,314	$	32.77	3,525,314	$	109,488,473

Stock.

Item 6. Exhibits

(a) Index to Exhibits

EXHIBIT NO.	DESCRIPTION
10.1	Amendment No. 3 to Credit Employment Agreement dated December 18, 2023, between Madison Square Garden Entertainment Corp. and Laura Franco.†
10.2	Employment Agreement, dated as of September 15, 2023 February 1, 2024, among MSG National Properties, LLC, the guarantors party thereto, the lender party thereto between Madison Square Garden Entertainment Corp. and JPMorgan Chase Bank, N.A., as administrative agentMichael Grau (incorporated by reference to Exhibit 10.1 to the Company's Company's Current Report on Form 8-K filed on September 21, 2023) February 5, 2024).. †
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the ChiefPrincipal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by theChief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification by the ChiefPrincipal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101	The following materials from the Madison Square Garden Entertainment Corp. Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 December 31, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) condensed consolidated balance sheets, (ii) condensed consolidated and combined statements of operations, (iii) condensed consolidated and combined statements of comprehensive loss, income, (iv) condensed consolidated and combined statements of cash flows, (v) condensed consolidated and combined statements of (deficit) equity, and (vi) notes to condensed consolidated and combined financial statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 December 31, 2023 formatted in Inline XBRL and contained in Exhibit 101.

____

† This exhibit is a management contract or a compensatory plan or arrangement.

* 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 7th day of November 2023. February 2024.

Madison Square Garden Entertainment Corp.

By: /S/ DAVID F. BYRNES COURTNEY M. ZEPPETELLA

Name: David F. Byrnes Courtney M. Zeppetella

Title: Executive Senior Vice President, Controller and Chief Financial Accounting Officer

Exhibit 10.1

0001952073-24-000009imagea.jpg

December 18, 2023

Ms. Laura Franco
c/o Madison Square Garden Entertainment Corp.
Two Pennsylvania Plaza
New York, NY 10121

Dear Laura:

This letter agreement (the “Agreement”), effective as of the date hereof (the “Effective Date”), will confirm the terms of your employment with the Company which shall commence on February 20, 2024 or such later date as the parties may agree (the “Commencement Date”).

1. Commencing on the Commencement Date, your title will be Executive Vice President and General Counsel and you will report to the Executive Chairman and Chief Executive Officer of the Company. Subject to Paragraph 2 below, you agree to devote such business time and attention to the business and affairs of the Company as is necessary to perform your duties in a diligent, competent, professional and skillful manner and in accordance with applicable law. Notwithstanding the foregoing, nothing herein shall preclude you from (i) serving as a member of the board of directors or advisory board (or their equivalents in the case of a non-corporate entity) of up to two non-competing business with the approval of the Executive Chairman and Chief Executive Officer, which may include your service as a member of the board of Virgin Voyages for which no further approval is required, (ii) engaging in charitable activities and community affairs, and (iii) managing your personal investments and affairs; provided, however, that the activities set out in clauses (i), (ii) and (iii) shall be limited by you so as not to materially interfere, individually or in the aggregate, with the performance of your duties and responsibilities hereunder, including compliance with the covenants set forth in Appendix A.

2. The Company acknowledges that, in addition to your services pursuant to this Agreement, and from and after the commencement of your employment with each such entity, you will simultaneously be employed by, and are expected to devote a portion of your business time and attention to, Sphere Entertainment Co. (“Sphere”). The Company understands that you have entered into, or are concurrent herewith entering into, an employment agreement with Sphere and recognizes and agrees that your responsibilities to Sphere will preclude you from devoting substantially all of your time and attention to the Company’s affairs, but apart from your arrangement with Sphere or as otherwise permitted under Paragraph 1 above you will not undertake any outside business commitments without the Company’s consent and you will, upon request, cooperate with the Company in reviewing your obligations under Paragraph 1 above. In addition, as recognized in Article Tenth of the Company’s Second Amended and Restated

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Certificate of Incorporation (the “Overlap Policy”), there may be certain potential conflicts of interest and fiduciary duty issues associated with your roles at the Company and Sphere. The Company recognizes and agrees that none of (i) your multiple responsibilities at the Company and Sphere (and at their respective controlled affiliates), (ii) your inability to devote substantially all of your time and attention to the Company’s (and its controlled affiliates’) affairs, (iii) the actual or potential conflicts of interest and fiduciary duty issues that are waived in the Overlap Policy, or (iv) any actions taken, or omitted to be taken, by you in good faith to comply with your duties and responsibilities to the Company (and its controlled affiliates) in light of your multiple responsibilities to the Company and Sphere (and their respective controlled affiliates), shall be deemed to be a breach by you of your obligations under this Agreement (including your obligations under Annex A) nor shall any of the foregoing constitute “Cause” as such term is defined in Paragraph 11 hereof.

