

REFINITIV

DELTA REPORT

10-Q

MADISON SQUARE GARDEN ENT

10-Q - DECEMBER 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 860

█ CHANGES 168

█ DELETIONS 283

█ ADDITIONS 409

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, 2024** **December 31, 2024**

OR

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

For the transition period from _____ to _____

Commission File Number: 001-41627



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, 2024** **January 31, 2025**:

Class A Common Stock par value \$0.01 per share	— 41,605,791 40,974,855
Class B Common Stock par value \$0.01 per share	— 6,866,754

INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Page
PART I. FINANCIAL INFORMATION	
<u>Item 1. Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Balance Sheets as of September 30, 2024 and June 30, 2024 (unaudited)</u>	2
<u>Condensed Consolidated Statements of Operations for the three and six months ended September 30, 2024 and 2023 (unaudited)</u>	3
<u>Condensed Consolidated Statements of Comprehensive Loss Income for the three and six months ended September 30, 2024 December 31, 2024 and 2023 (unaudited)</u>	4
<u>Condensed Consolidated Statements of Cash Flows for the three and six months ended September 30, 2024 December 31, 2024 and 2023 (unaudited)</u>	5
<u>Condensed Consolidated Statements of Deficit Equity(Deficit) for the three and six months ended September 30, 2024 December 31, 2024 and 2023 (unaudited)</u>	6
<u>Notes to the Condensed Consolidated Financial Statements (unaudited)</u>	7
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	21 22
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	30 33
<u>Item 4. Controls and Procedures</u>	30 33
PART II - OTHER INFORMATION	
<u>Item 1. Legal Proceedings</u>	31 34
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	31 34
<u>Item 6. Exhibits</u>	31 34

1

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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

	As of	As of	As of
	September 30,	June 30,	September 30,
	December 31,	June 30,	December 31,
ASSETS	2024	2024	2024
ASSETS			
ASSETS			
Current Assets:			
Current Assets:			
Current Assets:			



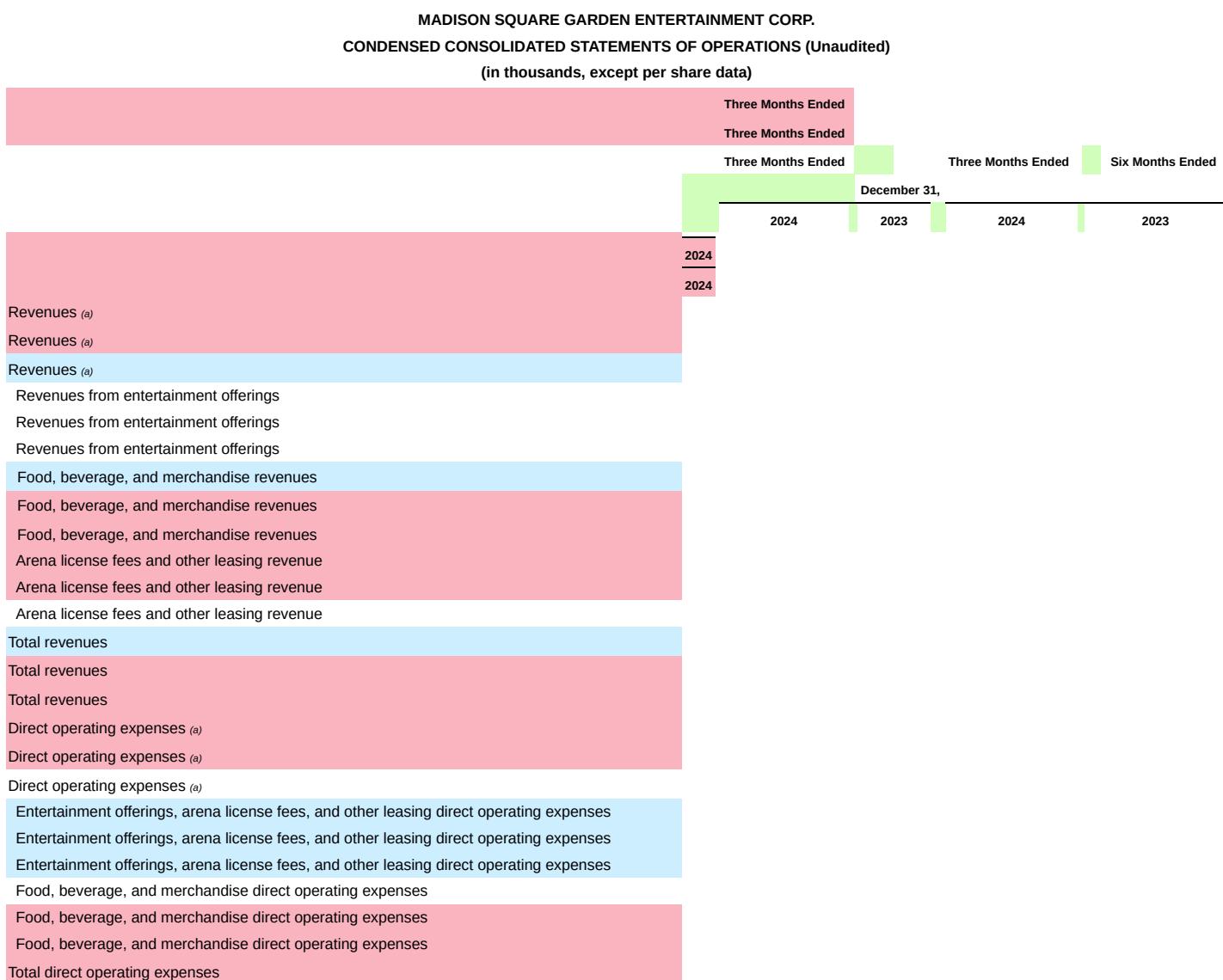
Total deficit	
Total equity (deficit)	
Total liabilities and deficit	
Total liabilities and equity (deficit)	
Total liabilities and deficit	
Total liabilities and equity (deficit)	
Total liabilities and deficit	
Total liabilities and equity (deficit)	

(a) Class A Common Stock, \$0.01 par value per share, 120,000 shares authorized; **#5,958** 46,007 and 45,556 shares issued as of **September 30, 2024** December 31, 2024 and June 30, 2024, respectively.

(b) Class B Common Stock, \$0.01 par value per share, 30,000 shares authorized; 6,867 shares issued as of **September 30, 2024** December 31, 2024 and June 30, 2024.

See accompanying notes to the unaudited condensed consolidated financial statements.

2



Total direct operating expenses
Total direct operating expenses
Selling, general, and administrative expenses (a)
Selling, general, and administrative expenses (a)
Selling, general, and administrative expenses (a)
Depreciation and amortization
Depreciation and amortization
Depreciation and amortization
Restructuring credits (charges)
Restructuring credits (charges)
Restructuring credits (charges)
Operating loss
Operating loss
Operating loss
Operating income
Interest income
Interest income
Interest income
Interest expense
Interest expense
Interest expense
Other expense, net
Other expense, net
Other expense, net
Other (expense) income, net
Loss from operations before income taxes
Loss from operations before income taxes
Loss from operations before income taxes
Income tax benefit
Income tax benefit
Income tax benefit
Net loss
Net loss
Net loss
Income from operations before income taxes
Income from operations before income taxes
Income from operations before income taxes
Income tax expense
Net income
Loss per share attributable to MSG Entertainment's stockholders:
Earnings per share attributable to MSG Entertainment's stockholders:
Loss per share attributable to MSG Entertainment's stockholders:
Earnings per share attributable to MSG Entertainment's stockholders:
Loss per share attributable to MSG Entertainment's stockholders:
Basic and diluted
Basic and diluted
Basic and diluted
Earnings 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:

Weighted-average number of shares of common stock:

Basic and diluted	
Basic and diluted	
Basic and diluted	
Basic	
Basic	
Basic	
Diluted	

(a) See Note 12, Related Party Transactions for further information on related party arrangements.

See accompanying notes to the unaudited condensed consolidated financial statements.

3

MADISON SQUARE GARDEN ENTERTAINMENT CORP. CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS INCOME (Unaudited)					
(in thousands)					
	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended	
	Three Months Ended	Three Months Ended	September 30,	December 31,	December 31,
	September 30,	September 30,	September 30,	2024	2023
	2024	2024	2024	2024	2023
Net loss					
Net loss					
Net loss					
Other comprehensive income, before income taxes:					
Other comprehensive income, before income taxes:					
Net income					
Other comprehensive income, before income taxes:					
Pension plans and postretirement plans					
Pension plans and postretirement plans					
Pension plans and postretirement plans					
Other comprehensive income, before income taxes					
Other comprehensive income, before income taxes					
Other comprehensive income, before income taxes					
Income tax expense					
Income tax expense					
Income tax expense					
Other comprehensive income, net of income taxes					
Other comprehensive income, net of income taxes					
Other comprehensive income, net of income taxes					
Comprehensive loss					
Comprehensive loss					
Comprehensive loss					

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended		
	September 30,		
	2024	2023	
OPERATING ACTIVITIES:			
Net loss	\$ (19,321)	\$ (50,671)	
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	13,781	13,585	
Share-based compensation expense	6,262	12,965	
Deferred income tax benefit	(13,612)	(659)	
Amortization of deferred financing costs	852	812	
Net unrealized and realized (gains) losses on equity investments with readily determinable fair value	(124)	3,901	
Other non-cash adjustments	94	305	
Change in assets and liabilities:			
Accounts receivable, net	(18,360)	(36,610)	
Related party receivables and payables, net	(2,134)	44,654	
Prepaid expenses and other current and non-current assets	(6,457)	(10,391)	
Accounts payable, accrued and other current, and non-current liabilities	(64,648)	(41,184)	
Deferred revenue	55,374	63,172	
Operating lease right-of-use assets and lease liabilities	20,934	1,499	
Net cash (used in) provided by operating activities	\$ (27,359)	\$ 1,378	
INVESTING ACTIVITIES:			
Capital expenditures	(5,905)	(3,334)	
Proceeds from sale of investments	55	12,844	
Loan to related parties	—	(65,000)	
Other investing activities	(840)	—	
Net cash used in investing activities	\$ (6,690)	\$ (55,490)	
FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	55,000	73,000	
Principal repayment on long-term debt	(4,063)	—	
Proceeds from related party loan	—	126	
Payments for debt financing costs	—	(633)	
Taxes paid in lieu of shares issued for equity-based compensation	(12,830)	(11,834)	
Stock repurchases	—	(51,386)	
Net cash provided by financing activities	\$ 38,107	\$ 9,273	
Net increase (decrease) in cash, cash equivalents, and restricted cash	4,058	(44,839)	
Cash, cash equivalents, and restricted cash, beginning of period	33,555	84,355	
Cash, cash equivalents, and restricted cash, end of period	\$ 37,613	\$ 39,516	
Non-cash investing and financing activities:			