3. Commencing on the Commencement Date, your annual base salary will be not less than $550,000 annually, paid bi-weekly, subject to annual review and potential increase by the Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) in its discretion. The Compensation Committee will review your compensation package on an annual basis to ensure that you are paid consistently with other similarly situated executives of the Company as well as external peers.

4.

(a) Commencing with the Company's fiscal year starting July 1, 2023, you will also participate in our discretionary annual bonus program with an annual target bonus opportunity equal to not less than 100% of your annual base salary. Any annual bonus granted to you with respect to the Company's fiscal year starting July 1, 2023 will have a pro-rated target value to reflect your mid-year hire (based on the number of full months remaining in the fiscal year as of your actual start date divided by 12; provided, however, that February 2024 shall be included as a full month when pro-rating the target). Bonus payments depend on a number of factors including Company and unit and individual performance. However, the decision of whether or not to pay a bonus, and the amount of that bonus, if any, is made by the Compensation Committee in its sole discretion. Annual bonuses are typically paid early in the subsequent fiscal year. Except as otherwise provided herein, in order to receive a bonus, you must be employed by the Company at the time bonuses are being paid. Notwithstanding the foregoing, if your employment with the Company ends on or after the Scheduled Expiration Date (as defined below), you shall be paid your bonus for the fiscal year starting July 1, 2026 (based on the salary dollars actually paid through the Termination Date (as defined below), and payable at such time as bonuses are paid to the Company's management employees), if any, which bonus shall be subject to Company and your business unit performance for that fiscal

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year as determined by the Company in its sole discretion, but without adjustment for your individual performance.

(b) In addition to the cash compensation described above, you will be entitled to a one-time special cash payment of $237,500, paid within thirty days of the Commencement Date (the "Special Cash Award"). If at any time prior to the first anniversary of the Commencement Date your employment with the Company terminates as a result of (i) your termination of your employment (other than for "Good Reason" or due to your death or Disability (as defined in the Company's Long Term Disability Plan)), or (b) an involuntary termination by the Company for "Cause" (each as defined below), then you shall promptly refund to the Company the full amount of the Special Cash Award.

5.

(a) Commencing with the Company's fiscal year starting July 1, 2023, you will also, subject to your continued employment by the Company and actual grant by the Compensation Committee, participate in such equity and other long-term incentive programs that are made available to similarly situated executives at the Company. It is expected that such awards will consist of annual grants of cash and/or equity awards with an annual target value of not less than $700,000, all as determined by the Compensation Committee in its discretion. It is expected that the long-term incentive award(s) granted to you with respect to the Company's fiscal year starting July 1, 2023 will be made in April 2024 and will have a pro-rated target value to reflect your mid-year hire (based on the number of full months remaining in the fiscal year as of your actual start date divided by 12; provided, however, that February 2024 shall be included as a full month when pro-rating the target). All awards described in this Paragraph, in addition to being subject to actual grant by the Compensation Committee, would be pursuant to the applicable plan document and would be subject to any terms and conditions established by the Compensation Committee in its sole discretion that would be detailed in separate agreements you would receive after any award is actually made; provided, however, that such terms and conditions shall be consistent with those in awards granted to similarly situated executives (subject to any more favorable terms set forth in this Agreement). Long-term incentive awards are currently expected to be subject to three-year vesting.

(b) In addition to your participation in the Company's regular long-term incentive programs, subject to actual grant by the Compensation Committee, you will receive a one-time special award of restricted stock units with an aggregate grant date value of $923,357.30 (as determined by the Compensation Committee in its discretion) (the "Special RSU Grant"). The Special RSU Grant will be made at the same time mid-year equity awards are granted to active employees of the Company (expected to be in April 2024), will be subject to four-year vesting (with approximately 32% vesting on September 15, 2024, 40% vesting on September 15, 2025, 24% vesting on September 15, 2026 and 4% vesting on September 15, 2027) and have terms consistent with the publicly available Form of Madison Square Garden Entertainment Co. (formerly MSGE Spinco, Inc.) Restricted Stock Units Agreement. The Special RSU Grant will be issued pursuant to the applicable plan document and will be subject to any additional terms and conditions consistent with the foregoing that may be established by the Compensation Committee in its sole discretion and are detailed in a separate agreement you will receive after any award is actually made.

6. You will also be eligible to participate in our standard benefits program, subject to meeting the relevant eligibility requirements, payment of the required premiums, and the terms of the plans themselves. We currently offer medical, dental, vision, life, and accidental death and dismemberment insurance; short- and long- term disability insurance; a savings and retirement program; and ten paid holidays. You will also be eligible for flexible time off in accordance with Company policy and reimbursement of business expenses upon submission of appropriate documentation in accordance with Company policy.

7. If your employment with the Company is terminated on or prior to the third anniversary of the Commencement Date (the "Scheduled Expiration Date") (i) by the Company (other than for "Cause"); or (ii) by you for "Good Reason" (other than if "Cause" then exists); then, subject to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Separation Agreement (as defined below), the Company will provide you with the following:

(a) Severance in an amount to be determined by the Company (the "Severance Amount"), but in no event less than two (2) times the sum of your annual base salary and your annual target bonus as in effect at the time your employment terminates. Sixty percent (60%) of the Severance Amount will be payable to you on the six-month anniversary of the date your employment so terminates (the "Termination Date") and the remaining forty percent (40%) of the Severance Amount will be payable to you on the twelve-month anniversary of the Termination Date;

(b) Any unpaid annual bonus for the Company's fiscal year prior to the fiscal year which includes your Termination Date, and a pro rated bonus based on the amount of your base salary actually earned by you during the Company's fiscal year through the Termination Date, each of which will be paid to you when such bonuses are generally paid to similarly situated active executives and will be based on your then current annual target bonus as well as Company and your business unit performance for the applicable fiscal year as determined by the Company in its sole discretion, but without adjustment for your individual performance;

(c) Any unpaid portion of the Special Cash Award and, if the Special RSU Grant has not previously been awarded, $923,357.30, which amounts shall be paid within 60 days after the date of termination of your employment;

(d) Each of your outstanding long-term cash awards, if any, granted under the plans of the Company shall immediately vest in full and shall be payable to you at the same time as such awards are paid to active executives of the Company and the payment amount of such award shall be to the same extent that other similarly situated active executives receive payment as determined by the Compensation Committee (subject to satisfaction of any applicable performance criteria but without adjustment for your individual performance);

(e) (i) All of the time-based restrictions on each of your outstanding restricted stock or restricted stock unit awards granted to you under the plans of the Company shall immediately be eliminated, (ii) deliveries with respect to your restricted stock that are not subject to performance criteria or are subject to performance criteria that have previously been satisfied (as certified by the Compensation Committee) shall be made immediately after the effective date of the Separation Agreement, (iii) payment and deliveries with respect to your restricted stock units that are not subject to performance criteria or are subject to performance criteria that have previously been satisfied (as certified by the Compensation Committee) shall be made as soon as reasonably practicable after your execution and delivery of the Separation Agreement (and the expiration of any applicable revocation period) and (iv) payments or deliveries with respect to your restricted stock and restricted stock units that are subject to performance criteria that have not yet been satisfied shall be made at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria); and

(f) Each of your outstanding stock options and stock appreciation awards, if any, under the plans of the Company shall immediately vest and become exercisable, and you shall have the right to exercise each of those options and stock appreciation awards for the remainder of the term of such option or award.

If you die after a termination of your employment that is subject to this Paragraph 7, your estate or beneficiaries will be provided with any remaining benefits and rights under this Paragraph 7.

If the Company unilaterally determines that your employment with the Company will not commence (other than due to (i) your inability to commence employment with the Company on the Commencement Date, including without limitation due to a failure to pass the Company's standard background check and immigration processes, (ii) your death or disability prior to the Commencement Date, or (iii) your commission of any act or omission that results in a

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conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any crime involving moral turpitude or any felony, and your employment does not commence as of the Commencement Date, then you will be entitled to the benefits and rights set forth in Paragraph 7(a) (determined based on the annual base salary and target bonus that would have been in effect on the Commencement Date) and Paragraph 7(c), subject to your execution and delivery, within 60 days after the date the Company notifies you of such determination, and non-revocation (within any applicable revocation period) of the Separation Agreement.

8.

(a) If you cease to be an employee of the Company prior to the Scheduled Expiration Date as a result of your death or your Disability, and at such time Cause does not exist then, subject (other than in the case of death) to your execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Separation Agreement, you or your estate or beneficiary shall be provided with the benefits and rights set forth in Paragraphs 7(b), (c), (e) and (f) above, and each of your outstanding long-term cash awards, if any, granted under the plans of the Company shall immediately vest in full, whether or not subject to performance criteria and shall be payable as soon as reasonably practicable after your execution and delivery of the Separation Agreement (and the expiration of any applicable revocation period); provided, that if any such award is subject to any performance criteria, then (i) if the measurement period for such performance criteria has not yet been fully completed, then the payment amount shall be at the target amount for such award and (ii) if the measurement period for such performance criteria has already been fully completed, then the payment of such award shall be at the same time and to the extent that other similarly situated executives receive payment as determined by the Compensation Committee (subject to satisfaction of the applicable performance criteria).