Capital expenditures incurred but not yet paid or paid by landlord	\$ 15,379	\$ 1,291
Non-cash stock repurchases in lieu of payment of loan due from related party	\$ —	\$ 65,512
Non-cash financing lease obligation	\$ (130)	\$ —

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained earnings (Accumulated deficit)	Accumulated Other Comprehensive Loss	Total Deficit
Balance as of June 30, 2024	\$ 525	\$ 33,481	\$ (140,512)	\$ 115,603	\$ (32,262)	\$ (23,165)
Net loss	—	—	—	(19,321)	—	(19,321)
Other comprehensive income	—	—	—	—	356	356
Comprehensive loss	—	—	—	—	—	(18,965)
Share-based compensation	—	6,262	—	—	—	6,262
Tax withholding associated with shares issued for share-based compensation	4	(12,834)	—	—	—	(12,830)
Balance as of September 30, 2024	<u>\$ 529</u>	<u>\$ 26,909</u>	<u>\$ (140,512)</u>	<u>\$ 96,282</u>	<u>\$ (31,906)</u>	<u>\$ (48,698)</u>
Balance as of June 30, 2023	\$ 519	\$ 17,727	\$ (25,000)	\$ (28,697)	\$ (34,021)	\$ (69,472)
Net loss	—	—	—	(50,671)	—	(50,671)
Other comprehensive income	—	—	—	—	197	197
Comprehensive loss	—	—	—	—	—	(50,474)
Share-based compensation	—	12,965	—	—	—	12,965
Tax withholding associated with shares issued for share-based compensation	4	(11,838)	—	—	—	(11,834)
Stock repurchases, inclusive of tax	—	(874)	(115,512)	—	—	(116,386)
Balance as of September 30, 2023	<u>\$ 523</u>	<u>\$ 17,980</u>	<u>\$ (140,512)</u>	<u>\$ (79,368)</u>	<u>\$ (33,824)</u>	<u>\$ (235,201)</u>

	Six Months Ended	
	December 31,	
	2024	2023
OPERATING ACTIVITIES:		
Net income	\$ 56,572	\$ 74,578
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,964	26,789
Share-based compensation expense	15,584	20,738
Deferred income tax expense	25,026	394
Amortization of deferred financing costs	1,703	1,663
Related party paid in kind interest	—	(512)
Net unrealized and realized losses on equity investments with readily determinable fair value	38	758
Other non-cash adjustments	730	305
Change in assets and liabilities:		
Accounts receivable, net	(16,898)	(38,362)
Related party receivables and payables, net	4,459	33,544

Prepaid expenses and other current and non-current assets		(13,114)	1,479
Accounts payable, accrued and other current, and non-current liabilities		(56,389)	(29,771)
Deferred revenue		8,708	10,494
Operating lease right-of-use assets and lease liabilities		31,116	3,135
Net cash provided by operating activities	\$ 85,499	\$ 105,232	
INVESTING ACTIVITIES:			
Capital expenditures	\$ (15,192)	\$ (11,215)	
Proceeds from sale of investments	55	13,484	
Loan to related parties	—	(65,000)	
Other investing activities	(1,145)	—	
Net cash used in investing activities	\$ (16,282)	\$ (62,731)	
FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	\$ 55,000	\$ 73,000	
Principal repayment on long-term debt	(63,125)	(98,225)	
Repayments on related party loan, net	—	(305)	
Payments for debt financing costs	—	(633)	
Taxes paid in lieu of shares issued for equity-based compensation	(14,375)	(12,247)	
Repurchases of Class A common stock	(25,000)	(50,874)	
Other financing activities	(53)	—	
Net cash used in financing activities	\$ (47,553)	\$ (89,284)	
Net increase (decrease) in cash, cash equivalents, and restricted cash	21,664	(46,783)	
Cash, cash equivalents, and restricted cash, beginning of period	33,555	84,355	
Cash, cash equivalents, and restricted cash, end of period	\$ 55,219	\$ 37,572	
Non-cash investing and financing activities:			
Capital expenditures incurred but not yet paid or paid by landlord	\$ 22,159	\$ 12,858	
Non-cash repurchases of Class A common stock in lieu of payment of loan due from related party	\$ —	\$ 65,512	
Non-cash financing activities	\$ (148)	\$ —	

See accompanying notes to the unaudited condensed consolidated financial statements.

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

	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity (Deficit)
Balance as of September 30, 2024	\$ 529	\$ 26,909	\$ (140,512)	\$ 96,282	\$ (31,906)	\$ (48,698)
Net income	—	—	—	75,893	—	75,893
Other comprehensive income	—	—	—	—	356	356
Share-based compensation	—	9,322	—	—	—	9,322
Tax withholding associated with shares issued for share-based compensation	—	(1,545)	—	—	—	(1,545)
Repurchases of Class A common stock, inclusive of tax	—	—	(25,000)	—	—	(25,000)
Balance as of December 31, 2024	\$ 529	\$ 34,686	\$ (165,512)	\$ 172,175	\$ (31,550)	\$ 10,328
Balance as of September 30, 2023	\$ 523	\$ 17,980	\$ (140,512)	\$ (79,368)	\$ (33,824)	\$ (235,201)
Net income	—	—	—	125,249	—	125,249
Other comprehensive income	—	—	—	—	545	545

Share-based compensation	—	7,773	—	—	—	—	7,773
Tax withholding associated with shares issued for share-based compensation	1	(414)	—	—	—	—	(413)
Balance as of December 31, 2023	\$ 524	\$ 25,339	\$ (140,512)	\$ 45,881	\$ (33,279)	\$ (102,047)	
Balance as of June 30, 2024	\$ 525	\$ 33,481	\$ (140,512)	\$ 115,603	\$ (32,262)	\$ (23,165)	
Net income	—	—	—	56,572	—	—	56,572
Other comprehensive income	—	—	—	—	712	712	
Share-based compensation	—	15,584	—	—	—	—	15,584
Tax withholding associated with shares issued for share-based compensation	4	(14,379)	—	—	—	—	(14,375)
Repurchases of Class A common stock, inclusive of tax	—	—	(25,000)	—	—	—	(25,000)
Balance as of December 31, 2024	\$ 529	\$ 34,686	\$ (165,512)	\$ 172,175	\$ (31,550)	\$ 10,328	
Balance as of June 30, 2023	\$ 519	\$ 17,727	\$ (25,000)	\$ (28,697)	\$ (34,021)	\$ (69,472)	
Net income	—	—	—	74,578	—	—	74,578
Other comprehensive income	—	—	—	—	742	742	
Share-based compensation	—	20,738	—	—	—	—	20,738
Tax withholding associated with shares issued for share-based compensation	5	(12,252)	—	—	—	—	(12,247)
Repurchases of Class A common stock, inclusive of tax	—	(874)	(115,512)	—	—	—	(116,386)
Balance as of December 31, 2023	\$ 524	\$ 25,339	\$ (140,512)	\$ 45,881	\$ (33,279)	\$ (102,047)	

See accompanying notes to the unaudited condensed consolidated financial statements.

6

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

All amounts included in the following Notes to Condensed Consolidated 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. (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 **books** **other** entertainment and sports **bookings business**, **events**, 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, Sphere Entertainment Co. (together with its subsidiaries, as applicable, "Sphere Entertainment") distributed approximately 67% of the outstanding common stock of the Company to its stockholders (the "Distribution"), with Sphere Entertainment retaining approximately 33% of the outstanding common stock of the Company in the form of Class A common stock, \$0.01 par value per share ("Class A Common Stock") immediately following the Distribution. As a result, the Company became an independent publicly traded company on April 21, 2023. 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. Description of Business and Basis of Presentation to the Company's audited consolidated and combined financial statements and notes thereto as of June 30, 2024 and 2023 and for the three years ended June 30, 2024, 2023 and 2022 (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, 2024 filed with the Securities and Exchange Commission (the "SEC") on August 16, 2024 (the "2024 Form 10-K") for more information regarding the Distribution.

Basis of Presentation

The Company reports on a fiscal year basis ending on June 30th ("Fiscal Year"). In these unaudited condensed consolidated financial statements, the years ending and ended on June 30, 2026, June 30, 2025 and 2024, respectively, are referred to as "Fiscal Year 2026," "Fiscal Year 2025" and "Fiscal Year 2024," 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 SEC, and should be read in conjunction with the Company's Audited Consolidated and Combined Annual Financial Statements.

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, 2024** **December 31, 2024** and its results of operations for the three and six months ended **December 31, 2024** and **2023** and cash flows for the **three** **six** months ended **September 30, 2024** **December 31, 2024** and **2023**. The condensed consolidated balance sheet as of June 30, 2024 was derived from the Audited Consolidated and Combined Annual Financial Statements but does 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 and the New York Rangers (the "Rangers") of the National Hockey League, 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. The accompanying unaudited condensed consolidated financial information for the three and six months ended **September 30, 2023** **December 31, 2023** has been revised to change the presentation of **our** the Company's revenue and direct operating expenses from an aggregated to a disaggregated **basis**.

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

Note 2. Summary of Significant Accounting Policies

A. Principles of Consolidation

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

B. Use of Estimates

The preparation of the accompanying condensed consolidated 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 financial statements in future periods.

C. Revenue Recognition and Direct Operating Expenses

The following reflects an update to the Company's comprehensive revenue recognition and direct operating expense accounting policies to align with the disaggregation of revenue and direct operating expenses as presented on the condensed consolidated statements of operations.

The Company generates revenue from the provision of services and sale of tangible products, as well as leasing transactions. Revenues are presented under these three categories in the condensed consolidated statements of operations, as described below.