(b) If after the Scheduled Expiration Date, your employment with the Company is terminated (i) by the Company without Cause, (ii) by you for Good Reason, or (iii) as a result of your death or Disability and at the time of any such termination Cause does not exist, then, subject to your (or, in the case of your death, your representative's) execution and delivery, within 60 days after the date of termination of your employment, and non-revocation (within any applicable revocation period) of the Separation Agreement, you will be provided with the benefits and rights set forth in Paragraphs 7(b), (d), (e) and (f) above.

9. For purposes hereof, “Separation Agreement” shall mean the Company’s standard severance agreement (modified to reflect the terms of this Agreement) which will include, without

limitation, the provisions set forth in Paragraphs 7, 8 and 10 hereof and Annex A hereto regarding non-compete (limited to one year), non-disparagement, non-hire/non-solicitation, confidentiality (including, without limitation, the last paragraph of Section 3 of Annex A), and further cooperation obligations and restrictions on you (with Company reimbursement of your associated expenses and payment for your services as described in Annex A in connection with any required post-employment cooperation) as well as a general release by you of the Company and its affiliates (and their respective directors and officers) other than Sphere and its controlled affiliates (and their respective directors and officers in their capacities as such), with customary carve-outs but shall otherwise contain no post-employment covenants unless agreed to by you. The Company shall provide you with the form of Separation Agreement within seven days of your termination of employment. For avoidance of doubt, your rights of indemnification under the Company’s Amended and Restated Certificate of Incorporation or the constituent instruments or documents of any of the Company’s affiliates, under your indemnification agreement with the Company and under any insurance policy, or under any other resolution of the Board of Directors of the Company shall not be released, diminished or affected by any Separation Agreement or release or any termination of your employment.

10. Except as otherwise set forth in Paragraphs 7 and 8 hereof, in connection with any termination of your employment, your then outstanding equity and cash incentive awards shall be treated in accordance with their terms and, other than as provided in this Agreement, you shall not be eligible for severance benefits under any other plan, program or policy of the Company. Nothing in this Agreement is intended to limit any more favorable rights that you may be entitled to under your equity and/or cash incentive award agreements, including, without limitation, your rights in the event of a termination of your employment, a “Going Private Transaction” or a “Change of Control” (as those terms are defined in the applicable award agreement).

11. For purposes of this Agreement, “Cause” means your (i) commission of an act of fraud, embezzlement, misappropriation, willful misconduct, gross negligence or breach of fiduciary duty against the Company or an affiliate thereof, or (ii) commission of any act or omission that results in a conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any crime involving moral turpitude or any felony.

For purposes of this Agreement, “Good Reason” means that (1) without your written consent, (A) your annual base salary or annual target bonus (as each may be increased from time to time in the Compensation Committee’s sole discretion) is reduced, (B) your title (as in effect from time to time) is diminished, (C) you report to someone other than to the Executive Chairman and Chief Executive Officer of the Company, (D) you are no longer the Company’s most senior legal officer, (E) the Company requires that your principal office be located outside of the Borough of Manhattan, (F) the Company materially breaches its obligations to you under this Agreement, (G) your responsibilities as in effect immediately after the Commencement Date are thereafter materially diminished, or (H) the Company fails to issue the Special RSU Grant at the time mid-year equity awards are granted to active employees of the Company for the fiscal year beginning July 1, 2023 or, if no mid-year awards are granted to active employees, by May 31, 2023, (2) you have given the Company written notice, referring specifically to this Agreement and definition, that you do not consent to such action, (3) the Company has not corrected such action within 15 days of receiving such notice, and (4) you voluntarily terminate your employment with the Company within 90 days following the happening of the action described in subsection (1) above.

12. This Agreement does not constitute a guarantee of employment for any definite period. Your employment is at will and may be terminated by you or the Company at any time, with or without notice or reason; provided, that in order to terminate your employment without Good Reason, you agree to provide the Company with at least 60 days' prior written notice.