Service revenue, presented as "Revenues from entertainment offerings" primarily includes:

- Ticket sales and other ticket-related revenue
- Venue license fees for events held at the Company's venues that the Company does not produce or promote/co-promote
- Sponsorship and signage
- Suite licenses and single night suite rentals
- Advertising commissions and related service fees
- Commissions related to the sale of merchandise for which the Company is not the principal in the underlying transaction

Direct operating expenses related to the provision of services and leasing, presented as "Entertainment offerings, arena license fees, and other leasing direct operating expenses", primarily include:^(a)

- Event production costs including direct personnel expenses
- Venue operations and infrastructure costs ^(a)
- Venue rental costs for venues not owned by the Company
- Sponsorship and signage fulfillment costs
- Contractual revenue sharing expenses related to suite licenses and certain internal signage
- Event-related marketing and advertising costs

Product revenue, presented as "Food, beverage, and merchandise revenues", includes:

- Sales of food and beverage during events held at the Company's venues
- Sales of the Company's merchandise at the Company's venues and via traditional retail channels

Direct operating expenses related to the sale of products, presented as "Food, beverage, and merchandise direct operating expenses" include:

- Costs of goods sold including direct personnel expenses
- Contractual revenue sharing expenses related to food and beverage sold at events held by Madison Square Garden Sports Corp. (together with its subsidiaries, as applicable, "MSG Sports") at The Garden

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

Lease revenue, presented as "Arena license fees and other leasing revenue", includes:

- Rental fees related to the arena license agreements that require the Knicks and the Rangers to play their home games at The Garden (the "Arena License Agreements") with MSG Sports

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

- Sublease income

(a) *Venue operations and infrastructure costs are not specifically allocated to each revenue category, but are instead attributed in their entirety to service revenue, which is the Company's principal revenue category. Leasing direct operating expenses materially consist of venue operations and infrastructure costs. As a result, the Company combines service and leasing direct operating expenses within "Entertainment offerings, arena license fees, and other leasing direct operating expenses" for presentation purposes.*

The Company recognizes revenue when, or as, performance obligations under the terms of a contract are satisfied, which generally occurs when, or as, control of promised goods or services is transferred to customers. Revenue is measured as the amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services ("transaction price"). To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the most likely amount to which the Company expects to be entitled. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. Estimates of variable consideration and the determination of whether to include such estimated amounts in the transaction price are based largely on an assessment of the Company's anticipated performance and all information that is reasonably available. The Company accounts for taxes collected from customers and remitted to governmental authorities on a net basis and excludes these amounts from revenues.

In addition, the Company defers certain costs to fulfill the Company's contracts with customers to the extent such costs relate directly to the contracts, are expected to generate resources that will be used to satisfy the Company's performance obligations under the contracts, and are expected to be recovered through revenue generated under the contracts. Contract fulfillment costs are expensed as the Company satisfies the related performance obligations.

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 the Company, as well as Sphere Entertainment and MSG Sports within a single arrangement. The Company also derives revenue from similar types of arrangements which are entered into by Sphere Entertainment and 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, 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 may incur 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.

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

Principal versus Agent Revenue Recognition

The Company reports revenue on a gross or net basis based on management's assessment of whether the Company acts as a principal or agent in the transaction. The determination of whether the Company acts as a principal or an agent in a transaction is based on an evaluation of whether the Company controls the good or service before transfer to the customer. When the Company concludes that it controls the good or service before transfer to the customer, the Company is considered a principal in the transaction and records revenue on a gross basis. When the Company concludes that it does not control the good or service before transfer to the customer but arranges for another entity to provide the good or service, the Company acts as an agent and records revenue on a net basis in the amount it earns for its agency service.

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

Contract Balances

Amounts collected in advance of the Company's satisfaction of its contractual performance obligations are recorded as a contract liability within **deferred** **Deferred** revenue and are recognized as the Company satisfies the related performance obligations. Amounts collected in advance of events for which the Company is not the promoter or co-promoter do not represent contract liabilities and are recorded within accrued and other current liabilities on the accompanying consolidated balance sheets. Amounts recognized as revenue for which the Company has a right to consideration for goods or services transferred to customers and for which the Company does not have an unconditional right to bill as of the reporting date are recorded as contract assets. Contract assets are transferred to accounts receivable once the Company's right to consideration becomes unconditional.

Production Costs for the Company's Original Productions

The Company defers certain costs of productions such as creative design, scenery, wardrobes, rehearsal and other related costs for the Company's proprietary shows, reported under Prepaid expenses and other current assets and Other non-current assets. Deferred production costs are amortized on a straight-line basis over the course of a production's performance period using the expected life of a show's assets and are recorded as a component of Entertainment offerings, arena license fees, and other leasing direct operating expenses on the Company's condensed consolidated statement of operations. Deferred production costs are subject to recoverability assessments whenever there is an indication of potential impairment.

Revenue Sharing Expenses

Revenue sharing expenses are determined based on contractual agreements between the Company and MSG Sports, primarily related to suite licenses, certain internal signage and in-venue food and beverage sales and are recorded as a component of Entertainment offerings, arena license fees, and other leasing direct operating expenses on the Company's condensed consolidated statement of operations.

D. Recently Issued and Adopted Accounting Pronouncements

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("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 as of and for the **Fiscal Year ending June 30, 2025** and is required to be applied retrospectively to all prior periods presented in the financial statements. The Company continues to evaluate the impact of the additional disclosure requirements on the Company's consolidated 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 helpful to understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, assess income tax information that affects cash flow forecasts and capital allocation decisions, and identify potential opportunities to increase future cash flows. 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 consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, as amended by ASU 2025-01, which was issued in January 2025, requiring additional disclosures disclosure, in the notes to financial statements, of specified information about specified categories of certain costs and expenses included in certain expense captions presented on the face of the income statement, at each interim and annual reporting period. This standard will be ASU provided an effective date for the Company as of and standard to be for annual periods beginning with the Company's Fiscal Year ending June 30, 2028, and interim reporting periods beginning in the Company's

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

Fiscal Year Ending June 30, 2029. Early adoption of Update 2024-03 is permitted. This amended ASU may be applied either prospectively to financial statements issued for reporting periods after the effective date of this ASU or retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of adopting this guidance on the Company's consolidated financial statements.

Note 3. Revenue Recognition

Contracts with Customers

All revenue recognized in the condensed consolidated statements of operations is considered to be revenue from contracts with customers in accordance with FASB Accounting Standards Codification ("ASC") Topic 606, *Revenue From Contracts with Customers*, except for revenues from the Arena License Agreements, leases and subleases that are accounted for in accordance with

10

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

ASC Topic 842, *Leases*.

Disaggregation of Revenue

The following table disaggregates the Company's revenue by major source based upon the timing of satisfaction of the Company's performance obligations to the customer for the three and six months ended **September 30, 2024** December 31, 2024 and 2023:

	Three Months Ended	Three Months Ended		Six Months Ended	
	Three Months Ended	September 30,	September 30,	September 30,	September 30,
	2024	2024	2024	2024	2024
Event-related offerings ^(a)					
Event-related offerings ^(a)					
Event-related offerings ^(a)					
Sponsorship, signage, and suite licenses ^(b)					
Sponsorship, signage, and suite licenses ^(b)					
Sponsorship, signage, and suite licenses ^(b)					
Other ^(c)					
Other ^(c)					
Other ^(c)					
Total revenues from contracts with customers					
Total revenues from contracts with customers					
Total revenues from contracts with customers					
Arena license fees and other leasing revenue					
Arena license fees and other leasing revenue					
Arena license fees and other leasing revenue					
Total revenues					

Total revenues

- (a) Event-related 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 and (ii) venue tours.

In addition to the disaggregation of the Company's revenue as disclosed above, the following table disaggregates the Company's revenues by revenue category, for the three and six months ended September 30, 2024 December 31, 2024 and 2023.



(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.

11

MADISON SQUARE GARDEN ENTERTAINMENT CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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, 2024**, **December 31, 2024** and **June 30, 2024**:

As of

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16/45

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	As of
Receivables from contracts with customers, net (a)	September 30, 2024
Receivables from contracts with customers, net (a)	September 30, 2024
Receivables from contracts with customers, net (a)	September 30, 2024
Contract assets, current (b)	December 31, 2024
Contract assets, current (b)	December 31, 2024
Contract assets, current (b)	December 31, 2024
Deferred revenue, including non-current portion (c)	December 31, 2024
Deferred revenue, including non-current portion (c)	December 31, 2024
Deferred revenue, including non-current portion (c)	December 31, 2024

(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, 2024 December 31, 2024 and June 30, 2024, the Company's receivables from contracts with customers above included \$5,114, \$8,630 and \$2,432, respectively, related to various related parties. See Note 12, 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

11

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

recognized for the three and six months ended September 30, 2024 December 31, 2024 relating to the deferred Deferred revenue balance as of June 30, 2024 was \$85,476, \$155,698 and \$241,174, respectively.

Transaction Price Allocated to the Remaining Performance Obligations

As of September 30, 2024 December 31, 2024, the Company's remaining performance obligations under contracts were approximately \$601,000, \$593,132, of which 57% 49% is expected to be recognized over the next two years and an additional 43% 51% of the balance is expected to be recognized thereafter. 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. Restructuring Credits (Charges)

During the three and six months ended September 30, 2024 December 31, 2024, the Company recorded reductions in its restructuring credits liabilities of \$40 \$30 and \$70, respectively, related to adjustments for previously accrued termination benefits for certain corporate executives and employees. employees, shown in Accounts payable, accrued and other current liabilities on the condensed consolidated balance sheets. During 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, inclusive of \$0 and \$6,788 of share-based compensation expenses, respectively, shown in accounts Accounts payable, accrued and other current liabilities and additional Additional paid-in-capital on the condensed consolidated balance sheet sheets. Changes to the Company's restructuring liability through September 30, 2024 December 31, 2024 were as follows:

	Restructuring Liability
June 30, 2024	\$ 7,140
Restructuring credits	(40) (70)
Payments	(3,640) (7,040)
September 30, December 31, 2024	<u><u>\$ 3,460 30</u></u>

Note 5. Investments

As of September 30, 2024 December 31, 2024, the Company held an investment in Townsquare Media, Inc. ("Townsquare"). The Company also previously held an investment in DraftKings Inc. ("DraftKings"), which was 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."

12

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

As of September 30, 2024 December 31, 2024, the Company also held other equity investments held in trust under the Company's Executive Deferred Compensation Plan. Refer to Note 10. Pension Plans and Other Postretirement Benefit Plans for further details regarding the plan plan.

The fair value of the Company's equity investments in Class A common stock of Townsquare and Class A common stock of DraftKings with readily determinable fair value was 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.

The carrying value of the Company's investments, which is reported under Other non-current assets in the accompanying condensed consolidated balance sheets as of September 30, 2024 December 31, 2024 and June 30, 2024, is as follows:

	As of	As of	As of	
	September 30, 2024	June 30, 2024		
	December 31, 2024	June 30, 2024		
Equity investments with readily determinable fair values:				
Townsquare Class A common stock				
Townsquare Class A common stock				
Townsquare Class A common stock				
Other equity investments with readily determinable fair values held in trust under the Company's Executive Deferred Compensation Plan				
Other equity investments with readily determinable fair values held in trust under the Company's Executive Deferred Compensation Plan				
Other equity investments with readily determinable fair values held in trust under the Company's Executive Deferred Compensation Plan				
Equity method investments and equity investments without readily determinable fair values ^(a)				
Equity method investments and equity investments without readily determinable fair values ^(a)				
Equity method investments and equity investments without readily determinable fair values ^(a)				
Total investments				

(a) Inclusive of the Company's investment in Oak View Group's Crown Properties Collection, LLC ("CPC").