13. The Company may withhold from any payment due to you any taxes required to be withheld under any law, rule or regulation. If any payment otherwise due to you hereunder would result in the imposition of the excise tax imposed by Section 4999 of the Code, the Company will instead pay you either (i) such amount or (ii) the maximum amount that could be paid to you without the imposition of the excise tax, depending on whichever amount results in your receiving the greater amount of aftertax proceeds. In the event that the payments and benefits payable to you would be reduced as provided in the previous sentence, then such reduction will be determined in a manner which has the least economic cost to you and, to the extent the economic cost is equivalent, such payments or benefits will be reduced in the inverse order of when the payments or benefits would have been made to you (i.e. later payments will be reduced first) until the reduction specified is achieved. If the Company elects to retain any accounting or similar firm to provide assistance in calculating any such amounts, the Company shall be responsible for the costs of any such firm.

14. It is intended that this Agreement will comply with Section 409A to the extent this Agreement is subject thereto, and that this Agreement shall be interpreted on a basis consistent with such intent. Any payment or benefit under Paragraphs 7 or 8 of this Agreement that is payable to you by reason of your termination of employment shall be made or provided to you only upon a "separation from service" as defined for purposes of Section 409A under applicable regulation, provided that the service recipient and the employer for this purpose shall be the service recipient as defined by Treasury Regulation Section 1.409A-1(g). If and to the extent that any payment or benefit under this Agreement, or any plan, award or arrangement of the Company or its affiliates, constitutes "non-qualified deferred compensation" subject to Section 409A and is payable to you by reason of your termination of employment, then if you are a "specified employee" (within the meaning of Section 409A as determined by the Company), such payment or benefit shall not be made or provided before the date that is six months after the

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date of your separation from service (or your earlier death). Any amount not paid or benefit not provided in respect of the six month period specified in the preceding sentence will be paid to you, together with interest on such delayed amount at a rate equal to the average of the one-year SOFR fixed rate equivalent for the ten business days prior to the date of your employment termination, in a lump sum or provided to you as soon as practicable after the expiration of such six month period. Each payment or benefit provided under this Agreement shall be treated as a separate payment for purposes of Section 409A to the extent Section 409A applies to such payment.

15. To the extent you are entitled to any expense reimbursement from the Company that is subject to Section 409A, (i) the amount of any such expenses eligible for reimbursement in one calendar year shall not affect the expenses eligible for reimbursement in any other taxable year (except under any lifetime limit applicable to expenses for medical care), (ii) in no event shall any such expense be reimbursed after the last day of the calendar year following the calendar year in which you incurred such expense, and (iii) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit.

16. The Company will not take any action, or omit to take any action, that would expose any payment or benefit to you to the additional tax of Section 409A, unless (i) the Company is obligated to take the action under an agreement, plan or arrangement to which you are a party, (ii) you request the action, (iii) the Company advises you in writing that the action may result in the imposition of the additional tax and (iv) you subsequently

request the action in a writing that acknowledges you will be responsible for any effect of the action under Section 409A. The Company will hold you harmless for any action it may take or omission in violation of this Paragraph 16, including any attorney's fees you may incur in enforcing your rights.

17. It is our intention that the benefits and rights to which you could become entitled in connection with termination of employment be exempt from or comply with Section 409A. If you or the Company believes, at any time, that any of such benefit or right is not exempt or does not comply, it will promptly advise the other and will negotiate reasonably and in good faith to amend the terms of such arrangement such that it complies (with the most limited possible economic effect on you and on the Company).

18. This Agreement is personal to you and without the prior written consent of the Company shall not be assignable by you other than by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by your legal representatives. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns. The rights or obligations of the Company under this Agreement may only be assigned or transferred pursuant to a merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of Company; provided,

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however, that the assignee or transferee is the successor to all or substantially all of the assets of Company and such assignee or transferee assumes the liabilities and duties of Company, as contained in this Agreement, either contractually or as a matter of law.

19. To the extent permitted by law, you and the Company waive any and all rights to a jury trial with respect to any matter relating to this Agreement (including the covenants set forth in Annex A hereof). This Agreement will be governed by and construed in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within that State.

20. Both the Company and you hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the federal courts of the United States of America in each case located in the City of New York, Borough of Manhattan, solely in respect of the interpretation and enforcement of the provisions of this Agreement, and each party hereby waives, and agrees not to assert, as a defense that either party, as appropriate, is not subject thereto or that the venue thereof may not be appropriate. You and the Company each agree that mailing of process or other papers in connection with any such action or proceeding in any manner as may be permitted by law shall be valid and sufficient service thereof.

21. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement. It is the parties' intention that this Agreement not be construed more strictly with regard to you or the Company.

22. This Agreement (and exhibits) and your indemnification agreement reflect the entire understanding and agreement of you and the Company with respect to the subject matter hereof and supersedes all prior understandings or agreements relating thereto.

23. The Company hereby agrees that it shall indemnify and hold you harmless to the fullest extent provided in the Company's Amended and Restated Certificate of Incorporation and on the same terms as those applicable to other similarly situated executives. In addition, the Company agrees to maintain a director's and officer's liability insurance policy or policies covering you at a level and on terms and conditions no less favorable than the Company provides its directors and senior level officers currently (subject to any future improvement in such terms and conditions) until such time as legal or regulatory action against you are no longer permitted by law.

24. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement.

25. All notices between the parties will be in writing. Any notice to the Company will be directed to the Executive Chairman and Chief Executive Officer via e-mail with a copy to legalnotices@msg.com.

26. This Agreement will automatically terminate, and be of no further force or effect, on the Scheduled Expiration Date; provided, however, that the provisions of Paragraphs 7 through 10, 13 through 26 and Annex A, and any amounts earned but not yet paid to you pursuant to the terms of this Agreement as of the Scheduled Expiration Date shall survive the termination of the Agreement and remain binding on you and the Company in accordance with their terms.

27. You hereby represent and warrant that your execution of this Agreement and your employment by the Company as contemplated herein does not and shall not violate, conflict with or result in a material breach of any covenant restricting competition in an agreement to which you are a party. It is understood and agreed by the Company that it will not require you to violate any confidentiality covenants of any current or former employer with respect to the proprietary information of such other employer obtained prior to the Commencement Date.

Sincerely,
MADISON SQUARE GARDEN ENTERTAINMENT CORP.

_/s/ James L. Dolan____________________________
By: James L. Dolan
Title: Executive Chairman and Chief Executive Officer

Accepted and Agreed:

_/s/ Laura Franco______________
Laura Franco

ANNEX A
ADDITIONAL COVENANTS
(This Annex constitutes part of the Agreement)

You agree to comply with the following covenants in addition to those set forth in the Agreement.

1. CONFIDENTIALITY

You agree to retain in strict confidence and not divulge, disseminate, copy or disclose to any third party any Confidential Information, other than for legitimate business purposes of the Company and its subsidiaries or as provided in the exceptions below. As used herein, “Confidential Information” means any non-public information that is material or of a confidential, proprietary, commercially sensitive or personal nature of, or regarding, the Company or any of its subsidiaries or any current or former director, officer or member of senior management of any of the foregoing (collectively “Covered Parties”). The term Confidential Information includes information in written, digital, oral or any other format and includes, but is not limited to (i) information designated or treated as confidential; (ii) budgets, plans, forecasts or other financial or accounting data; (iii) customer, guest, fan, vendor, sponsor, marketing affiliate or shareholder lists or data; (iv) technical or strategic information regarding the Covered Parties’ advertising, entertainment, theatrical, or other businesses; (v) advertising, sponsorship, business, sales or marketing tactics, strategies or information; (vi) policies, practices, procedures or techniques; (vii) trade secrets or other intellectual property; (viii) information, theories or strategies relating to litigation, arbitration, mediation, investigations or matters relating to governmental authorities; (ix) terms of agreements with third parties and third party trade secrets; (x) information regarding employees, talent, players, coaches, agents, consultants, advisors or representatives, including their compensation or other human resources policies and procedures; (xi) information or strategies relating to any potential or actual business development transactions and/or any potential or actual business acquisition, divestiture or joint venture, and (xii) any other information the disclosure of which may have an adverse effect on the Covered Parties’ business reputation, operations or competitive position, reputation or standing in the community.

If disclosed, Confidential Information could have an adverse effect on the Company’s standing in the community, its business reputation, operations or competitive position or the standing, reputation, operations or competitive position of any of its affiliates, subsidiaries, officers, directors, employees, coaches, consultants or agents or any of the Covered Parties.

Notwithstanding the foregoing, the obligations of this section, other than with respect to subscriber information, shall not apply to Confidential Information which is:

a) already in the public domain or which enters the public domain other than by your breach of this Section 1;

b) disclosed to you by a third party with the right to disclose it in good faith; or c) specifically exempted in writing by the Company from the applicability of this Agreement.

Notwithstanding anything elsewhere in this Agreement, including this Section 1 and Section 3 below, you are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (1) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (2) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (3) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order. Furthermore, you are authorized to provide information to, file a charge with and participate in an investigation conducted by any governmental agency, and you do not need the Company's permission to do so. In addition, it is understood that you are not required to notify the Company of a request for information from any governmental entity or of your decision to file a charge with or participate in an investigation conducted by any governmental entity. In addition, this Agreement in no way restricts or prevents you from providing testimony concerning the Company or any of its affiliates to judicial, administrative, regulatory or other governmental authorities. Notwithstanding the foregoing, you recognize that, in connection with the provision of information to any governmental entity, you must inform such governmental entity that the information you are providing is confidential.