12

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

The following table summarizes the realized and unrealized gain (loss) on equity investments with readily determinable fair value, which is reported in Other (expense) income, (expense), net for the three and six months ended September 30, 2024 December 31, 2024 and 2023:

Three Months Ended Three Months Ended Six Months Ended

	Three Months Ended	Three Months Ended	
	September 30,	September 30,	
	September 30,	September 30,	
	December 31,	December 31,	
	2024	2024	
	2024	2023	
	2024	2024	2023
Unrealized loss — Townsquare			
Unrealized loss — Townsquare			
Unrealized loss — Townsquare			
Unrealized gain (loss) — Executive Deferred Compensation Plan			
Unrealized gain (loss) — Executive Deferred Compensation Plan			
Unrealized gain (loss) — Executive Deferred Compensation Plan			
Realized gain from shares sold — DraftKings			
Realized gain from shares sold — DraftKings			
Unrealized (loss) gain — Townsquare			
Unrealized (loss) gain — Executive Deferred Compensation Plan			
Realized gain from shares sold — DraftKings			
Realized gain from shares sold — Townsquare			
Realized gain from shares sold — Townsquare			
Realized gain from shares sold — Townsquare			
Total realized and unrealized gain (loss)			
Total realized and unrealized gain (loss)			
Total realized and unrealized gain (loss)			
Supplemental information on realized gain:			
Supplemental information on realized gain:			
Total realized and unrealized (loss) gain			
Supplemental information on realized gain:			
Shares of common stock sold — DraftKings			
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			
Cash proceeds from common stock sold — DraftKings			
Shares of common stock sold — Townsquare			
Shares of common stock sold — Townsquare			
Shares of common stock sold — Townsquare			
Cash proceeds from common stock sold — Townsquare			
Cash proceeds from common stock sold — Townsquare			
Cash proceeds from common stock sold — Townsquare			

Note 6. Property and Equipment, Net

As of September 30, 2024 December 31, 2024 and June 30, 2024, property and equipment, net consisted of the following:

	As of	
	September 30, 2024	June 30, 2024
	December 31, 2024	June 30, 2024
Land		
Buildings		
Equipment, furniture, and fixtures		
Leasehold improvements		

Construction in progress
Total Property and equipment
Less: accumulated depreciation and amortization
Property and equipment, net

The Company recorded depreciation and amortization expense on property and equipment of **\$13,781** **\$14,183** and **\$13,585** **\$27,964** for the three and six months ended **September 30, 2024** **December 31, 2024**, respectively, and **2023**, **\$13,205** and **\$26,789** for the three and six months ended December 31, 2023, respectively, which is recognized in Depreciation and amortization in the condensed consolidated statements of operations.

13

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

Note 7. Goodwill and Intangible Assets

As of **September 30, 2024** **December 31, 2024** and June 30, 2024, the carrying amount of **goodwill** **Goodwill** was **\$69,041**, **\$69,041** and does not reflect any historical impairment charges.

The Company's **indefinite-lived** **Indefinite-lived** intangible assets as of **September 30, 2024** **December 31, 2024** and June 30, 2024 were as follows:

	As of	
	September 30, 2024	June 30, 2024
	December 31, 2024	June 30, 2024
Trademarks		
Photographic related rights		
Total indefinite-lived intangible assets		

During the first quarter of Fiscal Year 2025, the Company performed its annual qualitative impairment test of **goodwill** **Goodwill** and **indefinite-lived** **Indefinite-lived** intangible assets and determined that there were no impairments of **goodwill** and **indefinite-lived intangibles** **Goodwill** or **Indefinite-lived intangible assets** identified as of the impairment test date.

13

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

Note 8. 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, 2024 included a total of \$323,178 (primarily related to contractual obligations).

During the **three** **six** months ended **September 30, 2024** **December 31, 2024**, 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. 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. 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 13. Additional Financial Information) 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.

14

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

Note 9. 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 agreements as of **September 30, 2024** **December 31, 2024** and **June 30, 2024**:

	As of
	As of
	As of
	September 30, 2024
	September 30, 2024
	September 30, 2024
	December 31, 2024
Current Portion	
Current Portion	
Current Portion	
National Properties Term Loan Facility	
National Properties Term Loan Facility	
National Properties Term Loan Facility	
Current portion of long-term debt	
Current portion of long-term debt	
Current portion of long-term debt	

	As of					
	September 30, 2024			June 30, 2024		
	Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net
Non-current Portion						
National Properties Term Loan Facility	\$ 601,250	\$ (8,814)	\$ 592,436	\$ 609,375	\$ (9,624)	\$ 599,751
National Properties Revolving Credit Facility	55,000	(461)	54,539	—	(503)	(503)
Long-term debt, net of deferred financing costs	<u>\$ 656,250</u>	<u>\$ (9,275)</u>	<u>\$ 646,975</u>	<u>\$ 609,375</u>	<u>\$ (10,127)</u>	<u>\$ 599,248</u>

14

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

	As of					
	December 31, 2024			June 30, 2024		
	Principal	Unamortized Deferred Financing Costs	Net	Principal	Unamortized Deferred Financing Costs	Net
Non-current Portion						
National Properties Term Loan Facility	\$ 593,125	\$ (8,005)	\$ 585,120	\$ 609,375	\$ (9,624)	\$ 599,751
National Properties Revolving Credit Facility	—	(419)	(419)	—	(503)	(503)

Long-term debt, net of deferred financing costs	\$ 593,125	\$ (8,424)	\$ 584,701	\$ 609,375	\$ (10,127)	\$ 599,248
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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, providing for a five-year, \$650,000 senior secured term loan facility (the "National Properties Term Loan Facility") and a five-year, \$150,000 revolving credit facility (the "National Properties Revolving Credit Facility" and, together with the National Properties Term Loan Facility, the "National Properties Facilities"). Up to \$25,000 of the National Properties Revolving Credit Facility is available for the issuance of letters of credit. As of **September 30, 2024** **December 31, 2024**, outstanding letters of credit were \$18,826 and the remaining balance available under the National Properties Revolving Credit Facility was **\$76,174**, **\$131,174**.

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, 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 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, 2024** **December 31, 2024** was **7.45%** **6.94%**.

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. 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.

15

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

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 a 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 was set at a ratio of 2:1 before stepping up to 2.5:1 in the fiscal quarter ended 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, which stepped down to 5.5:1 in the fiscal quarter ended June 30, 2024 and steps down to 4.5:1 in the fiscal quarter ending June 30, 2026. As of **September 30, 2024** **December 31, 2024**, 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").

15

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

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	Interest Payments	Principal Repayments	Interest Payments	Principal Repayments
Three Months Ended	Three Months Ended			
September 30,	September 30,			
Six Months Ended	Six Months Ended			
December 31,	December 31,			
2024	2024	2023	2024	2023
National Properties Facilities				

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

As of				
September 30, 2024		June 30, 2024		
December 31, 2024		June 30, 2024		
Carrying Value (a)	Carrying Value (a)	Fair Value	Carrying Value (a)	Fair Value
National Properties Facilities				
National Properties Facilities				
National Properties Facilities				

(a) The total carrying value of the Company's debt as of September 30, 2024 December 31, 2024 and June 30, 2024 is equal to the current and non-current principal payments for the Company's credit agreements excluding unamortized deferred financing costs of \$9,275 \$8,424 and \$10,127, 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.

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

Note 10. Pension Plans and Other Postretirement Benefit Plans

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, The Madison Square Garden 401(k) Savings Plan (the "401(k) Plan"), the MSG Entertainment Holdings, LLC Excess Savings Plan (together with the 401(k) Plan, the "Savings Plans"), together with the associated excess savings plan, and the Madison Square Garden 401(k) Union Plan (the "Union Savings Plan").

Defined Benefit Pension Plans and Other Postretirement Benefit Plans

The following table presents the components of net periodic benefit cost for the Pension Plans and Postretirement Plan included in the accompanying condensed consolidated statements of operations for the three and six months ended September 30, 2024 December 31, 2024 and 2023. Service cost is recognized in direct operating expenses and selling, general and administrative expenses. All other components of net periodic benefit cost are reported in Other expense, net.

	Pension Plans		Postretirement Plan	
	Three Months Ended		Three Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Service cost	\$ 18	\$ 17	\$ 5	\$ 6
Interest cost	1,668	1,469	30	24
Expected return on plan assets	(1,292)	(1,091)	—	—
Recognized actuarial loss	446	238	6	—
Net periodic cost	\$ 840	\$ 633	\$ 41	\$ 30

	Pension Plans		Postretirement Plan	
	Three Months Ended		Three Months Ended	

	December 31,		December 31,	
	2024	2023	2024	2023
Service cost	\$ 17	\$ 17	\$ 5	\$ 6
Interest cost	1,669	1,469	30	24
Expected return on plan assets	(1,292)	(1,091)	—	—
Recognized actuarial loss	447	662	6	—
Net periodic cost	\$ 841	\$ 1,057	\$ 41	\$ 30

	Pension Plans		Postretirement Plan	
	Six Months Ended		Six Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2024	2023	2024	2023
Service cost	\$ 35	\$ 34	\$ 10	\$ 12
Interest cost	3,337	2,938	60	48
Expected return on plan assets	(2,584)	(2,182)	—	—
Recognized actuarial loss	893	899	12	—
Net periodic cost	\$ 1,681	\$ 1,689	\$ 82	\$ 60

Contributions for Qualified Defined Benefit Pension Plans

During the three and six months ended **September 30, 2024** December 31, 2024, the Company contributed \$0 and \$3,300, respectively, to a non-contributory, qualified cash balance retirement plan covering the Company's non-union employees.

16

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

Defined Contribution Plans

For the three and six months ended **September 30, 2024** December 31, 2024 and 2023, expenses related to the Savings Plans and Union Savings Plan included in the accompanying condensed consolidated statements of operations are as follows:

	Three Months Ended		Three Months Ended		Six Months Ended
	Three Months Ended				
	Three Months Ended				
	September 30,				
	September 30,				
	September 30,				
	2024				
	2024				
		December 31,	December 31,		
		2024	2024	2023	2024
					2023
Savings Plans					
Savings Plans					
Savings Plans					
Union Savings Plan					
Union Savings Plan					
Union Savings Plan					

17

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

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 expense income of \$220 \$26 for the three months ended September 30, 2024 December 31, 2024 and a compensation cost credit expense of \$145 \$194 for the six months ended December 31, 2024 and compensation expense of \$343 and \$198, respectively, for the three and six months ended September 30, 2023 December 31, 2023, in each within Selling, general, and administrative expenses to reflect the remeasurement of the Deferred Compensation Plan liability. In addition, the Company recorded a gain loss of \$220 \$26 for the three months ended September 30, 2024 December 31, 2024 and a loss gain of \$145 \$194 for the six months ended December 31, 2024 and gains of \$343 and \$198, respectively, for the three and six months ended September 30, 2023 December 31, 2023, within Other expense, (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 balance sheets:

	As of	
	September 30, 2024	June 30, 2024
	December 31, 2024	June 30, 2024
Deferred Compensation Plan assets (included in Other non-current assets)		
Deferred Compensation Plan liabilities (included in Other non-current liabilities)		

Note 11. Share-based Compensation

The Company has two share-based compensation plans: the 2023 Employee Stock Plan and the 2023 Stock Plan for Non-Employee Directors. See Note 14. Share Based 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 statements of operations as a component of direct operating expenses or selling, general, and administrative expenses. The following table summarizes the Company's share-based compensation expense:

	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	Three Months Ended	
	September 30,	September 30,	September 30,	
	September 30,	September 30,	September 30,	
	2024	2024	2024	
	2024	2024	2024	2023
Share-based compensation expense (a)		December 31,	December 31,	
Share-based compensation expense (a)		2024	2024	2024
Share-based compensation expense (a)			2023	2023
Fair value of awards vested (b)				
Fair value of awards vested (b)				
Fair value of awards vested (b)				

(a) The expense shown excludes \$6,788 for the three six months ended September 30, 2023 December 31, 2023, which was reclassified to Restructuring charges in the condensed consolidated statements of operations as detailed in Note 4. Restructuring Credits (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 \$12,808 \$1,561 and \$11,817 \$14,369, and \$412 and \$12,229, respectively, were retained by the Company during the three and six months ended September 30, December 31, 2024 and 2023, respectively.

For the three and six months ended September 30, 2024 December 31, 2024, weighted-average shares used in the calculation for diluted earnings per share ("EPS") consisted of 48,611 and 2023 all 48,543 weighted-average shares of Class A Common Stock, respectively, for basic EPS and the dilutive effect of 275 and 267 shares of Class A Common Stock, respectively, issuable under share-based compensation plans. For the three and six months ended December 31, 2024, weighted-average anti-dilutive shares primarily consisted of approximately 855 and 728 RSUs and stock options, respectively, and were excluded from the anti-dilutive calculation of diluted EPS because the Company reported a net loss for the period and, therefore, their impact on reported loss per share effect would have been antidilutive. anti-dilutive.

As of September 30, 2024 December 31, 2024, there was \$55,333 \$46,798 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 2.5 2.3 years.

Award Activity

RSUs

During the **three** **six** months ended **September 30, 2024** **December 31, 2024** and 2023, **433,481** and **562,620** RSUs were granted, respectively, and **416,509** and **476,624** RSUs vested, respectively.

1718

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

respectively.

PSUs

During the **three** **six** months ended **September 30, 2024** **December 31, 2024** and 2023, 386 and 506 PSUs were granted, respectively, and **305,391** and **241,273** PSUs vested, respectively.

Note 12. Related Party Transactions

As of **September 30, December 31, 2024**, members of the Dolan family, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, and 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, \$0.01 par value per share ("Class B Common Stock") and approximately 4.1% of the Company's outstanding Class A Common Stock (inclusive of options exercisable within 60 days of **September 30, December 31, 2024**). Such shares of Class A Common Stock and Class B Common Stock, collectively, represent approximately **63.6%** **63.9%** of the aggregate voting power of the Company's outstanding common stock. Members of the Dolan Family Group are also the controlling stockholders of Sphere Entertainment, MSG Sports, and AMC Networks Inc.

See Note 17. Related Party Transactions, included in the Company's Audited Consolidated and Combined 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.

In the third quarter of Fiscal Year 2024, the Company entered into a commercial agreement with CPC, under which CPC **provides** **provided** sponsorship sales services. The Company recorded commission expense of **\$494** **\$1,009** and **\$1,503**, and **\$0** and **\$0** for the **three** **and** **six** months ended **September 30, December 31, 2024** and 2023, respectively. As of **September 30, December 31, 2024** and June 30, 2024, prepaid expenses associated with this arrangement were **\$6,998** **\$7,312** and **\$5,993**, respectively, and are reported under Prepaid expenses and other current assets, and Other non-current assets in the accompanying condensed consolidated balance sheets. The Company provided a notice of termination with respect to the commercial agreement on September 20, 2024 and **is currently negotiating the related** **has subsequently negotiated** a wind down.

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** **the Company's** venues, which was assigned to the Company in connection with the Distribution. Pursuant to this arrangement, the Company recognized **\$0** and **\$34** of expense for the **three** **and** **six** months ended **September 30, 2023, December 31, 2023, 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.

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 statements of operations for the **three** **and** **six** months ended **September 30, 2024** **December 31, 2024** and 2023:

	Three Months	Three Months	Three Months	Six Months Ended
	Three Months	Three Months	Three Months	
	September 30,	September 30,	September 30,	
	September 30,	September 30,	September 30,	
	2024	2024	2024	
	2024	2024	2024	
	December 31,	December 31,	December 31,	
	2024	2024	2023	2024
	2024	2024	2023	2023
Revenues				
Revenues				
Revenues				
Operating expenses (credits):				

Operating expenses (credits):
Operating expenses (credits):
Operating (expenses) credits:
Revenue sharing expenses
Revenue sharing expenses
Revenue sharing expenses
Reimbursement under Arena License Arrangements
Reimbursement under Arena License Arrangements
Reimbursement under Arena License Arrangements
Cost reimbursement from MSG Sports
Cost reimbursement from MSG Sports
Cost reimbursement from MSG Sports
Cost reimbursement from Sphere Entertainment
Cost reimbursement from Sphere Entertainment
Other operating (credits) expenses, net
Other operating (credits) expenses, net
Other operating (credits) expenses, net
Total operating expenses (credits), net ^(a)
Total operating expenses (credits), net ^(a)
Total operating expenses (credits), net ^(a)
Other operating credits (expenses), net
Total operating (expense) credits, net ^(a)

(a) Of the total operating expenses (credits) credits (expenses), net, \$1,294 \$96 and \$1,310 \$(1,148) for the three and six months ended September 30, 2024 December 31, 2024 and \$(1,246) and \$(2,556) for the three and six months ended December 31, 2023, respectively, are included in direct operating expenses in the accompanying condensed consolidated statements of operations, and \$(32,714) \$30,476 and \$(40,231) \$63,140 for the three and six months ended September 30, December 31, 2024 and \$36,535 and \$76,766 for the three and six months ended December 31, 2023, respectively, are included in selling, general, and administrative expenses.

1819

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

2024 and 2023, respectively, are included in selling, general, and administrative expenses.

Revenues

The Company recorded \$1,324 \$26,961 and \$28,285 of revenues under the Arena License Agreements for the three and six months ended September 30, 2024 December 31, 2024, respectively. In addition to the Arena License Agreements, during the three and six months ended September 30, December 31, 2024, the Company's revenues from related parties primarily reflected sponsorship sales and service representation agreements of \$2,751, \$5,914 and \$8,665, respectively, and merchandise sharing revenues of \$247, \$2,724 and \$2,971, respectively, with MSG Sports. The Company also earned sublease revenue from related parties of \$3,561 \$3,079 and \$6,640 during the three and six months ended September 30, 2024 December 31, 2024, respectively.

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, respectively. In addition, during the three and six months ended September 30, December 31, 2023, the Company recorded revenues under 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.

Note 13. Additional Financial Information

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

	As of	
	September 30, 2024	June 30, 2024
	December 31, 2024	June 30, 2024

Cash and cash equivalents	
Restricted cash	
Total cash, cash equivalents, and restricted cash	

The Company's **cash**, **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, 2024	June 30, 2024
	December 31, 2024	June 30, 2024
Prepaid revenue sharing expense		
Other prepaid expenses		
Current contract assets		
Inventory ^(a)		
Other		
Other		
Other		
Total prepaid expenses and other current assets		

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

Other non-current assets consisted of the following:

	As of
	As of
	As of
	September 30, 2024
	September 30, 2024
	September 30, 2024
	December 31, 2024
	December 31, 2024
	December 31, 2024
Unbilled lease receivable ^(a)	
Unbilled lease receivable ^(a)	
Unbilled lease receivable ^(a)	
Investments ^(b)	
Investments ^(b)	
Investments ^(b)	
Deferred costs	
Deferred costs	
Deferred costs	
Other	
Other	
Other	
Total other non-current assets	
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. Investments for more information on long-term investments.*

1920

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

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

	As of	
	September 30, 2024	June 30, 2024
	December 31, 2024	June 30, 2024
Accounts payable		
Accrued payroll and employee related liabilities		
Cash due to promoters		
Accrued expenses		
Accrued expenses and other current liabilities		
Total accounts payable, accrued and other current liabilities		

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

	Three Months Ended	Three Months Ended	Six Months Ended
	Three Months Ended	Three Months Ended	
	September 30, September 30, September 30,	September 30, September 30, September 30,	
	2024	2024	
	2024	2024	
	December 31,	December 31,	
	2024	2023	2023
Gains from shares sold — DraftKings			
Gains from shares sold — DraftKings			
Gains from shares sold — DraftKings			
Gains from shares sold - TSQ			
Gains from shares sold - TSQ			
Gains from shares sold - TSQ			
Net unrealized loss on equity investments with readily determinable fair value			
Net unrealized loss on equity investments with readily determinable fair value			
Net unrealized loss on equity investments with readily determinable fair value			
Other			
Other			
Other			
Total other expense, net			
Total other expense, net			
Total other expense, net			
Total other (expense) income, net			

Income Taxes

During the **three** **six** months ended **September 30, 2024** **December 31, 2024** and **September 30, 2023** **December 31, 2023**, the Company made income tax payments of **\$381,480** and **\$0, \$58**, respectively. Income tax **benefit** **expense** for the **three** **and** **six** months ended **September 30, 2024** **December 31, 2024** of **\$13,601**, **\$49,473** and **\$35,872**, respectively, reflects an effective tax rate of **41%** **39%**. The estimated annual effective tax rate exceeds the statutory federal tax rate of 21% primarily due to state and local taxes and **excess tax**

deficiencies related to share-based nondeductible officers' compensation. The Company expects to utilize its net operating losses during Fiscal Year 2025 and as such will become a federal taxpayer by the end of Fiscal Year 2025.