Despite the foregoing, you are not permitted to reveal to any third party, including any governmental entity, information you came to learn during your service to the Company that is protected from disclosure by any applicable privilege, including but not limited to the attorney-client privilege or attorney work product doctrine. The Company does not waive any applicable privileges or the right to continue to protect its privileged attorney-client information, attorney work product, and other privileged information.

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2. NON-COMPETE

You acknowledge that due to your executive position in the Company and the knowledge of the Company's and its affiliates' confidential and proprietary information which you will obtain during the term of your employment hereunder, your employment by certain businesses would be irreparably harmful to the Company and/or its affiliates. During your employment with the Company and thereafter through the first anniversary of the date on which your employment with the Company is terminated by the Company or you for any reason, you agree, to the extent permissible under applicable rules of professional responsibility, not to (other than with the prior written consent of the Company), become employed by any Competitive Entity (as defined below). A "Competitive Entity" shall mean any arena or theater (with at least 1,000 seats) that competes in the same city as any of the Company's arena's or theaters, respectively. The ownership by you of not more than 1% of the outstanding equity of any publicly traded company shall not, by itself, be a violation of this Section. If you remain continuously employed with the Company through the Scheduled Expiration Date, then this agreement not to compete will expire on the Scheduled Expiration Date.

3. ADDITIONAL UNDERSTANDINGS

You agree, for yourself and others acting on your behalf, that you (and they) have not disparaged and will not disparage, make negative statements about (either "on the record" or "off the record") or act in any manner which is intended to or does damage to the good will of, or the business or personal reputations of the Company or any of its incumbent or former officers, directors, agents, consultants, employees, successors and assigns or any of the Covered Parties. Notwithstanding the foregoing, you are authorized to provide information to, file a charge with and participate in an investigation conducted by any governmental agency, and you do not need the Company's permission to do so.

The Company agrees that, except as necessary to comply with applicable law or the rules of the New York Stock Exchange or any other stock exchange on which the Company's stock may be traded (and any public statements made in good faith by the Company in connection therewith), it and its corporate officers and directors, employees in its public relations department or third party public relations representatives retained by the Company will not disparage you or make negative statements in the press or other media which are damaging to your business or personal reputation. In the event that the Company so disparages you or makes such negative statements, then notwithstanding the "Additional

Understandings” provision to the contrary, you may make a proportional response thereto. Notwithstanding the foregoing, the Company is authorized to provide information to, file a charge with and participate in an investigation conducted by any governmental agency, and the Company does not need your permission to do so.

In addition, you agree that the Company is the owner of all rights, title and interest in and to all documents, tapes, videos, designs, plans, formulas, models, processes, computer programs, inventions (whether patentable or not), schematics, music, lyrics and other technical, business, financial, advertising, sales, marketing, customer or product development plans, forecasts, strategies, information and materials (in any medium whatsoever) developed or prepared by you or with your cooperation in connection with your employment by the Company (the “Materials”). The Company will have the sole and exclusive authority to use the Materials in any manner that it deems appropriate, in perpetuity, without additional payment to you.
If requested by the Company, you agree to deliver to the Company upon the termination of your employment, or at any earlier time the Company may request, all memoranda, notes, plans, files, records, reports, and software and other documents and data (and copies thereof regardless of the form thereof (including electronic copies)) containing, reflecting or derived from Confidential Information or the Materials of the Company or any of its affiliates (other than Sphere or any of its controlled affiliates) which you may then possess or have under your control. If so requested, you shall provide to the Company a signed statement confirming that you have fully complied with this Section. Notwithstanding the foregoing, you shall be entitled to retain your contacts, calendars and personal diaries and any materials needed for your tax return preparation or related to your compensation.

In addition, you agree for yourself and others acting on your behalf, that you (and they) shall not, at any time, participate in any way in the writing or scripting (including, without limitation, any “as told to” publications) of any book, periodical story, movie, play, or other similar written or theatrical work or video that (i) relates to your services to the Company or any of its affiliates or (ii) otherwise refers to the Company or its respective businesses, activities, directors, officers, employees or representatives (other than identifying your biographical information), without the prior written consent of the Company.