Income tax benefit expense for the three and six months ended September 30, 2023 December 31, 2023 of \$659, \$1,054 and \$395, respectively, reflects an effective tax rate of 1%. The estimated annual effective tax rate is lower than the statutory federal tax rate of 21% primarily due to a decrease in the valuation allowance, partially offset by state taxes.

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 and six months ended December 31, 2024, the Company did not repurchase any repurchased 682 shares of Class A Common Stock under the plan in the three months ended September 30, 2024, for approximately \$25,000. As of September 30, 2024 December 31, 2024, the Company had approximately \$110,000 \$85,000 remaining available for repurchases.

Note 14. Subsequent Events Concentration of Risk

In October

Accounts receivable, net on the accompanying consolidated balance sheets as of December 31, 2024 and June 30, 2024 included amounts due from the following individual customers, which accounted for the noted percentages of the gross balance:

	As of	
	December 31, 2024	June 30, 2024
Customer A	13 %	N/A
Customer B	11 %	N/A
Customer C	N/A	12 %

For the six months ended December 31, 2024, the Company paid down \$30,000 had no customers that made up 10% of outstanding principal under the National Properties Revolving Credit Facility. On November 7, 2024 the Company paid down the remaining outstanding principal balance of \$25,000 under the National Properties Revolving Credit Facility, total revenues.

2021

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. ("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 professional 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;
- the effect of any postponements or cancellations by third-parties or the Company of scheduled events, whether as a result of a pandemic or other public health emergency due to operational challenges and other health and safety concerns or otherwise;
- 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;
- 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;
- activities or other developments (such as a pandemic or other public health emergency) 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, **including potential legislation related to ticketing**, 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 Distribution (as defined below);
- our ability to achieve the intended benefits of the 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 Distribution; and
- the additional factors described under "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended June 30, 2024 filed with the Securities and Exchange Commission (**the "SEC"**) on August 16, 2024 (the "2024 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 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, 2024 and 2023 and for the three years ended June 30, 2024, 2023 and 2022 (the "Audited Consolidated and Combined Annual Financial Statements") included in the 2024 Form 10-K, to help provide an understanding of our financial condition, changes in financial condition and results of operations.

The Company reports on a fiscal year basis ending on June 30th ("Fiscal Year"). In this MD&A, the years ending and ended on June 30, 2025, and 2024, and 2023, respectively, are referred to as "Fiscal Year 2025," "Fiscal Year 2024" 2025 and "Fiscal Year 2023, 2024," respectively.

Our MD&A is organized as follows:

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

Results of Operations. This section provides an analysis of our unaudited results of operations for the three and six months ended September 30, 2024 December 31, 2024 and 2023.

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, 2024 December 31, 2024 and 2023, as well as certain contractual 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 estimates, which are discussed in the 2024 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.

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, Sphere Entertainment distributed approximately 67% of the outstanding common stock of the Company to its stockholders (the "Distribution"), with Sphere Entertainment retaining approximately 33% of the outstanding common stock of MSG Entertainment in the form of Class A common stock, \$0.01 par value per share ("Class A Common Stock"), immediately following the Distribution (the "Retained Interest"). As a result, the Company became an independent publicly traded company on April 21, 2023. 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. Description of Business and Basis of Presentation to the Company's Audited Consolidated and Combined Annual Financial Statements for more information regarding the Distribution.

Factors Affecting Results of Operations

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.

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.

Results of Operations

Total revenue is presented in three categories consisting of (i) Revenues from entertainment offerings, (ii) Food, beverage, and merchandise revenues, and (iii) Arena license fees and other leasing revenues. In addition, total direct operating expenses is presented in two categories consisting of (i) Entertainment offerings, arena license fees and other leasing direct operating expenses and (ii) food, Food, beverage, and merchandise direct operating expenses. Prior period financial information has been revised to conform with the current period presentation.

Comparison of the three and six months ended September 30, 2024 December 31, 2024 versus the three and six months ended September 30, 2023 December 31, 2023.

September	30,	Change
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	December		Change	Amount	Percentage	2024	2023
	31,	2024					
Revenues							
Revenues from entertainment offerings							
Revenues from entertainment offerings	\$115,081	\$116,505	\$ (1,424)	(1)	(1) %	\$318,276	\$
Food, beverage, and merchandise revenues	18,975	23,261	23,261	(4,286)	(4,286)	(18)	Food, beverage, and merchandise revenues
Arena license fees and other leasing revenue	4,658	2,446	2,446	2,212	2,212	90	Arena license fees and other leasing revenue
Total revenues	138,714	142,212	142,212	(3,498)	(3,498)	(2)	Total revenues
Direct operating expenses							
Entertainment offerings, arena license fees, and other leasing direct operating expenses							
Entertainment offerings, arena license fees, and other leasing direct operating expenses							
Entertainment offerings, arena license fees, and other leasing direct operating expenses	(86,466)	(90,559)	(90,559)	4,093	4,093	5	5 %
Food, beverage, and merchandise direct operating expenses	(11,243)	(11,118)	(11,118)	(125)	(125)	(1)	Food, beverage, and merchandise direct operating expenses
Total direct operating expenses	(97,709)	(101,677)	(101,677)	3,968	3,968	4	4 %
Selling, general, and administrative expenses	(45,746)	(48,822)	(48,822)	3,076	3,076	6	6 %
Depreciation and amortization	(13,781)	(13,585)	(13,585)	(196)	(196)	(1)	Depreciation and amortization
Restructuring credits (charges)							
Restructuring credits (charges)	40	(11,553)	(11,553)	11,593	11,593	100	100 %
Operating loss	(18,482)		(33,425)		14,943		45 %
Operating income	139,001		137,423		1,578		1 %
Interest income	372	851	851	(479)	(479)	(56)	Interest income
Interest expense	(14,043)	(14,287)	(14,287)	244	244	2	2 % Interest expense
Other expense, net	(769)		(4,469)		3,700		83 %
Loss from operations before income taxes	(32,922)		(51,330)		18,408		36 %
Income tax benefit	13,601		659		12,942		NM
Net loss attributable to MSG Entertainment's stockholders	\$ (19,321)		\$ (50,671)		\$ 31,350		62 %
Other (expense) income, net	(1,045)		2,846		(3,891)		NM

Income from operations before income taxes	125,366	126,303	(937)	(1) %
Income tax expense	(49,473)	(1,054)	(48,419)	NM
Net income	<u>\$ 75,893</u>	<u>\$ 125,249</u>	<u>\$ (49,356)</u>	<u>(39) %</u>

	Six Months Ended			
	December 31,		Change	
	2024	2023	Amount	Percentage
Revenues				
Revenues from entertainment offerings	\$ 433,357	\$ 434,791	\$ (1,434)	— %
Food, beverage, and merchandise revenues	78,296	82,012	(3,716)	(5)%
Arena license fees and other leasing revenue	34,478	28,075	6,403	23 %
Total revenues	546,131	544,878	1,253	— %
Direct operating expenses				
Entertainment offerings, arena license fees, and other leasing direct operating expenses	(250,760)	(262,571)	11,811	4 %
Food, beverage, and merchandise direct operating expenses	(44,023)	(41,867)	(2,156)	(5)%
Total direct operating expenses	(294,783)	(304,438)	9,655	3 %
Selling, general, and administrative expenses	(102,935)	(97,211)	(5,724)	(6)%
Depreciation and amortization	(27,964)	(26,789)	(1,175)	(4)%
Restructuring credits (charges)	70	(12,441)	12,511	NM
Operating income	120,519	103,999	16,520	16 %
Interest income	737	1,935	(1,198)	(62)%
Interest expense	(26,998)	(29,336)	2,338	8 %
Other expense, net	(1,814)	(1,625)	(189)	(12)%
Income from operations before income taxes	92,444	74,973	17,471	23 %
Income tax expense	(35,872)	(395)	(35,477)	NM
Net income	<u>\$ 56,572</u>	<u>\$ 74,578</u>	<u>\$ (18,006)</u>	<u>(24)%</u>

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, 2024** decreased **\$3,498** **December 31, 2024** increased **\$4,751** and **\$1,253**, respectively, as compared to the prior year period.

Revenues from Entertainment Offerings

For the three months ended **September 30, 2024** **December 31, 2024** the decrease in Revenues from entertainment offerings was primarily due to lower event-related revenues of **\$1,534**, **\$22,521** largely offset by (i) higher revenues from the presentation of the *Christmas Spectacular* production of **\$15,140**, and (ii) higher revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements of **\$7,706**.

The decrease in event-related revenues was due to (i) lower revenues from concerts of **\$17,599**, which reflects lower per-concert revenues primarily due to a shift in the mix of the events at The Garden from promoted events to rentals and a decrease in the number of events at The Garden, and (ii) lower revenues from other live entertainment and sporting events (excluding the Knicks and Rangers) of **\$4,922**, which was primarily due to lower per-show revenues from other live entertainment events, partially offset by an increase in the number of other live entertainment events and higher per-show revenue for sporting events.

The increase in revenues from the presentation of the *Christmas Spectacular* production was primarily due to an increase in ticket-related revenue, which reflected higher per-show revenue and, to a lesser extent, two additional performances as compared to the prior year period. The increase in per-show revenue was primarily due to higher average ticket yield and, to a lesser extent, higher average per-show attendance as compared to the prior year period. The Company had 200 *Christmas Spectacular* performances during this year's holiday season, of which 185 took place in the fiscal 2025 second quarter, as compared to 193 performances in the prior year's holiday season, of which 183 took place in the fiscal 2024 second quarter. For this year's holiday season, approximately 1.1 million tickets were sold, as compared to more than 1.0 million tickets sold in the prior year.

For the three months ended December 31, 2024, the increase in revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License agreements was primarily due to higher suite license fee revenues.

For the six months ended December 31, 2024, the decrease in Revenues from entertainment offerings was primarily due to lower event-related revenues of **\$24,055** which was partially offset by higher revenue from the presentation of the *Christmas Spectacular* production of **\$15,151** and higher revenues subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements of **\$7,179**.

The decrease in event-related revenues reflects (i) lower revenues from concerts of ~~\$990~~ \$18,590, which reflects lower per-concert revenues due to a shift in the mix of the events at The Garden from promoted events to rentals and a decrease in the number of events at the Company's theaters, partially offset by an increase in the number of concerts at The Garden, and (ii) lower revenues from other live entertainment and sporting events (excluding the Knicks and Rangers) of ~~\$543~~ \$5,465 which was primarily due to lower per-show revenues from other live entertainment events, partially offset by an increase in the number of other live entertainment events and higher per-show revenue for sporting events.

Food, Beverage, and Merchandise Revenues

For the three months ended ~~September 30, 2024~~ December 31, 2024, the increase in Food, beverage, and merchandise revenues was primarily due to (i) higher food and beverage sales at Knicks and Rangers games, (ii) higher food, beverage and merchandise sales related to the *Christmas Spectacular* production and (iii) other revenue increases, all as compared to the prior year quarter partially offset by (iv) lower food and beverage sales at concerts at the Company's venues.

The increase in food and beverage sales at Knicks and Rangers games was due to the impact of three more Knicks and Rangers games played at The Garden and, to a lesser extent, higher average per-game revenues in the current year quarter.

The increase in food, beverage and merchandise sales related to the *Christmas Spectacular* production was due to higher average per-show revenues and, to a lesser extent, the impact of two additional shows, both as compared to the prior year quarter.

The decrease in food and beverage sales at concerts was due to fewer concerts at The Garden and, to a lesser extent, lower per-concert revenues, both as compared to the prior year quarter.

For the six months ended December 31, 2024, the decrease in food, beverage and merchandise revenues was primarily due to (i) lower food and beverage sales at concerts at the Company's venues as compared to the prior year period which partially offset by (ii) higher food and beverage sales at Knicks and Rangers games, and (iii) higher food, beverage and merchandise sales related to the *Christmas Spectacular* production.

The decrease in food and beverage sales at concerts was primarily due to fewer concerts at The Garden and, to a lesser extent, lower per-concert revenues, both as compared to the prior year period.

~~per-concert~~ The increase in food and beverage sales at Knicks and Rangers games was due to the impact of three more Knicks and Rangers games played at The Garden and, to a lesser extent, higher average per-game revenues in the current year period.

The increase in food, beverage and merchandise sales related to the *Christmas Spectacular* production was due to higher average per-show revenues and, to a lesser extent, the decrease in impact of two additional shows, both as compared to the number of events at the Company's theaters, partially offset by the increase in the number of events at the Garden prior year period.

Arena License Fees and Other Leasing Revenue

For the three months ended ~~September 30, 2024~~ December 31, 2024, the increase in revenues was due to higher arena license fees from MSG Sports pursuant to the Arena License Agreements due to three more Knicks and Rangers games played at The Garden in the current year period, and an increase in other leasing revenue.

For the six months ended December 31, 2024, the increase in revenues was primarily due to other leasing revenue and, to a lesser extent, higher arena license fees from MSG Sports pursuant to the Arena License Agreements due to three more Knicks and Rangers games played at The Garden in the current year period.

In the three and six months ended December 31, 2024, the Knicks and Rangers played a combined 35 and 37 pre/regular season games at The Garden, respectively, as compared to 32 and 34 combined pre/regular season games, respectively, in the prior year periods.

Direct operating expenses

Direct operating expenses for the three and six months ended ~~September 30, 2024~~ December 31, 2024 decreased ~~\$3,968~~ \$5,687 and ~~\$9,655~~ respectively as compared to the prior year period.

Direct Operating Expenses Associated with Entertainment Offerings, Arena License Fees and Other Leasing

For the three months ended ~~September 30, 2024~~ December 31, 2024, the decrease in direct operating expenses associated with entertainment offerings, arena license fees, and other leasing primarily reflects lower event-related expenses of ~~\$3,488~~ \$13,656, partially offset by an increase in direct operating expenses subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements of \$6,560.

The decrease in event-related expenses reflects (i) lower direct operating expenses from concerts of ~~\$3,103~~ \$14,738, primarily due to lower per-concert expenses due to a shift in the mix of events at The Garden from promoted events to rentals, partially offset by an increase and to a lesser extent, a decrease in the number of events at The Garden, and (ii) lower partially offset by higher direct operating expenses from other live entertainment and sporting events (excluding the Knicks and Rangers) of ~~\$385~~ \$1,082.

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 six months ended December 31, 2024, the decrease in direct operating expenses associated with entertainment offerings, arena license fees, and other leasing primarily reflects lower event-related expenses of ~~\$17,139~~ partially offset by an increase in direct operating expenses subject to the sharing of economics with MSG Sports pursuant to the Arena License Agreements of \$5,975.

The decrease in event-related expenses reflects (i) lower direct operating expenses from concerts of ~~\$17,837~~ primarily due to lower per-concert expenses due to a shift in the mix of events at The Garden from promoted events to rentals, and (ii) higher direct operating expenses from other live entertainment and sporting events (excluding the Knicks and Rangers) of \$698.

Direct Operating Expenses Associated with Food, Beverage, and Merchandise

For the three months ended **September 30, 2024** December 31, 2024, the increase in food, beverage and merchandise direct operating expenses was primarily driven by an increase in food and beverage costs related to **concerts held** Knicks and Rangers games at **The Garden**, higher food, beverage and merchandise costs related to the **Company's venues** *Christmas Spectacular* production and other cost increases, partially offset by a decrease in food and beverage costs related to **other live entertainment** concerts, primarily at **The Garden**.

For the six months ended December 31, 2024, the increase in food, beverage and **sporting events held** merchandise direct operating expenses was primarily driven by higher food, beverage and merchandise costs related to Knicks and Rangers games at **The Garden** and the **Company's venues** *Christmas Spectacular* production, which was partially offset by a decrease in food and beverage costs related to fewer concerts at **The Garden**.

Selling, general, and administrative expenses

For the three and six months ended **September 30, 2024** December 31, 2024, selling, general, and administrative expenses **decreased** \$3,076, **increased** \$8,800 and \$5,724, respectively, as compared to the prior year period. The decrease

For the three months ended December 31, 2024, the increase was primarily due to (i) **lower professional fees**, mainly due to the absence of non-recurring costs incurred and paid by the **Company** in the prior year period for the sale of the **Retained Interest** by **Sphere Entertainment**; (ii) a **decrease** in **employee compensation and benefits**; benefits, including, executive management transition costs of \$4,544 recognized in the current year period, and (iii) **lower other** (ii) **higher rent expense**.

For the six months ended December 31, 2024, the increase was primarily due to (i) **higher rent expense**, and (ii) an increase in **employee compensation and benefits**, including executive management transition costs of \$4,544 recognized in the current year period partially offset by **higher rent expense**. (iii) a **decrease** in **professional fees**.

Depreciation and amortization

For the three and six months ended **September 30, 2024** December 31, 2024, depreciation and amortization increased \$196, \$978 and \$1,175, respectively, as compared to the prior year period primarily due to the increase in fixed assets in the **first** **second** quarter of Fiscal Year 2025.

Restructuring credits (charges)

For the three and six months ended **September 30, 2024** December 31, 2024, restructuring charges decreased \$11,593, \$918 and \$12,511, respectively, as compared to the prior year period, which reflects termination benefits provided in the prior year period due to a workforce reduction of certain executives and employees.

Operating loss income

For the three and six months ended **September 30, 2024** December 31, 2024, operating loss improved income increased by \$14,943, \$1,578 and \$16,520, respectively. The improvement increase in operating loss income for the three months ended **September 30, 2024** December 31, 2024 was primarily due to a decrease in direct operating expenses and an increase in revenues, partially offset by higher selling, general and administrative expenses. The increase in operating income for the six months ended December 31, 2024 was primarily due to lower restructuring charges and, to a lesser extent, a decrease in direct operating expenses, and partially offset by an increase in selling, general and administrative expenses, partially offset by a decrease in revenues, as compared to the prior year period.

Interest income

For the three and six months ended **September 30, 2024** December 31, 2024, interest income decreased \$479, \$718 and \$1,198, respectively, as compared to the prior year period primarily due to lower average balances and lower interest rates in the Company's cash, cash equivalents and restricted cash.

Interest expense

For the three and six months ended **September 30, 2024** December 31, 2024, interest expense decreased \$244, \$2,094 and \$2,338, respectively, as compared to the prior year period primarily due to lower average borrowings and lower interest rates under the National Properties Facilities (as defined below under Liquidity and Capital Resources).

Other expense, net (expense) income, net

For the three and six months ended **September 30, 2024** December 31, 2024, other expense, Other (expense) income, net was \$769 increased \$3,891 and \$189, respectively, as compared to \$4,469 for the three months ended **September 30, 2023**, a decrease of \$3,700 prior year period. The change was changes were primarily due to (i) a change in unrealized gains to an unrealized loss of \$5,348, \$3,279, net, associated with the investment in Townsquare Media, Inc., offset by and (ii) the absence of a \$1,548 gain associated with the investment in DraftKings Inc. recognized in the prior year period, and (iii) higher net periodic benefit costs of \$207 \$216 associated with the Company's funded and unfunded and qualified and non-qualified defined benefit plans.

Income tax benefit 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. The estimated annual effective tax rate is revised on a quarterly basis.

Income tax **benefit** **expense** for the three and six months ended **September 30, 2024** December 31, 2024 of \$13,601, \$49,473 and \$35,872, respectively, reflects an effective tax rate of 41% 39%. The estimated annual effective tax rate exceeds the statutory federal tax rate of 21% primarily due to state and local taxes and excess tax deficiencies related to share-based nonemployee officers' compensation. The Company expects to utilize its net operating losses during Fiscal Year 2025 and as such will become a federal taxpayer by the end of Fiscal Year 2025 taxpayer.

Income tax **benefit** **expense** for the three and six months ended **September 30, 2023** December 31, 2023 of \$659, \$1,054 and \$395, respectively, reflects an effective tax rate of 1%. The estimated annual effective tax rate is lower than the statutory federal tax rate of 21% primarily due to a decrease in the offset of the valuation allowance, partially offset by state and local taxes.

Adjusted operating income (loss) ("AOI")

During the third quarter of Fiscal Year 2024, the Company amended the definition of adjusted operating income so that the non-cash portion of operating lease revenue related to the Company's Arena License Agreements with MSG Sports is no longer excluded in all periods presented.

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) depreciation, amortization and impairments of property and equipment, goodwill and intangible assets,
- (ii) share-based compensation expense,
- (iii) restructuring charges or credits,
- (iv) merger, spin-off, and acquisition-related costs, including merger-related litigation expenses,
- (v) gains or losses on sales or dispositions of businesses and associated settlements,
- (vi) the impact of purchase accounting adjustments related to business acquisitions,
- (vii) amortization for capitalized cloud computing arrangement costs and,

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

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 transaction 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 income 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 (expense) income, (expense), net, which is not reflected in Operating income (loss) income.