4. FURTHER COOPERATION

Following the date of termination of your employment with the Company (the “Expiration Date”), you will no longer provide any regular services to the Company or represent yourself as a Company agent. If, however, the Company so requests, you agree to cooperate fully with the Company in connection with any matter with which you were involved prior to the Expiration Date, or in any litigation or administrative proceedings or appeals (including any preparation therefore) where the Company believes that your personal knowledge, attendance and participation could be beneficial to the Company. This cooperation includes, without limitation, participation on behalf of the Company in any litigation or administrative proceeding brought by any former or existing Company employees, representatives, agents or vendors. For the avoidance of doubt, the term “cooperation” does not mean that you must provide information that is favorable to the Company; it means only that you will provide information within your knowledge and possession upon the Company's request. The Company will pay you for your services rendered under this provision at the rate of $7,000 per day for each day or part thereof, within 30 days of the approval of the invoice therefor; provided that, if you provide services on the same day for any of the Company and Sphere, your daily rate shall not exceed $7,000 in the aggregate.

The Company will provide you with reasonable notice in connection with any cooperation it requires in accordance with this section and will take reasonable steps to schedule your cooperation in any such matters so as not to materially interfere with your other professional and personal commitments. The Company will reimburse you for any reasonable out-of-pocket expenses you reasonably incur in connection with the cooperation you provide hereunder as soon as practicable after you present appropriate documentation evidencing such expenses. You agree to provide the Company with an estimate of such expense before you incur the same.

5. NON-HIRE OR SOLICIT

You agree not to hire, seek to hire, or cause any person or entity to hire or seek to hire (without the prior written consent of the Company), directly or indirectly (whether for your own interest or any other person or entity's interest) any person who is or was in the prior six months an employee of the Company, or any of its subsidiaries, until the first anniversary of the date on which your employment with the Company is terminated by the Company or you for any reason; provided that engaging in a general solicitation not specifically targeted at such employees shall not be prohibited hereby. This restriction does not apply to any former employee who was discharged by the Company or any of its affiliates. In addition, this restriction will not prevent you from providing references. If you remain continuously employed with the Company through the Scheduled Expiration Date, then this agreement not to solicit will expire on the Scheduled Expiration Date.

6. ACKNOWLEDGMENTS

You acknowledge that the restrictions contained in this Annex A, in light of the nature of the Company's business and your position and responsibilities, are reasonable and necessary to protect the legitimate interests of the Company. You acknowledge that the Company has no adequate remedy at law and would be irreparably harmed if you breach or threaten to breach the provisions of this Annex A, and therefore agree that the Company shall be entitled to injunctive relief, to prevent any breach or threatened breach of any of those provisions and to specific performance of the terms of each of such provisions in addition to any other legal or equitable remedy it may have. You further agree that you will not, in any equity proceeding relating to the enforcement of the provisions of this Annex A, raise the defense that the Company has an

adequate remedy at law. Nothing in this Annex A shall be construed as prohibiting the Company from pursuing any other remedies at law or in equity that it may have or any other rights that it may have under any other agreement. If it is determined that any of the provisions of this Annex A or any part thereof, is unenforceable because of the duration or scope (geographic or otherwise) of such provision or because of applicable rules of professional responsibility, it is the intention of the parties that the duration or scope of such provision, as the case may be, shall be reduced so that such provision becomes enforceable and, in its reduced form, such provision shall then be enforceable and shall be enforced.

7. SURVIVAL

The provisions of this Annex A shall survive any termination of your employment by the Company or by you, or the expiration of the Agreement, except as otherwise provided herein.

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 Entertainment 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: November 7, 2023 February 7, 2024

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

Exhibit 31.2

Certification

I, David F. Byrnes, Philip D'Ambrosio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Madison Square Garden Entertainment 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: November 7, 2023 February 7, 2024

/s/ DAVID F. BYRNES PHILIP D'AMBROSIO

David F. Byrnes Philip D'Ambrosio

Executive Vice President and Chief Treasurer (Principal Financial Officer Officer)

Exhibit 32.1

Certification

Pursuant to 18 U.S.C. §1350, the undersigned officer of Madison Square Garden Entertainment Corp. (the "Company"), hereby certifies, to such officer's knowledge, that the Company's Quarterly Report on Form 10-Q for the year ended September 30, 2022 December 31, 2023 (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: November 7, 2023 February 7, 2024

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

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 Entertainment Corp. (the “Company”), hereby certifies, to such officer’s knowledge, that the Company’s Quarterly Report on Form 10-Q for the Quarter ended September 30, 2023 December 31, 2023 (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: November 7, 2023 February 7, 2024

/s/ DAVID F. BYRNES PHILIP D'AMBROSIO

David F. Byrnes Philip D'Ambrosio

Executive Vice President and Chief Treasurer (Principal Financial Officer Officer)

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

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