The Company believes AOI is an appropriate measure for evaluating the operating performance of the Company on a consolidated 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, 2024 December 31, 2024 as compared to the prior year periods:

	Three Months		Change	Amount	Percentage	2024
	Ended	2024				
Operating loss	September 30,	\$ (18,482)	\$ (33,425)	\$ 14,943	45 %	
Operating income	September 30,	\$ 139,001	\$ 137,423	\$ 1,578	1 %	
Share-based compensation (excluding share-based compensation included in restructuring charges)	December 31,					
Share-based compensation (excluding share-based compensation included in restructuring charges)	December 31,					
Share-based compensation (excluding share-based compensation included in restructuring charges)	2024	6,262	6,177	6,177	85	85
Share-based compensation (excluding share-based compensation included in restructuring charges)	2024	1	1	1	1 %	1
				9,322		7,773

Depreciation and amortization	Depreciation and amortization	13,781	13,585	13,585	196	196	1	1 %	Depreciation and amortization	14,183	13,205
Restructuring (credits) charges	Restructuring (credits) charges	(40)	11,553	11,553	(11,593)	(11,593)	(100)	(100) %	Restructuring (credits) charges	(30)	888
Merger, spin-off, and acquisition-related costs ^(a)	Merger, spin-off, and acquisition-related costs ^(a)	—	2,035	2,035	(2,035)	(2,035)	NM	NM	Merger, spin-off, and acquisition-related costs ^(a)	1,361	—
Amortization for capitalized cloud computing arrangement costs	Amortization for capitalized cloud computing arrangement costs	168	—	—	168	168	NM	NM	Amortization for capitalized cloud computing arrangement costs	201	448
Remeasurement of deferred compensation plan liabilities	Remeasurement of deferred compensation plan liabilities	220	(145)	(145)	365	365	NM	NM	Remeasurement of deferred compensation plan liabilities	(26)	343
Adjusted operating income (loss) ^(b)	Adjusted operating income (loss) ^(b)	\$ 1,909	\$ (220)	\$ 2,129	NM						
Adjusted operating income ^(b)	Adjusted operating income ^(b)	\$164,012	\$ 160,080	\$ 3,932	2 %						

		Six Months Ended		Change	
		December 31,		Amount	Percentage
		2024	2023		
Operating income		\$ 120,519	\$ 103,999	\$ 16,520	16 %
Share-based compensation (excluding share-based compensation included in restructuring charges)		15,584	13,950	1,634	12 %
Depreciation and amortization		27,964	26,790	1,174	4 %
Restructuring (credits) charges		(70)	12,441	(12,511)	NM
Merger, spin-off, and acquisition-related costs ^(a)		1,361	2,035	(674)	(33)%
Amortization for capitalized cloud computing arrangement costs		369	448	(79)	(18)%
Remeasurement of deferred compensation plan liabilities		194	198	(4)	(2)%
Adjusted operating income ^(b)		\$ 165,921	\$ 159,861	\$ 6,060	4 %

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

(b) During the third quarter of Fiscal Year 2024, the Company amended the definition of adjusted operating income (loss) so that the non-cash portion of operating lease revenue related to the Company's Arena License Agreements with MSG Sports is no longer excluded in all periods presented. 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. Adjusted operating income (loss) includes operating lease revenue of (i) \$854 \$17,447 and \$828 \$18,301 of revenue collected in cash for the three and six months ended September 30, 2024 December 31, 2024, respectively, and 2023, \$15,409 and \$16,238 for the three and six months ended December 31, 2023, respectively, and (ii) a non-cash portion of \$470 \$9,514 and \$495 \$9,984 for the three and six months ended September 30, 2024 December 31, 2024 and 2023, respectively, and \$9,120 and \$9,615 for the three and six months ended December 31, 2023, respectively.

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

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 \$85,000 remaining as of September 30, 2024 December 31, 2024. 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, 2024 December 31, 2024, the Company's unrestricted cash and cash equivalents balance was \$37,307 \$54,919. The principal balance of the Company's total debt outstanding as of September 30, 2024 December 31, 2024 was

\$676,563 **\$617,500** and the Company had **\$76,174** **\$131,174** of available borrowing capacity under the National Properties 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.

Financing Agreements

See Note 9. 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 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 (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, providing for a five-year, \$650,000 senior secured term loan facility (the “National Properties Term Loan Facility”) and a five-year, \$150,000 revolving credit facility (the “National Properties Revolving Credit Facility” and, together with the National Properties Term Loan Facility, the “National Properties Facilities”). Up to \$25,000 of the National Properties Revolving Credit Facility is available for the issuance of letters of credit. As of **September 30, 2024** **December 31, 2024**, outstanding letters of credit were \$18,826 and the remaining balance available under the National Properties Revolving Credit Facility was **\$76,174** **\$131,174**.

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, 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 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, 2024** **December 31, 2024** was **7.45%** **6.94%**.

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. 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 a 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 was set at a ratio of 2:1 before stepping up to 2.5:1 in the fiscal quarter ended 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, which stepped down to 5.5:1 in the fiscal quarter ended June 30, 2024 and steps down to 4.5:1 in the fiscal quarter ending June 30, 2026. As of **September 30, 2024** **December 31, 2024**, 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, 2024** **December 31, 2024**, 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 6. Property and Equipment, Net and Note 8. 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, 2024** **December 31, 2024**, cash, cash equivalents and restricted cash totaled **\$37,613**, **\$55,219**, as compared to **\$33,555** as of June 30, 2024. The following table summarizes the Company's cash flow activities for the **three six** months ended **September 30, 2024** **December 31, 2024** and 2023:

	Three Months Ended	
	September 30,	
	2024	2023
Net cash (used in) provided by operating activities	\$ (27,359)	\$ 1,378
Net cash used in investing activities	(6,690)	(55,490)
Net cash provided by financing activities	38,107	9,273
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 4,058	\$ (44,839)

	Six Months Ended	
	December 31,	
	2024	2023
Net cash provided by operating activities	\$ 85,499	\$ 105,232
Net cash used in investing activities	(16,282)	(62,731)
Net cash used in financing activities	(47,553)	(89,284)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 21,664	\$ (46,783)

Operating Activities

Net cash flows from provided by operating activities for the **three six** months ended **September 30, 2024** **December 31, 2024** decreased by **\$28,737** **\$19,733** as compared to the prior year period, primarily due to (i) an increase in Net income adjusted for non-cash items of **\$7,695**, **\$2,904**, and (ii) a decrease in cash flows from changes in working capital of **\$36,432**, **\$22,637**. The decrease in cash flows from changes in working capital were driven by negative net cash outflows from related party receivables and payables as compared to net cash inflows in the prior year period; a larger decrease in accounts payable, accrued and other current and non-current liabilities; and a smaller increase in **deferred** **Deferred** revenue, in each case as compared to the **three six** months ended **September 30, 2023** **December 31, 2023**.

Investing Activities

Net cash used in investing activities for the **three six** months ended **September 30, 2024** **December 31, 2024** decreased by **\$48,800** **\$46,449** to **\$6,690** **\$16,282** as compared to the prior year period primarily due to (i) the absence of a loan to a related party under the **DDTL Facility**, **delayed draw term loan facility**, partially offset by fewer 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, 2024** increased **December 31, 2024** decreased by **\$28,834** **\$41,731** to **\$38,107** **\$47,553** as compared to the prior year period primarily due to (i) the absence of an decrease in principal debt repayments, and (ii) decrease in stock repurchases, in the current year period, partially offset by a decrease in proceeds received from the National Properties Revolving Credit Facility.

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. Summary of Significant 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 from those set forth in the 2024 Form 10-K.

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 2024 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, 2024** December 31, 2024 and continuing for a full year would increase the Company's interest expense on the outstanding amounts under the credit facilities by **\$13,531** **\$12,350**.

Item 4. Controls and Procedures

Our management, with the participation of our Executive Chairman and Chief Executive Officer and our **Executive Vice President and Interim** Chief 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 of 1934, as amended (the "Exchange Act"). Based on that evaluation, our Executive Chairman and Chief Executive Officer and our **Executive Vice President and Interim** Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of **September 30, 2024** December 31, 2024.

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 Exchange Act) during the fiscal quarter ended **September 30, 2024** December 31, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

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

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

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. **The For the six months ended December 31, 2024, the Company did not repurchase any repurchased 681,593 shares of Class A Common Stock under the plan in the three months ended September 30, 2024.** for approximately \$25 million. As of **September 30, 2024** December 31, 2024, the Company had approximately **\$110 million** **\$85 million** remaining available for repurchases.

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
October 2024	—	\$ —	—	\$ 109,488,473
November 2024	665,802	36.67	665,802	85,072,233
December 2024	15,791	36.97	15,791	84,488,503
	681,593	\$ 36.68	681,593	\$ 84,488,503

Item 6. Exhibits

(a) Index to Exhibits

EXHIBIT NO.	DESCRIPTION
<u>31.1</u>	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>31.2</u>	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u>	Certification by the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
<u>32.2</u>	Certification by the Chief 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, 2024 December 31, 2024, formatted in Inline Extensible Business Reporting Language (iXBRL): (i) condensed consolidated balance sheets, (ii) condensed consolidated statements of operations, (iii) condensed consolidated statements of comprehensive loss , income , (iv) condensed consolidated statements of cash flows, (v) condensed consolidated statements of deficit , equity (deficit), and (vi) notes to condensed consolidated financial statements.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 December 31, 2024 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 **8th** **6th** day of **November 2024**, **February 2025**.

By: /s/ MICHAEL J. GRAU LAYTH TAKI

Name: Michael J. Grau Layth Taki

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

3235

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 8, 2024 February 6, 2025

/s/ JAMES L. DOLAN

James L. Dolan

Executive Chairman and Chief Executive Officer

Certification

I, **Michael J. Grau, Lee Weinberg**, 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 8, 2024** **February 6, 2025**

/s/ **MICHAEL J. GRAU** **LEE WEINBERG**

Michael J. Grau **Lee Weinberg**

Executive Vice President and Chief Interim Financial Officer

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, 2024** **December 31, 2024** (the "Report") fully complies with the requirements of §13(a) or §15(d),

as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2024 February 6, 2025

/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, 2024 December 31, 2024 (the "Report") fully complies with the requirements of §13(a) or §15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2024 February 6, 2025

/s/ MICHAEL J. GRAU LEE WEINBERG

Michael J. Grau Lee Weinberg

Executive Vice President and Chief Interim Financial 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.

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